



**Regular City Council Meeting**  
City Council Chambers | Aledo Municipal Complex  
200 Old Annetta Road, Aledo, Texas 76008  
Thursday, January 15, 2026, at 6:00 PM

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**AGENDA**

**1. Call to Order**

**2. Invocation**

**3. Pledge of Allegiance**

**4. Citizen Appearances**

This is an opportunity for citizens to address the City Council on any agenda item not listed for public hearing or any matter not posted on the agenda. This is the citizens' only opportunity to address the City Council on agenda items not listed for public hearing. Individual citizen comments are normally limited to 3 minutes; however, time limits can be adjusted by the presiding officer. Time is not transferable. The presiding officer may ask the citizen to hold their comment on an agenda item if the item is posted as a Public Hearing. The City Council cannot, by law, take any action or have any discussion or deliberations on any presentation made at this time concerning an item not listed on the agenda. The City Council may receive the information and ask the City Manager to review the matter, or an item may be noticed on a future agenda for deliberation or action. Please sign in before the start of the meeting and provide the paper to the City Secretary.

**5. Presentations**

**a. Adopt a Resolution honoring the late Councilmember Nelson Rowls**

**b. Presentation by Republic Services regarding updates to services**

**6. Consent Agenda**

All items listed below are considered routine by the City Council and will be enacted with one motion. There will be no separate discussion of items unless a Council Member requests, in which event the item will be removed from the general order of business and considered in its normal sequence. Approval of the Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

**a. Approval of December 18, 2025 Regular City Council Meeting Minutes**

**7. Items Requiring Public Hearing**

**a. PUBLIC HEARING regarding proposed amendments to the City of Aledo Unified Development Code, Article 1 *General Provisions*, Section 14 *Changes and Amendments to all zoning ordinances and districts and administrative procedures*, as it pertains to the public notice requirements for Zoning Change requests and protest criteria for Zoning Change requests.**

**b. Discuss and consider an Ordinance amending the City of Aledo Unified Development Code, Article 1 *General Provisions*, Section 14 *Changes and Amendments to all zoning ordinances and districts and administrative procedures*, as it pertains to the public notice requirements for Zoning Change requests and protest criteria for Zoning Change requests.**

**c. PUBLIC HEARING regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Table 2.1 *Allowed Uses*, pertaining to the following uses: Adult Stores, Vape/CBD Shops, Cash-Advance Establishments, and Pawn Shops**

- d. Discuss and consider an Ordinance amending the City of Aledo Unified Development Code (UDC), Table 2.1 *Allowed Uses*, pertaining to the following uses: Adult Stores, Vape/CBD Shops, Cash-Advance Establishments, and Pawn Shops
  - e. PUBLIC HEARING regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 4 *Signage*, Table 1 *Schedule for Permanent Signs*, pertaining to ground-based signage in the Downtown (DT) zoning district.
  - f. Discuss and consider an Ordinance amending the City of Aledo Unified Development Code (UDC), Article 4 *Signage*, Table 1 *Schedule for Permanent Signs*, pertaining to ground-based signage in the Downtown (DT) zoning district.
  - g. PUBLIC HEARING regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 5 *Subdivision*, subsections *v) Construction Procedures* and *vii) Issuance of Building Permits and Certificate of Occupancy*, pertaining to the clarification of Site Development Permitting procedures.
  - h. Discuss and consider an Ordinance amending the City of Aledo Unified Development Code (UDC), Article 5 *Subdivision*, subsections *v) Construction Procedures* and *vii) Issuance of Building Permits and Certificate of Occupancy*, pertaining to the clarification of Site Development Permitting procedures.
  - i. PUBLIC HEARING regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 6 *Definitions*, to establish definitions for Service Bays and Self-Storage Facilities.
  - j. Discuss and consider an Ordinance amending the City of Aledo Unified Development Code (UDC), Article 6 *Definitions*, to establish definitions for Service Bays and Self-Storage Facilities.
8. Regular Agenda
- a. Presentation and acceptance of the City of Aledo Fiscal Year 2024-2025 Audit
  - b. Discuss and consider an Ordinance calling a Special Election to fill the vacancy in Place 4
  - c. Discuss and consider authorizing the City Manager to hire a real estate broker and obtain an independent appraisal for the former Aledo Public Library property located at 201 FM 1187, Aledo, TX 76008
  - d. Discuss and consider a Replat of Lot 2, Mid-Park Business Community, 5.231 acres, establishing Lot 2R1, 0.989 acres, Lot 2R2, 0.783 acres, Lot 2R3, 1.600 acres, Lot 2R4, 0.930 acres, Lot 2R5, 0.929 acres, generally located along Dean Drive near Bankhead Highway
  - e. Acceptance of the Library Study with requested corrections and updates.
9. Staff Presentations
- a. Recap of Christmas Tyme in Aledo
  - b. Police Department Update

## 10. Executive Session

In compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may convene in executive session to deliberate regarding the following matters:

- a. **Section 551.071 – Consultation with Attorney. To conduct a private consultation with the City Attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or 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 the provisions of Chapter 551, to include:**
  - Dean Ranch Development Conversation
  - Grand Prairie v. State
  - Litigation pertaining to Annexation
  
- b. **Section 551.087 – Deliberation Regarding Economic Development Negotiations. The City Council may convene in executive session to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described above, including the following items:**
  - Dean Ranch Development Conversation
  - Downtown Development

## 11. Adjourn Executive Session and Reconvene Into Open Session

## 12. Action Taken on Items Discussed in Executive Session, if Necessary

## 13. Mayor and Councilmember Comments

In compliance with the Texas Open Meetings Act, Council members may comment on routine city matters, ask questions of staff that require only responses of factual information or statements of existing City policy, or may request that non-routine matters of public concern be placed on a future agenda. Council members may not discuss non-agenda items among themselves.

## 14. Staff Comments

In compliance with the Texas Open Meetings Act, staff members may comment on routine City operations and projects. Staff members may respond to questions from others only with statements of factual information or existing City policy.

## 15. Adjourn

Note: The Aledo City Council may vote or take action on any of the listed agenda items and may convene into Executive Session on any matter related to any of the above agenda items for a purpose, such closed session is allowed under Chapter 551, Texas Government Code.

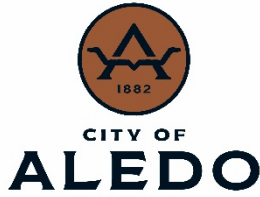
This facility is wheelchair accessible and accessible parking spaces are available. In accordance with the Americans with Disabilities Act, persons who need additional accommodations to attend or participate in the meeting should contact the City Secretary's office at (817) 441-7016 at least 48 hours prior to the meeting to request such assistance.

**CERTIFICATION**

I, Staci L. King, City Secretary, do hereby certify that this NOTICE OF MEETING was posted at the City of Aledo Municipal Complex, 200 Old Annetta Road, in accordance with the regulations of the Texas Open Meetings Act, in a place convenient and readily accessible to the general public, and was also posted to the City's website at [www.aledotx.gov](http://www.aledotx.gov), and said notice remained posted for at least two hours after the meeting was convened.

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Staci L. King, TRMC, CMC  
City Secretary



## Regular City Council Meeting

Aledo Community Center, 104 Robinson Court, Aledo, Texas 76008  
Thursday, December 18, 2025, at 6:00 PM

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### Minutes

The Aledo City Council convened on Thursday, December 18 2025, at 6:00 p.m., at the Aledo Community Center, 104 Robinson Court, Aledo, Texas, for the purpose of a Regular Meeting with the meeting being open to the public and notice of said meeting having been posted as prescribed by Chapter 551, Texas Government Code, with the following members being present:

**Council Present**

- Mayor Shane Davis
- Mayor Pro Tem Shawna Ford
- Councilmember Ben Clark
- Councilmember Todd Covington
- Councilmember Nelson Rowls
- Councilmember Summer Jones

**Staff Present**

- Mark McDaniel, Interim City Manager
- Staci L. King, City Secretary
- Alicia K. Kreh, City Attorney
  
- Carol Riddle, Chief of Police
- Travis Askins, Director of Public Works
- Erika Cooper-Bateman, Director of Community Services
- Laura Weber, Communications and Events Manager
- Jennifer Garrett, Finance Manager

**1. Call to Order**

Mayor Davis called the meeting to order at 6:00 p.m.

**2. Invocation**

Councilwoman Summer Jones led the invocation.

**3. Pledge of Allegiance**

Mayor Shane Davis led the Pledge of Allegiance to the United States Flag.

**4. Citizen Appearances**

Susan Houghtalin addressed the Council regarding a request to update the My Water Advisor app to reflect the City of Aledo's billing cycle instead of the calendar month. She also requested information regarding designating streets as thoroughfares and what the process is.

**5. Presentations**

- a. **Presentation of a commemorative clock to be displayed at the Community Center**  
Mark McDaniel, Interim City Manager, presented a commemorative clock in honor of the Council's last meeting at the Aledo Community Center.

Staff also presented Mr. McDaniel with a framed, signed City of Aledo logo and thanked him for his leadership during the hiring and transition of a new City Manager.

## 6. Consent Agenda

MOTION by Nelson Rowls, second by Shawna Ford, to approve the consent agenda as presented. MOTION CARRIED by unanimous vote.

- a. **Approve the November 20, 2025 Regular City Council Meeting and Work Session minutes**
- b. **Approve a Resolution authorizing the disposition of surplus office furniture**  
Resolution No. 2025-R-46
- c. **Grant a Request For Proposals for janitorial services and authorize the City Manager to execute a contract for such**
- d. **Approve a Resolution authorizing the purchase of two trucks for Building Services and Code Enforcement**  
Resolution No. 2025-R-47

## 7. Regular Agenda

- a. **Consideration and possible action on a Final Plat of Parcel ID 38068 1.470 acres Abst: 240, Survey: CARR CALVIN M, TR, Parcel ID 38069 1.360 acres Abst: 240, Survey: CARR CALVIN M, TR, Parcel ID 38059 1.500 acres Abst: 240, Survey: CARR CALVIN M, TR; establishing the Parkside Subdivision, Lots 1-15, 16 (Open Space), Block 1, totaling 4.336 acres in size, generally located along FM 5 near Cedar Bluff Court**

Mark McDaniel, Interim City Manager, presented the item to Council. He explained that staff reviewed the proposed Final Plat and associated documents. All comments on the plat and construction plans have been addressed; however, the City Engineer is requesting additional minor details related to the downstream analysis in the drainage report. Per the City Engineer, this data has no bearing on the plat document, and the plat and construction plans are compliant with City code. Therefore, staff recommended approval, subject to the following condition: Approval of downstream analysis by the City Engineer.

MOTION by Summer Jones, second by Shawna Ford, to approve the final plat as presented. MOTION CARRIED by unanimous vote.

- b. **Presentation and acceptance of the Library Study**  
Mark McDaniel, Interim City Manager, introduced the item. On September 18, 2025, the City Council approved a proposal for ZakTax to conduct a comprehensive library feasibility study. The study included developing a pro forma financial model and assessing revenue potential to determine the total cost of ownership for a public library located within Aledo City Hall. Robert Hanna, ZakTax presented the study to Council. Councilmember Todd Covington expressed concerns regarding data, calculations, and grammar in the

report. Councilmember Covington expressed his desire to send the report back to ZakTax for corrections before acceptance. Mayor Pro Tem Shawna Ford and Councilwoman Summer Jones said they felt the minor corrections did not change the report's overall significance.

MOTION by Todd Covington, second by Nelson Rowls, to table the report until corrections are made. Councilmember Covington amended his motion to define the desired corrections, to include: grammar and calculations; revenue information; non-resident visitor number; and ensuring Council had the correct version of the report. MOTION CARRIED by unanimous vote.

**c. Discuss and consider approval of a personnel policy changing the employee holiday schedule**

Mark McDaniel, Interim City Manager, presented the item. He explained that due to the City of Aledo's Veterans Day Ceremony, most staff are working on Veterans Day, so he recommended removing it as an official City holiday and replacing it with New Year's Eve.

MOTION by Shawna Ford, second by Nelson Rowls, to approve the holiday change as presented. MOTION CARRIED by unanimous vote.

**d. Discuss and consider an Ordinance amending the City of Aledo FY2025-2026 Strategic Initiatives Fund**

Mark McDaniel, Interim City Manager, requested that the Strategic Initiatives Fund be amended to reflect a grant award from the Texas General Land Office (GLO) for the City's Comprehensive Plan.

MOTION by Nelson Rowls, second by Shawna Ford, to approve Ordinance No. 2025-0-26 as presented. MOTION CARRIED by unanimous vote.

**e. Discuss and consider approval of an agreement with Freese and Nichols for comprehensive planning services**

MOTION by Shawna Ford, second by Summer Jones, to approve an agreement with Freese and Nichols as presented. MOTION CARRIED by unanimous vote.

**f. Discuss and consider approval of a Resolution creating the Comprehensive Plan Steering Committee**

MOTION by Ben Clark, second by Shawna Ford, to approve Resolution No. 2025-R-48 as presented. MOTION CARRIED by unanimous vote.

**g. Discuss and consider approval of a Resolution adopting the City of Aledo's Impact fee policy**

MOTION by Ben Clark, second by Shawna Ford, to approve Resolution No. 2025-R-49 adopting a policy for conservation credits for water and wastewater impact fees as presented. MOTION CARRIED by unanimous vote.

**8. Executive Session**

Mayor Davis recessed the meeting into Executive Session at 7:09 p.m.

a. **Section 551.071 – Consultation with Attorney.** To conduct a private consultation with the City Attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or 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 the provisions of Chapter 551, to include:

- Dean Ranch Development Conversation
- Grand Prairie v. State
- Wells Fargo Dispute Resolution
- Litigation pertaining to Annexation

b. **Section 551.087 – Deliberation Regarding Economic Development Negotiations.** The City Council may convene in executive session to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described above, including the following items:

- Dean Ranch Development Conversation
- Downtown Development

**9. Adjourn Executive Session and Reconvene Into Open Session**

Mayor Davis called the meeting back to regular session at 7:25 p.m.

**10. Action Taken on Items Discussed in Executive Session, if Necessary**

No action was taken on items discussed in Executive Session.

**11. Mayor and Councilmember Comments**

**12. Staff Comments**

**13. Adjourn**

The meeting was adjourned at 07:28 PM

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Shane Davis, Mayor

ATTEST:

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Staci L. King, City Secretary



**Date:** January 15, 2026  
**To:** City Council  
**From:** Grant Fore, Senior Planner, Berkley Group  
**Subject:** Hold a public hearing and consider an amendment to Article 1, General Provisions, Section 14, Changes and Amendments to all zoning ordinance and districts and administrative procedures, of the City of Aledo Unified Development Code (UDC), pertaining to the public notice requirements for Zoning Change requests and protest criteria for Zoning Change requests.

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**Summary:**

**PREVIOUS ACTION**

On 11/10/2025, the City Council and Planning and Zoning Commission held a joint workshop to review and discuss potential amendments to the City's Unified Development Code (UDC). During this workshop, the City Attorney recommended revisions to the UDC to align with new state law pertaining to zoning change public notice requirements and criteria for protests. On 12/11/2025, at their regular meeting, the Planning and Zoning Commission recommended approval of the amendment by a 6-0 vote.

**BACKGROUND**

The Texas Local Government Code (TLGC) Section 211 Municipal Zoning Authority requires municipalities to fulfill certain public notice requirements to advertise public hearings for requests for zoning changes. Public notice requirements include sending letters to neighboring property owners and publishing notice in the municipality's newspaper of record. Previously, cities could elect to post a sign to advertise the hearings at the subject property; though it was not required by the state.

In the 89<sup>th</sup> State of Texas legislative session, House Bill 24 was adopted into law and enacted the following changes to Section 211.0073 of TLGC pertaining to the advertisement of public hearings via posting signs at the subject property:

*Section 211.0073 Notice Sign Requirement for Certain Zoning Changes in Home-Rule Municipalities:*

- a. *Not later than the 10<sup>th</sup> day before the date of the zoning commission of a home-rule municipality holds a hearing on a proposed change in zoning classification that does not apply to the whole municipality and until the date of the final determination of the proposed change by the governing body of the municipality, the zoning commission shall post a notice sign in accordance with this section on:*
  1. *The property affected by the change; or*

2. *A public right-of-way for a change initiated by the municipality that affects multiple properties*
- b. *The notice sign must be at least 24 inches long by 48 inches wide.*
- c. *The zoning commission may elect to provide, maintain, and pay for a notice sign under this section or require an applicant for a change in zoning classification to provide, maintain, pay for the sign.*
- d. *Notice requirements prescribed under this section are in addition to notice required by Section 211.007.*

Additionally, House Bill 24 enacted changes to formal protests of non-comprehensive zoning change requests by property owners, which includes:

*Section 211.0061 Protest Procedures for Certain Proposed Changes:*

- a. *This section applies only to a proposed change to a zoning regulation or district boundary that is not a proposed comprehensive zoning change.*
- b. *A protest of a proposed change to a zoning regulation or district boundary must be written and signed by the owners of:*
  1. *At least 20 percent of the area of the lots or land covered by the proposed change;*
  2. *Except as provided by Subdivision (3), at least 20 percent of the area of the lots or land immediately adjoining the area covered by the proposed change and extending 200 feet from that area; or*
  3. *At least 60 percent of the area of the lots or land immediately adjoining the area covered by the proposed change and extending 200 feet from that area if the proposed change has the effect of allowing more residential development than the existing zoning regulation or district boundary and does not have the effect of allowing additional commercial or industrial uses unless the additional use is limited to the first floor of any residential development and does not exceed 35 percent of the overall development.*

**Recommendation:**

Staff recommend the following amendments to Article 1, General Provisions, Section 14, Changes and Amendments to all zoning ordinance and districts and administrative procedures, of the Unified Development Code (UDC); specifically subparts c., Public Hearing and Notice, and d., Action of City Council:

*Article 1, General Provisions, Section 14, Changes and Amendments to all zoning ordinance and districts and administrative procedures:*

*C. Public Hearing and Notice:*

- i. *Upon filing of an application for an amendment to this Ordinance and/or zoning map, the*

*Planning and Zoning Commission shall call a public hearing on said application.*

- ii. *A public hearing before the City Council shall take place within 45 days of the Planning and Zoning Commission public hearing. If the public hearing is not held by the City Council within such time, the application shall be considered denied without prejudice. A new application may be resubmitted to the Planning and Zoning Commission.*
  - iii. *Sign posting. When a zoning map amendment (rezoning) or a specific use permit is requested, the applicant shall post a sign for the public hearing on the property affected by the zoning change or specific use permit at least 10 days prior to the hearing. The sign shall be a minimum of 24" long by 48" wide and shall be posted on (1) the property affected by the request; or (2) a public right-of-way for a change initiated by the City that affects multiple properties. The sign shall remain posted until the date of a final determination by the City Council.*
    - a. *The applicant is responsible for maintaining the sign on the property until the final determination by the city and shall remove the sign no later than two weeks after final determination and return the sign to the city.*
    - b. *The applicant shall provide date stamped photos to the city no later than the 10<sup>th</sup> day prior to the hearing clearly showing the sign posted on the property as required*
  - iv. *All materials presented to the City Council shall have been presented to the Planning and Zoning Commission. If all materials have not been so presented, the City Council shall refer the application back to the Planning and Zoning Commission for a new public hearing. The cost of re-advertising of the public hearing shall be borne by the applicant.*
  - v. *If, after public hearing, the Planning and Zoning Commission recommends amendment of this Ordinance to the City Council, said recommendation shall be by the affirmative votes of not less than a majority of the total membership of the Commission present and voting. A copy of any recommended amendment shall be submitted to the City Council.*
  - vi. *If, after public hearing, the Planning and Zoning Commission recommends denial of an application, the applicant may appeal said determination to the City Council by filing a written notice of appeal with the City within ten (10) days after the denial by the Planning and Zoning Commission.*
  - vii. *The Planning and Zoning Commission may recommend denial of an application with or without prejudice against the applicant to refile the application. If the Commission recommends denial of the application and fails to clearly state the same is being denied with prejudice, then it shall be deemed that said application is being recommended for denial without prejudice against refiling. If it is later determined by the Commission that there has been a sufficient change in circumstances regarding the property or in the zoning application itself, it may waive the waiting period set out in this Ordinance and grant a new hearing. Newly annexed land which has been given Agricultural zoning is exempt from the one (1) year waiting period.*
- d. *Action of the City Council:*

- i. *If the Planning and Zoning Commission has recommended approval of an application or if the Planning and Zoning Commission has recommended denial of an application and a notice of appeal has been filed within the ten (10) day limit, the City Council shall set said application for public hearing and shall give notice of the time and place of the hearing by one (1) publication in the official newspaper at least fifteen (15) days prior to such hearing.*
  - ii. *If the Planning and Zoning Commission has recommended to the City Council that a proposed amendment be disapproved, the City Council may refuse to adopt the amendment by a simple majority vote of the Council Members present and voting. However, to adopt the amendment which has been recommended for disapproval by the Planning and Zoning Commission, the amendment shall not become effective except by the favorable vote of seventyfive percent (75%) majority vote of all members of the City Council.*
- ii. *When the Planning and Zoning Commission has recommended to the City Council that a proposed amendment be approved, the City Council may disapprove the petition or application for amendment by a simple majority vote of the City Council. In the event of a tie vote of the City Council present and voting, the Mayor may cast the deciding vote.*
- iii. *In the case of a protest against an amendment to this Ordinance signed by the owners of twenty percent (20%) or more either of the area of the lots or land immediately adjoining the area included in the proposed change and extending two hundred (200') feet from that area, such amendment shall not become effective except by the favorable vote of a seventy five percent (75%) majority of all members of the City Council. For a proposed change to a zoning regulation or district boundary that is not a proposed comprehensive zoning change as defined in Section 211.0063, Texas Local Government Code, as amended, the rules and procedures governing protests in Section 211.0061, Texas Local Government Code, as amended, shall apply*
- iv. *In making its determination, the City Council may consider but is not limited to, the following factors:*
  - 1. *Whether the uses permitted by the proposed change will be appropriate in the immediate area concerned and their relationship to the general area and the City as a whole.*
  - 2. *Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other utilities to the area, and shall note the findings.*
  - 3. *The amount of vacant land currently classified for similar development in the vicinity and elsewhere in the City, and any special circumstances which may make a substantial part of such vacant land unsuitable for development.*
  - 4. *The recent rate at which land is being developed in the same zoning classification as the request, particularly in the vicinity of the proposed changes.*
  - 5. *The manner in which other areas zoned for similar development will be, or are likely to be, affected if the proposed amendment is approved, and whether the zoning classification for other areas should also be modified.*
  - 6. *Any other factors which will substantially affect the public health, safety, morals, or general welfare of the community.*
- v. *In considering a motion to deny a zoning application or upon voting to deny a zoning application, the City Council shall further consider whether said application shall be denied with*

*or without prejudice against refiling. If an application is denied with prejudice, no application may be filed for all or part of the subject tract of land for a period of one (1) year from the date of denial by the City Council. If it is determined by the Planning and Zoning Commission that there has been a sufficient change in circumstances regarding the property or in the zoning application itself, the Commission may waive the waiting period and grant a new hearing. Newly annexed land which has been given Agricultural zoning is exempt from the one (1) year waiting period.*

**Attachments:**

1. HB 24
2. Article 1 Ordinance

1 AN ACT

2 relating to procedures for changes to a zoning regulation or  
3 district boundary.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter A, Chapter 211, Local Government  
6 Code, is amended by adding Section 211.0011 to read as follows:

7 Sec. 211.0011. DEFINITION. In this subchapter, "proposed  
8 comprehensive zoning change" means a municipal proposal to:

9 (1) change an existing zoning regulation that:

10 (A) will have the effect of allowing more  
11 residential development than the previous regulation; and

12 (B) will apply uniformly to each parcel in one or  
13 more zoning districts;

14 (2) adopt a new zoning code or zoning map that will  
15 apply to the entire municipality; or

16 (3) adopt a zoning overlay district that:

17 (A) will have the effect of allowing more  
18 residential development than allowed without the overlay; and

19 (B) will include an area along a major roadway,  
20 highway, or transit corridor.

21 SECTION 2. Section 211.006(a), Local Government Code, is  
22 amended to read as follows:

23 (a) The governing body of a municipality wishing to exercise  
24 the authority relating to zoning regulations and zoning district

1 boundaries shall establish procedures for adopting and enforcing  
2 the regulations and boundaries. A regulation or boundary is not  
3 effective until after a public hearing on the matter at which  
4 parties in interest and citizens have an opportunity to be  
5 heard. Before the 15th day before the date of the hearing, notice  
6 of the time and place of the hearing must be:

7 (1) published in an official newspaper or a newspaper  
8 of general circulation in the municipality; and

9 (2) if the municipality maintains an Internet website,  
10 published on the municipality's Internet website.

11 SECTION 3. Subchapter A, Chapter 211, Local Government  
12 Code, is amended by adding Section 211.0061 to read as follows:

13 Sec. 211.0061. PROTEST PROCEDURES FOR CERTAIN PROPOSED  
14 CHANGES. (a) This section applies only to a proposed change to a  
15 zoning regulation or district boundary that is not a proposed  
16 comprehensive zoning change.

17 (b) A protest of a proposed change to a zoning regulation or  
18 district boundary must be written and signed by the owners of:

19 (1) at least 20 percent of the area of the lots or land  
20 covered by the proposed change;

21 (2) except as provided by Subdivision (3), at least 20  
22 percent of the area of the lots or land immediately adjoining the  
23 area covered by the proposed change and extending 200 feet from that  
24 area; or

25 (3) at least 60 percent of the area of the lots or land  
26 immediately adjoining the area covered by the proposed change and  
27 extending 200 feet from that area if the proposed change has the

1 effect of allowing more residential development than the existing  
2 zoning regulation or district boundary and does not have the effect  
3 of allowing additional commercial or industrial uses unless the  
4 additional use is limited to the first floor of any residential  
5 development and does not exceed 35 percent of the overall  
6 development.

7 (d) If a proposed change to a regulation or district  
8 boundary is protested in accordance with Subsection (b), the  
9 proposed change must receive, in order to take effect, the  
10 affirmative vote of at least:

11 (1) three-fourths of all members of the governing body  
12 for a protest described by Subsection (b)(1) or (2); or

13 (2) a majority of all members of the governing body for  
14 a protest described by Subsection (b)(3).

15 SECTION 4. Section 211.006(e), Local Government Code, is  
16 transferred to Section 211.0061, Local Government Code, as added by  
17 this Act, redesignated as Section 211.0061(c), Local Government  
18 Code, and amended to read as follows:

19 (c) [~~(e)~~] In computing the percentage of land area under  
20 Subsection (b):

21 (1) [~~(d)~~] the area of streets and alleys shall be  
22 included; and

23 (2) the land area is not calculated individually for  
24 each tract of land subject to a proposed change in a zoning  
25 regulation or district boundary but in the aggregate for all tracts  
26 of land subject to the change.

27 SECTION 5. Subchapter A, Chapter 211, Local Government

1 Code, is amended by adding Sections 211.0063 and 211.0065 to read as  
2 follows:

3 Sec. 211.0063. NOTICE FOR PROPOSED COMPREHENSIVE ZONING  
4 CHANGES. The notices described by Section 211.006(a) or  
5 211.007(d), as applicable, and Section 211.006(a-1) are the only  
6 notices required for a proposed comprehensive zoning change.

7 Sec. 211.0065. PRESUMPTION OF VALIDITY FOR CERTAIN CHANGES  
8 TO ZONING REGULATIONS OR DISTRICT BOUNDARIES. A change to a zoning  
9 regulation or district boundary that has the effect of allowing  
10 more residential development than the previous regulation is  
11 conclusively presumed valid and to have occurred in accordance with  
12 all applicable statutes and ordinances if an action to annul or  
13 invalidate the change has not been filed before the 60th day after  
14 the effective date of the change.

15 SECTION 6. Subchapter A, Chapter 211, Local Government  
16 Code, is amended by adding Section 211.0073 to read as follows:

17 Sec. 211.0073. NOTICE SIGN REQUIREMENT FOR CERTAIN ZONING  
18 CHANGES IN HOME-RULE MUNICIPALITIES. (a) Not later than the 10th  
19 day before the date the zoning commission of a home-rule  
20 municipality holds a hearing on a proposed change in zoning  
21 classification that does not apply to the whole municipality and  
22 until the date of a final determination on the proposed change by  
23 the governing body of the municipality, the zoning commission shall  
24 post a notice sign in accordance with this section on:

- 25 (1) the property affected by the change; or  
26 (2) a public right-of-way for a change initiated by  
27 the municipality that affects multiple properties.

1        (b) The notice sign must be at least 24 inches long by 48  
2 inches wide.

3        (c) The zoning commission may elect to provide, maintain,  
4 and pay for a notice sign under this section or require an applicant  
5 for a change in zoning classification to provide, maintain, and pay  
6 for the sign.

7        (d) Notice requirements prescribed under this section are  
8 in addition to notice required by Section 211.007.

9        SECTION 7. Sections 211.006(d) and (f), Local Government  
10 Code, are repealed.

11        SECTION 8. The changes in law made by this Act apply only to  
12 a proposal to change a municipal zoning regulation or district  
13 boundary made on or after the effective date of this Act.

14        SECTION 9. This Act takes effect September 1, 2025.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 24 was passed by the House on May 6, 2025, by the following vote: Yeas 83, Nays 56, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 24 on May 29, 2025, by the following vote: Yeas 104, Nays 30, 1 present, not voting.

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 24 was passed by the Senate, with amendments, on May 25, 2025, by the following vote: Yeas 30, Nays 1.

\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

\_\_\_\_\_  
Governor

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING SECTION 14, "CHANGES AND AMENDMENTS TO ALL ZONING ORDINANCE AND DISTRICTS AND ADMINISTRATIVE PROCEDURES," OF ARTICLE 1, "GENERAL PROVISIONS," OF CHAPTER 66, "UNIFIED DEVELOPMENT CODE," OF THE ALEDO MUNICIPAL CODE TO AMEND REGULATIONS PERTAINING TO PUBLIC NOTICE REQUIREMENTS AND CRITERIA FOR PROTEST OF ZONING CHANGES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Aledo, Texas (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to Chapter 211 of the Local Government Code, the City previously adopted a "Unified Development Code" governing and regulating the subdivision and zoning of property located within the City for the purpose of promoting the public health, safety, morals, and general welfare of the City; and

**WHEREAS**, during the 2025 Legislative Session, the State Legislature amended Chapter 211 of the Local Government Code to impose additional City requirements for rendering a zoning use nonconforming, and updated protest procedures for citizens opposed to zoning changes; and

**WHEREAS**, the City Council of the City desires to update the Aledo Municipal Code to reflect the changes so that the Code remains consistent with state law; and

**WHEREAS**, the Planning and Zoning Commission conducted a public hearing on amendments proposed herein on December 11, 2025, and the City Council conducted a public hearing on January 15, 2026; and

**WHEREAS**, all requirements of law dealing with notice, publication, and all procedural requirements have been complied with in accordance with the Unified Development Code and Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council deems it necessary to amend the City's Unified Development Code with respect to the regulation of public notice requirements and criteria for protesting zoning change requests; and

**WHEREAS**, City Council further deems that such amendments are in the best interests of the City and are necessary for promoting the public health, safety, and general welfare of the City and its citizens.

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

**SECTION 1.**

Section 14, "Changes and Amendments to all zoning Ordinances and districts and administrative procedures," of Article 1, "General Provisions," of Exhibit A, "Unified Development Code," of Chapter 66,

“Unified Development Code,” of the Aledo Municipal Code is hereby amended by revising Subparts b and d as outlined in Exhibit A, attached hereto and incorporated herein for all purposes.

**SECTION 2.  
CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.  
PENALTY CLAUSE**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined as provided in Section 1-10 of the Aledo Municipal Code for each offense. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 4.  
SAVINGS CLAUSE**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the City’s Unified Development Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

**SECTION 5.  
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.  
PUBLICATION CLAUSE**

The City Secretary of the City is hereby directed to publish in the official newspaper of the City the caption, penalty clause, and effective date clause of this Ordinance in accordance with Section 3.15 of the City Charter.

**SECTION 7.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

**PASSED AND APPROVED** this 15<sup>th</sup> day of January, 2026.

\_\_\_\_\_  
Shane Davis, Mayor

ATTEST:

\_\_\_\_\_  
Staci L. King, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Alicia K. Kreh, City Attorney

EXHIBIT A

Note: Text in red underline is intended to denote new/amended text to be incorporated in the final adopted version; text in ~~red-strikethrough~~ is intended to denote text to be omitted from the final adopted version.

Article 1, General Provisions, Section 14, Changes and Amendments to all zoning ordinance and districts and administrative procedures:

b. *Public Hearing and Notice:*

- i. *Upon filing of an application for an amendment to this Ordinance and/or zoning map, the Planning and Zoning Commission shall call a public hearing on said application.*
- ii. *A public hearing before the City Council shall take place within 45 days of the Planning and Zoning Commission public hearing. If the public hearing is not held by the City Council within such time, the application shall be considered denied without prejudice. A new application may be resubmitted to the Planning and Zoning Commission.*
- iii. *Sign posting. When a zoning map amendment (rezoning) or a specific use permit or conditional use permit is requested, the applicant shall post a sign for the public hearing on the property affected by the zoning change or conditional use permit at least ten (10) days prior to the hearing. The sign shall be a minimum of 24" long by 48" wide and shall be posted on (1) the property affected by the request; or (2) a public right-of-way for a change initiated by the municipality that affects multiple properties. The sign shall remain posted until the date of a final determination by the governing body of the city.*
  - a. *The applicant is responsible for maintaining the sign on the property until the final determination by the city and shall remove the sign no later than two weeks after final determination and return the sign to the city.*
  - b. *The applicant shall provide date-stamped photos to the city no later than the 10<sup>th</sup> day prior to the hearing clearly showing the sign posted on the property as required*
- iv. *All materials presented to the City Council shall have been presented to the Planning and Zoning Commission. If all materials have not been so presented, the City Council shall refer the application back to the Planning and Zoning Commission for a new public hearing. The cost of re-advertising of the public hearing shall be borne by the applicant.*
- v. *If, after public hearing, the Planning and Zoning Commission recommends amendment of this Ordinance to the City Council, said recommendation shall be by the affirmative votes of not less than a majority of the total membership of the Commission present and voting. A copy of any recommended amendment shall be submitted to the City Council.*
- vi. *If, after public hearing, the Planning and Zoning Commission recommends denial of an application, the applicant may appeal said determination to the City Council by filing a written notice of appeal with the City within ten (10) days after the denial by the Planning and Zoning Commission.*

*vii. The Planning and Zoning Commission may recommend denial of an application with or without prejudice against the applicant to refile the application. If the Commission recommends denial of the application and fails to clearly state the same is being denied with prejudice, then it shall be deemed that said application is being recommended for denial without prejudice against refiling. If it is later determined by the Commission that there has been a sufficient change in circumstances regarding the property or in the zoning application itself, it may waive the waiting period set out in this Ordinance and grant a new hearing. Newly annexed land which has been given Agricultural zoning is exempt from the one (1) year waiting period.*

*d. Action of the City Council:*

*i. If the Planning and Zoning Commission has recommended approval of an application or if the Planning and Zoning Commission has recommended denial of an application and a notice of appeal has been filed within the ten (10) day limit, the City Council shall set said application for public hearing and shall give notice of the time and place of the hearing by one (1) publication in the official newspaper at least fifteen (15) days prior to such hearing.*

*ii. If the Planning and Zoning Commission has recommended to the City Council that a proposed amendment be disapproved, the City Council may refuse to adopt the amendment by a simple majority vote of the Council Members present and voting. However, to adopt the amendment which has been recommended for disapproval by the Planning and Zoning Commission, the amendment shall not become effective except by the favorable vote of seventy-five percent (75%) majority vote of all members of the City Council.*

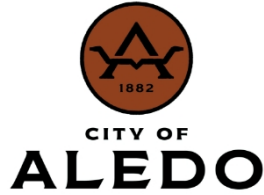
*iii. When the Planning and Zoning Commission has recommended to the City Council that a proposed amendment be approved, the City Council may disapprove the petition or application for amendment by a simple majority vote of the City Council. In the event of a tie vote of the City Council present and voting, the Mayor may cast the deciding vote.*

*iv. In the case of a protest against an amendment to this Ordinance signed by the owners of twenty percent (20%) or more either of the area of the lots or land immediately adjoining the area included in the proposed change and extending two hundred (200') feet from that area, such amendment shall not become effective except by the favorable vote of a seventy five percent (75%) majority of all members of the City Council. For a proposed change to a zoning regulation or district boundary that is not a proposed comprehensive zoning change as defined in Section 211.0063, Texas Local Government Code, as amended, the rules and procedures governing protests in Section 211.0061, Texas Local Government Code, as amended, shall apply*

*v. In making its determination, the City Council may consider but is not limited to, the following factors:*

- 1. Whether the uses permitted by the proposed change will be appropriate in the immediate area concerned and their relationship to the general area and the City as a whole.*

2. *Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other utilities to the area, and shall note the findings.*
  3. *The amount of vacant land currently classified for similar development in the vicinity and elsewhere in the City, and any special circumstances which may make a substantial part of such vacant land unsuitable for development.*
  4. *The recent rate at which land is being developed in the same zoning classification as the request, particularly in the vicinity of the proposed changes.*
  5. *The manner in which other areas zoned for similar development will be, or are likely to be, affected if the proposed amendment is approved, and whether the zoning classification for other areas should also be modified.*
  6. *Any other factors which will substantially affect the public health, safety, morals, or general welfare of the community.*
- vi. *In considering a motion to deny a zoning application or upon voting to deny a zoning application, the City Council shall further consider whether said application shall be denied with or without prejudice against refiling. If an application is denied with prejudice, no application may be filed for all or part of the subject tract of land for a period of one (1) year from the date of denial by the City Council. If it is determined by the Planning and Zoning Commission that there has been a sufficient change in circumstances regarding the property or in the zoning application itself, the Commission may waive the waiting period and grant a new hearing. Newly annexed land which has been given Agricultural zoning is exempt from the one (1) year waiting period.*



**Date:** January 15, 2026  
**To:** City Council  
**From:** Grant Fore, Senior Planner, Berkley Group  
**Subject:** **PUBLIC HEARING** regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Table 2.1 *Allowed Uses*, pertaining to the following uses: Adult Stores, Vape/CBD Shops, Cash-Advance Establishments, and Pawn Shops

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**Summary:**

**PREVIOUS ACTION**

On 11/10/2025, the City Council and Planning and Zoning Commission held a joint workshop to review and discuss potential amendments to the City's Unified Development Code (UDC). Feedback provided for the workshop included direction to review the following uses:

- Adult Stores
- Vape/CBD shops
- Cash-Advance Establishments
- Pawn Shops

The UDC as presently written does not expressly identify the above-mentioned uses. Staff was directed during the workshop to prepare an amendment to the UDC that expressly prohibits these uses.

On 12/11/2025, at the regular meeting, the Planning and Zoning Commission recommended approval of the proposed amendment with the following changes following guidance from the City Attorney:

Pawn Shops permitted by right in M-2 Heavy Industrial

Adult Stores, Vape/CBD shops, and Cash Advance Establishments permitted in M-2 Heavy Industrial with a Specific Use Permit (SUP)

**Recommendation:**

Staff recommends amending Table 2.1, Allowed Uses, to insert Adult Stores, Vape/CBD shops, Cash-Advance Establishments, and Pawn Shops as identified uses, while indicating:

- Pawn Shops permitted by right in M-2 Heavy Industrial
- Adult Stores, Vape/CBD shops, and Cash Advance Establishments permitted in M-2 Heavy Industrial with a Specific Use Permit (SUP)

**Attachments:**

1. Article 2 Table 2.1 Ordinance
2. Article 2 Table 2.1 Exhibit A

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING TABLE 2.1, "ALLOWED USES," OF SECTION 1, "TABLE OF ALLOWED USES," OF ARTICLE 2.5, "USE STANDARDS," OF CHAPTER 66, "UNIFIED DEVELOPMENT CODE," OF THE ALEDO MUNICIPAL CODE, TO AMEND REGULATIONS CLARIFYING THE REGULATION OF ADULT STORES, PAWN SHOPS, VAPE/CBD SHOPS, AND CASH-ADVANCE ESTABLISHMENTS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Aledo, Texas (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to Chapter 211 of the Local Government Code, the City previously adopted a "Unified Development Code" governing and regulating the subdivision and zoning of property located within the City for the purpose of promoting the public health, safety, morals, and general welfare of the City; and

**WHEREAS**, the City Council of the City has determined that regulating the following uses of: Adult Stores, Pawn Shops, Vape/CBD Shops, and Cash-Advance Establishments, is warranted; and

**WHEREAS**, the Planning and Zoning Commission conducted a public hearing on amendments proposed herein on December 11, 2025 and the City Council conducted a public hearing on January 15, 2026; and

**WHEREAS**, all requirements of law dealing with notice, publication, and all procedural requirements have been complied with in accordance with the Unified Development Code and Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council deems it necessary to amend the City's Unified Development Code with respect to the regulation of allowed uses located within the City; and

**WHEREAS**, City Council further deems that such amendments are in the best interests of the City and are necessary for promoting the public health, safety, and general welfare of the City and its citizens.

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

**SECTION 1.**

Table 2.1, "Allowed Uses," of Section 1, "Table Of Allowed Uses," of Article 2.5, "Use Standards," of Chapter 66, "Unified Development Code," of the Aledo Municipal Code is hereby amended in its entirety and replaced with Exhibit A, Table 2.1, "Allowed Uses," attached hereto and incorporated herein for all purposes, with the scope of such amendments pertaining to designating appropriate districts for Adult Stores, Vape/CBD Stores, Pawn Shops and Cash Advance Establishments.

**SECTION 2.  
CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.  
PENALTY CLAUSE**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined as provided in Section 1-10 of the Aledo Municipal Code for each offense. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 4.  
SAVINGS CLAUSE**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the City's Unified Development Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

**SECTION 5.  
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.  
PUBLICATION CLAUSE**

The City Secretary of the City is hereby directed to publish at least once in the official newspaper of the City of Aledo, the caption, penalty, and effective date clause of this Ordinance in accordance with Section 3.15 of the City Charter.

**SECTION 7.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

**PASSED AND APPROVED** this 15<sup>th</sup> day of January, 2026.

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Shane Davis, Mayor

ATTEST:

---

Staci L. King, City Secretary

APPROVED AS TO FORM AND LEGALITY:

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Alicia K. Kreh, City Attorney

Note: Text in red underline is intended to denote new/amended text to be incorporated in the final adopted version; text in ~~red strikethrough~~ is intended to denote text to be omitted from the final adopted version.

**Table 2.1 – Allowed Uses**

*P = Permitted by right P\* = Permitted with design criteria (Article 2.2) A = Permitted Accessory Use S = Specific Use Permit Required*

<i>Land Use</i>	<i>AG</i>	<i>ER</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>	<i>C-1</i>	<i>C-2</i>	<i>C-3</i>	<i>MU</i>	<i>DT</i>	<i>M-1</i>	<i>M-2</i>	<i>PARKS</i>
<b>COMMERCIAL USES</b>													
Retail sales or service with no drive-through facility (Note: Excluded from this category are retail sales and services establishments geared towards the automobile, including gasoline service stations, which are categorized under Other Uses; retail alcohol sales are subject to regulations outlined in Note 1 at the bottom of the Table)						S	P	P	P	P	P	P	
Finance, insurance, and real estate establishments, including banks, credit unions, real estate, and property management services, with no drive-through facility						S	P	P	P	P	P	P	
Offices for business, professional, and technical uses, including accountants, architects, lawyers, doctors, etc.						P	P	P	P	P	P	P	
Foodservice uses such as full-service restaurants, cafeterias, and snack bars with no drive-through facilities, including café seating within a public or private sidewalk area with no obstruction of pedestrian circulation (Note: Refer to Note 1 at the bottom of the Table regarding alcohol sales)						S	P	P	P	P	P	P	
<b>ARTS, ENTERTAINMENT, AND RECREATION USES</b>													
Art galleries						P	P	P	P	P	P	P	

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**Table 2.1 – Allowed Uses**

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Art, antiques, furniture, or electronics studio (retail, repair, or fabrication; excludes auto electronics sales or service)							P	P	P	P	P	P	
Theater, cinema, dance, or music establishment							P	P	P	P	P	P	
Museums and other special-purpose recreational institutions							P	P	P	P	P	P	P
Fitness, recreational sports, gym, or athletic club						S	P	P	P	P	P	P	
Parks, greens, plazas, squares, and playgrounds	P	P	P	P	P	P	P	P	P	P	P	P	P
<b>EDUCATIONAL PUBLIC ADMINISTRATION, HEALTH CARE, AND OTHER INSTITUTIONAL USES</b>													
Business associations and professional membership organizations						S	P	P	P	P	P	P	
Schools, libraries, and community halls	P	P	P	P	P	P	P	P	P	P	P	P	
Civic uses (City Hall, courthouse, and other public offices and functions)						S	P	P	P	P	P	P	
Social and fraternal organizations						S	P	P	P	P	P	P	
Social services and philanthropic organizations						S	P	P	P	P	P	P	
Religious institutions	P	S	S	S	S	S	P	P	P	P	P	P	
<b>INDUSTRIAL USES</b>													
Brewery, Distillery and Winery							P*	P	P*	P*	P	P	
Commercial Food, Textile, and Product Manufacturing							P*	P	P*	P*	P	P	
Heavy Manufacturing (that may produce hazardous waste)													S

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**Table 2.1 – Allowed Uses**

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<i>Land Use</i>	<i>AG</i>	<i>ER</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>	<i>C-1</i>	<i>C-2</i>	<i>C-3</i>	<i>MU</i>	<i>DT</i>	<i>M-1</i>	<i>M-2</i>	<i>PARKS</i>
Miscellaneous Light Manufacturing and Warehousing							P*	P*	P*	P*	P	P	
Telecommunications and Broadcasting (Radio, TV, Cable, Wireless Communications, Telephone, Etc.)	S					S	S	S	S	S	P	P	
Wholesale Trade and Warehouse	A						P*	P	P*	P*	P	P	
Self-Storage Facility (Existing), as of 9/4/2025 may exist in their present form and are not considered to be non-conforming.							P*	P	P*	P*	P	P	
<i>Self-Storage Facility (New), after 9/4/2025</i>								P	P*		P	P	
<b>RESIDENTIAL USES</b>													
Home occupations	A	A	A	A	A				A	A			
Live/work units	P	P	P	P*	P*				P*	P*			
Residential apartments and/or condominiums (ground floor)				S	P				P*	P*			
Upper-floor residential uses				S	P				P	P			
Multi-Plex (up to four units)				P	P				P	P			
Single-family residential attached dwelling unit (Townhomes)				P	P				P	P			
Single-family residential detached dwelling unit	P	P	P	P					P	P			
Accessory Dwelling Unit	P*	P*	P*	P*						P*			
<b>OTHER USES</b>													
<u>Adult Stores</u>													S

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**Table 2.1 – Allowed Uses**

*P = Permitted by right P\* = Permitted with design criteria (Article 2.2) A = Permitted Accessory Use S = Specific Use Permit Required*

<i>Land Use</i>	<i>AG</i>	<i>ER</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>	<i>C-1</i>	<i>C-2</i>	<i>C-3</i>	<i>MU</i>	<i>DT</i>	<i>M-1</i>	<i>M-2</i>	<i>PARKS</i>
Auto Service Establishment, including Gas Stations							p*	P	p*		P	P	
Car Wash Establishment, Primary and Accessory Use (Existing), as of 9/4/2025 may exist in their present form and are not considered to be non-conforming							p*	P	p*		P	P	
Car Wash Establishment, Primary and Accessory Use (New), after 9/4/2025								P	P		P	P	
<u>Cash Advance/Loan Establishments</u>													S
<u>Pawn Shops</u>													P
<u>Vape/CBD Shops</u>													S
Model homes for sales and promotion**	P	P	P	P	P					P			
Bars, Taverns													
Full-service hotels							P	P	P	P			
Bed and breakfast establishments				P	P	P			P	P			
Outdoor storage	p*						P	P				P	
Outdoor display (within 10 feet of front facade of building only; merchandise must be brought indoors after closing)						P	P	P	P	P			
Parking, surface	A			A	A	A	A	A	A*	A*	A	A	A
Parking, structured				A	A	A	A	A	A	A	A	A	A
Sales from kiosks, food trucks, etc.	p*					p*	p*	p*	p*	p*	p*	p*	p*
Any permitted use with a drive through facility							p*	p*					
Farmer's market	P	P	P	P	P	P	P	P	P	P	P	P	P
Veterinary clinic, Pet lodging (no outdoor kennels)	P					P	P	P	P	P	P	P	

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**Table 2.1 – Allowed Uses**

*P = Permitted by right    P\* = Permitted with design criteria ([Article 2.2](#))    A = Permitted Accessory Use    S = Specific Use Permit Required*

<i>Land Use</i>	<i>AG</i>	<i>ER</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>	<i>C-1</i>	<i>C-2</i>	<i>C-3</i>	<i>MU</i>	<i>DT</i>	<i>M-1</i>	<i>M-2</i>	<i>PARKS</i>
<i>Veterinary Clinic, Pet lodging with outdoor kennels</i>	p*							S			S	S	
<i>Urban Agriculture, Community Gardens, or other innovative agriculture</i>	P	P	P	P	P	P	P	P	P	P	P	P	P
<i>Recreational Vehicle Park or Resort</i>	p*												

Notes:

- Per propositions adopted by election held on 05/10/2014, the sale of alcohol is limited to the following: The sale of mixed beverages in restaurants with a Food and Beverage Permit (the TABC requires a certain percentage of food to be sold for this permit/license); and the sale of wine and beer for off-premise consumption.*



**Date:** January 15, 2026

**To:** City Council

**From:** Grant Fore, Senior Planner, Berkley Group

**Subject:** **PUBLIC HEARING** regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 4 *Signage*, Table 1 *Schedule for Permanent Signs*, pertaining to ground-based signage in the Downtown (DT) zoning district.

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**Summary:**

**PREVIOUS ACTION**

On 11/10/2025, the City Council and Planning and Zoning Commission held a joint workshop to review and discuss potential amendments to the City's Unified Development Code (UDC). During this workshop, the sign ordinance specific to Downtown zoning district was reviewed and discussed. On 12/11/2025, at the regular meeting, the Planning and Zoning Commission recommended approval of the proposed amendment to allow Monument Signs in Downtown with a Specific Use Permit (SUP) by a 6-0 vote.

**BACKGROUND**

Staff have received recent inquiries regarding ground signage, or, more specifically, monument signs, in the Downtown (DT) District. Under the current sign ordinance, monument signs are not permitted in the DT zoning district. The only freestanding ground-type signs allowed in this district are Historic Decorative Pole Signs, which are limited to 6 square feet in area and 12 feet in height. These signs must include wrought iron decoration, be externally illuminated only, and maintain a design consistent with the historic architectural character of downtown. Other types of signage permitted in Downtown include wall signs, window signs, shingle signs and mural signs.

It is also important to note the manner in which sign area is measured under the UDC; specifically a sign with two sides or faces (essentially back-to-back) requires the combined area of the two sides/faces to be counted as the area of the sign, whereas the area of a sign with only one side/face is calculated as only the area of the one side/face. While this may result in monument signs that are appropriately sized in some areas of the City, in the DT district this may be overly restrictive since it results in a sign with two sides/faces where either face could be no greater than 3 sq. ft. in area. This proposed amendment would allow monument signs in the Downtown zoning district, but only with the issuance of a Specific Use Permit (SUP). Requiring a Specific Use Permit (SUP) for Monument Signs would provide a case-by-case review to ensure that proposed signage is compatible with the Downtown area and allow for considerations on height, size, lighting, location and more before authorizing the approval of the sign.

Included attached are illustrative examples of historic decorative pole and monument signs.

**Recommendation:**

Staff recommends the following changes (attached) to Table 1, Schedule of Permanent Signs, of Article 4, Signage, of the UDC.

**Attachments:**

1. Ord. No. 2025-O-\_\_ Amend DT Signage
2. Ord. No. 2025-O-\_\_ Amend DT Signage Exhibit A
3. Sign Illustrations

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING TABLE 1, "SCHEDULE FOR PERMANENT SIGNS," OF ARTICLE 4, "SIGNAGE", OF CHAPTER 66, "UNIFIED DEVELOPMENT CODE," OF THE ALEDO MUNICIPAL CODE, TO AMEND REGULATIONS PERTAINING TO GROUND-BASED SIGNAGE IN THE DOWNTOWN (DT) ZONING DISTRICT; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Aledo, Texas (the "City") is home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to Chapter 211 of the Local Government Code, the City previously adopted a "Uniform Development Code" governing and regulating the subdivision and zoning of property located within the City for the purpose of promoting the public health, safety, morals, and general welfare; and

**WHEREAS**, the City Council of the City has determined that regulations pertaining to ground-based signage in the Downtown (DT) zoning district warrant amendment; and

**WHEREAS**, the Planning and Zoning Commission conducted a public hearing on amendments proposed herein on December 11, 2025, and the City Council conducted a public hearing on January 15, 2026; and

**WHEREAS**, all requirements of law dealing with notice, publication, and all procedural requirements have been complied with in accordance with the Unified Development Code and Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council deems it necessary to amend the City's Unified Development Code with respect to the regulation of ground-based signage in the Downtown (DT) zoning district; and

**WHEREAS**, City Council further deems that such amendments are in the best interests of the City and are necessary for promoting the public health, safety, and general welfare of the City and its citizens.

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

**SECTION 1.**

Table 1, "Schedule for Permanent Signs," as contained in Article 4, "Signage," of Chapter 66, "Unified Development Code," of the Aledo Municipal Code is hereby repealed in its entirety and replaced with Exhibit A, attached hereto and incorporated herein for all purposes.

**SECTION 2.**

**CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.  
PENALTY CLAUSE**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined as provided in Section 1-10 of the Aledo Municipal Code for each offense. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 4.  
SAVINGS CLAUSE**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the City's Unified Development Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

**SECTION 5.  
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.  
PUBLICATION CLAUSE**

The City Secretary of the City is hereby directed to public at least once in the official newspaper of the City, the caption, penalty, and effective date clause of this Ordinance in accordance with Section 3.15 of the City Charter.

**SECTION 7.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

**PASSED AND APPROVED** this 15<sup>th</sup> day of January, 2026.

\_\_\_\_\_  
Shane Davis, Mayor

ATTEST:

\_\_\_\_\_  
Staci L. King, City Secretary

APPROVED AS TO FORM AND LEGALITY

---

Alicia K. Kreh, City Attorney

Note: Text in red underline is intended to denote new/amended text to be incorporated in the final adopted version; text in ~~red-strikethrough~~ is intended to denote text to be omitted from the final adopted version.

Sign Type	Districts Permitted	Maximum Area	Maximum Height	Number of Signs	Requirements
<b>Monument Signs</b>	All, except AG <del>and DT</del>  DT: <u>Specific Use Permit (SUP) required</u>	<b>Residential Districts:</b> 50 sq. ft.  <b>Nonresidential Districts/Uses:</b> 150 sq. ft.; for developments with buildings 50,000 sq. ft. or greater, 0.0005 sq. ft. per sq. ft. of floor area, up to a maximum sign area of 500 sq. ft.	<b>Residential Districts:</b> 4 feet  <b>Nonresidential Districts/Uses:</b> 6 feet for lots with 1 tenant; 12 feet for lots with multiple tenants	<b>Residential Districts:</b> 2 for subdivisions; 1 for multifamily developments  <b>Nonresidential Districts/ Uses:</b> 1 per lot/development; 1 per street frontage for developments with buildings 50,000 sq. ft. or greater	<b>Residential Districts:</b> Allowed only for platted subdivisions or multi-family developments; external illumination only  <b>Nonresidential Districts/ Uses:</b> No more than 30% of the sign area may be changeable copy; structure/masonry area shall not exceed 50% or be less than 30% of the sign area of the sign face; sign face may be externally illuminated or internally illuminated with no exposed light source. <u>Specific Use Permit (SUP) required for Monument Signs in DT district.</u>
<b>Wall Signs</b>	Nonresidential Districts	No more than 10% of the exterior wall of tenant space, up to a maximum of 200 sq. ft.	Not above apparent flat roof, parapet wall, or roof eave	1 per exterior wall of single-tenant building; 1 per exterior wall of tenant space for multi-tenant building	May be externally illuminated or internally illuminated with no exposed light source
<b>Window Signs</b>	Nonresidential Districts	No more than 25% of the total window area	NA	No more than 1 per window	May be internally illuminated with no exposed light source
<b>Shingle Signs</b>	C-1, C-2, DT	4 sq. ft.	Below a roof overhang, covered walkway, or covered porch.	1 per tenant/establishment	May suspend parallel or vertical; minimum 7' clearance above grade below; externally illuminated only

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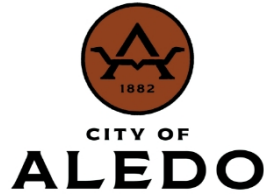
<b>Canopy/Awning Signs</b>	Nonresidential Districts	15% of canopy/awning fascia area	Not above apparent flat roof, parapet wall, or roof eave	1 sign per canopy/awning	Externally illuminated only
<b>Historic Decorative Pole Signs</b>	DT	6 sq. ft.	12 feet	1 per lot/development	Wrought iron decoration required; externally illuminated only; signage needs to be in the standard of the historic nature of the architecture and colors of the main structure.
<b>Wall Murals</b>	DT	100% of exterior wall area	Not above apparent flat roof, parapet wall, or roof eave	1 per building or freestanding wall	Painted only with weather-resistant paint; externally illuminated only; murals may contain words or logos, but the area of words or logos shall not exceed 25% of the total area of the mural; should the mural become faded, peeled, or severely weathered, the owner of the property, upon written notice from the City Manager or their designee, repair the mural or repaint the wall on which such mural was painted within sixty (60) days of the date of such written notice.



Monument Sign



Historic Decorative Pole Signs



**Date:** January 15, 2026

**To:** City Council

**From:** Grant Fore, Senior Planner, Berkley Group

**Subject:** **PUBLIC HEARING** regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 5 *Subdivision*, subsections *v) Construction Procedures* and *vii) Issuance of Building Permits and Certificate of Occupancy*, pertaining to the clarification of Site Development Permitting procedures.

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**Summary:**

**PREVIOUS ACTION**

On 11/10/2025, the City Council and Planning and Zoning Commission held a joint workshop to review and discuss potential amendments to the City's Unified Development Code (UDC). During this workshop, Staff presented recommended updates to the section of the UDC regarding permitting procedures. The Commissioners and Council members directed Staff to proceed with the updates. On 12/11/2025, at the regular meeting, the Planning and Zoning Commission recommended approval of the proposed amendment by a 6-0 vote with direction to Staff to make minor changes following Commission discussion and public hearing comments. The minor changes including correcting that nonpoint source pollution controls and tree protection measures should remain as a requirement prior to beginning construction, but not as a permit condition, and clarifying language on applicant's responsibility for project registration with TCEQ.

**BACKGROUND**

As a standard best practice, the City's Building Official recommends establishing and memorializing a formal Site Development Permit process to ensure proposed developments comply with applicable codes, regulations, and Texas Commission on Environmental Quality (TCEQ) requirements. This proposed amendment is to update the UDC's section on permitting procedures to add clarifying language on Site Development Permits. A Site Development Permit typically includes review of grading, drainage, utilities, landscaping, and overall site layout. Requiring a Site Development Permit prior to the issuance of a Building Permit is standard practice. This ensures that all infrastructure and site work is completed and in order prior to the construction of buildings.

While the UDC references Site Development Permits, adding clarifying language to the Site Development Permit requirements and clarifying the sequencing of permit approvals in the code is

important to further establish a formal Site Development Permit process and provide user clarity.

**Recommendation:**

Staff recommend the following amendments to Article 5, Subdivision, Section 3, Adequate Public Facilities, g), Requirements For Acceptance of Subdivisions by The City, subsections v), Construction Procedures, and vii), Issuance of Building Permits and Certificate of Occupancy, of the UDC:

v) *Construction Procedures*

- 1. *Site Development Permit: A Site Development Permit shall be required from the City prior to beginning any site development-related work in the City or its extraterritorial jurisdiction which affects erosion control, grading, storm drainage, clear-cutting of trees, or a flood plain.*
  
- 2. *Conditions Prior to Authorization: Prior to issuing a Site Development Permit, the Administrator shall be satisfied that the following conditions have been met:*

- A. *The Final Plat has been approved (and any conditions of such approval have been satisfied)*
- B. *All required engineering plans and documents are completed and approved by the City.*
- C. *All contractors participating in the construction shall be presented with a set of approved plans bearing the stamp of approval of the City, and at least one (1) set of these plans shall remain on the job.*
- D. *A complete list of the contractors, their representatives on the site, and telephone numbers where a responsible party may be reached at all times must be submitted to the City.*
- E. *All applicable fees must be paid to the City*

3) *Nonpoint Source Pollution Controls and Tree Protection: All nonpoint source pollution controls, erosion controls, and tree protection measures and devices shall be in place, to the City Engineer’s satisfaction, prior to commencement of construction on any property*

4) *Texas Commission on Environmental Quality (TCEQ): Applicants are responsible for any required registration of projects with TCEQ.*

vii) *Issuance of Building Permits and Certificates of Occupancy*

(1) *Building Permit:*

a. *A building permit shall only be issued for a lot, building site, building or use after the lot or building site has been officially recorded by a Final Plat approved and filed per Article 3, ~~and~~ after all public improvements have been completed per this Article, and after a Site*

*Development Permit has been approved and issued.*

*b. Notwithstanding the (a) above, a permit may be issued as outlined below, provided that an agreement providing sufficient financial guarantee (see Section: Guarantee of Public Improvements) is approved for the completion of all remaining Public Improvements.*

*i. Building “Foundation-Only” Permit: A building “foundation only” permit may be issued for a nonresidential or multi-family development. However, the building permit shall not be issued and building construction shall not be allowed to surpass the construction of fire protection improvements. In other words, the building shall not proceed above the slab level until all required fire lanes have been completed, and until all water lines serving fire hydrants have been completed, inspected and tested.*

*ii. Possible Release of Lots. The Administrator may release some residential building permits for not more than ten (10) percent of the lots within a new residential subdivision, provided that all public improvements have been completed for that portion of the development including those required for fire and emergency protection. No lot may be sold, nor title conveyed until the Final Plat has been recorded with Parker County.*

## **2. Certificate of Occupancy:**

*a. A Certificate of Occupancy shall only be issued for a building or the use of property after a Final Plat has been approved and filed per Article 3, and after all subdivision improvements have been completed and accepted.*

*b. Notwithstanding (a) above, a Certificate of Occupancy may be issued provided that an agreement providing sufficient financial guarantee (see Section 5.5.c.i.2: Guarantee of Public Improvements) is approved for the completion of all remaining Public Improvements, and provided that the structure is safely habitable in accordance with the City’s adopted building codes. No Lot may be sold, nor title conveyed until the Final Plat has been recorded with Parker County.*

### **Attachments:**

1. Article 5 Ordinance
2. Article 5 Exhibit A

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING SECTION 3 “ADEQUATE PUBLIC FACILITIES DEDICATION REQUIRED,” OF ARTICLE 5, “SUBDIVISION,” OF CHAPTER 66, “UNIFIED DEVELOPMENT CODE,” OF THE ALEDO MUNICIPAL CODE, TO AMEND REGULATIONS PERTAINING TO SITE DEVELOPMENT PERMITTING PROCEDURES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Aledo, Texas (the “City”) is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to Chapter 211 of the Local Government Code, the City previously adopted a “Unified Development Code” governing and regulating the subdivision and zoning of property located within the City for the purpose of promoting the public health, safety, morals, and general welfare of the City; and

**WHEREAS**, the City Council of the City has determined that regulations pertaining to site development permitting procedures warrant amendment; and

**WHEREAS**, the Planning and Zoning Commission conducted a public hearing on amendments proposed herein on December 11, 2025, and the City Council conducted a public hearing on January 15, 2026; and

**WHEREAS**, all requirements of law dealing with notice, publication, and all procedural requirements have been complied with in accordance with the Unified Development Code and Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council deems it necessary to amend the City's Unified Development Code with respect to the regulation of permitting procedures; and

**WHEREAS**, City Council further deems that such amendments are in the best interests of the City and are necessary for promoting the public health, safety, and general welfare of the City and its citizens.

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

**SECTION 1.**

Section 3, “Adequate Public Facilities,” of Article 5, “Subdivision,” of Exhibit A, “Unified Development Code,” of Chapter 66, “Unified Development Code,” of the Aledo Municipal Code is hereby amended by revising Subsections v and vii of Subpart g as outlined in Exhibit A, attached hereto and incorporated herein for all purposes.

**SECTION 2.**

**CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such

ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.  
PENALTY CLAUSE**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined as provided in Section 1-10 of the Aledo Municipal Code for each offense. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 4.  
SAVINGS CLAUSE**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the City's Unified Development Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

**SECTION 5.  
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.  
PUBLICATION CLAUSE**

The City Secretary of the City is hereby directed to publish in the official newspaper of the City , the caption, penalty clause, and effective date clause of this Ordinance in accordance with Section 3.15 of the City Charter.

**SECTION 7.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

**PASSED AND APPROVED** this 15<sup>th</sup> day of January, 2026.

\_\_\_\_\_  
Shane Davis, Mayor

ATTEST:

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Staci L. King, City Secretary

APPROVED AS TO FORM AND LEGALITY:

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Alicia K. Kreh, City Attorney

## EXHIBIT A

Note: Text in red underline is intended to denote new/amended text to be incorporated in the final adopted version; text in ~~red strikethrough~~ is intended to denote text to be omitted from the final adopted version.

### *“v) Construction Procedures*

- (1) Site Development Permit: A Site Development Permit shall be required from the City prior to beginning any site development-related work in the City or its extraterritorial jurisdiction that affects erosion control, grading, storm drainage, clear-cutting of trees, or a flood plain.*
- (2) Conditions Prior to Authorization: Prior to issuing a Site Development Permit, the Administrator shall be satisfied that the following conditions have been met:*
  - a. The Final Plat has been approved (and any conditions of such approval have been satisfied).*
  - b. All required engineering plans and documents are completed and approved by the City.*
  - c. All contractors participating in the construction shall be presented with a set of approved plans bearing the stamp of approval of the City, and at least one (1) set of these plans shall remain on the job.*
  - d. A complete list of the contractors, their representatives on the site, and telephone numbers where a responsible party may be reached at all times must be submitted to the City.*
  - e. All applicable fees must be paid to the City*
- 3) Nonpoint Source Pollution Controls and Tree Protection: All nonpoint source pollution controls, erosion controls, and tree protection measures and devices shall be in place, to the City Engineer’s satisfaction, prior to commencement of construction on any property*
- 4) Texas Commission on Environmental Quality (TCEQ): Applicants are responsible for any required registration of projects with TCEQ.”*

\*\*\*

### *“vii) Issuance of Building Permits and Certificates of Occupancy*

#### *(1) Building Permit:*

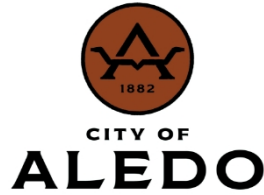
- a) A building permit shall only be issued for a lot, building site, building, or use after the lot or building site has been officially recorded by a Final Plat approved and filed per Article 3, ~~and~~ after all public improvements have been completed per this Article, and after a Site Development Permit has been approved and issued.*
- b) Notwithstanding (a) above, a permit may be issued as outlined below, provided that an agreement providing sufficient financial guarantee (see Section: Guarantee*

*of Public Improvements) is approved for the completion of all remaining Public Improvements.*

- (i) Building “Foundation-Only” Permit: A building “foundation only” permit may be issued for a nonresidential or multi-family development. However, the building permit shall not be issued and building construction shall not be allowed to surpass the construction of fire protection improvements. In other words, the building shall not proceed above the slab level until all required fire lanes have been completed, and until all water lines serving fire hydrants have been completed, inspected and tested.*
- (ii) Possible Release of Lots. The Administrator may release some residential building permits for not more than ten (10) percent of the lots within a new residential subdivision, provided that all public improvements have been completed for that portion of the development including those required for fire and emergency protection. No lot may be sold, nor title conveyed until the Final Plat has been recorded with Parker County.*

*(2) Certificate of Occupancy:*

- (a) A Certificate of Occupancy shall only be issued for a building or the use of property after a Final Plat has been approved and filed per Article 3, and after all subdivision improvements have been completed and accepted.*
- (b) Notwithstanding (a) above, a Certificate of Occupancy may be issued provided that an agreement providing sufficient financial guarantee (see Section 5.5.c.i.2: Guarantee of Public Improvements) is approved for the completion of all remaining Public Improvements, and provided that the structure is safely habitable in accordance with the City’s adopted building codes. No Lot may be sold, nor title conveyed until the Final Plat has been recorded with Parker County.”*



**Date:** January 15, 2026  
**To:** City Council  
**From:** Grant Fore, Senior Planner, Berkley Group  
**Subject:** **PUBLIC HEARING** regarding proposed amendments to the City of Aledo Unified Development Code (UDC), Article 6 *Definitions*, to establish definitions for Service Bays and Self-Storage Facilities.

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**Summary:**  
**PREVIOUS ACTION**

On 9/4/2025 the City Council adopted the following amendments:

*Self-Storage Facilities:*

- Establish Self-Storage Facility (new), after 9/4/2025, as its own land use type.
- Prohibit Self-Storage Facility (new), after 9/4/25, in the C-2 General Commercial Zoning District and in the D-T Downtown Zoning District.
- Permit Self-Storage Facility (new), after 9/4/25, as a by-right use in the C-3, M-U, M-1, and M-2 zoning districts as currently allowed, and discuss requiring a Specific Use Permit (SUP) in a workshop discussion at a later meeting date.
- Establish Self-Storage Facility (existing), in operation prior to 9/4/25, as its own land use type, with a note that they may exist in their present form and are not considered to be non-conforming
- **Direction to Staff to draft an amendment to Article 6, Definitions, of the UDC, to establish a definition for Self-Storage Facilities.**

*Design of Automobile Related Site Elements (Drive Throughs, service bays, etc.):*

- In all zoning districts Service bays shall not be located on any street facing building facade (excluding alleys). This provision does not apply to properties in the M-U, M-1 and M-2 zoning districts.
- **Direction to Staff to draft an amendment to Article 6, Definitions, of the UDC, to establish a definition for Service Bays.**

**BACKGROUND**

As part of the direction to Staff included in the amendments approved on 9/4/2025 mentioned above, and direction to Staff provided at the joint City Council and Planning and Zoning Commission workshop

held on 11/10/2025, this proposed UDC amendment is being presented to establish definitions for Self-Storage Facilities and Service Bays

**On 12/11/2025, the Planning and Zoning Commission recommended approval of the proposed amendment by a 6- 0 vote.**

**Recommendation:**

Staff recommends amendment of Article 6, Definitions, of the UDC, to add the following terms and definitions. Staff is recommending minor changes following the public hearing and Commission discussion at the 12/11/2025 Planning and Zoning Commission meeting. The minor changes include the addition of "vehicle or vehicles" following Commission discussion of service bays that can accommodate more than one vehicle.

**Service Bay:** An automotive service bay is a singular automobile space, within or underneath a structure, that provides a technician, customer, and/or automated system adequate space to safely and efficiently service a **vehicle or vehicles**.

**Self-Storage Facility:** A facility containing individual storage units for rent or lease, restricted solely to the storage of items. The conduct of sales, business, or any other activity other than storage within the individual storage units shall be prohibited.

**Attachments:**

- 1. Article 6 Ordinance

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING ARTICLE 6, "DEFINITIONS," OF CHAPTER 66, "UNIFIED DEVELOPMENT CODE," OF THE ALEDO MUNICIPAL CODE, TO AMEND THE DEFINITIONS OF SELF-STORAGE FACILITY AND SERVICE BAY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Aledo, Texas (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to Chapter 211 of the Local Government Code, the City previously adopted a "Unified Development Code" governing and regulating the subdivision and zoning of property located within the City for the purpose of promoting the public health, safety, morals, and general welfare of the City; and

**WHEREAS**, the City Council of the City has determined that definitions of Self-Storage Facility and Service Bay warrant incorporation into the code; and

**WHEREAS**, the Planning and Zoning Commission conducted a public hearing on amendments proposed herein on December 11, 2025, and the City Council conducted a public hearing on January 15, 2026; and

**WHEREAS**, all requirements of law dealing with notice, publication, and all procedural requirements have been complied with in accordance with the Unified Development Code and Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council deems it necessary to amend the City's Unified Development Code to incorporate terms and definitions for Self-Storage Facility and Service Bay; and

**WHEREAS**, City Council further deems that such amendments are in the best interests of the City and are necessary for promoting the public health, safety, and general welfare of the City and its citizens.

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

**SECTION 1.**

Article 6, "Definitions," of Exhibit A, "Unified Development Code," of Chapter 66, "Unified Development Code," of the Aledo Municipal Code is hereby amended by the insertion of the following terms and definitions in their customary alphabetical order:

**"Self-Storage Facility:** A facility containing individual storage units for rent or lease, restricted solely to the storage of items. The conduct of sales, business, or any other activity other than storage within the individual storage units shall be prohibited

**Service Bay:** An automotive service bay is a singular automobile space, within or underneath a structure, that provides a technician, customer, and/or automated system adequate space to safely and efficiently service a vehicle or vehicles.”

**SECTION 2.  
CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.  
PENALTY CLAUSE**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined as provided in Section 1-10 of the Aledo Municipal Code for each offense. Each day any such violation or violations exist shall constitute a separate offense and shall be punishable as such.

**SECTION 4.  
SAVINGS CLAUSE**

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the City’s Unified Development Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

**SECTION 5.  
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.  
PUBLICATION CLAUSE**

The City Secretary of the City is hereby directed to publish in the official newspaper of the City, the caption, penalty clause, and effective date clause of this Ordinance in accordance with Section 3.15 of the City Charter.

**SECTION 7.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

**PASSED AND APPROVED** this 15<sup>th</sup> day of January, 2026.

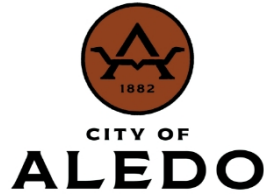
\_\_\_\_\_  
Shane Davis, Mayor

ATTEST:

\_\_\_\_\_  
Staci L. King, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Alicia K. Kreh, City Attorney



**Date:** January 15, 2026  
**To:** City Council  
**From:** Grant Fore, Senior Planner, Berkley Group  
**Subject:** Consideration and possible action on a Replat of Lot 2, Mid-Park Business Community, 5.231 acres, establishing Lot 2R1, 0.989 acres, Lot 2R2, 0.783 acres, Lot 2R3, 1.600 acres, Lot 2R4, 0.930 acres, Lot 2R5, 0.929 acres, generally located along Dean Drive near Bankhead Highway

---

**Summary:**

**PLANNING AND ZONING COMMISSION RECOMMENDATION:** At the 1/8/26 regular meeting, the Planning and Zoning Commission unanimously recommended approval of this replat.

**OWNER:** Moncrief Properties, LLC

**APPLICANT:** Tony Aaron

**LOCATION:** Near Dean Drive and Bankhead Highway

**SIZE:** 5.231 acres

**EXISTING ZONING:** C-3 Regional Commercial

**EXISTING USE:** Commercial

**PROPOSED USE:** Commercial

The subject property was recently annexed into the Aledo city limits in June of 2025. The owner/applicant, Moncrief Properties, is proposing to Replat the existing 5.231-acre lot into (5) five individual lots:

Lot 2R1, 0.989 acres

Lot 2R2, 0.783 acres

Lot 2R3, 1.600 acres

Lot 2R4, 0.930 acres

Lot 2R5, 0.929 acres

The proposed five (5) lots range from approximately 0.9 acres to 1.600 acres in size. The property was

annexed with C-3 Regional Commercial zoning, which has the following minimum lot design standards; all proposed lots depicted on the plat comply with these design standards:

<b>Category</b>	<b>Standard</b>
<b>Density</b>	
(a) Dwelling Units/Acre	N/A
<b>Lot Dimensions</b>	
(b) Lot Area (minimum)	N/A
(c) Lot Width (minimum)	100
(d) Lot Depth (minimum)	N/A
<b>Setbacks</b>	
(e) Street, Front (minimum)	
– Primary or Secondary Street	50 feet
– Local or Private Street	20 feet
(f) Street, Side (minimum)	
– All roadways	20 feet
– Alleys/private easements	10 feet
(g) Rear (minimum)	20 feet
– Alley/private easements	10 feet
(h) Side, Interior (minimum)	20 feet
<b>Height (maximum)</b>	
(i) To eave, roof ridge, or parapet	Abutting an AG or R lot, 15'; Abutting any other lot, 35'; Additional height for each additional foot of side and rear setback, 0.5'
<b>Lot Coverage (maximum)</b>	50% (total of all buildings on the lot)
<b>Off-Street Parking &amp; Loading</b>	See Article 3 for number of off-street spaces per dwelling unit
<b>Notes</b>	—

**UTILITIES**

The Applicant is proposing to tie into City water and wastewater infrastructure. The Applicant is proposing to construct public improvements, including 8" water and 8" sewer lines, in accordance with City standards to serve the development. The applicant has provided full infrastructure plans which are being reviewed separate from this submittal, however approval of the plans are required as a condition of plat approval.

**DRAINAGE**

The applicant has provided full construction plans to the City, which are being reviewed separate from this submittal, but however approval of the plans are required as a condition of plat approval. The City Engineer has requested additional drainage data.

**ROADWAY/ACCESS**

The plat establishes (5) five individual lots with access to Dean Drive. Sufficient right-of-way of 60' was dedicated with the previously recorded plat.

**PLANNING AND ZONING COMMISSION ROLE**

*NOTE: Replats follow similar specifications and requirements of Final Plats, per UDC.*

**According to Unified Development Code, Chapter 1, General Provisions, 16. C, Platting Procedures/Final Plat:**

1. *Upon approval of the commission of the preliminary plat and within 24 months of the date of approval, unless extended by action of the City, and a site development permit, the subdivider may submit for approval the final plat. Copies of the final plat, as noted in the development review checklist provided with the application for a final plat, together with two reproducible transparent drawings, shall be submitted to the planning commission at least 30 days prior to the meeting at which consideration is desired. Plans for streets, water, sewer service, and storm drainage shall accompany the final plat in accordance with Engineering Criteria Manual. Final plats shall be prepared in accordance with the provisions of this section*
2. *No final plat shall be accepted for processing until three copies of the corrected revised preliminary plat have been submitted to the City that reflect the commission's approval, modifications or stipulations.*
3. *The final plat shall conform substantially to the preliminary plat as approved, and it may constitute only that portion of the approved preliminary plat which is to be developed at the time; provided, however, that such portion conforms to all requirements of these regulations.*
4. *The official filing date of the final plat shall be the date upon which the plat is found to be in compliance with the provisions of this chapter by the development review committee.*
5. *The City shall act on the final plat within 30 days after the official filing date. If it is not disapproved within 30 days after filing, the final plat shall be deemed approved. A certificate, showing the filing date and failure to disapprove the plat within 30 days of the filing date, shall be issued on demand; and this certificate shall be sufficient in lieu of a written endorsement or other evidence of approval. A final plat that is not recorded within 24 months of its approval date shall become void. Approval may, upon written application, be extended for an additional 24 months by action of the Planning and Zoning Commission.*
6. *After the commission has determined that the plat is in proper form, that the arrangement of the development proposed for the property being subdivided is in general conformance with the comprehensive plan and is consistent with zoning regulations, that the subdivision complies with all the provisions of this chapter, and that the final plans for streets, drainage, water and sewer have been approved by the City's engineer, it shall approve or deny the plat.*
7. *The Commission's approval of the final plat shall authorize the Mayor and City Secretary to execute the certificate of approval on the reproducible transparency of the final plat.*
8. *The final plat shall then be filed of record by the City in the plat records of the county, but only after the mayor has officially signed any community facility agreements required with reference to public improvements, dedications and utilities. The approval of the final plat does not constitute acceptance of the public improvements of the subdivision.*
9. *Final plats located in the extraterritorial jurisdiction of the City shall be submitted to the commissioners' court of the county, following approval by the City.*
10. *An owner or subdivider, at his option, may obtain approval of a portion a subdivision, provided that it meets the requirements of section c (xiv), and all requirements of this chapter with reference to such portion in the same manner as is required for a complete subdivision. If a subdivision and the final plat thereof are approved by the City in portions, each final plat of each portion is to carry the name of the entire subdivision and shall also bear a distinguishing letter, number or subtitle*

**According to Section 212, Municipal Regulation of Subdivisions, of the Texas Local Government Code:**

*Sec. 212.009. APPROVAL PROCEDURE: INITIAL APPROVAL.*

- 1. The municipal authority responsible for approving plats shall approve, approve with conditions, or disapprove a plat within 30 days after the date the plat is filed. A plat is approved by the municipal authority unless it is disapproved within that period and in accordance with Section 212.0091.*
- 2. If an ordinance requires that a plat be approved by the governing body of the municipality in addition to the planning commission, the governing body shall approve, approve with conditions, or disapprove the plat within 30 days after the date the plat is approved by the planning commission or is approved by the inaction of the commission. A plat is approved by the governing body unless it is disapproved within that period and in accordance with Section 212.0091.*

*Sec. 212.005. APPROVAL BY MUNICIPALITY REQUIRED.*

*(a) The municipal authority responsible for approving plats must approve a plat or replat that is required to be prepared under this subchapter and that satisfies the requirements of this subchapter.*

**Recommendation:**

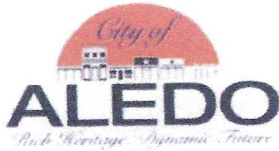
Staff has reviewed the proposed Replat and associated documents and issued review comments accordingly.

Therefore, at this time, Staff recommends APPROVAL of the Replat, subject to the following conditions:

1. The applicant shall address all outstanding plat review comments.
2. The applicant shall address all outstanding construction plan review comments.

**Attachments:**

1. Plat Application
2. Replat
3. Replat Review



# PLAT AND ZONING APPLICATION

PLEASE CHECK THE APPROPRIATE BOX BELOW

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> PRELIMINARY PLAT | <input checked="" type="checkbox"/> REPLAT        | <input type="checkbox"/> ZONING CHANGE             |
| <input type="checkbox"/> FINAL PLAT       | <input type="checkbox"/> PLANNED DEVELOPMENT (PD) | <input type="checkbox"/> CHANGE OF USE/NEW USE     |
| <input type="checkbox"/> MINOR PLAT       | <input type="checkbox"/> PD AMMENDMENT            | <input type="checkbox"/> SPECIFIC USE PERMIT (SUP) |

**PROPERTY INFORMATION:**

Project Name: Mid-Park Business Community  
 Project Address (Location): 2 Dean Drive Aledo, TX 76008  
 Legal Description (Lot & Block): Lot 2 Mid-Park Business Community  
 Proposed Number of Lots: 5 Gross Acres: 5.231  
 Existing Zoning: \_\_\_\_\_ Proposed Zoning: \_\_\_\_\_  
 Existing Use: \_\_\_\_\_ Proposed Use: \_\_\_\_\_

**APPLICANT/OWNER/SURVEYOR/ENGINEER INFORMATION:**

**APPLICANT:**

Name: Moncrief Properties LLC  
 Address: P.O. 565 Phone: 817 9926 338  
 City: Aledo Fax: \_\_\_\_\_  
 State: TX Zip: 76008 Email: tony e tony aaron. com  
 Signature: [Signature] Date: 9/8/25  
 Applicant's Status: (check one)  Owner  Representative  Tenant  Prospective Buyer

**PROPERTY OWNER:**

Name: Moncrief Properties LLC  
 Address: " Phone: "  
 City: " Fax: \_\_\_\_\_  
 State: " Zip: " Email: "  
 Signature: " Date: "

**SURVEYOR:**

Name: Texas Geospatial Land Surveying, LLC Stephen Mizell  
 Address: P.O. Box 2598 Phone: 817-819-7987  
 City: Glen Rose Fax: \_\_\_\_\_  
 State: TX Zip: 76043 Email: stephen@txgeo.com

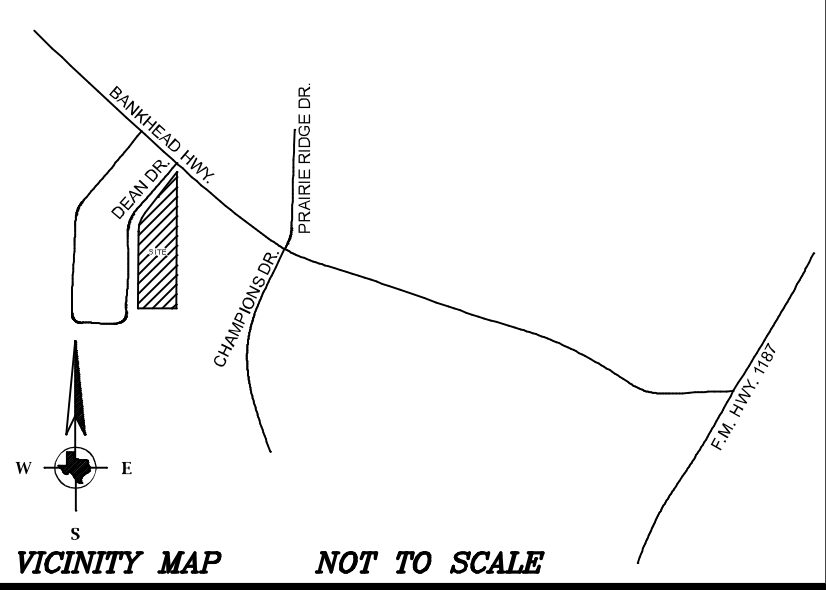
**ENGINEER:**

Name: Jordan Bishop Firm: \_\_\_\_\_  
 Address: \_\_\_\_\_ Phone: 817 319 9931  
 City: \_\_\_\_\_ Fax: \_\_\_\_\_  
 State: \_\_\_\_\_ Zip: \_\_\_\_\_ Email: Jordan e tx Surveying. com

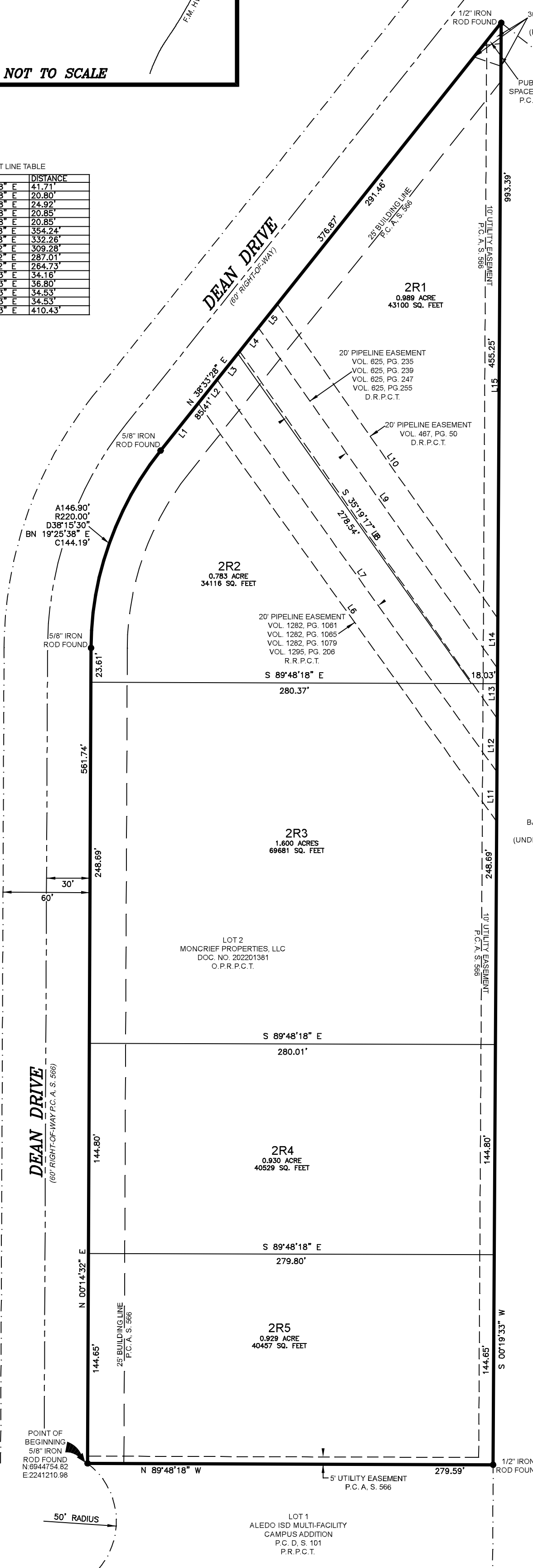
**FOR OFFICE USE ONLY**

APPLICATION FEE: \_\_\_\_\_ SUBMITTAL DATE: \_\_\_\_\_

**Final Plat**  
**Lots 2R1, 2R2, 2R3, 2R4, and 2R5,**  
**MID-PARK BUSINESS COMMUNITY,**  
 being a Replat of  
**Lot 2,**  
**MID-PARK BUSINESS COMMUNITY,**  
 an Addition to Parker County, Texas, according to the Plat  
 thereof recorded in Cabinet A, Slide 566, Plat Records,  
 Parker County, Texas.



LINE	BEARING	DISTANCE
L1	N 38°33'28" E	141.71'
L2	N 38°33'28" E	20.80'
L3	N 38°33'28" E	24.92'
L4	N 38°33'28" E	20.85'
L5	N 38°33'28" E	20.85'
L6	S 35°30'48" E	354.24'
L7	S 35°30'48" E	332.26'
L8	S 35°03'52" E	309.28'
L9	S 35°03'52" E	287.01'
L10	S 35°03'52" E	264.73'
L11	N 00°19'33" E	34.16'
L12	N 00°19'33" E	36.80'
L13	N 00°19'33" E	34.53'
L14	N 00°19'33" E	34.53'
L15	N 00°19'33" E	410.43'



STATE OF TEXAS }  
 COUNTY OF PARKER }

KNOW ALL MEN BY THESE PRESENTS, That Moncrief Properties, LLC, acting by and through the undersigned, its duly authorized agent, is the owner of following described real property, to wit;  
 FIELD NOTES:

5.231 acres, being Lot 2, MID-PARK BUSINESS COMMUNITY, an Addition to Parker County according to the Plat thereof recorded in Plat Cabinet A, Slide 566, Plat Records, Parker County, Texas, and being more particularly described, as follows:

Beginning at a 5/8" iron rod found for the southwest corner of said Lot 2, for the northwest corner of Lot 1, ALEDO ISD MULTI-FACILITY CAMPUS ADDITION, an Addition the City of Aledo, Parker County, Texas according to the Plat thereof recorded in Plat Cabinet D, Slide 101, Plat Records, Parker County, Texas, for the east line of DEAN DRIVE (a 60' Right-of-Way);

THENCE N 00°14'32" E, along the common line of said Lot 2 and DEAN DRIVE, 561.74 feet to a 5/8" iron rod found at the beginning of a curve to the right whose radius is 220.00 feet and whose long chord bears N 19°25'38" E, 144.19 feet;

THENCE along said curve, along the common line of said Lot 2 and DEAN DRIVE, through a central angle of 38°15'30", a distance of 146.90 feet to a 5/8" iron rod found at the end of said curve;

THENCE N 38°33'28" E, along the common line of said Lot 2 and DEAN DRIVE, 376.87 feet to a 1/2" iron rod found for the north corner of said Lot 2, for the southwest line of EAST BANKHEAD HIGHWAY (a variable width Right-of-Way), for the northwest corner of the tract described in deed as Tract Three to Bailey Ranch, a Texas Limited Partnership (undivided 78% ownership interest) by deed recorded in Volume 2018, Page 163, Official Public Records, Parker County, Texas;

THENCE S 00°19'33" W, along the east line of said Lot 2, 993.39 feet to a 1/2" iron rod found for the southeast corner of said Lot 2, for the northeast corner of said Lot 1;

THENCE N 89°48'18" W, along the common line of said Lots 2 and 1, 279.59 feet to the POINT OF BEGINNING and containing 5.231 acres of land.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS;

That, Moncrief Properties, LLC does hereby adopt this Plat of the hereinabove described real property to be designated as.....

LOTS 2R1, 2R2, 2R3, 2R4, AND 2R5,  
 MID-PARK BUSINESS COMMUNITY

and does hereby dedicate to the Public's use, the streets and easements shown hereon.

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 TONY AARON  
 MANAGER, MONCRIEF PROPERTIES, LLC

STATE OF TEXAS }  
 COUNTY OF PARKER }

BEFORE ME, the undersigned authority on this day personally appeared Tony Aaron, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executes the same for the purpose and consideration therein expressed in the capacity thereof.

GIVEN UNDER MY HAND AND SEAL OF THIS the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
 Notary Public, \_\_\_\_\_ County, Texas  
 My Commission Expires \_\_\_\_\_

TRACT THREE  
 BAILEY RANCH, A TEXAS LIMITED  
 PARTNERSHIP  
 (UNDIVIDED 78% OWNERSHIP INTEREST)  
 VOL. 2018, PG. 163  
 O.P.R.P.C.T.

**NOTES:**

BEARINGS ARE GRID, TEXAS COORDINATE SYSTEM OF 1983, NORTH CENTRAL ZONE 4202.

P.R.P.C.T. = PLAT RECORDS, PARKER COUNTY, TEXAS.  
 D.R.P.C.T. = DEED RECORDS, PARKER COUNTY, TEXAS.  
 R.R.P.C.T. = REAL RECORDS, PARKER COUNTY, TEXAS.  
 O.P.R.P.C.T. = OFFICIAL PUBLIC RECORDS, PARKER COUNTY, TEXAS.

THERE SHALL EXIST A 10' BUILDING LINE ALONG THE REAR OF ALL LOTS.  
 THERE SHALL EXIST A 7.5' BUILDING LINE ALONG THE SIDES OF ALL LOTS.

ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP NUMBER 48367C0450E DATED SEPTEMBER 26, 2008, THIS PROPERTY DOES NOT APPEAR TO LIE WITHIN A 100 YEAR FLOOD HAZARD AREA.

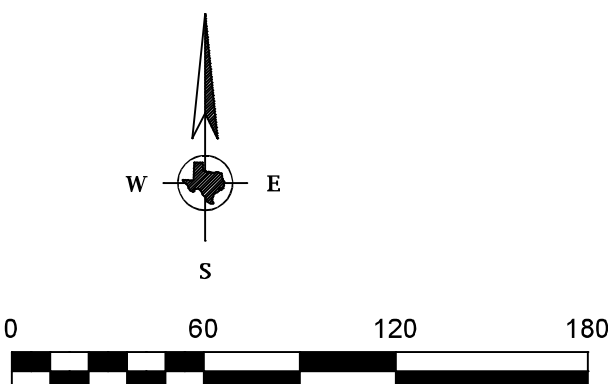
SUFFICIENT RESEARCH WAS PERFORMED TO DETERMINE THE BOUNDARY LOCATIONS OF THIS PROPERTY.

TITLE COMMITMENT PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY IN TITLE COMMITMENT GF NO. 407130FW, EFFECTIVE DATE SEPTEMBER 27, 2021, ISSUED DECEMBER 29, 2021.

**SCHEDULE B ITEM:**

- 10A. 25' BUILDING LINE ALONG WEST PROPERTY LINE, 5' UTILITY EASEMENT ALONG SOUTH PROPERTY LINE, 10' UTILITY EASEMENT ALONG EAST PROPERTY LINE, AND A PORTION OF A 20' X 20' PUBLIC OPEN SPACE EASEMENT AT NORTH PROPERTY CORNER ACCORDING TO PLAT RECORDED IN PLAT CABINET A, SLIDE 566, PLAT RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.
- 10B. EASEMENT RECORDED IN VOLUME 467, PAGE 50, DEED RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.
- 10C. EASEMENT RECORDED IN VOLUME 625, PAGE 235; VOLUME 625, PAGE 239; VOLUME 625, PAGE 247; AND VOLUME 625, PAGE 255, DEED RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.
- 10D. EASEMENT RECORDED IN VOLUME 1282, PAGE 1061; VOLUME 1282, PAGE 1065; VOLUME 1282, PAGE 1079; AND VOLUME 1295, PAGE 206, REAL RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.

UNDERGROUND UTILITIES EXIST IN THIS AREA. CONTACT TEXAS 811 AND THE CITY OF ALEDO BEFORE DIGGING, TRENCHING, OR EXCAVATING.



**TEXAS GEOSPATIAL**  
 STEPHEN@TXGEO.COM  
 4918 BEN DAY MURRIN RD.  
 FT. WORTH, TX 76126  
 817-619-7987  
 TBPOLS FIRM NO. 10083300

OWNER/DEVELOPER  
 MONCRIEF PROPERTIES, LLC  
 420 THROCKMORTON ST., STE. 550  
 FORT WORTH, TX 76102

THE PLAT HEREON WAS PREPARED FROM AN ACTUAL  
 ON THE GROUND SURVEY OF THE LEGALLY DESCRIBED  
 PROPERTY SHOWN HEREON.

**FOR REVIEW ONLY**

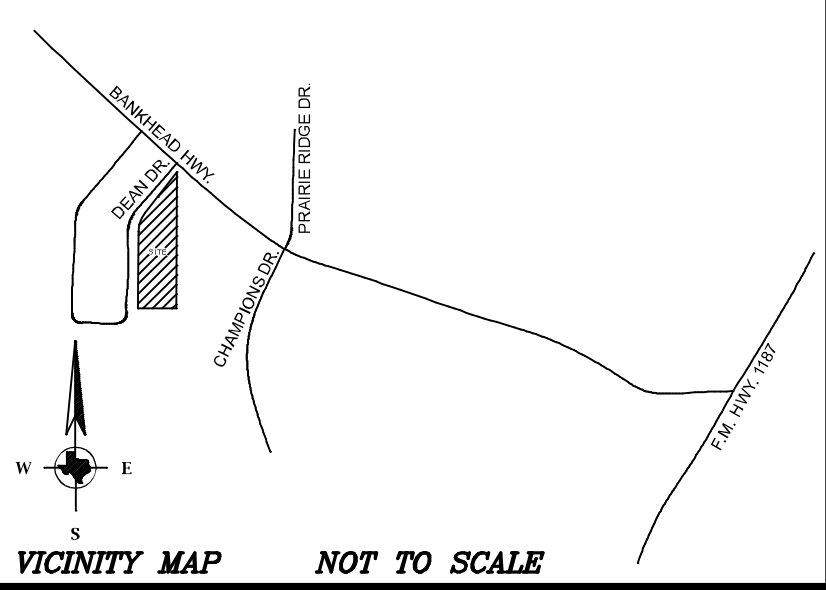
STEPHEN MIZELL  
 REGISTERED PROFESSIONAL LAND SURVEYOR  
 TEXAS REGISTRATION NO. 6185  
 SURVEYED ON THE GROUND DECEMBER 30, 2021  
 REPLAT PREPARED MAY 27, 2025  
 REVISED DECEMBER 29, 2025 (CITY COMMENTS)

APPROVED BY THE CITY ADMINISTRATOR OF THE CITY OF ALEDO, TEXAS, ON  
 THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025.

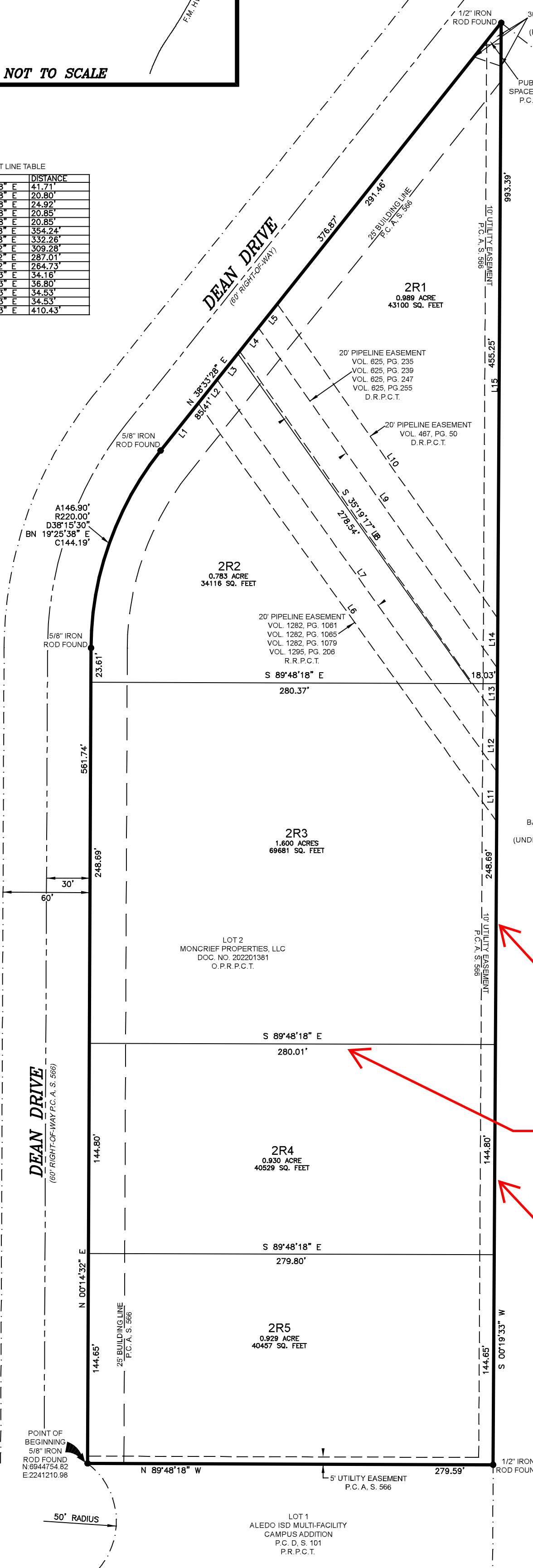
CITY ADMINISTRATOR

CITY SECRETARY

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 MID-PARK BUSINESS COMMUNITY

and does hereby dedicate to the Public's use, the streets and easements shown hereon.

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 TONY AARON  
 MANAGER, MONCRIEF PROPERTIES, LLC

STATE OF TEXAS }  
 COUNTY OF PARKER }

BEFORE ME, the undersigned authority on this day personally appeared Tony Aaron, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executes the same for the purpose and consideration therein expressed in the capacity thereof.

GIVEN UNDER MY HAND AND SEAL OF THIS the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 Notary Public, \_\_\_\_\_ County, Texas  
 My Commission Expires \_\_\_\_\_

Previous comment not addressed:  
 Provide setbacks for side lots and back of lot. (typ all lots)

Previous comment not addressed:  
 Confirm no drainage easements are required. (typ. all lots)

**NOTES:**

BEARINGS ARE GRID, TEXAS COORDINATE SYSTEM OF 1983, NORTH CENTRAL ZONE 4202.

P.R.P.C.T. = PLAT RECORDS, PARKER COUNTY, TEXAS.  
 D.R.P.C.T. = DEED RECORDS, PARKER COUNTY, TEXAS.  
 R.R.P.C.T. = REAL RECORDS, PARKER COUNTY, TEXAS.  
 O.P.R.P.C.T. = OFFICIAL PUBLIC RECORDS, PARKER COUNTY, TEXAS.

THERE SHALL EXIST A 10' BUILDING LINE ALONG THE REAR OF ALL LOTS.  
 THERE SHALL EXIST A 7.5' BUILDING LINE ALONG THE SIDES OF ALL LOTS.

ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP NUMBER 48367C0450E DATED SEPTEMBER 26, 2008, THIS PROPERTY DOES NOT APPEAR TO LIE WITHIN A 100 YEAR FLOOD HAZARD AREA.

SUFFICIENT RESEARCH WAS PERFORMED TO DETERMINE THE BOUNDARY LOCATIONS OF THIS PROPERTY.

TITLE COMMITMENT PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY IN TITLE COMMITMENT GF NO. 40713DFW, EFFECTIVE DATE SEPTEMBER 27, 2021, ISSUED DECEMBER 29, 2021.

**SCHEDULE B ITEM:**

10A. 25' BUILDING LINE ALONG WEST PROPERTY LINE, 5' UTILITY EASEMENT ALONG SOUTH PROPERTY LINE, 10' UTILITY EASEMENT ALONG EAST PROPERTY LINE, AND A PORTION OF A 20' X 20' PUBLIC OPEN SPACE EASEMENT AT NORTH PROPERTY CORNER ACCORDING TO PLAT CABINET A, SLIDE 566, PLAT RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.

10B. EASEMENT RECORDED IN VOLUME 467, PAGE 50, DEED RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.

10C. EASEMENT RECORDED IN VOLUME 625, PAGE 235; VOLUME 625, PAGE 239; VOLUME 625, PAGE 247; AND VOLUME 625, PAGE 255, DEED RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.

10D. EASEMENT RECORDED IN VOLUME 1282, PAGE 1061; VOLUME 1282, PAGE 1065; VOLUME 1282, PAGE 1079; AND VOLUME 1295, PAGE 206, REAL RECORDS, PARKER COUNTY, TEXAS, AS SHOWN ON MAP.

UNDERGROUND UTILITIES EXIST IN THIS AREA. CONTACT TEXAS 811 AND THE CITY OF ALEDO BEFORE DIGGING, TRENCHING, OR EXCAVATING.

THE PLAT HEREON WAS PREPARED FROM AN ACTUAL ON THE GROUND SURVEY OF THE LEGALLY DESCRIBED PROPERTY SHOWN HEREON.

**FOR REVIEW ONLY**

STEPHEN MIZELL  
 REGISTERED PROFESSIONAL LAND SURVEYOR  
 TEXAS REGISTRATION NO. 6185  
 SURVEYED ON THE GROUND DECEMBER 30, 2021  
 REPLAT PREPARED MAY 27, 2025  
 REVISED DECEMBER 29, 2025 (CITY COMMENTS)

APPROVED BY THE CITY ADMINISTRATOR OF THE CITY OF ALEDO, TEXAS, ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025.

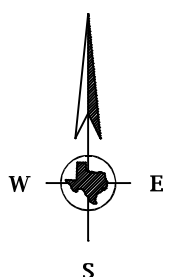
CITY ADMINISTRATOR

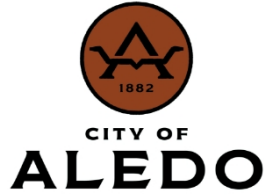
CITY SECRETARY

**TEXAS GEOSPATIAL**

STEPHEN@TXGEO.COM  
 4918 BEN DAY MURRIN RD.  
 FT. WORTH, TX 76126  
 817-819-7987  
 TBPOLS FIRM NO. 10083300

OWNER/DEVELOPER  
 MONCRIEF PROPERTIES, LLC  
 420 THROCKMORTON ST., SITE 550  
 FORT WORTH, TX 76102





**Date:** January 15, 2026  
**To:** City Council  
**From:** Jennifer Garrett, Finance Manager  
**Subject:** Presentation and acceptance of the City of Aledo Fiscal Year 2024-2025 Audit

---

**Summary:**

The City's external auditor, Susan LaFollett, with Vail & Park will be in attendance to present the Fiscal Year 2024-2025 audit. Attached is a draft of this report, and a final hard copy of the bound report will be provided at the City Council meeting. Susan met with key city staff who are responsible for managing the city's finances ahead of the Council meeting to take questions.

**Recommendation:**

Accept the audit report as presented.

**Attachments:**

1. Draft - City of Aledo Annual Financial Report - FY25
2. Audit Representation Letter

*ANNUAL FINANCIAL REPORT*

of the

**City of Aledo, Texas**

**For the Year Ended September 30, 2025**

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# City of Aledo, Texas

## ANNUAL FINANCIAL REPORT

September 30, 2025

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Aledo, 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 Aledo, 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.

#### *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 and budgetary comparison information on pages 5–12, the general fund budgetary comparison information on page 51 and the pension & OPEB tables on pages 52–57 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 60-61 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 and the schedule of expenditures of federal awards 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 15, 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 15, 2026

DRAFT 12/11/2025

# City of Aledo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2025

Management's discussion and analysis (MD&A) of the City of Aledo's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2025. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the 2025 fiscal year by \$47,367,075. Of this amount, \$11,665,238 is restricted for specific purposes and \$8,630,222 represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors. As required by GASB Statement No. 34, net position also reflects \$27,071,615 that is the net investment in capital assets.
- In contrast to the government-wide statements, the governmental fund statements report combined fund balances at year-end of \$16,609,284, of which \$8,532,750 represents restricted fund balance for Economic Development, infrastructure/public improvements, debt service, and other legislative purposes. The General Fund unassigned fund balance is \$8,076,534.
- The City's debt in the business-type activities increased by \$26,750,074. The increase is related to a new debt issuance of \$27,775,000 combined with paying the principal portion of scheduled annual debt service payments due in fiscal year 2025 and amortization of the related bond premium. The City's debt in the governmental activities decreased \$1,926 as a result of amortization of the bond premium.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private sector business. They present the financial picture of the City from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the City (excluding infrastructure purchased or donated prior to October 1, 2003) as well as all liabilities.

# City of Aledo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2025

Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regard to interfund activity, payables, and receivables.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two 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.

The statement of activities presents information showing how net position changed during the most recent fiscal year using the full accrual basis of accounting. 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 in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business 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 Administration, Public Works, City Streets, Municipal Court, Parks and Recreation, and the Community Center. Appropriations with a contract are made to the East Parker County Library and the Parker County Sheriff's Office. The business-type activity of the City is Water and Sewer Operations and contracting for solid waste services. All governmental and business-type activities included in the government-wide financial statements are functions of the City (known as the primary government). The government-wide financial statements can be found on pages 15-17 of this report.

### **Fund financial statements**

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

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, 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 fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

# City of Aledo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2025

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 the comparison between governmental funds and governmental activities.

The City maintains eight governmental funds, the general fund, the economic development corporation fund, the grant fund, the capital projects fund, the debt service fund, the TIRZ fund, and court security and technology 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 fund, the capital projects fund, and the debt service fund. All other nonmajor funds are aggregated and presented as Other Governmental Funds.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement (original versus final) has been provided in this report to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds** - Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City allocates costs directly to the operating departments and accordingly does not account or report any internal service funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 22-24 of this report.

**Notes to the basic financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-48 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension and OPEB benefits. The required supplementary information can be found on page 51-57 of this report.

**City of Aledo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2025

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$47,367,075 as of September 30, 2025.

The table below provides a summary of the City's net position on September 30, 2025 and 2024.

	Summary of Net Position					
	Governmental Activities		Business-type Activity		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Current and other assets	\$ 18,362,984	\$ 25,762,783	\$ 36,688,876	\$ 10,322,317	\$ 55,051,860	\$ 36,085,100
Net pension asset	82,451	46,269	88,029	49,399	170,480	95,668
Capital assets, net	25,630,765	14,880,026	29,101,910	28,568,856	54,732,675	43,448,882
<b>Total Assets</b>	<b>44,076,200</b>	<b>40,689,078</b>	<b>65,878,815</b>	<b>38,940,572</b>	<b>109,955,015</b>	<b>79,629,650</b>
<b>Deferred Outflows of Resources</b>	<b>68,836</b>	<b>125,227</b>	<b>479,711</b>	<b>573,763</b>	<b>548,547</b>	<b>698,990</b>
Other liabilities	1,874,847	822,995	1,420,859	2,474,796	3,295,706	3,297,791
Long-term liabilities	18,586,653	18,588,579	41,131,362	14,381,288	59,718,015	32,969,867
<b>Total Liabilities</b>	<b>20,461,500</b>	<b>19,411,574</b>	<b>42,552,221</b>	<b>16,856,084</b>	<b>63,013,721</b>	<b>36,267,658</b>
<b>Deferred Inflows of Resources</b>	<b>43,149</b>	<b>140,223</b>	<b>79,617</b>	<b>140,843</b>	<b>122,766</b>	<b>281,066</b>
Net Position:						
Net investment in capital assets	13,088,998	11,910,286	13,982,617	14,218,081	27,071,615	26,128,367
Restricted	8,532,750	2,984,228	3,132,488	2,997,525	11,665,238	5,981,753
Unrestricted	2,018,639	6,367,994	6,611,583	5,301,802	8,630,222	11,669,796
<b>Total Net Position</b>	<b>\$ 23,640,387</b>	<b>\$ 21,262,508</b>	<b>\$ 23,726,688</b>	<b>\$ 22,517,408</b>	<b>\$ 47,367,075</b>	<b>\$ 43,779,916</b>

A large portion of the City's net position (57%) reflects its investment in capital assets (land, building, infrastructure, machinery, and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses those assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$11,665,238 or 25% of the City's net position represents resources that are subject to external restrictions on how they may be used. The majority of the restricted assets of the City are being held for capital improvements, debt service requirements on the City's outstanding debt, and economic development. The remaining portion of the City's net position (\$8,630,222, or 26%) may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Aledo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2025

The table below provides a summary of the City's changes in net position for the years ended September 30, 2025 and 2024.

<b>Summary of Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activity</b>		<b>Total</b>	
	<b>FY 2024-25</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2023-24</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 521,620	\$ 712,947	\$ 6,275,464	\$ 4,954,995	\$ 6,797,084	\$ 5,667,942
Operating grants and contributions	367,930	-	-	-	367,930	-
Capital grants and contributions	-	-	-	1,236,232	-	1,236,232
General revenues:						
Property taxes	4,146,874	3,073,919	-	-	4,146,874	3,073,919
Sales taxes	1,875,965	2,260,248	-	-	1,875,965	2,260,248
Franchise tax	397,085	365,274	-	-	397,085	365,274
Investment earnings	800,329	1,153,259	930,320	517,517	1,730,649	1,670,776
Disposal of capital assets	(18,517)	-	-	28,000	(18,517)	28,000
Miscellaneous revenue (expense)	204,132	108,397	-	-	204,132	108,397
<b>Total Revenues</b>	<b>8,295,418</b>	<b>7,674,044</b>	<b>7,205,784</b>	<b>6,736,744</b>	<b>15,501,202</b>	<b>14,410,788</b>
<b>Expenses</b>						
Administration	1,996,643	1,771,696	-	-	1,996,643	1,771,696
Public works and city streets	1,220,508	1,458,562	-	-	1,220,508	1,458,562
Court and public safety	781,039	2,984	-	-	781,039	2,984
Parks and recreation	178,057	236,806	-	-	178,057	236,806
Community center	709,159	15,551	-	-	709,159	15,551
Interest on long-term debt	827,133	723,013	1,317,909	-	2,145,042	723,013
Water and sewer operations	-	-	4,883,595	4,489,615	4,883,595	4,489,615
<b>Total Expenses</b>	<b>5,712,539</b>	<b>4,208,612</b>	<b>6,201,504</b>	<b>4,489,615</b>	<b>11,914,043</b>	<b>8,698,227</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	<b>2,582,879</b>	<b>3,465,432</b>	<b>1,004,280</b>	<b>2,247,129</b>	<b>3,587,159</b>	<b>5,712,561</b>
Transfers	(205,000)	(262,995)	205,000	262,995	-	-
<b>Total</b>	<b>(205,000)</b>	<b>(262,995)</b>	<b>205,000</b>	<b>262,995</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>2,377,879</b>	<b>3,202,437</b>	<b>1,209,280</b>	<b>2,510,124</b>	<b>3,587,159</b>	<b>5,712,561</b>
<b>Beginning Net Position</b>	<b>21,262,508</b>	<b>18,060,071</b>	<b>22,517,408</b>	<b>20,007,284</b>	<b>43,779,916</b>	<b>38,067,355</b>
<b>Ending Net Position</b>	<b>\$ 23,640,387</b>	<b>\$ 21,262,508</b>	<b>\$ 23,726,688</b>	<b>\$ 22,517,408</b>	<b>\$ 47,367,075</b>	<b>\$ 43,779,916</b>

In total, the City's total net position increased by \$3,587,159 during the current fiscal year. The City's governmental activities, including transfers, increased net position by \$2,377,879. The total cost of all governmental activities this year was \$5,712,539. The amount that taxpayers paid for these activities through property taxes was \$4,146,874 or 50% of total governmental revenue. The City's business-type activities increased net position by \$1,209,280. The total cost of all business-type activities for fiscal year 2025 was \$6,201,504.

# City of Aledo, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2025

**Governmental activities** – Governmental activities increased the City's net position by \$2,377,879. The key elements of this increase are as follows:

- Increase of property taxes of approximately \$1,072,955.
- Increase in operating grants of approximately \$367,930.
- Increase in other revenues of approximately \$95,735.

**Business-type activities** – Business-type activities increased the City's net position by \$1,209,280. The key element of this increase was increases in charges for services and investment earnings totaling \$1,320,469 and \$412,803, respectively.

### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,609,284, a decrease of \$8,493,511 from the prior year. Unassigned fund balance reported in the general fund of \$8,076,534, an increase of \$1,355,603 over the prior year, represents amounts available for spending at the City's discretion. The key factor in this increase was continued rising of property and sales taxes.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Adjustments made to the 2024 – 2025 General Fund annual budget during the year are highlighted on page 51.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets

The City's investments in total capital assets for its governmental and business-type activities as of September 30, 2025, amount to \$54,732,675 (net of accumulated depreciation). Investments in capital assets related to governmental activities of \$25,630,765, includes land, construction in progress, buildings and improvements, motor vehicles, machinery and equipment, City streets, storm water drainage, and other improvements.

**City of Aledo, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2025

The City's investments in capital assets related to business-type activities of \$29,101,910, includes land, construction in progress, buildings and improvements, motor vehicles, machinery and equipment, and the water and sewer systems.

	Governmental Activities		Business-type Activities		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Land	\$ 569,625	\$ 569,625	\$ 419,604	\$ 419,604	\$ 989,229	\$ 989,229
Construction in progress	15,825,974	4,749,909	3,247,780	2,086,911	19,073,754	6,836,820
Water and sewer system	-	-	37,912,101	37,334,672	37,912,101	37,334,672
Buildings and improvements	698,731	498,351	3,210	3,210	701,941	501,561
City streets	13,636,812	13,636,812	-	-	13,636,812	13,636,812
Storm water drainage	1,604,895	1,604,895	-	-	1,604,895	205,866
Motor vehicles	516,711	279,967	370,417	370,417	887,128	1,975,312
Machinery and equipment	205,866	205,866	353,321	390,431	559,187	670,398
Other improvements	1,064,629	943,958	-	-	1,064,629	943,958
Accumulated depreciation	(8,492,478)	(7,609,357)	(13,204,523)	(12,036,389)	(21,697,001)	(19,645,746)
Total	<u>\$ 25,630,765</u>	<u>\$ 14,880,026</u>	<u>\$ 29,101,910</u>	<u>\$ 28,568,856</u>	<u>\$ 54,732,675</u>	<u>\$ 43,448,882</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

**Long-term debt** - At the end of the current fiscal year, the City had total debt outstanding of \$59,660,000. In total, the City's long-term debt increased by \$26,749,226 during the current fiscal year.

	Governmental Activities		Business-type Activities		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Certificates of obligation	\$18,558,595	\$18,559,999	\$33,817,824	\$ 6,360,000	\$52,376,419	\$24,919,999
General obligation refunding	-	-	7,283,581	7,990,775	7,283,581	7,990,775
Total	<u>\$18,558,595</u>	<u>\$18,559,999</u>	<u>\$41,101,405</u>	<u>\$14,350,775</u>	<u>\$59,660,000</u>	<u>\$32,910,774</u>

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2024-25 was \$0.390082 per \$100 assessed valuation, of which \$0.131800 was for annual debt service. Additional information on the City's long-term debt can be found in Note 5 of this report.

**City of Aledo, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
For the Year Ended September 30, 2025

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The annual budget is developed to provide efficient, effective and economic uses of the City's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities.

In considering the Fiscal Year 2026 budget, City Council and management considered the following factors:

- The FY2026 adopted property tax rate was \$0.355353 per \$100 assessed valuation.
- The major expenditure categories, and items that are taking place:
  - Development and implementation of a police department which will be fully operational in fiscal year 2026.
  - City Hall is in progress and expected to be complete in fiscal year 2026.
  - Project for the wastewater treatment with which will be funded with debt proceeds.

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the City finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the City Secretary at: 104 Maverick Street, PO Box 1, Aledo TX 76008.

**BASIC FINANCIAL STATEMENTS**

DRAFT 12/11/2025

DRAFT 12/11/2025

**City of Aledo, Texas**  
**STATEMENT OF NET POSITION**  
As of September 30, 2025

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 17,542,084	\$ 35,311,131	\$ 52,853,215
Receivables (net of allowances)	583,116	906,354	1,489,470
Restricted assets:			
Cash and cash equivalents	237,784	471,391	709,175
Net pension asset	82,451	88,029	170,480
Capital assets (net of acc. depreciation)			
Non-depreciable	16,395,599	3,667,384	20,062,983
Net depreciable capital assets	9,235,166	25,434,526	34,669,692
<b>Total Assets</b>	<b>44,076,200</b>	<b>65,878,815</b>	<b>109,955,015</b>
<b>Deferred Outflows of Resources</b>			
Deferred charges on refunding	-	406,217	406,217
Deferred outflows - pension	66,473	70,971	137,444
Deferred outflows - OPEB	2,363	2,523	4,886
<b>Total Deferred Outflows of Resources</b>	<b>68,836</b>	<b>479,711</b>	<b>548,547</b>
<b>Liabilities</b>			
Accounts payable	1,019,498	284,075	1,303,573
Escrow payable	653,499	616,337	1,269,836
Accrued liabilities	48,752	206,424	255,176
Customer deposits	-	288,170	288,170
Interest payable	103,411	-	103,411
Compensated absences	49,687	25,853	75,540
Noncurrent liabilities:			
Total OPEB liability	28,058	29,957	58,015
Debt due within one year	15,000	1,194,370	1,209,370
Debt due in more than one year	18,543,595	39,907,035	58,450,630
<b>Total Liabilities</b>	<b>20,461,500</b>	<b>42,552,221</b>	<b>63,013,721</b>
<b>Deferred Inflows of Resources</b>			
Deferred charges on refunding	-	33,547	33,547
Deferred inflows - pension	38,627	41,241	79,868
Deferred inflows - OPEB	4,522	4,829	9,351
<b>Total Deferred Inflows of Resources</b>	<b>43,149</b>	<b>79,617</b>	<b>122,766</b>
<b>Net Position</b>			
Net investment in capital assets	13,088,998	13,982,617	27,071,615
Restricted	8,532,750	3,132,488	11,665,238
Unrestricted	2,018,639	6,611,583	8,630,222
<b>Total Net Position</b>	<b>\$ 23,640,387</b>	<b>\$ 23,726,688</b>	<b>\$ 47,367,075</b>

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

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Administration	\$ 1,996,643	\$ 403,486	\$ 367,930	\$ -
Public works	544,312	-	-	-
City streets	676,196	-	-	-
Municipal court and public safety	781,039	1,680	-	-
Parks and recreation	178,057	109,114	-	-
Community center	709,159	7,340	-	-
Interest and charges on long-term debt	827,133	-	-	-
<b>Total governmental activities</b>	<u>5,712,539</u>	<u>521,620</u>	<u>367,930</u>	<u>-</u>
<b>Business-type activities:</b>				
Water and sewer	6,201,504	6,275,464	-	-
<b>Total business-type activities</b>	<u>6,201,504</u>	<u>6,275,464</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 11,914,043</u>	<u>\$ 6,797,084</u>	<u>\$ 367,930</u>	<u>\$ -</u>

**General Revenues and Transfers:**

- Property taxes
- Sales taxes
- Franchise taxes
- Unrestricted investment earnings
- Loss on sale of capital assets
- Other revenue
- Transfers in (out)

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

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

**Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,225,227)		\$ (1,225,227)
(544,312)		(544,312)
(676,196)		(676,196)
(779,359)		(779,359)
(68,943)		(68,943)
(701,819)		(701,819)
(827,133)		(827,133)
<u>(4,822,989)</u>		<u>(4,822,989)</u>
-	\$ 73,960	73,960
-	73,960	73,960
<u>(4,822,989)</u>	<u>73,960</u>	<u>(4,749,029)</u>
4,146,874	-	4,146,874
1,875,965	-	1,875,965
397,085	-	397,085
800,329	930,320	1,730,649
(18,517)	-	(18,517)
204,132	-	204,132
(205,000)	205,000	-
<u>7,200,868</u>	<u>1,135,320</u>	<u>8,336,188</u>
2,377,879	1,209,280	3,587,159
21,262,508	22,517,408	43,779,916
<u>\$ 23,640,387</u>	<u>\$ 23,726,688</u>	<u>\$ 47,367,075</u>

# City of Aledo, Texas

## BALANCE SHEET

### GOVERNMENTAL FUNDS

As of September 30, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 8,055,228	\$ 6,016,828	\$ -	\$ 3,470,028	\$ 17,542,084
Receivables: (net)					
Property taxes	15,130	-	8,517	-	23,647
Sales taxes	309,040	-	-	154,520	463,560
Other	95,909	-	-	-	95,909
Restricted cash	-	-	237,784	-	237,784
<b>Total Assets</b>	8,475,307	6,016,828	246,301	3,624,548	18,362,984
<b>Liabilities</b>					
Accounts payable	331,186	668,468	550	19,294	1,019,498
Retainage payable	-	649,787	-	3,712	653,499
Accrued liabilities	48,752	-	-	-	48,752
<b>Total Liabilities</b>	379,938	1,318,255	550	23,006	1,721,749
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	18,835	-	8,516	4,600	31,951
<b>Total Deferred Inflows of Resources</b>	18,835	-	8,516	4,600	31,951
<b>Fund Balances</b>					
Restricted for:					
Capital projects	-	4,698,573	-	-	4,698,573
Debt service	-	-	237,235	-	237,235
Economic development	-	-	-	3,206,395	3,206,395
Public improvements	-	-	-	387,317	387,317
Court technology	-	-	-	1,620	1,620
Court security	-	-	-	1,610	1,610
Unassigned	8,076,534	-	-	-	8,076,534
<b>Total Fund Balances</b>	8,076,534	4,698,573	237,235	3,596,942	16,609,284
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	\$ 8,475,307	\$ 6,016,828	\$ 246,301	\$ 3,624,548	\$ 18,362,984

# City of Aledo, Texas

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

As of September 30, 2025

**Fund Balances - Total Governmental Funds** \$ 16,609,284

### Adjustments for the Statement of Net Position

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds.

Capital assets - non-depreciable	16,395,599
Capital assets - net depreciable	9,235,166

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

Property taxes	31,951
----------------	--------

Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow of resources

Pension outflows	66,473
Pension inflows	(38,627)
OPEB outflows	2,363
OPEB inflows	(4,522)

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

Accrued interest	(103,411)
Net pension liability	82,451
Total OPEB liability	(28,058)
Compensated absences	(49,687)
Long-term debt due in one year	(15,000)
Long-term debt due in more than one year	(18,543,595)

**Net Position of Governmental Activities** \$ 23,640,387

# City of Aledo, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 2,194,520	\$ -	\$ 1,119,480	\$ 818,196	\$ 4,132,196
Sales taxes	1,668,241	-	-	207,724	1,875,965
Franchise taxes	397,085	-	-	-	397,085
Interest	345,877	352,993	13,324	88,135	800,329
Licenses and permits	403,486	-	-	-	403,486
Contributions and grants	367,930	-	-	-	367,930
Other	135,386	-	-	75,816	211,202
Development fees	109,114	-	-	-	109,114
Community center rental	7,340	-	-	-	7,340
Fines	1,595	-	-	85	1,680
<b>Total Revenues</b>	<b>5,630,574</b>	<b>352,993</b>	<b>1,132,804</b>	<b>1,189,956</b>	<b>8,306,327</b>
<b>Expenditures</b>					
Current:					
Administration	1,955,661	-	-	106,968	2,062,629
Public safety	715,005	-	-	-	715,005
Public works	527,332	-	-	-	527,332
City streets	391,582	-	-	-	391,582
Parks	44,933	-	-	331,017	375,950
Community center	30,566	-	-	-	30,566
Court	3,790	-	-	-	3,790
Capital outlays	645,168	11,014,279	-	-	11,659,447
Debt service:					
Interest and fiscal charges	-	-	828,537	-	828,537
<b>Total Expenditures</b>	<b>4,314,037</b>	<b>11,014,279</b>	<b>828,537</b>	<b>437,985</b>	<b>16,594,838</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,316,537</b>	<b>(10,661,286)</b>	<b>304,267</b>	<b>751,971</b>	<b>(8,288,511)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	200,000	-	-	200,000
Transfers out	(200,000)	-	(205,000)	-	(405,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(200,000)</b>	<b>200,000</b>	<b>(205,000)</b>	<b>-</b>	<b>(205,000)</b>
Net Change in Fund Balances	1,116,537	(10,461,286)	99,267	751,971	(8,493,511)
Beginning Fund Balances	6,959,997	15,159,859	137,968	2,844,971	25,102,795
<b>Ending Fund Balances</b>	<b>\$ 8,076,534</b>	<b>\$ 4,698,573</b>	<b>\$ 237,235</b>	<b>\$ 3,596,942</b>	<b>\$ 16,609,284</b>

# City of Aledo, Texas

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATE OF ACTIVITIES

For the Year Ended September 30, 2025

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

**Net changes in fund balances - total governmental funds** \$ (8,493,511)

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

Capital outlay	11,659,447
Depreciation expense	(882,757)
Loss on sale of capital assets	(25,951)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred property taxes	14,678
-------------------------	--------

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 governmental funds.

Compensated absences	35,487
Pension and OPEB expense	69,082

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 issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premium	<u>1,404</u>
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<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 2,377,879</u></u>
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**City of Aledo, Texas**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
As of September 30, 2025

	<b>Water and Sewer Fund</b>
<b>Assets</b>	
Current Assets:	
Cash and investments	\$ 35,311,131
Receivables (net of allowances for uncollectible):	
Accounts	906,354
<b>Total Current Assets</b>	<b>36,217,485</b>
Noncurrent Assets:	
Restricted cash and cash equivalents	471,391
Net pension asset	88,029
Capital assets:	
Non-depreciable	3,667,384
Net depreciable capital assets	25,434,526
<b>Total Noncurrent Assets</b>	<b>29,661,330</b>
<b>Total Assets</b>	<b>65,878,815</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflows - bond refunding	406,217
Deferred outflows - pension	70,971
Deferred outflows - OPEB	2,523
<b>Total Deferred Outflows of Resources</b>	<b>479,711</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	284,075
Escrow payable	616,337
Accrued liabilities	202,660
Customer deposits	288,170
Sales tax payable	3,764
Compensated absences	25,853
Current portions of long-term debt	1,194,370
<b>Total Current Liabilities</b>	<b>2,615,229</b>
Noncurrent Liabilities:	
Bonds and certificates of obligation payable (net)	39,907,035
Total OPEB liability	29,957
<b>Total Noncurrent Liabilities</b>	<b>39,936,992</b>
<b>Total Liabilities</b>	<b>42,552,221</b>
<b>Deferred Inflows of Resources</b>	
Deferred charges on refunding	33,547
Deferred inflows - pension	41,241
Deferred inflows - OPEB	4,829
<b>Total Deferred Inflows of Resources</b>	<b>79,617</b>
<b>Net Position</b>	
Net investment in capital assets	13,982,617
Restricted for system upgrade and expansion	3,132,488
Unrestricted	6,611,583
<b>Total Net Position</b>	<b>\$ 23,726,688</b>

# City of Aledo, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended September 30, 2025

	<u>Water and Sewer Fund</u>
<b>Operating Revenues</b>	
Water and sewer service	\$ 5,449,516
Connection and impact fees	704,212
Other revenues	88,110
Meter box and credit card fees	33,626
<b>Total Operating Revenues</b>	<u>6,275,464</u>
<b>Operating Expenses</b>	
Supplies and maintenance	1,677,491
Depreciation	1,205,244
Personnel services	939,484
Purchased water	570,028
Professional and contract services	272,297
Utilities	103,862
Other operating expenses	115,189
<b>Total Operating Expenses</b>	<u>4,883,595</u>
<b>Operating Income (Loss)</b>	<u>1,391,869</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest income	930,320
Interest expense and fiscal charges	(1,317,909)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(387,589)</u>
<b>Income before Capital Contributions and Transfers</b>	<u>1,004,280</u>
Transfers in (out)	205,000
<b>Total Transfers</b>	<u>205,000</u>
<b>Change in Net Position</b>	1,209,280
Beginning Net Position	22,517,408
<b>Ending Net Position</b>	<u><u>\$ 23,726,688</u></u>

**City of Aledo, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Year Ended September 30, 2025

	<b>Water and Sewer Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Customers	\$ 6,058,325
Cash Payments to Suppliers for Goods and Services	(3,711,186)
Cash Payments to Employees for Services	(1,026,362)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,320,777</b>
 <b>Cash Flows from Non-capital and Related Financing Activities:</b>	
Transfers from Other Funds	205,000
<b>Net Cash Provided (Used) by Non-Capital and Related Financing Activities</b>	<b>205,000</b>
 <b>Cash Flows from Capital and Related Financing Activities:</b>	
Proceeds from Bond Issuance	27,775,000
Cost of bond issuance	(607,703)
Principal and interest paid	(1,655,145)
Acquisition or Construction of Capital Assets	(1,797,664)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>23,714,488</b>
<b>Net Increase (decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<b>25,240,265</b>
 Cash, Cash Equivalents and Restricted Cash at Beginning of the Year	
Unrestricted Cash and Investments	10,053,666
Restricted Cash	471,391
	<b>10,525,057</b>
 Cash, Cash Equivalents and Restricted Cash at End of the Year	
Unrestricted Cash and Investments	35,311,131
Restricted Cash	471,391
	<b>\$ 35,782,522</b>
 <b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income (Loss)	1,391,869
Depreciation and Amortization	1,205,244
<b>Change in Assets and Liabilities:</b>	
Decrease (Increase) in Receivables	(216,039)
Decrease (Increase) in Deferred Outflows of Resources	94,052
Decrease (Increase) in Net Pension Asset	(38,630)
Increase (Decrease) in Accounts Payable	(859,073)
Increase (Decrease) in Escrow Payable	(297,701)
Increase (Decrease) in Deferred Inflows of Resources	(61,226)
Increase (Decrease) in Accrued Liabilities	117,060
Increase (Decrease) in Customer Deposits	(1,100)
Increase (Decrease) in Accrued Compensated Absences	(13,123)
Increase (Decrease) in Total OPEB Liability	(556)
Total Adjustments	<b>(71,092)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,320,777</b>

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Aledo, Texas (the City) was incorporated in 1963 and operates under a Council-City Manager form of government. The City provides: administration, public works and streets, public safety, water and sewer, municipal court, parks and recreation, and community center. 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.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. General accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The more significant accounting policies of the City are described below:

**A. The Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other 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.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

**City of Aledo, Texas**  
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Some organizations are included as component units because of the fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entity was found to be a component unit of the City and is included in the accompanying financial statements:

Aledo Economic Development Corporation – On May 10, 2008, the voters approved the creation of the Aledo Economic Development Corporation (EDC) for the purpose of projects and improvements that promote economic development within the City. Funding for the EDC is generated from 0.50% sales tax. There are seven directors appointed by City Council, the first of whom is also the Mayor. At least three of the directors must not be employees, officers, or members of the City Council. The EDC is authorized to sell bonds or other forms of indebtedness. Upon dissolution, the assets of the EDC shall be distributed to the City. The EDC is reported as a governmental activity in the government-wide financial statements and as a Special Revenue Fund in the governmental fund financial statements.

Separate financial statements of this component have not been prepared.

**B. Basis of Presentation**

Government-wide Statements:

The statement of net position and the statement of activities include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

Fund Financial Statements:

The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All other funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major Governmental funds:

The **General Fund** is the City's primary operating fund. This fund is used to account for all financial resources not reported in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Capital Projects Fund** is used to account for the proceeds from issuance of bonds payable and the expenditure of those funds for capital projects and improvements throughout the City.

The **Debt Service Fund** is used to account for and report financial resources restricted, committed, or assigned to expenditure for principal and interest on the City's debt.

The City reports the following major Enterprise fund:

The **Water and Sewer Fund** reports for revenues and expenses associated with water and sewer services for the citizens of the City. Activities of the fund include administration, operations, and maintenance of the water, sewer and sanitation system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for enterprise debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using 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.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
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Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. 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.

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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, interest revenue, charges for services, franchise taxes and sales tax revenues are susceptible to accrual. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. 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.

**D. Budgetary Control**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for general fund. The appropriated budget is prepared by fund and department. The budget, as formally adopted by the City Council, establishes the maximum authorization of operating funds to be expended by any fund. Any subsequent amendment thereto must be approved by the Council. The legal level of budget control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

**E. Excess of Expenditures Over Appropriations**

For the year ended September 30, 2025, the General Fund exceeded appropriations at the legal level of control in the amount of \$761,561. The City has implemented procedures to monitor budget and ensure compliance.

**F. Cash and Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have an original maturity of three months or less when purchased.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**G. Capital Assets**

Capital assets purchased or constructed are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other capital assets.

Capital assets are defined by the City as assets with an initial individual cost of \$3,000 or more and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	15 – 30 years
Motor vehicles	3 – 15 years
Machinery and equipment	3 – 15 years
Water and sewer system	5 – 40 years
City streets	15 years
Storm water drainage	40 years
Other improvements	3 – 15 years

**H. Accrued Compensated Absences**

The City Council has adopted a policy whereby employees are paid lump sum payments for unused vacation and sick time if they leave City employment. Upon termination, up to 20 days of vacation and a portion of sick leave (maximum of 50 hours) if the employee meets the prescribed conditions for each.

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds Balance Sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**J. Pensions**

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

Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS' consulting agency, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Pension liabilities are generally liquidated with resources of the general fund and enterprise fund.

**K. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the employer's yearly contributions for retirees. Information regarding the City's OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

OPEB liabilities are generally liquidated with resources of the general fund and enterprise fund.

**L. Fund Balance and Net Position**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

- a. Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in the spendable form or (b) are legally or contractually required to be maintained intact. Non spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
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- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

In circumstances where expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be extended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

In circumstances where an expense is to be made for a purpose for which amounts are available in multiple net position classifications, restricted position will be fully utilized first followed by unrestricted as necessary.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**M. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**N. Upcoming and Newly Implemented Accounting Pronouncements**

In 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. The impact of implementing statement is disclosed on the financial statements.

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

GASB issued Statement No. 103, “Financial Reporting Model Improvements,” that attempts to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement expands requirements for the management discussion & analysis, presentation of proprietary fund statement of revenues, expenses & changes in fund net position, and information related to major component units & budgetary comparisons. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended 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.

**NOTE 2. CASH AND EQUIVALENTS**

Cash and equivalents as of September 30, 2025 consist of the following:

	Cash Deposits	Texstar
Governmental activities		
General fund	\$ 58,381	\$ 7,996,847
Capital projects fund	3,683,873	2,332,955
Debt service fund	-	601,784
Non-major funds	1,478,206	1,991,822
Business-type activities		
Water and sewer fund	29,055,899	6,255,232
Total	\$ 34,276,359	\$ 19,178,640

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

One of the ways that the City manages its exposure to interest rate risk is by investing in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2025, the City had investments in TexStar totaling \$19,178,640 which had a weighted average maturity of 26 days.

As of September 30, 2025, the City was not invested in any securities which are highly sensitive to interest rate fluctuation.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating required by (where applicable) the Public Funds Investment Act, the City’s investment policy, or debt agreements, is AAA. The actual rating as of September 30, 2025 for TexStar was AAAM.

**Concentration of Credit Risk**

In accordance with the City’s Investment policy, the City limits their exposure of concentration of credit risk by restricting investments in the following investment instruments:

	Maximum Percentage of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	100%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	10%
SEC-Regulated No-Load Money Market Mutual Funds	50%

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transactions, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2025, the carrying amount of the City’s cash on hand and deposits were \$34,276,359 and the bank balance was \$35,653,960.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

\$750,000 of the bank balance was covered by depository insurance under the Federal Depository Insurance Corporation (FDIC insured), with the remaining balance secured with securities held by pledging financial institutions.

**Investment in State Investment Pools**

The City is a voluntary participant in the TexStar external investment pool. The State Comptroller of Public Accounts exercises responsibility over TexStar. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexStar and other persons who do not have a business relationship with TexStar. TexStar uses net asset value rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares. The City, at its option, can withdraw funds within a twenty-four hour period from TexStar.

**Investments Measured at Fair Value**

The City measures and reports investments at fair value using the valuation input hierarchy established by Generally Accepted Accounting Principles (GAAP), as follows:

- a. Level 1: Quoted prices in active markets for identical assets or liabilities;
- b. Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- c. Level 3: Unobservable inputs for an assets or liability

As of September 30, 2025, the City had recurring fair value measurements as detailed below.

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Rating Standard &amp; Poors</u>	<u>Weighted Average Maturity</u>
<u>Primary Government</u>				
Cash	\$ 34,383,750			
Investment not subject to categorization:				
Government sponsored investment pool (TexStar)	18,105,466	\$ 18,105,466	AAAm	26 days
Restricted government sponsored investment pool (TexStar)	1,073,175	\$ 1,073,175	AAAm	26 days
	<u>\$ 53,562,391</u>			

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**NOTE 3. PROPERTY TAXES**

Taxes assessed on valuations as of January 1 each year are levied during the subsequent fiscal year beginning October 1. Property taxes attach as an enforceable lien on property at the time levied. 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. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property tax revenues are considered available when they become due or past due and receivable within the current period and when they are expected to be collected during a 60 day period after the close of the fiscal year. The City has its property taxes collected by the Parker County Tax Assessor/Collector. Property taxes that are deemed uncollectible are presented as a reserve against revenues and property taxes receivable.

**NOTE 4. CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2025, is as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclasses</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Land	\$ 569,625	\$ -	\$ -	\$ 569,625
Construction in progress	4,749,909	11,076,065	-	15,825,974
Total capital assets not being depreciated	<u>5,319,534</u>	<u>11,076,065</u>	<u>-</u>	<u>16,395,599</u>
Capital assets, being depreciated				
Buildings and improvements	498,351	200,380	-	698,731
City streets	13,636,812	-	-	13,636,812
Storm water drainage	1,604,895	-	-	1,604,895
Motor vehicles	279,967	262,331	(25,587)	516,711
Machinery and equipment	205,866	-	-	205,866
Other improvements	943,957	120,672	-	1,064,629
Total capital assets being depreciated	<u>17,169,848</u>	<u>583,383</u>	<u>(25,587)</u>	<u>17,727,644</u>
Less accumulated depreciation:				
Buildings and improvements	296,423	16,564	-	312,987
City streets	5,984,736	708,810	-	6,693,546
Storm water drainage	364,935	40,073	-	405,008
Motor vehicles	265,542	32,889	(25,587)	272,844
Machinery and equipment	176,529	7,334	-	183,863
Other improvements	521,240	102,990	-	624,230
Total accumulated depreciation	<u>7,609,405</u>	<u>908,660</u>	<u>(25,587)</u>	<u>8,492,478</u>
Net capital assets being depreciated	<u>9,560,443</u>	<u>(325,277)</u>	<u>-</u>	<u>9,235,166</u>
<b>Total governmental capital assets</b>	<u>\$14,879,977</u>	<u>\$ 10,750,788</u>	<u>\$ -</u>	<u>\$ 25,630,765</u>

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

<b>Business-Type Activities</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases/ Reclasses</b>	<b>Ending Balances</b>
Capital assets, not being depreciated				
Land	\$ 419,604	\$ -	\$ -	\$ 419,604
Construction in progress	2,086,911	1,160,869	-	3,247,780
Total capital assets not being depreciated	<u>2,506,515</u>	<u>1,160,869</u>	<u>-</u>	<u>3,667,384</u>
Capital assets, being depreciated				
Water and sewer system	37,334,671	577,430	-	37,912,101
Buildings and improvements	3,210	-	-	3,210
Motor vehicles	370,417	-	-	370,417
Machinery and equipment	390,430	-	(37,109)	353,321
Total capital assets being depreciated	<u>38,098,728</u>	<u>577,430</u>	<u>(37,109)</u>	<u>38,639,049</u>
Less accumulated depreciation				
Water and sewer system	11,660,386	1,112,061	-	12,772,447
Buildings and improvements	1,420	107	-	1,527
Motor vehicles	108,628	65,605	-	174,233
Machinery and equipment	265,955	27,470	(37,109)	256,316
Total accumulated depreciation	<u>12,036,389</u>	<u>1,205,243</u>	<u>(37,109)</u>	<u>13,204,523</u>
Net capital assets being depreciated	<u>26,062,339</u>	<u>(627,813)</u>	<u>-</u>	<u>25,434,526</u>
<b>Total business-type capital assets</b>	<u>\$28,568,854</u>	<u>\$ 533,056</u>	<u>\$ -</u>	<u>\$ 29,101,910</u>

Depreciation was charged to departments of the government as follows:

Governmental activities	
Administration	\$ 49,453
Public works	7,334
City streets	748,883
Parks and recreation	102,990
Total Governmental Activities Depreciation Expense	<u>\$ 908,660</u>
Business-type activities	
Water	\$ 621,640
Sewer	583,603
Total Business-type Activities Depreciation Expense	<u>\$ 1,205,243</u>

**City of Aledo, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2025

**NOTE 5. LONG-TERM DEBT**

At September 30, 2025, the City's bonds payable consisted of the following:

	Business-type Activities	Governmental Activities
\$205,000 Series 2012 Revenue Certificates of Obligation due in annual installments through 2042, bearing interest at a rate ranging between 0.3 - 4.45%	\$ 1,085,000	\$ -
\$9,125,000 Series 2017 General Obligation Refunding Bonds due in annual installments through 2042, bearing interest at a rate ranging between 2 - 4%	5,865,000	-
\$1,255,000 Series 2020 General Obligation Refunding Bonds due in annual installments through 2038, bearing interest at a rate of 3%	970,000	-
2020 Revenue Certificates of Obligation due in annual installments through 2051, bearing interest at a rate ranging between 0.0 - 0.34%	3,670,000	-
\$18,515,000 Series 2022 Revenue Certificates of Obligation due in annual installments through 2057, bearing interest at a rate ranging between 4.0 - 5.0%	-	18,515,000
2024 Revenue Certificates of Obligation due in annual installments through 2054, bearing interest at a rate ranging between 1.61 - 2.87%	1,190,000	-
\$27,775,000 Series 2025 Combination Tax & Revenue Bonds due in annual installments through 2055, bearing interest from 1.57% - 3%	27,775,000	-
	\$ 40,555,000	\$18,515,000

During the year ended September 30, 2025, the following changes occurred in liabilities reported as governmental and business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$18,515,000	\$ -	\$ -	\$ 18,515,000	\$ 15,000
	18,515,000	-	-	18,515,000	15,000
Bond premium	44,999	-	(1,404)	43,595	-
Total OPEB liability	28,580	-	(522)	28,058	-
Accrued compensated absences	85,174	-	(35,487)	49,687	49,687
<b>Total Governmental Activities:</b>	\$18,673,753	\$ -	\$ (37,413)	\$ 18,636,340	\$ 64,687

**City of Aledo, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2025

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Business-Type Activities:</b>					
Certificates of obligation	\$ 6,360,000	\$ 27,775,000	\$ (415,000)	\$ 33,720,000	\$ 570,000
General obligation bonds	7,400,000	-	(565,000)	6,835,000	580,000
	<u>13,760,000</u>	<u>27,775,000</u>	<u>(980,000)</u>	<u>40,555,000</u>	<u>1,150,000</u>
Bond premium	590,775	-	(44,370)	546,405	44,370
Total OPEB liability	30,513	-	(556)	29,957	-
Accrued compensated absences	38,976	-	(13,123)	25,853	25,853
<b>Total Business-Type Activities:</b>	<u>\$ 660,264</u>	<u>\$ 27,775,000</u>	<u>\$(1,038,049)</u>	<u>\$ 41,157,215</u>	<u>\$ 1,220,223</u>

The annual requirements to amortize all bonds payable outstanding as of September 30, 2025 are as follows:

<b>Governmental Activities:</b>			
<b>Certificates of Obligation</b>			
Year	Principal	Interest	Total
2026	\$ 15,000	\$ 827,288	\$ 842,288
2027	75,000	826,538	901,538
2028	135,000	822,788	957,788
2029	205,000	816,038	1,021,038
2030	275,000	805,788	1,080,788
2031-2035	1,955,000	3,785,340	5,740,340
2036-2040	2,410,000	3,325,465	5,735,465
2041-2045	3,005,000	2,736,252	5,741,252
2046-2050	3,705,000	2,033,252	5,738,252
2051-2055	4,590,000	1,145,149	5,735,149
2056-2057	2,145,000	149,850	2,294,850
<b>Total</b>	<u>\$ 18,515,000</u>	<u>\$ 13,945,497</u>	<u>\$ 22,020,497</u>

<b>Business Type Activities:</b>						
Year	<b>Certificates of Obligation</b>			<b>General Obligation Refunding Bonds</b>		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 570,000	\$ 85,673	\$ 655,673	\$ 580,000	\$ 258,500	\$ 838,500
2027	575,000	83,276	658,276	600,000	241,100	841,100
2028	590,000	80,853	670,853	615,000	217,750	832,750
2029	960,000	78,228	1,038,228	280,000	193,800	473,800
2030	970,000	759,961	1,729,961	295,000	183,300	478,300
2031-2035	5,120,000	3,541,189	8,661,189	1,640,000	742,150	2,382,150
2036-2040	5,610,000	3,021,938	8,631,938	2,005,000	406,800	2,411,800
2041-2045	6,005,000	2,335,704	8,340,704	820,000	47,200	867,200
2046-2050	6,620,000	1,544,980	8,164,980	-	-	-
2051-2055	6,700,000	613,744	7,313,744	-	-	-
<b>Total</b>	<u>\$ 33,720,000</u>	<u>\$ 12,145,546</u>	<u>\$ 45,865,546</u>	<u>\$ 6,835,000</u>	<u>\$ 2,290,600</u>	<u>\$ 9,125,600</u>

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

**NOTE 6. PENSION PLAN**

**Plan Description**

The City of Aledo participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*

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

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

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

Plan provisions for the City were as follows:

Employee deposit rate	7.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Updated service credit	50% repeating
Annuity increase (to retirees)	70% of CPI repeating
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20

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	13
Inactive employees entitled to but not yet receiving benefits	29
Active employees	<u>19</u>
<b>Total</b>	<u><u>61</u></u>

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

**Contributions**

Member contribution rates in TMRS are either 5%, 6%, or 7% of Member’s total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city’s contribution rate is based on the liabilities created from benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Aledo were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City of Aledo were 10.97% and 10.01% in calendar years 2024 and 2025, respectively. The City’s contributions to TMRS for the year ended September 30, 2025 were \$142,330, and were equal to the required contributions.

**Net Pension Asset**

The City’s Net Pension Asset was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset 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	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

The actuarial assumptions used were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
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%
<b>Total</b>	<b>100%</b>	

*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 Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Aledo, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2025

*Changes in the Net Pension Liability (Asset)*

	<b>Total Pension Liability (Asset) (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balance at 12/31/2023	\$ 1,808,828	\$ 1,904,496	\$ (95,668)
Changes for the year:			
Service Cost	252,327	-	252,327
Interest	127,603	-	127,603
Difference between expected and actual experience	2,419	-	2,419
Changes of assumptions	-	-	-
Contributions - employer	-	158,991	(158,991)
Contributions - employee	-	101,453	(101,453)
Net Investment income	-	198,016	(198,016)
Benefit payments, including refunds of emp. contributions	(89,146)	(89,146)	-
Administration expense	-	(1,269)	1,269
Other changes	-	(30)	30
Net Changes	<u>293,203</u>	<u>368,015</u>	<u>(74,812)</u>
Balance at 12/31/2024	<u>\$ 2,102,031</u>	<u>\$ 2,272,511</u>	<u>\$ (170,480)</u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the Net Pension Liability (Asset) 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:

<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
<u>\$ 138,173</u>	<u>\$ (170,480)</u>	<u>\$ (419,747)</u>

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Net Fiduciary Net Position, by Participating City. That report may be obtained at [tmrs.com](http://tmrs.com).

**Related to Pensions**

For the year ended September 30, 2025, the City recognized pension income of \$139,704.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and actual investment earnings	\$ -	\$ (43,982)
Difference in changes of assumptions	-	(7,757)
Difference between expected and actual economic experience	-	(28,129)
Contributions subsequent to the measurement date	137,444	-
<b>Total</b>	<b>\$ 137,444</b>	<b>\$ (79,868)</b>

\$137,444 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) 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:

<u>Year Ended September 30:</u>	Deferred Outflow (Inflow) of Resources
2026	\$ (50,569)
2027	13,404
2028	(28,812)
2029	(13,891)
2030	-
Thereafter	-
	<b>\$ (79,868)</b>

**NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description**

The City participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The SDBF 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 SDBF is considered to be an unfunded OPEB plan.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

**Employees Covered by Benefit Terms**

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

	2024
Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>19</u>
<b>Total</b>	<u><u>36</u></u>

**OPEB Liability**

The City's OPEB liability of \$58,015 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85% including inflation
Discount rate	4.08 %

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

Salary increases were based on a service related table. Mortality rates for pre-retirement were based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables and based on the size of the City, rates are multiplied by an additional factor of 100%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females respectively, to reflect the impairment for younger members who may become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

*Discount Rate*

The discount rate used to measure the OPEB liability was 4.08%. The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of the valuation date.

*Changes in the OPEB Liability*

	<u>Total OPEB Liability</u>
Balance at 12/31/2023	\$ 59,093
Changes for the year:	
Service cost	2,899
Interest on Total OPEB Liability	2,241
Change of benefit terms	-
Difference between expected and actual experience	(920)
Changes of assumptions or other inputs	(3,124)
Benefit payments	<u>(2,174)</u>
Net changes	<u>\$ (1,078)</u>
Balance at 12/31/2024	<u><u>\$ 58,015</u></u>

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

*Sensitivity of the OPEB Liability to Changes in the Discount Rate*

The following presents the OPEB liability of the City, calculated using the discount rate of 4.08% as well as what the City’s 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%
\$ 69,283	\$ 58,015	\$ 49,249

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2025, the City recognized OPEB income of \$1,078.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in assumptions	\$ -	\$ (412)
Differences between expected and actual experience	-	(8,939)
Contributions made subsequent to measurement date	4,886	-
	\$ 4,886	\$ (9,351)

\$4,886 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability for the year ended September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	Deferred Outflows (Inflows) of Resources
2026	\$ (6,489)
2027	(2,830)
2028	64
2029	(96)
2030	-
Thereafter	-
	\$ (9,351)

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
 For the Year Ended September 30, 2025

**NOTE 8. COMMITMENTS AND CONTINGENCIES**

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and collectability of any related receivable may be impaired.

In the opinion of the City, there were no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statement for such contingencies.

**NOTE 9. INTERFUND ACTIVITY**

The City reported transfers during the year ended September 30, 2025 as follows:

	Transfers To Other Funds	Transfers From Other Funds	Net Transfers
<b>Governmental Funds:</b>			
General	\$ 200,000	\$ -	\$ (200,000)
Capital Projects	-	200,000	200,000
Nonmajor	-	-	-
Debt Service	205,000	-	(205,000)
	\$ 405,000	\$ 200,000	\$ (205,000)
<b>Proprietary Funds:</b>			
Water and Sewer	\$ -	\$ 205,000	\$ 205,000
	\$ -	\$ 205,000	\$ 205,000

The City reported no interfund balances at September 30, 2025

**NOTE 10. INTERLOCAL AGREEMENTS**

The City is authorized to provide assistance for economic development under Chapter 380 of the Texas Local Government Code. The economic development must serve the purpose of promoting state or local economic development by stimulating business or commercial activity within the City. The assistance may be in the form of loans, grants, tax rebates, and use of City personnel and services. The City has entered into Chapter 380 Economic Development Program Agreements with companies and has agreed to provide grants and rebates of sales tax.

The City entered into an economic development agreement dated February 15, 2023 with a retailer to reimburse 25% of the collected sales tax up to a maximum of \$250,000 for seven years, plus a cash grant upon certain restrictions being met.

**City of Aledo, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS*  
For the Year Ended September 30, 2025

The City entered into an economic development agreement dated June 21, 2023 with a retailer to reimburse 75% of the collected sales tax up to a maximum of \$225,000 for seven years, plus an initial cash grant and an additional cash grant upon certain restrictions being met.

**NOTE 11. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures its buildings and contents, law enforcement liability, public officials' liability, general liability and auto liability under a renewable one year policy with the Texas Municipal League. The City insures its workers compensation risk by participating in the Texas Municipal League Intergovernmental Risk Pool which is a self-insurance policy mechanism for political subdivisions in Texas. Rates are set by the State Insurance Board. Each participant's contribution to the pool is adjusted based on its workers' compensation history. The City is responsible only to the extent of premiums paid and contributions made to Texas Municipal League and the Intergovernmental Risk Pool. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

**NOTE 12. TAX ABATEMENTS**

The City has entered into agreements with Daynes BBQ, Press Café, and Jake's Burgers under Chapter 380 of the Texas Local Government Code and as codified in Chapter 312 of the Texas Tax Code.

Under the terms of the sales tax abatement agreements with these parties, the City will make annual grant payments to Daynes BBQ, Press Café, and Jake's Burgers equal to the sum of the sales tax grants. These grant amounts range from 20% to 100% of the Sales Tax Grant Base amounts as defined by the Agreements. The City abated \$60,958 of taxes to the specified parties for the fiscal year 2025.

**NOTE 13. 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**

DRAFT 12/11/2025

# City of Aledo, Texas

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GENERAL FUND - BUDGET TO ACTUAL

For the Year Ended September 30, 2025

	<b>Budgeted Amounts</b>		<b>Variance with</b>
	<b>Original</b>		<b>Final Budget</b>
	<b>and</b>		<b>Positive</b>
	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 1,913,165	\$ 2,194,520	\$ 281,355
Sales taxes	1,434,000	1,668,241	234,241
Franchise taxes	241,295	397,085	155,790
Interest	75,500	345,877	270,377
Licenses and permits	305,577	403,486	97,909
Contributions and grants	-	367,930	367,930
Other	73,729	111,116	37,387
Development fees	80,366	109,114	28,748
Community center rental	5,000	7,340	2,340
Fines	6,798	1,595	(5,203)
<b>Total Revenues</b>	4,135,430	5,606,304	1,470,874
<b>Expenditures</b>			
Current:			
Administration	1,725,655	1,937,894	(212,239)
Public safety	770,279	715,005	55,274
Public works	461,296	545,099	(83,803)
City streets	420,400	391,582	28,818
Community center	31,256	30,566	690
Parks	62,950	44,933	18,017
Court	5,550	3,790	1,760
Capital outlays	75,000	645,168	(570,168)
<b>Total Expenditures</b>	3,552,386	4,314,037	(761,651)
<b>Excess (Deficiency) of Revenues</b>			
<b>Over (Under) Expenditures</b>	583,044	1,292,267	709,223
<b>Other Financing Sources (Uses)</b>			
Proceeds from the sale of capital assets	-	7,070	7,070
Transfers out	(477,000)	(200,000)	277,000
<b>Total Other Financing Sources (Uses)</b>	(477,000)	(192,930)	284,070
Net Change in Fund Balances	106,044	1,099,337	\$ 993,293
Beginning Fund Balances	6,959,997	6,959,997	
<b>Ending Fund Balances</b>	\$ 7,066,041	\$ 8,059,334	

# City of Aledo, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

### TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Last Ten Measured Years

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service Cost	\$ 252,327	\$ 198,754	\$ 197,400	\$ 147,178
Interest (on the Total Pension Liability)	127,603	119,848	119,069	107,195
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	2,419	(132,662)	(205,174)	(13,879)
Change of assumptions	-	(22,675)	-	-
Benefit payments, including refunds of employee contributions	(89,146)	(61,160)	(139,718)	(39,677)
<b>Net Change in Total Pension Liability</b>	<u>293,203</u>	<u>102,105</u>	<u>(28,423)</u>	<u>200,817</u>
<b>Total Pension Liability - Beginning</b>	<u>1,808,828</u>	<u>1,706,723</u>	<u>1,735,146</u>	<u>1,534,329</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 2,102,031</u>	<u>\$ 1,808,828</u>	<u>\$ 1,706,723</u>	<u>\$ 1,735,146</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	158,991	157,189	160,551	127,523
Contributions - Employee	101,453	80,374	79,368	64,744
Net Investment Income	198,016	179,233	(113,866)	162,113
Benefit payments, including refunds of employee contributions	(89,146)	(61,160)	(139,718)	(39,677)
Administrative Expense	(1,269)	(1,141)	(988)	(754)
Other	(30)	(8)	1,179	6
<b>Net Change in Plan Fiduciary Net Position</b>	<u>368,015</u>	<u>354,487</u>	<u>(13,474)</u>	<u>313,955</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>1,904,496</u>	<u>1,550,009</u>	<u>1,563,483</u>	<u>1,249,528</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,272,511</u>	<u>\$ 1,904,496</u>	<u>\$ 1,550,009</u>	<u>\$ 1,563,483</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ (170,480)</u>	<u>\$ (95,668)</u>	<u>\$ 156,714</u>	<u>\$ 171,663</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	108.11%	105.29%	90.82%	90.11%
<b>Covered Payroll</b>	1,449,324	1,148,204	1,133,830	849,757
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	-11.76%	-8.33%	13.82%	20.20%

**NOTES TO SCHEDULE:**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	127,981	\$ 115,975	\$ 85,182	\$ 79,713	\$ 80,357	\$ 94,624
	92,955	80,477	57,391	58,139	53,899	48,603
	-	221,271	-	-	-	-
	17,302	(2,798)	9,151	(73,720)	2,827	(20,254)
	-	18,061	-	-	-	28,976
	<u>(34,053)</u>	<u>(31,670)</u>	<u>(61,094)</u>	<u>(94,781)</u>	<u>(53,121)</u>	<u>(28,157)</u>
	204,185	401,316	90,630	(30,649)	83,962	123,792
	1,330,144	928,828	838,198	868,847	784,885	661,093
\$	<u>1,534,329</u>	<u>\$ 1,330,144</u>	<u>\$ 928,828</u>	<u>\$ 838,198</u>	<u>\$ 868,847</u>	<u>\$ 784,885</u>
	97,531	50,738	47,317	43,965	40,876	47,067
	52,116	47,614	42,140	40,376	40,702	49,028
	79,486	131,269	(25,339)	104,418	45,883	915
	(34,053)	(31,670)	(61,094)	(94,781)	(53,121)	(28,157)
	(518)	(749)	(495)	(547)	(525)	(557)
	<u>(21)</u>	<u>(23)</u>	<u>(26)</u>	<u>(28)</u>	<u>(28)</u>	<u>(28)</u>
	194,541	197,179	2,503	93,403	73,787	68,268
	1,054,987	857,808	855,305	761,902	688,115	619,847
\$	<u>1,249,528</u>	<u>\$ 1,054,987</u>	<u>\$ 857,808</u>	<u>\$ 855,305</u>	<u>\$ 761,902</u>	<u>\$ 688,115</u>
\$	284,801	\$ 275,157	\$ 71,020	\$ (17,107)	\$ 106,945	\$ 96,770
	81.44%	79.31%	92.35%	102.04%	87.69%	87.67%
	744,510	680,207	601,996	576,797	700,400	700,400
	38.25%	40.45%	11.80%	-2.97%	15.27%	13.82%

**City of Aledo, Texas**  
**SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**  
**Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 142,330	\$ 160,517	\$ 160,394	\$ 147,806
Contributions in relation to the actuarially determined contribution	<u>142,330</u>	<u>160,517</u>	<u>160,394</u>	<u>147,806</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,740,133	\$ 1,384,190	\$ 1,136,253	\$ 1,028,800
Contributions as a percentage of covered payroll	8.18%	11.60%	14.12%	14.37%

**Valuation Date:**

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

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

Actuarial Cost Method	Entry Age, Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Year smoothed market, market value recognition method, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).  Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

**Other Information:**

Notes There were no benefit changes during the year.

**NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS:**

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 116,381	\$ 85,360	\$ 47,317	\$ 46,999	\$ 43,625	\$ 42,397
<u>116,381</u>	<u>85,360</u>	<u>47,317</u>	<u>44,152</u>	<u>42,682</u>	<u>40,462</u>
\$ -	\$ -	\$ -	\$ 2,847	\$ 943.00	\$ 1,935
\$ 854,087	\$ 680,207	\$ 601,996	\$ 576,797	\$ 700,400	\$ 700,400
13.63%	12.55%	7.86%	7.65%	6.09%	5.78%

DRAFT 12/11/2025

# City of Aledo, Texas

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

### TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

#### Last Ten Measured Years

	2024	2023	2022
<b>Total OPEB liability</b>			
Service Cost	\$ 2,899	\$ 2,641	\$ 6,123
Interest (on the Total OPEB Liability)	2,241	2,057	1,430
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(920)	2,388	(3,507)
Changes in assumptions or other inputs	(3,124)	3,683	(27,167)
Benefit payments	(2,174)	(2,296)	(1,814)
<b>Net Change in Total OPEB Liability</b>	(1,078)	8,473	(24,935)
<b>Total OPEB Liability - Beginning</b>	59,093	50,620	75,555
<b>Total OPEB Liability - Ending (a)</b>	\$ 58,015	\$ 59,093	\$ 50,620
 <b>Covered Payroll</b>	 \$ 1,449,324	 \$ 1,148,204	 \$ 1,133,830
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	4.00%	5.15%	4.46%

#### NOTES TO SCHEDULE OF TOTAL OPEB LIABILITY

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.

	2021	2020	2019	2018	2017
\$	5,014	\$ 3,648	\$ 2,245	\$ 2,468	\$ 2,076
	1,384	1,519	1,540	1,296	1,234
	-	-	-	-	-
	595	(799)	639	2,316	-
	2,546	9,814	9,044	(3,307)	3,268
	(1,360)	(447)	(408)	(241)	(288)
	<u>8,179</u>	<u>13,735</u>	<u>13,060</u>	<u>2,532</u>	<u>6,290</u>
	<u>67,376</u>	<u>53,641</u>	<u>40,581</u>	<u>38,049</u>	<u>31,759</u>
\$	<u>75,555</u>	<u>\$ 67,376</u>	<u>\$ 53,641</u>	<u>\$ 40,581</u>	<u>\$ 38,049</u>
\$	849,757	\$ 744,510	\$ 680,207	\$ 601,996	\$ 576,797
	8.89%	9.05%	7.89%	6.74%	6.60%

DRAFT 12/1/2020

DRAFT 12/11/2025

**OTHER SUPPLEMENTARY INFORMATION**

DRAFT 12/11/2025

**City of Aledo, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2025

	<b>Court Technology Fund</b>	<b>Court Security Fund</b>	<b>TIRZ Fund</b>	<b>EDC (Type A) Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>					
Cash and investments	\$ 1,620	\$ 1,610	\$ 387,317	\$ 3,079,481	\$ 3,470,028
Receivables (net):					
Sales taxes	-	-	-	154,520	154,520
<b>Total Assets</b>	<u>1,620</u>	<u>1,610</u>	<u>387,317</u>	<u>3,234,001</u>	<u>3,624,548</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	19,294	19,294
Accrued liabilities	-	-	-	3,712	3,712
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,006</u>	<u>23,006</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	-	-	-	4,600	4,600
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,600</u>	<u>4,600</u>
<b>Fund Balances</b>					
Restricted for					
Economic development	-	-	-	3,206,395	3,206,395
Public improvements	-	-	387,317	-	387,317
Court technology	1,620	-	-	-	1,620
Court security	-	1,610	-	-	1,610
<b>Total Fund Balances</b>	<u>1,620</u>	<u>1,610</u>	<u>387,317</u>	<u>3,206,395</u>	<u>3,596,942</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 1,620</u>	<u>\$ 1,610</u>	<u>\$ 387,317</u>	<u>\$ 3,234,001</u>	<u>\$ 3,624,548</u>

# City of Aledo, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	<b>Court Technology Fund</b>	<b>Court Security Fund</b>	<b>TIRZ Fund</b>	<b>EDC (Type A) Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>					
Taxes					
Property tax	\$ -	\$ -	\$ 207,724	\$ -	\$ 207,724
Sales tax	-	-	-	818,196	818,196
Interest	-	-	-	88,135	88,135
Miscellaneous	-	-	-	75,816	75,816
Court fines and fees	44	41	-	-	85
<b>Total Revenues</b>	<u>44</u>	<u>41</u>	<u>207,724</u>	<u>982,147</u>	<u>1,189,956</u>
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	331,017	331,017
Administration	-	-	1,325	105,643	106,968
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>436,660</u>	<u>437,985</u>
<b>Revenues Over Expenditures</b>	<u>44</u>	<u>41</u>	<u>206,399</u>	<u>545,487</u>	<u>751,971</u>
<b>Net Change in Fund Balances</b>	44	41	206,399	545,487	751,971
Beginning Fund Balances	1,576	1,569	180,918	2,660,908	2,844,971
<b>Ending Fund Balances</b>	<u>\$ 1,620</u>	<u>\$ 1,610</u>	<u>\$ 387,317</u>	<u>\$ 3,206,395</u>	<u>\$ 3,596,942</u>

**COMPLIANCE SECTION**

DRAFT 12/11/2025

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

To the City Council and Management  
City of Aledo, 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 Aledo, 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 15, 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*.

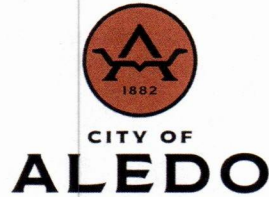
**Purpose of This Report**

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.

Vail + Park, P.C.

Tom Bean , Texas  
January 15, 2026

DRAFT 12/11/2025



January 15, 2026

Vail & Park, P.C.

P.O. Box 717

Tom Bean, Texas 75489

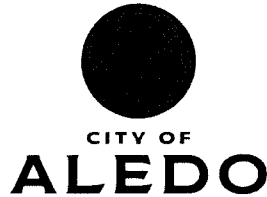
This representation letter is provided in connection with your audit of the financial statements of the City of Aledo, Texas (the City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

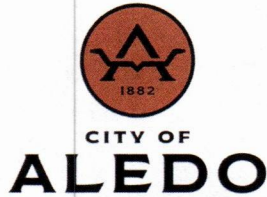
We confirm, to the best of our knowledge and belief, as of January 15, 2026, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

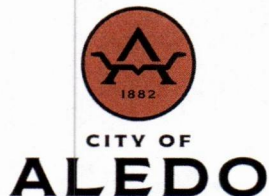


- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP. There have been no related party transactions.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP. There are none.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.



### Information Provided

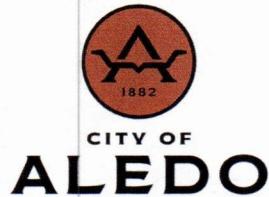
- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.



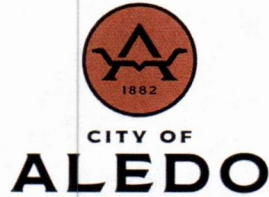
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements. There are no related party transactions.

**Government-specific**

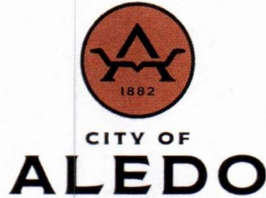
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.



- 27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating Doug Martella, Consultant, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 30) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations. There are none.
- 33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.



- 36) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized. Developer contributions of capital assets have been recorded properly and are in compliance with the applicable laws and regulations
- 43) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.



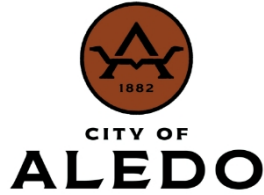
- 45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 46) With respect to the nonmajor governmental funds combining statements on which an in-relation-to opinion is issued:
- 1) We acknowledge our responsibility for presenting the nonmajor governmental funds combining statements in accordance with accounting principles generally accepted in the United States of America, and we believe the nonmajor governmental funds combining statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the nonmajor governmental funds combining statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: Candice Edmonds

Signature: Jennifer Barnett

Title: City Manager

Title: Finance Manager



**Date:** January 15, 2026  
**To:** City Council  
**From:** Staci King, City Secretary  
**Subject:** Discuss and consider an Ordinance calling a Special Election to fill the vacancy in Place 4

---

**Summary:**

A vacancy was created in City Council Place 4 on December 22, 2025, with the passing of Councilmember Nelson Rowls. The City of Aledo is a home-rule municipality with three-year terms. The Texas Constitution requires that municipalities with three-year terms fill a vacancy with more than one year left in the term by special election within 120 days of the vacancy. Due to this requirement and the time of the vacancy, the City of Aledo must hold a special election before April 22, 2026, to fill the vacancy.

The City of Aledo contracts election services with Parker County, so staff reached out to the Elections Administrator to determine the best date to hold an election while keeping the following dates in mind:

- Primary Election - March 3, 2026
- Early Voting for the May General Election - April 20 through April 28, 2026

**Recommendation:**

After consideration, staff recommends the following:

- Election Day - Tuesday, March 31, 2026, from 7 am - 7 pm
- Early Voting - Monday, March 16 through Friday, March 27, 2026, from 8 am to 5 pm (Weekdays only)

Staff believes that this timing will create the least amount of confusion for voters, as well as not overburden the Parker County Elections staff.

**Attachments:**

1. Special Election 2026 - Place 4

**ORDINANCE NO. 2026-O-\_\_**

**AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, CALLING FOR A SPECIAL ELECTION TO FILL THE UNEXPIRED TERM IN THE OFFICE OF CITY COUNCIL PLACE 4, TO BE HELD ON MARCH 31, 2026; AUTHORIZING THE CITY SECRETARY TO EXECUTE AN ELECTION AGREEMENT WITH PARKER COUNTY; ESTABLISHING PROCEDURES FOR THAT ELECTION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Aledo (“City”) is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution, and Chapter 9 of the Local Government Code; and

**WHEREAS**, Section 3.06, “Vacancies, Forfeiture of Office and Filling of Vacancies,” of Article III, “City Council,” of the City Charter, as amended, requires the City to hold a special election to fill a vacancy that occurs with more than 12 months remaining in the unexpired term; and

**WHEREAS**, one vacancy exists on the City Council due to the death of Council Member Place 4 on December 23, 2025; and

**WHEREAS**, Section 11(c), Article XI, of the Texas Constitution requires that any vacancies occurring on the City Council shall not be filled by appointment, but must be filled by majority vote of the qualified voters at a special election called for such purpose within 120 days after such vacancy; and

**WHEREAS**, Section 201.052 of the Texas Election Code (“Code”) provides that a special election to fill a vacancy shall be held on the first authorized uniform election date occurring on or after the 46th day after the election is ordered; and

**WHEREAS**, no uniform election date falls within 120 days of the vacancy, therefore the City Council is required to conduct a special election no sooner than 46 days after calling the special election and no later than 120 days after the date of any vacancy; and

**WHEREAS**, in light of the foregoing, the City Council has elected to call a special election to fill the unexpired term of the office of City Council Place 4 for March 31, 2026.

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

**SECTION 1  
SPECIAL ELECTION CALLED**

A special election is hereby called to fill the unexpired term of the office of City Council Place 4, to serve until May of 2027, or until their successor is duly elected and qualified. The special election shall be held on March 31, 2026, between the hours of 7:00 a.m. and 7:00 p.m. at the Aledo Community Center, 104 Robinson Court, Aledo, Texas 76008.

**SECTION 2  
ELECTION AGREEMENT APPROVED**

The City Secretary is authorized to execute the Election Agreement between Parker County and the City of Aledo (the “Agreement”) for the conduct of the election in accordance with Chapter 31, Subchapter D, of

the Texas Election Code and other applicable statutes and laws. In the event of conflict between this Resolution and the Agreement, the Agreement shall control.

**SECTION 3  
APPLICATION FOR PLACE ON BALLOT**

Any eligible and qualified person shall have their name printed upon the official ballot as a candidate for the office herein set forth by filing their sworn application with the City Secretary not earlier than January 16, 2026, and not later than 5:00 p.m. on January 28, 2026. The order in which the names of the candidates are to be printed on the ballot shall be determined by a drawing by the City Secretary. Notice of the time and place for such drawing shall be given in accordance with the Code.

**SECTION 4  
EARLY VOTING**

- a. **Early voting Clerk.** The Parker County Elections Administrator is designated as the Early Voting Clerk. Additional Deputy Early Voting Clerks may be appointed, as provided in the Parker County Joint Election Agreement (“Parker Agreement”).
- b. **Early voting by personal appearance.** Early Voting by personal appearance shall be conducted beginning on Monday, March 16, 2026, and continuing through Friday, March 27, 2026, at the Aledo Community Center site located at 104 Robinson Ct., Aledo, Texas 76008, on the following days and times:
  - Monday, March 16, 2026, to Friday, March 20, 2026: 8 a.m. to 5 p.m.
  - Monday, March 23, 2026, to Friday, March 27, 2026: 8 a.m. to 5 p.m.
- c. **Early voting by mail.** Applications for early voting by mail may be delivered to the Early Voting Clerk, P.O. Box 639, Weatherford, Texas 76086, not later than close of business on January 27, 2023.
- d. **Early Voting by Ballot Board.** Early voting, both by personal appearance and by mail, shall be canvassed by the Early Voting Ballot Board, which is hereby established and appointed as indicated in the Parker Agreement.

**SECTION 5  
APPOINTMENT OF ELECTION JUDGE AND ALTERNATE ELECTION JUDGE**

The Presiding Election Judge and Alternate Presiding Election Judge shall be appointed by Parker County as indicated in the Contract and authorized by Chapter 271 of the Texas Election Code.

**SECTION 6  
METHOD OF VOTING**

The City Secretary is hereby authorized and instructed to provide and furnish all necessary supplies to conduct the special election, in accordance with this Ordinance and the Texas Election Code. Voting at the election shall be by electronic means.

**SECTION 7  
GOVERNING LAW AND QUALIFIED VOTERS**

The election shall be held in accordance with the Constitution of the State of Texas and the Code of Ordinances of the City of Aledo, and all resident qualified voters of the City shall be eligible to vote at the election.

**SECTION 8  
NECESSARY ACTIONS**

The Mayor and the City Secretary of the City, in consultation with the City Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code in carrying out and conducting the election, whether or not expressly authorized herein.

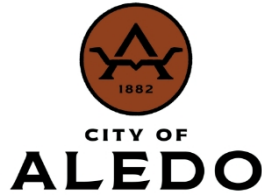
**SECTION 9  
NOTICE**

Notice of the special election, including a Spanish translation thereof, shall be given as required by Chapter 4 of the Code: Notice shall be posted not later than the twenty-first (21st) day before the election on the bulletin board used for posting notices of meetings of the City Council and shall be published at least once, not earlier than the thirtieth (30th) day nor later than the tenth (10th) day, before the election in a newspaper published and of general circulation in the City of Aledo.

**SECTION 10  
EFFECTIVE DATE**

This Ordinance shall be effective upon its adoption.

**PASSED AND APPROVED** this the 15<sup>th</sup> day of January, 2026.



**Date:** January 15, 2026  
**To:** City Council  
**From:** Erika Cooper-Bateman, Director of Community Services  
**Subject:** Acceptance of the Library Study with requested corrections and updates.

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**Summary:**

**Background:**

On September 18, 2025, the City Council approved a proposal for ZakTax to conduct a comprehensive library feasibility study. This study includes the development of a pro forma financial model and an assessment of revenue potential to determine the total cost of ownership for a public library located within Aledo City Hall. The scope of work addressed the following components:

**Operating Costs (5-Year Projection)**

- Develop a FY25 baseline for detailed annual operating cost and estimates over a five-year horizon. This will include staffing, utilities, maintenance, programming, and other operational expenses to provide a realistic picture of recurring costs.

**Revenue Potential (5-Year Projection)**

- Assess potential library revenue streams over five years.

**Capital Costs (5-Year Projection)**

- Prepare a baseline FY25 and five-year capital cost estimate that accounts for building construction, furnishing, equipment, technology, and future capital replacement needs.

**Revenue from Sale of Existing Building**

- Evaluate the potential market value and sale revenue from the current library facility,

providing a financial offset that can be applied toward the new project.

### **Benchmarking Analysis**

- Benchmark staffing, collections, materials, programming, and budget against 5–10 peer city libraries (list to be provided by the City). This will help position the City’s library within a comparative framework and identify efficiencies or gaps.

### **Tax Rate Impact Scenarios**

- Model two funding scenarios: one that identifies the minimum tax rate needed to maintain core services, and another that reflects the rate required to support enhanced services.

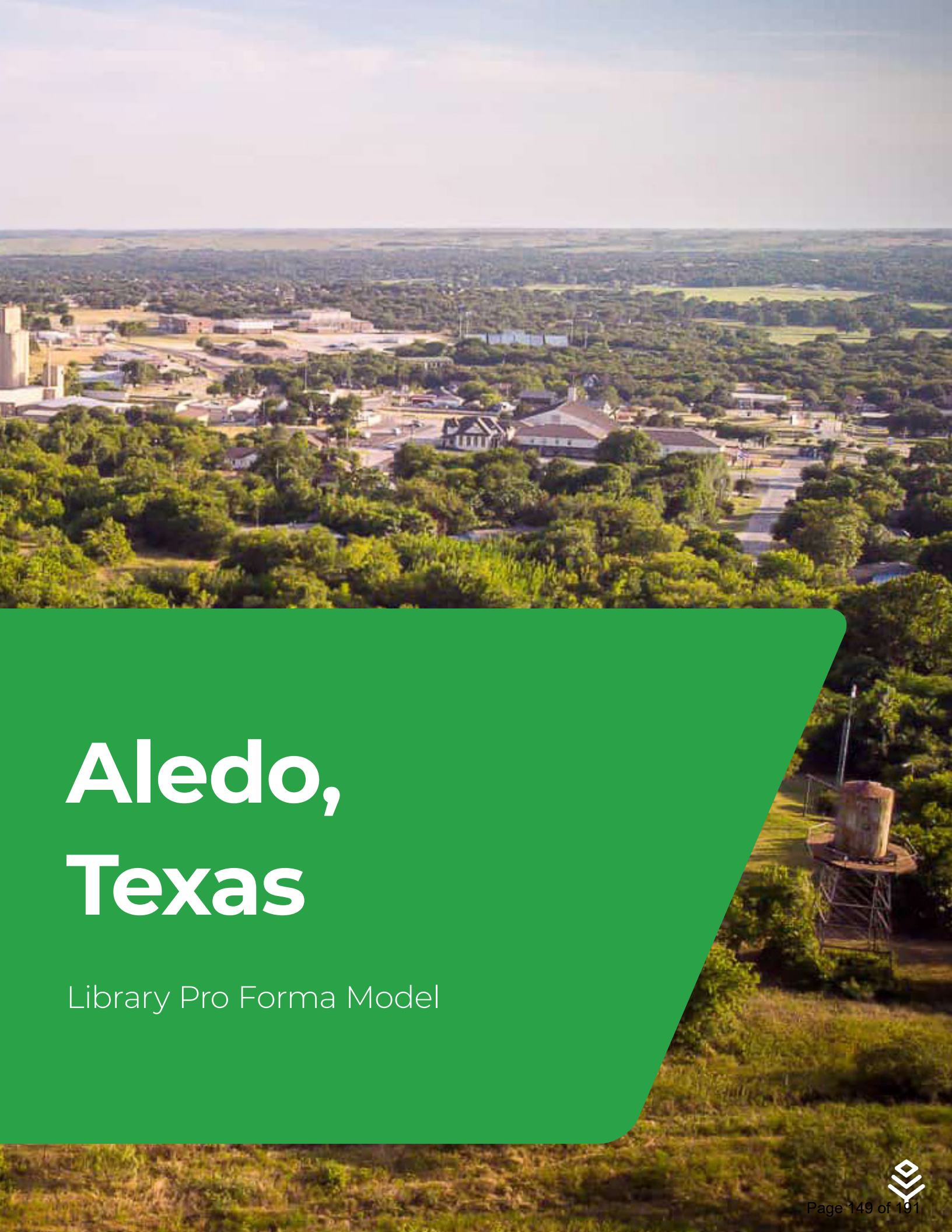
ZakTax presented the report on December 8, 2025, and Council requested that it be returned with administrative corrections and updates.

### **Recommendation:**

Staff recommend accepting the Library Study with the requested corrections and updates.

### **Attachments:**

1. Library Study Proposal with Scope
2. Updated Aledo Library Pro Forma Report



# Aledo, Texas

Library Pro Forma Model



# Welcome

## We're ZacTax, and we're thrilled to submit this proposal for Library Pro Forma services

ZacTax respectfully submits our firm's proposal to provide Library Pro Forma services to the City of Aledo. At ZacTax, we truly love cities. Our team is comprised of former city managers, finance directors, auditors, and planners, and we bring decades of real-world city management experience to our consulting services. Our fundamental purpose is to help cities make better decisions and become more fiscally healthy.

In this proposal, you'll learn more about the method and deliverables we offer with this service. You'll find that the knowledge and experience we bring to the table is second-to none.

We are excited to present this proposal and hope to have the opportunity to demonstrate our experience, innovative software services, and our passion for local government.

Respectfully,



Patrick Lawler  
Co-founder and CEO  
(817) 694-5140  
patrick@zactax.com

# Contents

- 01      About ZacTax**
- 02      Scope**
- 03      How Can We Help Aledo?**

**01.**

# About ZacTax

# About ZacTax

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## **On-demand access to experienced professionals**

ZacTax was founded in 2011 by Patrick Lawler and Chad Janicek, both MPAs and local government managers who recognized the need for more innovative approaches to city management.

In 2013, they launched their first product: a web-based sales tax analytics platform. Over time, that flagship service has grown into a robust tool that now includes property tax analytics, fiscal health analysis of development patterns, and economic development scoring. Today, more than 230 cities and local governments across Texas and California rely on the ZacTax platform.

Since then, ZacTax has expanded beyond technology into a multifaceted consultancy. With a team of seven full-time employees, we now provide financial management, fiscal analysis and forecasting, economic development consulting, city planning support, and management consulting.

Our team is made up of seasoned professionals with direct experience in local government, serving communities from 1,000 to over 1 million residents. In short, we know what it's like to be in your shoes.

Our commitment extends beyond compliance or growth metrics, we care about the long-term health of the communities we serve. That means mentoring, listening to communities, sharing best practices, and pursuing innovative solutions to local challenges.

For more than a decade, ZacTax has combined expertise and technology to help local governments make better decisions. To date, we've partnered with over 270 local governments, giving professionals the tools and insight they need to navigate complex landscapes and drive positive outcomes for their communities.

02.

Scope.

# Library pro forma model and revenue potential assessment to determine the total cost of ownership of a public library located in Aledo City Hall.

---

- ④ Operating Costs (5-Year Projection)
  - We will develop detailed annual operating cost estimates over a five-year horizon. This will include staffing, utilities, maintenance, programming, and other operational expenses to provide a realistic picture of recurring costs.
  
- ④ Revenue Potential (5-Year Projection)
  - We will assess potential library revenue streams over five years.
  
- ④ Capital Costs (5-Year Projection)
  - We will prepare a five-year capital cost estimate that accounts for building construction, furnishing, equipment, technology, and future capital replacement needs.
  
- ④ Revenue from Sale of Existing Building
  - We will evaluate the potential market value and sale revenue from the current library facility, providing a financial offset that can be applied toward the new project.
  
- ④ Benchmarking Analysis
  - We will benchmark staffing, collections, materials, programming, and budget against 5–10 peer city libraries (list to be provided by the City). This will help position the City’s library within a comparative framework and identify efficiencies or gaps.
  
- ④ Tax Rate Impact Scenarios
  - We will model two funding scenarios: one that identifies the minimum tax rate needed to maintain core services, and another that reflects the rate required to support enhanced services.

03.

# How Can We Help Aledo?

# We're excited to offer the City of Aledo the following project cost

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## Deliverables:

- ✓ Written report summarizing findings, including tables and graphics.
- ✓ Five-year financial projections for operating, revenue, and capital costs.
- ✓ Benchmarking comparison report.
- ✓ Recommendations for decision-makers regarding financial sustainability.
- ✓ A comparison of tax rate impacts for core versus enhanced service funding scenarios with recommendations.

**Total Package: \$10,000**

with a deliverable date of 60-90 days from contract execution.

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Name

---

Signature

---

Date



# ALEDO LIBRARY PRO FORMA STUDY 2025

*Created for Aledo, Texas  
By: Eight20 Consulting (dba  
ZacTax)  
Consulting Team:  
Robert Hanna, Doug Martella,  
Sahebus Sultan*



TeamZac was founded in 2011 by co-founders Patrick Lawler and Chad Janicek. Both MPAs and local government managers, they saw a need for innovative approaches to the field of city management.

In 2013, they launched their first service: a web-based sales tax analytics platform called ZacTax. Over the years, ZacTax has evolved into a robust and powerful platform, which now includes property tax analytics, fiscal health analysis of development patterns, and economic development scoring. It remains TeamZac's flagship service, and is used by more than 270 cities and local governments across Texas, California, and Colorado.

TeamZac has also evolved in that time, growing into a multifaceted consultancy. We have expanded both our range of services as well as our range of expertise. With a team of seven full-time employees, we now provide financial management, fiscal analysis and forecasting, economic development consulting, city planning support, and management consulting.

Our team is comprised of professional managers with years of local government experience. We have held a variety of positions in cities from 1,000 to 1,000,000 in population. In short, we know what it's like to be in your shoes.

Our commitment goes beyond compliance and growth. We care about the long-term health of the communities we serve, which means we do things like provide mentoring, listen to your community, share best practices, and look for innovative approaches to finding the solutions that your community needs.

For over a decade, TeamZac has been dedicated to providing innovative tools and solutions to help local governments make better decisions.

Our expertise and technology empower local governments to make more informed strategic decisions. To date, TeamZac has collaborated with 270 local governments, with the goal of empowering local government professionals to navigate complex landscapes and drive positive economic outcomes for their communities.

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## LIBRARY STUDY INTRODUCTION

*Study introduction, providing background on the work done and how we got to the recommendation*

04

## FUNDING, STAFFING AND POLICIES

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## FIVE-YEAR FINANCIAL PROJECTIONS

*Financial results for the Library Pro Forma analysis*

06

## EFFICIENCY, KEY TAKEAWAYS AND RECOMMENDATIONS

*Insights on analysis results and ZacTax recommendations*

12

# LIBRARY STUDY INTRODUCTION

In September 2025, the City of Aledo engaged ZacTax to conduct an assessment and develop a model projecting the cost of services and potential revenues if the City were to assume ownership of the Public Library located in City Hall. The scope of work included preparing detailed annual operating cost estimates over a five-year horizon, accounting for staffing needs, utility usage, maintenance operations, programming, and other operating expenses to provide a realistic picture for the City.

In addition to evaluating operating costs, the analysis included projecting five-year revenue potential and identifying capital costs associated with the Library. This included exploring various potential revenue streams and preparing capital cost estimates for building construction, furnishings, equipment, technology, and future capital replacement needs. The existing library, located on FM 1187, was also evaluated to estimate potential revenue from its sale, considering market value and potential proceeds that could serve as a financial offset for the new library project.

**BENCHMARKING**

To develop a comprehensive understanding of the project’s operational and financial needs, our team was asked to benchmark ten cities comparable in size and demographics, each with city-owned libraries. The benchmarking analysis included comparisons of staffing levels, revenue collections, operational expenses, including materials and programming, and overall budgets. This process helps position the City’s library within a broader comparative framework and identify potential efficiencies or gaps in operations.

The ten cities selected by Aledo staff for benchmarking are listed below, along with the population served, according to the Texas State Library and Archives Commission (TSLAC).

- Springtown, Texas: TSLAC Pop Served 8,947
- Sanger, Texas: TSLAC Pop Served 13,531
- Red Oak, Texas: TSLAC Pop Served 18,624

- Pilot Point, Texas: TSLAC Pop Served 8,099
- Krum, Texas: TSLAC Pop Served 9,012
- Kennedale, Texas: TSLAC Pop Served 10,052
- Justin, Texas: TSLAC Pop Served 8,110
- Aubrey, Texas: TSLAC Pop Served 25,933
- Aransas Pass, Texas: TSLAC Pop Served 11,890
- Alvarado, Texas: TSLAC Pop Served 6,225

Table 1: Benchmark City Comparison Snapshot

City	SqFt	M&O Rate	% of M&O to fund Library	Registered Patrons
Aledo	3,000	0.250404	14%	8,475
Springtown	2,800	0.341695	13%	3,390
Sanger	5,050	0.555313	8%	3,745
Red Oak	4,000	0.441574	3%	4,278
Pilot Point	5,800	0.318988	12%	3,720
Krum	5,381	0.529378	8%	3,565
Kennedale	4,000	0.502334	9%	1,872
Justin	2,328	0.512534	5%	1,155
Aubrey	14,000	0.307961	18%	6,713
Aransas Pass	7,590	0.399268	5%	7,989
Alvarado	6,800	0.667162	6%	775

We compared the selected cities with the overall percentage of their M&O tax rate used to fund library operations. The operating budgets for each city was pulled from the budget documents for the current year as well as the M&O rates for each City. These were compared to get a % of tax rate the library is responsible for. Aledo (without the additional moving and capital costs) is approximately 14% of the M&O rate. Only Springtown, Pilot Point and Aubrey had a percentage above 10%.

Aledo’s operating budget was 4th lowest of the comparative cities. The M&O rate is also the lowest among comparative cities. We would expect the library to be a higher percentage of the tax rate in this case, since the M&O rate is much lower than comparative cities.

# FIVE-YEAR FINANCIAL PROJECTIONS

Table 2: Five-Year Financial Snapshot

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Assessed Property Valuation (\$)	\$1,010,745,213.00	\$1,061,282,473.65	\$1,114,346,597.33	\$1,170,063,927.20	\$1,228,567,123.56
Library operating budget covered by Ad-Valorem Tax (\$)	\$366,906.00	\$379,528.34	\$392,586.75	\$406,096.37	\$420,072.85
Library capital budget covered by Ad-Valorem Tax (\$)	\$227,305.82	\$-	\$-	\$-	\$-
<b>Net proceed from the sale of existing building</b>					
Revenues	\$(61,150.00)	\$(56,804.50)	\$(58,508.64)	\$(60,263.89)	\$(62,071.81)
<b>M&amp;O Tax Rate (NNR)</b>	<b>0.2504040</b>	<b>0.2219905</b>	<b>0.2114195</b>	<b>0.2013519</b>	<b>0.1917638</b>
Ad Valorem Tax Collection	\$2,355,946.44	\$2,355,946.44	\$2,355,946.44	\$2,355,946.44	\$2,355,946.44
<b>City Tax Rate used for Library</b>	<b>0.052739485</b>	<b>0.030408854</b>	<b>0.029979731</b>	<b>0.029556716</b>	<b>0.029139722</b>
Percentage of Tax rate used for Library operations	21%	14%	14%	15%	15%
Increment in Tax Rate for Library	-	(0.0223306)	(0.0004291)	(0.0004230)	(0.0004170)

Sunk costs reflective to total construction cost	\$4,462,407
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**LIBRARY FUNDING AND VALUATION TRENDS: A FIVE-YEAR FISCAL SNAPSHOT**

Over a five-year period, the city's assessed property valuations are projected to grow steadily, rising from just over \$1 billion in Year 1 to nearly \$1.23 billion by Year 5. This upward trajectory reflects an average annual increase of roughly 5%, which is the growth rate we used in the proforma for the tax rate.

At the same time, the portion of ad valorem tax revenue dedicated to the city library remains flat annually across all years. Additional enhancements discussed in later sections will impact this analysis and have more of the ad valorem revenue dedicated to the library.

**HOW THE LIBRARY GETS FUNDED**

Zooming in, the share of the city's overall M&O (maintenance and operations) tax rate dedicated to library services decreases significantly in Year 2, then levels out:

- In Year 1, the library consumed 21% of the city's tax rate.
- That dropped to 14% in Years 2 and 3, before ticking up slightly to 15% in Years 4 and 5.

The is due to the moving and capital costs of the library in year 1. Share of the M&O budget remained steady over the next 4 years.

## CAPITAL AND SUNK COSTS

In Year 1, the library’s capital needs were partially supported with \$227,306 in ad valorem funding, tied to moving costs associated with moving into the new City Hall. That support disappears from Year 2 onward, aligning with a transition to operations-only coverage.

Additionally, a sunk cost \$4,462,407 is already on the books, tied to all construction costs for the library area in the new City Hall. While not included in annual budgets, this figure is crucial for understanding total investment to date. Construction cost line items can be seen in Table 3.

Table 3: Capital Costs Snapshot

Line Item	Value
Building Construction	\$3,522,989.00
Sitework	\$281,839.12
Professional Services (A/E)	\$352,298.90
FF&E	\$204,228.05
Technology & Security	\$140,919.56
Owner Contingency	\$225,113.73
TOTAL Base (pre-inflation)	\$4,727,388.36
Construction Inflation Add-on	\$189,095.53
Capital Replacement Reserve	\$94,547.77
<b>NET Capital Requirement</b>	<b>\$5,011,031.66</b>
Less: Existing Building Net Sale Proceeds	\$548,625.00
<b>Capital to Finance</b>	<b>\$4,462,406.66</b>

This report assumes the construction of city hall attributable to the library is a library expense and it is shown as year 1 in the analysis. While this helps the reader understand the full sunk costs associated with the library, it creates a potentially misleading narrative in that the space in city hall allocated for library use was already planned for

construction as space for other uses. It may be more accurate to not include the construction costs. We leave it to the reader to make this decision. From a data standpoint, the information is correct.

Finally, to better reflect the actual ongoing cost of service, we use year 2 as a base comparison year precisely because it more accurately reflects the true ongoing cost of services absent the construction related costs of the city hall and the library space.

## THE ODD LINE: BUILDING SALE REVENUES

The dataset shows revenues each year, ranging from \$61,150 to \$62,072. What is not included in this Table 2 is the ability to sell the old building. This will have a one-time impact on the net financial impact of the library itself. There is more discussion in the recommendations on raising additional revenue for the library.





# FUNDING, STAFFING, AND POLICIES

**FUNDING TIMELINE AND STAFFING DECISIONS**

The table below identifies the timeline of funding related decisions for the library’s operating costs. As with most services in local government, staffing is the largest cost driver. As the reader may know, an FTE is a personnel related acronym that means Full Time Equivalent, and it is used to make staffing comparisons absent knowing how many personnel are full time or part time. In the Library’s case, all personnel were originally part time. In FY 2024, a decision was made and authorized in the budget to make the Library Director a full time position, with the full salary commensurate with the title and responsibility of that position to be funded in FY 2025. In FY 2026, an additional full time person was approved in the budget. This results in 2 full time positions (1.0 + 1.0) and 2 part time positions (0.5 + 0.5), for a total of 3 FTE’s.

Table 4: Funding Timeline for Library Operating Costs

Milestone	Expenditures	FTE’s
FY 2026 Approved	\$321,942	3.0
FY 2025 Actual	\$224,076	2.0
FY 2025 Adopted	\$250,523	2.0
FY 2024 Adopted*	\$117,656	2.0
June 2023 Opinion of Probable Cost	\$170,000	2.0
FY 2023 Actual	\$135,268	1.5
FY 2023 Adopted	\$109,500	1.5

\* Indicates a 6 month fiscal year

**LIBRARY POLICIES**

A survey of the selected peer libraries resulted in a 50% response rate after multiple requests for information. Despite the lower response rate, the answers to the questions on Library policies were remarkably uniform and in the professional experience of ZacTax, are reflective of industry standards.

- **Book Selection:** In general, books are selected by the Library Director based on the adopted collection development policy. The policy typically seeks materials that are patron requested, best sellers, and that provide a diverse collection for library patrons.
- **Book Reconsideration Process:** In the event a patron objects to a book being in the library’s collection, all but one of the respondents indicated they have written reconsideration form and process. The one community that did not have a reconsideration process (Springtown), indicated that they carefully review every book and place books in the appropriate adult or juvenile section.
- **Adherence to American Library Association Standards:** All of the respondents stated they follow the ALA Library Bill of Rights and the Freedom to Read Statement. Most respondents have adopted them and one (Springtown) indicated they just followed them. These standards are attached to this report for easy reference.
- **Approval of Library Policies:** Every respondent, save one (Springtown) stated that their Library Board approved all library policies. One library (Krum) also brings policies to the City Council for final review and approval. Springtown does not have a library board and unless there is a statutory requirement for Council action, the City Manager approves library policies if approval other than the Library Director is desired.

# EFFICIENCY, KEY TAKEAWAYS AND RECOMMENDATIONS

Table 5: Benchmark Cities Complete Comparison

Library / City	TSLAC Pop Served	Sq Ft	Operating Expense	M&O Tax rate	M&O Collections	Percentage of M&O rate used to fund Library	Annual Circulation	Registered Patrons
Aledo (Year 2)	13,454	3,000	\$323,306	0.250404	\$2,355,946	14%	82,253	8,475
Springtown	8,947	2,800	\$221,307	0.341695	\$1,660,444	13%	33,976	3,390
Sanger	13,531	5,050	\$638,000	0.555313	\$7,887,307	8%	33,904	3,745
Red Oak	18,624	4,000	\$412,043	0.441574	\$13,955,586	3%	32,140	4,278
Pilot Point	8,099	5,800	\$392,864	0.318988	\$3,213,616	12%	12,278	3,720
Krum	9,012	5,381	\$331,319	0.529378	\$4,366,093	8%	33,726	3,565
Kennedale	10,052	4,000	\$560,638	0.502334	\$5,998,567	9%	35,354	1,872
Justin	8,110	2,328	\$335,201	0.512534	\$6,606,255	5%	21,799	1,155
Aubrey	25,933	14,000	\$586,438	0.307961	\$3,200,000	18%	118,327	6,713
Aransas Pass	11,890	7,590	\$220,331	0.399268	\$4,433,000	5%	11,048	7,989
Alvarado	6,225	6,800	\$283,590	0.667162	\$4,573,030	6%	13,017	775

**KEY TAKEAWAYS**

1. Aledo performs efficiently: small facility, moderate cost, low tax rate, but high circulation and strong public engagement.
2. Aubrey is the top performer overall: high investment and strong return on usage.
3. Red Oak and Alvarado have relatively high tax rates or collections but low utilization, suggesting under performance.
4. Kennedale, Sanger, and Krum are mid-range across most metrics, maintaining balanced funding-to-output ratios.
5. Aledo leads in cost efficiency, generating ~254 circulations per \$1,000 spent. Aubrey follows closely at ~202, confirming these two as top performers.

**LIBRARY EFFICIENCY SCORE**

The efficiency score is a composite metric designed to assess the effectiveness of each library in converting its funding into community engagement. It combines two normalized indicators: patron engagement and cost efficiency, each assigned equal weight. A high score signifies a library that is both engaged (patrons utilize its services frequently) and efficient (allocates its resources effectively). Conversely, a low score indicates either high costs, low usage, or both.

Table 6: Top Performing Libraries

Rank	Library	Efficiency Score	Circulation per Patron	Circulation per \$1k Expense
1	Aubrey	0.86	17.6	201.8
2	Aledo	0.76	9.7	254.4
3	Justin	0.63	18.9	65.0
4	Kennedale	0.62	18.9	63.1

5	Springtown	0.57	10.0	153.5
6	Alvarado	0.53	16.8	45.9
7	Krum	0.45	9.5	101.8
8	Red Oak	0.35	7.5	78.0
9	Sanger	0.34	9.1	53.1
10	Pilot Point	0.15	3.3	31.3
11	Aransas Pass	0.14	1.4	50.1

1. Aubrey clearly leads, combining high usage per patron and per dollar spent, indicating both engagement and efficiency.
2. Aledo ranks just behind, with excellent cost efficiency and strong patron engagement - impressive given its smaller size and modest funding,
3. Aubrey and Aledo stand out as top-tier libraries, delivering high returns per dollar and per user.
4. Aledo's success is especially notable: despite a small space and budget, it achieves one of the highest cost efficiencies.
5. The gap between Aubrey (0.86) and Aransas Pass (0.14) highlights a 6x difference in operational effectiveness.

An efficiency comparison based on engagement and cost efficiency between Aledo and benchmark cities can be seen in *Chart 1* on page 13.

**SERVICE EXPANSION RECOMMENDATION**

Aledo Library does remarkable work with limited staffing. It would be easy to suggest that additional full-time librarians would allow for additional programming and patron interaction with the library.

However, hiring more staffing without a clear purpose for their position will only hurt Aledo's high efficiency rating. To understand how best to expand library programming and resources in the future, the library should undergo a community oriented strategic planning process.

A vision for the future created with patron and larger community involvement will allow the policy makers to further understand the needs and desires of the community and how best to provide new and expanded services in a resource scarce environment. Once completed, the plan can be prioritized based on available funding.

**FINANCIAL SUSTAINABILITY RECOMMENDATION**

Libraries are known cost centers, meaning they do not cover their cost of service with revenues generated by the service. This is not a bad thing as they offer tremendous value to the communities they serve. The Aledo library is cost efficient and clearly hits above its weight class in terms of the peer cities reviewed in the comparative analysis.

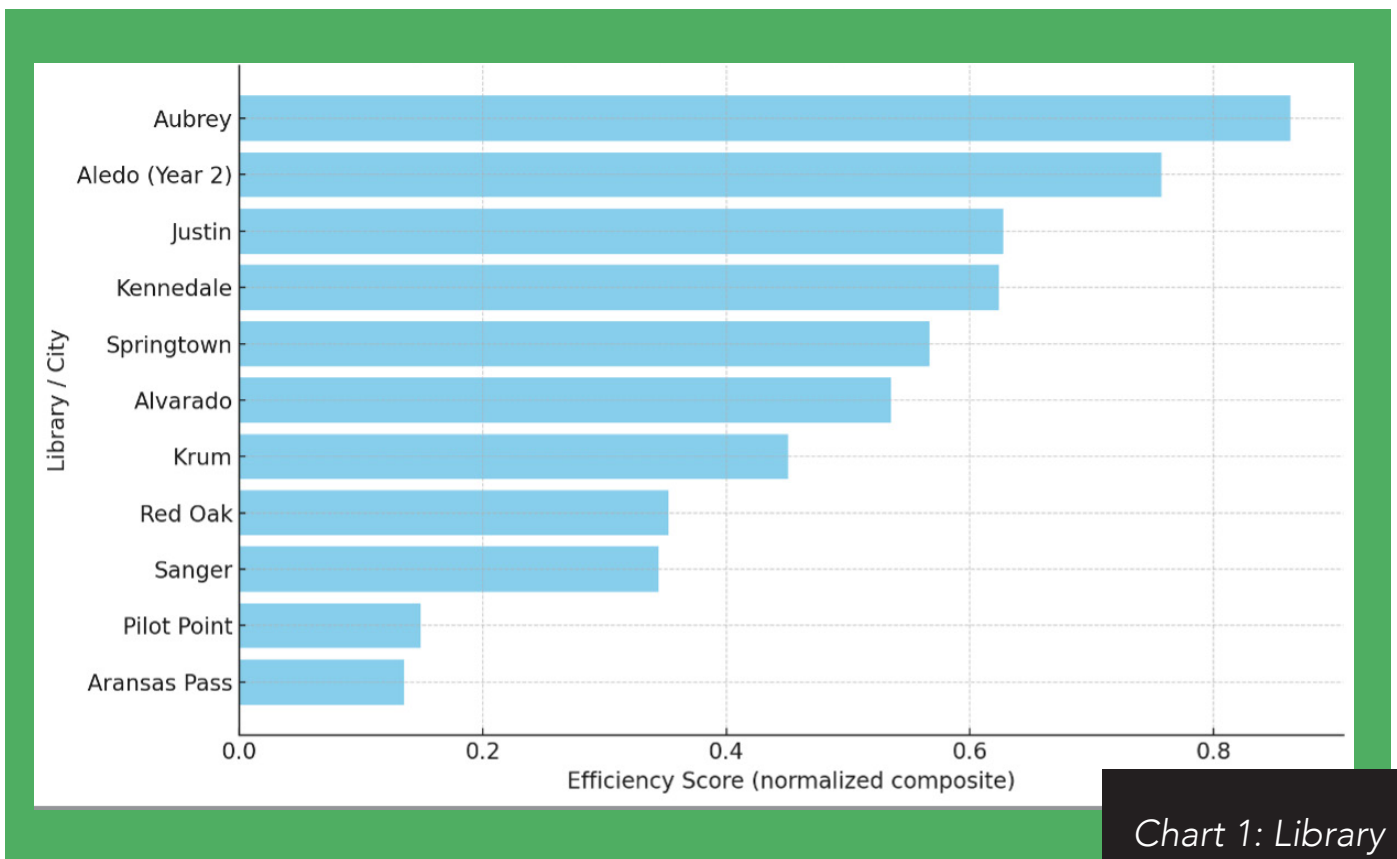
One thing that could help the library cover more of its cost of service is charging an annual library card for non-citizens of Aledo. The most recent official population projection for Aledo (2023) is 5,432. If the operating budget for the library is \$321,942 in FY 2026, a suggested fee would be \$68.75 for an annual library card for non-citizens.

There are 8,022 persons in Aledo's services that are non-citizens of Aledo (13,454 - 5,432 = 8,022). If 20% (1,604) of those persons are library users, there is a potential revenue increase of \$110,275.00 per year to help offset the library's annual cost of service. Obviously, they would need to see the value proposition of

paying \$68.75 or \$5.73 a month to access the library's programs and services. This is cheaper than Netflix's ad supported standard plan of \$7.99 per month, or \$95.88 a year. Given the number of patrons the library sees in a year, there is likely a strong case to be made that they would find enough value to purchase a library card.

fee at this amount will encourage more frequent users to seek an annual library card.

In addition, a day pass should be considered to capture those non-citizen users who may not need an annual library card. We recommend a charge of \$10.00 for a non-citizen library day pass. Setting the



*Chart 1: Library Efficiency Comparison (Engagement + Cost Efficiency)*

## APPENDIX

1. American Library Association – Freedom to Read Statement
2. American Library Association – Library Bill of Rights
3. Email from Noah Simon regarding library funding
4. Historic revenues of EPCL.

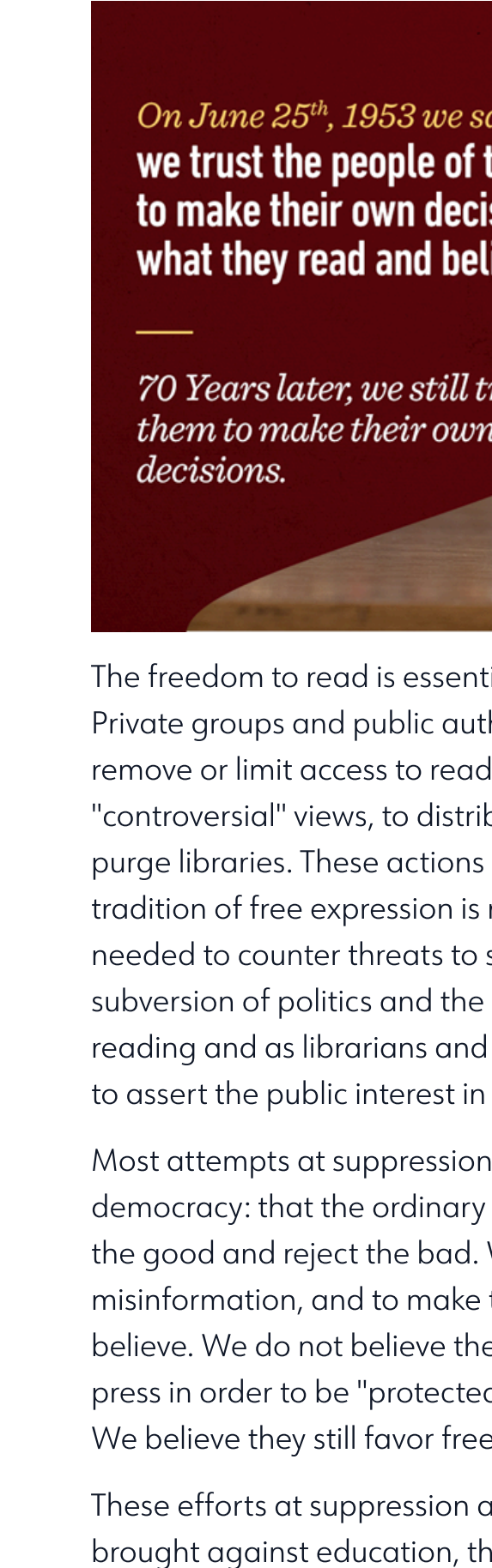


# The Freedom to Read Statement

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*On June 25<sup>th</sup>, 1953 we said that*  
**we trust the people of this nation  
to make their own decisions about  
what they read and believe.**

---

*70 Years later, we still trust  
them to make their own  
decisions.*

The freedom to read is essential to our democracy. It is continuously under attack. Private groups and public authorities in various parts of the country are working to remove or limit access to reading materials, to censor content in schools, to label "controversial" views, to distribute lists of "objectionable" books or authors, and to purge libraries. These actions apparently rise from a view that our national tradition of free expression is no longer valid; that censorship and suppression are needed to counter threats to safety or national security, as well as to avoid the subversion of politics and the corruption of morals. We, as individuals devoted to reading and as librarians and publishers responsible for disseminating ideas, wish to assert the public interest in the preservation of the freedom to read.

Most attempts at suppression rest on a denial of the fundamental premise of democracy: that the ordinary individual, by exercising critical judgment, will select the good and reject the bad. We trust Americans to recognize propaganda and misinformation, and to make their own decisions about what they read and believe. We do not believe they are prepared to sacrifice their heritage of a free press in order to be "protected" against what others think may be bad for them. We believe they still favor free enterprise in ideas and expression.

These efforts at suppression are related to a larger pattern of pressures being brought against education, the press, art and images, films, broadcast media, and the Internet. The problem is not only one of actual censorship. The shadow of fear cast by these pressures leads, we suspect, to an even larger voluntary curtailment

of expression by those who seek to avoid controversy or unwelcome scrutiny by government officials.

Such pressure toward conformity is perhaps natural to a time of accelerated change. And yet suppression is never more dangerous than in such a time of social tension. Freedom has given the United States the elasticity to endure strain. Freedom keeps open the path of novel and creative solutions, and enables change to come by choice. Every silencing of a heresy, every enforcement of an orthodoxy, diminishes the toughness and resilience of our society and leaves it the less able to deal with controversy and difference.

Now as always in our history, reading is among our greatest freedoms. The freedom to read and write is almost the only means for making generally available ideas or manners of expression that can initially command only a small audience. The written word is the natural medium for the new idea and the untried voice from which come the original contributions to social growth. It is essential to the extended discussion that serious thought requires, and to the accumulation of knowledge and ideas into organized collections.

We believe that free communication is essential to the preservation of a free society and a creative culture. We believe that these pressures toward conformity present the danger of limiting the range and variety of inquiry and expression on which our democracy and our culture depend. We believe that every American community must jealously guard the freedom to publish and to circulate, in order to preserve its own freedom to read. We believe that publishers and librarians have a profound responsibility to give validity to that freedom to read by making it possible for the readers to choose freely from a variety of offerings.

The freedom to read is guaranteed by the Constitution. Those with faith in free people will stand firm on these constitutional guarantees of essential rights and will exercise the responsibilities that accompany these rights.

We therefore affirm these propositions:

- 1. It is in the public interest for publishers and librarians to make available the widest diversity of views and expressions, including those that are unorthodox, unpopular, or considered dangerous by the majority.*

Creative thought is by definition new, and what is new is different. The bearer of every new thought is a rebel until that idea is refined and tested. Totalitarian

systems attempt to maintain themselves in power by the ruthless suppression of any concept that challenges the established orthodoxy. The power of a democratic system to adapt to change is vastly strengthened by the freedom of its citizens to choose widely from among conflicting opinions offered freely to them. To stifle every nonconformist idea at birth would mark the end of the democratic process. Furthermore, only through the constant activity of weighing and selecting can the democratic mind attain the strength demanded by times like these. We need to know not only what we believe but why we believe it.

- 2. Publishers, librarians, and booksellers do not need to endorse every idea or presentation they make available. It would conflict with the public interest for them to establish their own political, moral, or aesthetic views as a standard for determining what should be published or circulated.*

Publishers and librarians serve the educational process by helping to make available knowledge and ideas required for the growth of the mind and the increase of learning. They do not foster education by imposing as mentors the patterns of their own thought. The people should have the freedom to read and consider a broader range of ideas than those that may be held by any single librarian or publisher or government or church. It is wrong that what one can read should be confined to what another thinks proper.

- 3. It is contrary to the public interest for publishers or librarians to bar access to writings on the basis of the personal history or political affiliations of the author.*

No art or literature can flourish if it is to be measured by the political views or private lives of its creators. No society of free people can flourish that draws up lists of writers to whom it will not listen, whatever they may have to say.

- 4. There is no place in our society for efforts to coerce the taste of others, to confine adults to the reading matter deemed suitable for adolescents, or to inhibit the efforts of writers to achieve artistic expression.*

To some, much of modern expression is shocking. But is not much of life itself shocking? We cut off literature at the source if we prevent writers from dealing with the stuff of life. Parents and teachers have a responsibility to prepare the young to meet the diversity of experiences in life to which they will be exposed,

as they have a responsibility to help them learn to think critically for themselves. These are affirmative responsibilities, not to be discharged simply by preventing them from reading works for which they are not yet prepared. In these matters values differ, and values cannot be legislated; nor can machinery be devised that will suit the demands of one group without limiting the freedom of others.

5. *It is not in the public interest to force a reader to accept the prejudgment of a label characterizing any expression or its author as subversive or dangerous.*

The ideal of labeling presupposes the existence of individuals or groups with wisdom to determine by authority what is good or bad for others. It presupposes that individuals must be directed in making up their minds about the ideas they examine. But Americans do not need others to do their thinking for them.

6. *It is the responsibility of publishers and librarians, as guardians of the people's freedom to read, to contest encroachments upon that freedom by individuals or groups seeking to impose their own standards or tastes upon the community at large; and by the government whenever it seeks to reduce or deny public access to public information.*

It is inevitable in the give and take of the democratic process that the political, the moral, or the aesthetic concepts of an individual or group will occasionally collide with those of another individual or group. In a free society individuals are free to determine for themselves what they wish to read, and each group is free to determine what it will recommend to its freely associated members. But no group has the right to take the law into its own hands, and to impose its own concept of politics or morality upon other members of a democratic society. Freedom is no freedom if it is accorded only to the accepted and the inoffensive. Further, democratic societies are more safe, free, and creative when the free flow of public information is not restricted by governmental prerogative or self-censorship.

7. *It is the responsibility of publishers and librarians to give full meaning to the freedom to read by providing books that enrich the quality and diversity of thought and expression. By the exercise of this affirmative responsibility, they can demonstrate that the answer to a "bad" book is a good one, the answer to a "bad" idea is a good one.*

The freedom to read is of little consequence when the reader cannot obtain matter fit for that reader's purpose. What is needed is not only the absence of restraint, but the positive provision of opportunity for the people to read the best that has been thought and said. Books are the major channel by which the intellectual inheritance is handed down, and the principal means of its testing and growth. The defense of the freedom to read requires of all publishers and librarians the utmost of their faculties, and deserves of all Americans the fullest of their support.

We state these propositions neither lightly nor as easy generalizations. We here stake out a lofty claim for the value of the written word. We do so because we believe that it is possessed of enormous variety and usefulness, worthy of cherishing and keeping free. We realize that the application of these propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable belief that what people read is unimportant. We believe rather that what people read is deeply important; that ideas can be dangerous; but that the suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours.

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This statement was originally issued in May of 1953 by the Westchester Conference of the American Library Association and the American Book Publishers Council, which in 1970 consolidated with the American Educational Publishers Institute to become the Association of American Publishers.

Adopted June 25, 1953, by the ALA Council and the AAP Freedom to Read Committee; amended January 28, 1972; January 16, 1991; July 12, 2000; June 30, 2004.

*A Joint Statement by:*

[American Library Association](#)


[Association of American Publishers](#)

*Subsequently endorsed by:*

[American Booksellers for Free Expression](#)  
[The Association of American University Presses](#)  
[The Children's Book Council](#)  
[Freedom to Read Foundation](#)  
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# Library Bill of Rights

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The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

I. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.

II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.

III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.

IV. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.

V. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.

VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use.

VII. All people, regardless of origin, age, background, or views, possess a right to privacy and confidentiality in their library use. Libraries should advocate for, educate about, and protect people's privacy, safeguarding all library use data, including personally identifiable information.

Adopted June 19, 1939, by the ALA Council; amended October 14, 1944; June 18, 1948; February 2, 1961; June 27, 1967; January 23, 1980; January 29, 2019.

Inclusion of "age" reaffirmed January 23, 1996.

Although the Articles of the *Library Bill of Rights* are unambiguous statements of basic principles that should govern the service of all libraries, questions do arise concerning application of these principles to specific library practices. See the documents designated by the Intellectual Freedom Committee as [Interpretations of the Library Bill of Rights](#).



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On Jun 15, 2023, at 7:23 PM, Noah Simon <[nsimon@aledotx.gov](mailto:nsimon@aledotx.gov)> wrote:

Good evening. I hope you all are doing well and staying out of this humidity.

On the agenda for next Thursday (6/22) is a resolution for the intent to borrow for the library project. A representative from Hilltop will be present to share updated numbers and information. The process of borrowing requires many steps and I'll be asking Council for approval.

Over the last few weeks, Library and City staff have been discussing the operational costs, revenues, and expenses. We have been back and forth several times to fine-tuning current and future expenses. Certainly, in the endeavor of creating the new library department and moving into a new facility, there will be some unknowns. I'm confident in the analysis and the estimates we have collectively developed to provide a solid snapshot of costs.

Assuming six months of library operations in the next fiscal year (FY24) the city is expecting expenses of \$85k offset by \$21k in revenues, netting a deficit of \$64k. In FY25 and FY26 we anticipate offsetting net income by the sale of the Library building and those deficits are \$115k and \$160k respectively.

Some of the key assumptions that were made in developing this analysis are:

1. Estimated the sale of the property in FY25 to be no less than \$500,000, thus the budget balance going into FY27 is \$225k.
2. Maintained low, ultra-conservative revenue assumptions but encourage the new Friends of the Library group would continue to fund raise and the "buzz" and excitement surrounding the new facility would lead to a bump in donations and volunteers. We also will look into future eligibility of grants as a municipality.
3. Anticipated continued level funding from other entities, including City's continuation of its annual contribution of \$40,000.
4. Regarding personnel, currently there are 3 part-time staff members, or 1.5 FTEs. Changed the director from part-time to full-time at current salary for the 6 months of FY24, and then increasing salary to appropriate compensation for role in FY25. In FY26, adding another full-time staff member making the FTE count 3.
5. Ramped up program expenses for the community to \$5k in FY24, and then \$10k/year for FY25 and FY26.
6. Minor adjustments were made in FY26 with the move to the new City Hall reducing expenditures from Library as they may not be needed or may be allocated into non-departmental shared by all departments (such as utilities).

Staff will work these numbers into the FY24 budget and into our budget planning for future years. The estimated numbers do not create any concerns.

Please call me if you have any questions about this in advance of the meeting next week.

Best,

Noah

<image001.jpg>

**Noah A. Simon**  
**City Manager**

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General statement of analysis:

The adopted FY 2026 operating budget for the library is \$321,942. This is a difference from the \$170,000 June 2023 opinion of probable cost of \$151,942, and a difference from the projected \$225,000 FY 2027 anticipated cost as expressed in the same June 2023 opinion of probable cost of \$96,942. The difference between these numbers is directly related to the increase in personnel costs approved over the last several years.

## Historic EPCL Revenues and Sources

	FY22 Actuals	Current FY23 Budget	FY23 Actuals	FYE23 Estimates
<b>REVENUES</b>				
<i>Community Support</i>				
Aledo	50,000	40,000	20,000	40,000
Annetta North and Annetta	2,500	2,500		
Parker County	22,700	22,700	22,700	22,700
<i>Donations/Fundraising</i>				
Fundraising Events	117,005	5,000	860	
Mailout		-		
Author Speaking Event		-		
AmazonSmile	785	800	926	926
Donor Bridge - NTX Giving Day	4,323	5,000	-	-
Misc. Donations	1,246	10,000	14,148	14,148
<i>Library Operating Income</i>				
Book Sales	36	50	395	395
Copier Use	1,348	1,000	316	447
Fines			951	951
Newspaper/Magazine Sales				
Other Income	1,092			
<i>Other Income</i>				
Interest Income	129	100	565	801
<b>TOTAL REVENUES</b>	<b>201,165</b>	<b>87,150</b>	<b>60,861</b>	<b>80,368</b>

