Anna
Y(OUR) HOMETOWN

CITY OF ANNA AGENDA NOTICE – CITY COUNCIL WORKSHOP

September 27, 2011 **6:30 p.m. – Anna City Hall Administration Building**

The City Council of the City of Anna will meet in Workshop Session at 6:30 p.m., September 27, 2011, at the Anna City Hall Administration Building, located at 111 North Powell Parkway (Hwy 5), regarding the following items.

1. Call to Order

2. Roll Call and Establishment of Quorum.

3. Discussion regarding Anna EDC and Anna CDC 2011-2012 Fiscal Year Agreements with the Greater Anna Chamber of Commerce. (Jessica Perkins)

4. Discussion regarding Fire Station improvements. (Philip Sanders)

5. CLOSED SESSION (EXCEPTIONS): Under Tex. Gov't Code Chapter 551, the City Council may enter into closed session to discuss any items listed or referenced on this agenda under the following exceptions:

   a. Consult with legal counsel regarding pending or contemplated litigation and/or on matters 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 Chapter 551 of the Government Code (Tex. Gov't Code §551.071); Rosamond Parkway right-of-way; Anna/Melissa wastewater agreement.

   b. Personnel Matters: City Secretary annual review. (Tex. Gov't Code §551.074).

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

The council further reserves the right to enter into executive session at any time throughout any duly noticed meeting under any applicable exception to the Open Meetings Act.

6. Discussion regarding any item on the City Council's September 27, 2011 Regular Meeting Agenda Notice, which was posted at the same date, time and place of this Workshop Agenda Notice.

7. Adjourn.

This is to certify that I, Natha Wilkison, City Secretary, posted this agenda at a place readily accessible to the public at the Anna City Hall and on the City Hall bulletin board at or before 5:00 p.m., September 23, 2011.

Natha Wilkison

Natha Wilkison, City Secretary

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

Anna
Y(OUR) HOMETOWN

CITY OF ANNA AGENDA NOTICE – CITY COUNCIL REGULAR MEETING

September 27, 2011 7:30 p.m. – Anna City Hall Administration Building

The City Council of the City of Anna will meet in Regular Session at 7:30 p.m., September 27, 2011, at the Anna City Hall Administration Building, located at 111 North Powell Parkway (Hwy 5), to consider the following items.

Welcome to the City Council Meeting. Please sign the Sign-In-Sheet as a record of attendance. If you wish to speak on an open-session agenda item please fill out the Opinion/Speaker Registration Form and turn it in to the City Secretary before the meeting starts.

1. Call to Order.

2. Invocation and Pledge of Allegiance.

3. Citizen comments. *Citizens are allowed 3 minutes to speak. The Council is unable to respond to or discuss any issues that are brought up during this section that are not on the agenda, other than to make statements of specific factual information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.*

4. Receive reports from Staff or the City Council about items of community interest. *Items of community interest include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen (but not including a change in status of a person's public office or public employment); a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.*

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

5. Consent Items. *These items consist of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Council member making such request prior to a motion and vote on the Consent Items.*

    a. Approve City Council Minutes for September 6, 2011 Special Meeting.
    b. Approve "Mason Addition" Final Plat. (Maurice Schwanke)

6. Public Hearing: (2nd)
   For City Council to hear public Comments regarding the annexation of the following tract: A tract of land in the DEW Babb Survey, Abstract No. A0033 generally located south of CR 421 and east of the CR 418 and adjacent to the city limits, and containing 10.4 acres more or less. (Maurice Schwanke)

7. Consider/Discuss/Action regarding an Ordinance amending the city's Financial Policies. (Clayton Fulton)

8. Consider/Discuss/Action approving a Resolution authorizing distribution of a portion of the fiscal year 2010-2011 contingency appropriation. (Philip Sanders)

9. Discussion regarding SB 1 related to taxes on goods in transit. (Clayton Fulton)

10. Discussion regarding 2012 Election schedule. (Natha Wilkison)

11. Discussion regarding sale of GTUA-CGMA Minimum Take or Pay to Participant City. (Clayton Fulton)

12. Discussion regarding the proposed NTGCD and water production fee. (Philip Sanders)

13. Discussion regarding new subdivision ordinance. (Maurice Schwanke)

14. CLOSED SESSION (EXCEPTIONS): Under Tex. Gov't Code Chapter 551, the City Council may enter into closed session to discuss any items listed or referenced on this agenda under the following exceptions:

    a. consult with legal counsel regarding pending or contemplated litigation and/or on matters 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 Chapter 551 of the Government

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

Code (Tex. Gov't Code §551.071); Rosamond Parkway right-of-way; Anna/Melissa wastewater agreement.

b. Personnel Matters: City Secretary annual review. (Tex. Gov't Code §551.074).

The council further reserves the right to enter into executive session at any time throughout any duly noticed meeting under any applicable exception to the Open Meetings Act.

15. Consider/Discuss/Action on any items listed on posted agenda for September 27, 2011 City of Anna Workshop Session or any closed session occurring during this Regular Meeting, as necessary.

16. Adjourn.

This is to certify that I, Natha Wilkison, City Secretary, posted this agenda at a place readily accessible to the public at the Anna City Hall and on the City Hall bulletin board at or before 5:00 p.m., September 23, 2011.

Natha Wilkison

Natha Wilkison, City Secretary

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

Item No. WS-3
City Secretary's use only

CITY OF ANNA, TEXAS

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011
Account Code #: n/a
Budgeted Amount: n/a

Staff Contact: Jessica Perkins

Exhibits: ✖ Yes ☐ No

AGENDA SUBJECT: Discussion regarding the EDC and CDC 2011-2012 Fiscal Year Agreements with the GACC. (Jessica Perkins)

SUMMARY: The EDC and CDC have historically supported the annual events of the GACC. For the past two years the Corporations have entered into a fiscal year agreement for sponsorship. The annual agreement has allowed for better planning and budgeting. The proposed FY 2011-2012 agreement is enclosed for your review.

STAFF RECOMMENDATION: Staff recommends you approve the agreement.

AGREEMENT FOR SPONSORSHIP COMMITMENT FOR 2011-2012

THIS AGREEMENT FOR SPONSORSHIP COMMITMENT (this "Agreement") is made by and between the Anna Economic Development Corporation ("EDC"), and the Greater Anna Chamber of Commerce, Inc. ("GACC") and entered into on this _____ day of _____, 20____.

Section 1. Summary

During the EDC's 2011-2012 fiscal year, the EDC hereby promises to make certain payments to the GACC to sponsor certain GACC events that GACC promises will promote the EDC and the growth and the development of the City. The amount of each payment is specified under this Agreement for each corresponding GACC event. Each payment is to be provided to the GACC prior to each event, but is contingent upon GACC providing a letter of intent to organize and hold the corresponding event and meet the corresponding benchmarks set forth herein, as well as to adequately promote the EDC and the City.

Section 2. Definitions

For purposes of this Agreement, the following meanings shall apply:

(a) City shall mean the City of Anna, Texas.

(b) EDC shall mean the Anna Economic Development Corporation, a Texas nonprofit corporation.

(c) GACC shall mean the Greater Anna Chamber of Commerce, Inc., a Texas nonprofit corporation.

(d) Sponsor shall mean a person or corporation that pays or provides something of value to the GACC in connection with a GACC event in exchange for GACC providing promotional marketing or any other benefits associated with the GACC event.

(e) Sponsorship Benefits shall mean at least that amount of sponsorship designation, advertising in print and broadcast media, marketing materials and opportunities, onsite and offsite signage and marketing, public relations benefits and all other benefits listed in this Agreement and/or otherwise available that would promote the EDC to an extent equal to or greater than any other Sponsor of the GACC event in question. In other words, Sponsorship Benefits shall provide the EDC with at least "equal billing" compared with any other Sponsor and shall provide the highest level of promotional or other benefits made available or provided to any other Sponsor, regardless of the amounts paid by the EDC as compared with other Sponsor Designation includes and shall mean:

(1) the EDC shall be named as a Sponsor of the GACC event, that the EDC may use the same designation in all GACC-approved advertising, merchandising and promotions; and

(2) the EDC shall have first right of refusal as a Sponsor of any subsequent events arising out of any of the GACC events in future years.

Section 3. General Requirements

3.01 Letter of Intent

The GACC agrees to provide to the EDC a letter of intent prior to each event and prior to the payment to GACC of any EDC funds for such event. The letter of intent will be drafted on a standard form attached as "Exhibit A", and incorporated herein as if set forth in full. The letter of intent shall include a promise by the GACC to organize and hold the specific event setting forth its purpose and goals including the benchmark provisions set forth in this Agreement and shall constitute further binding contractual responsibilities of the GACC to attain those benchmarks and adequately promote the EDC. The letter of intent for any given event may set forth a different amount requested to be paid by the EDC than the amount estimated for such event as set forth in Section 4 of this Agreement.

3.02 Sponsorship Benefits

The GACC agrees to furnish all materials, equipment, tools and other items necessary to provide Sponsorship Benefits to the EDC, and, in addition, all Sponsor Designations, advertising in print and broadcast media, marketing materials and opportunities, onsite and offsite signage and marketing, and all other public relations and promotional benefits as further described in this Agreement under each specific event.

Advertising in print and broadcast media includes the EDC's identification as Sponsor on all print advertising secured promoting the GACC event. All such advertising shall reference the EDC as: The City of Anna Economic Development Corporation.

Marketing materials and opportunities, onsite signage and marketing, and public relations benefits will be provided for under each specific event in this Agreement.

Section 4. GACC Events

The GACC and EDC anticipate EDC sponsorship of the following events and provides specific terms of compensation, Sponsorship Benefits, goals and benchmarks to gauge promotional impact:

4.01 Glowfest 2011

Name/Purpose: *Glowfest 2011*, Community Fall Festival

Date, Time, Location of Event: All Day on Saturday, October 29, 2011 at Slater Creek Park (and surrounding private property)

Deadline for GACC to provide letter of intent to EDC: Monday, September 26, 2011

Estimated Compensation amount: **$5,000.00**

Due Date of Payment: Monday, October 17, 2011

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: EDC Logo on pre-event banners; EDC Logo on registration form; listed as "Platinum Level" sponsor in newspaper advertisement and article

Promotional Benchmark Requirements: GACC will provide approximate headcount of attendees' as well geographic locations from where attendees reside.

4.02 2012 Annual Banquet

Name/Purpose*: 2012 Annual Banquet* - Awards and appreciation banquet as well as a promotional event for current and prospective businesses in our community.

Date, Time, Location of Event: 5:00pm – 11:00pm Saturday, February 8, 2012, Longhorn Hill Party Barn in Anna, TX

Deadline for GACC to provide letter of intent to EDC: Monday, January 9, 2012

Estimated Compensation amount: **$5,000.00**

Due Date of Payment: Monday, January 24, 2012

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: One table at the banquet; full-page advertisement placed on back of program; advertisement during event including signage and in PowerPoint presentation

Promotional Benchmark Requirements: GACC will provide list of attendees

4.03 Anna Fireworks Event

Name/Purpose: *2012 Anna Fireworks Event*, Community Festival

Date, Time, Location of Event: 5:00pm – Conclusion of Fireworks, Sunday, July 1, 2012 at Slater Creek Park and Anna ISD Football Stadium

Deadline for GACC to provide letter of intent to EDC: Monday, June 4, 2012

Estimated Compensation amount: **$5,000.00**

Due Date of Payment: Monday, June 18, 2012

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: EDC Logo on pre-event banners; EDC Logo on registration form; listed as sponsor in newspaper advertisement and article

Promotional Benchmark Requirements: GACC will provide and estimated number of attendees

Section 5. Compensation

In consideration of the performance of GACC's obligations under this Agreement, including the provision of Sponsorship Benefits described herein, the EDC agrees to pay the GACC the total amount of compensation of ($15,000) during the EDC's fiscal year 2011-2012, subject to the conditions set forth in this Agreement. Before the EDC shall have any obligation to make any payment to GACC with respect to any given event described in Section 4 of this Agreement, the GACC must timely provide the EDC with a letter of intent—signed by a GACC representative authorized to contractually bind the GACC—as described in Section 3.01 of this Agreement and the GACC must submit said letter of intent to the EDC before the applicable deadline for such event as set forth in Section 4 of this Agreement. The total ($15,000) amount of compensation shall be made in three separate payments with the amount of each payment being determined by the EDC by electing one of the two following options per GACC event: (1) the estimated compensation amount set forth in Section 4 of this Agreement; or (2) a different amount requested by GACC that is set forth in the letter of intent described in Section 3.01 of this Agreement and attached hereto as Exhibit A. If the EDC decides to honor any GACC request for a different amount than what is set forth in Section 4 of this Agreement, the EDC shall thereafter have discretion to alter the amount of payments it makes with respect to any remaining events so that its overall compensation paid to the Chamber under this Agreement does not exceed ($15,000) during the EDC's 2011-2012 fiscal year. The GACC shall provide the EDC with a written receipt.

Section 6. Licenses and Permits

The GACC shall obtain and pay for any and all permits, licenses, disposal fees, or any other costs required for any of the GACC events and to fulfill this Agreement. The GACC shall take all reasonable steps necessary to ensure that all state, federal, and local permitting and licensing requirements are met at all times during all GACC events. The GACC must comply with all federal and state laws, and local ordinances while organizing and participating in the GACC events.

Section 7. Independent Contractor Status/ Liability/ Indemnity

It is expressly understood and agreed that the EDC has no right of control, supervision, or direction over any work performed by the GACC relating in any way to

the GACC's undertaking of any of its events (the "Work"), including but not limited to its employees, agents, contractors, or its subcontractors, nor does the EDC have any control, supervision or direction of the means, methods, sequences, procedures, and techniques utilized to complete any the Work. There shall be no joint control over the Work. **The GACC agrees to fully defend, indemnify and hold harmless the EDC from any claim, proceeding, cause of action, judgment, penalty, or any other cost or expense arising or growing out of, associated or in connection with the Work. The indemnification includes, but is not limited to, attorney fees incurred by the EDC in defending itself or in enforcing this Agreement.** By entering into this Agreement, GACC waives all rights and remedies in law or in equity except to seek enforcement of specific performance, without any right to reimbursement of costs or attorney fees, of the obligations under this Agreement. This provision is not intended to and does not waive any of the EDC's governmental immunities, including immunity from suit and liability.

Section 8. Insurance

GACC shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in conjunction with the performance of the Work or in any way related to the GACC's undertakings performed in connection with the GACC events, including but not limited to coverage for GACC, its agents, representatives, employees, contractors, or subcontractors. The form and limits of such insurance, together with the underwriter thereof in each case, must be acceptable to the EDC but regardless of such acceptance it shall be the responsibility of the GACC to maintain adequate insurance coverage at all times. Failure of the GACC to maintain adequate coverage shall not relieve the GACC of any contractual responsibility or obligation. Each policy shall provide that there will be no alteration or modification which reduces coverage in any way prior to 30 days written notice being given to the EDC. A copy of each policy, or at the EDC's discretion, a certificate of insurance, shall be filed with the EDC Secretary.

Section 9. Default

9.01 Events of Default

The occurrence, at any time during the term of the Agreement, of any one or more of the following events, shall constitute an Event of Default under this Agreement:

(a) the failure of GACC to timely provide the EDC with a properly executed letter of intent in accordance with the terms of this Agreement prior to each event;

(b) the failure of the GACC event to occur on the scheduled date, or—if the event cannot occur on the originally scheduled date due to inclement weather—the failure of the GACC event to be rescheduled and occur in accordance with Section 18 of this Agreement;

(c) the failure of GACC to provide the EDC with all Sponsorship Benefits enumerated in this Agreement for each event;

(d) the failure of GACC to meet each promotional benchmark requirement;

(e) the failure of the EDC to pay the GACC according to the compensation terms of each event when such payment may become due; and

(f) the EDC's or GACC's breach or violation of any of the material terms, covenants, representations or warranties contained herein or GACC's failure to perform any material obligation contained herein.

9.02 Uncured Events of Default

Upon the occurrence of an Event of Default by EDC that can be cured by the immediate payment of money to GACC, EDC shall have 10 calendar days from receipt of written notice from GACC of an occurrence of such Event of Default to cure same before GACC may exercise any of its remedies as set forth in this Agreement.

Upon the occurrence of an Event of Default by GACC that does not include the failure to abide by a deadline or to a failure described in Section 9.01(b), it shall have 10 calendar days from receipt of written notice from EDC of an occurrence of such Event of Default to cure same, or, if same cannot be effectively cured within 10 calendar days and fully and effectively provide EDC with the Sponsorship Benefits, the default may be cured by refunding EDC's entire sponsorship fee, unless such Event of Default creates or contributes to an emergency situation in which injury to persons or property reasonably appears imminent, in which case EDC is immediately entitled to exercise or seek all rights available to it at law or in equity. If with respect to any given event set forth in Section 4 of this Agreement, there is a failure of GACC to meet a deadline or a failure described in Section 9.01(b), the EDC shall be entitled to a full refund of any amounts paid by the EDC to GACC for such event.

Section 10. Amendment; Termination

This Agreement may not be amended except pursuant to a written instrument signed by both parties. This Agreement shall terminate once both parties shall have completed performance of their respective obligations hereunder.

Section 11. Notice

Notice as required by this Agreement shall be in writing delivered to the parties via postage prepaid, U.S. certified mail, return receipt requested, at the addresses listed below:

EDC

EDC President
Anna Economic Development Corporation
101 N. Powell Parkway
Anna, Texas 75409

GACC

GACC Director
Greater Anna Chamber of Commerce
P.O. Box 1256
Anna, Texas 75409

Each party shall notify the other in writing within 10 days of any change in the address information listed in this section.

Section 12. No Waiver of Immunity

Nothing in this Agreement waives any governmental immunity available to the EDC under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Section 13. Entire Agreement

This Agreement represents the entire and integrated Agreement between EDC and GACC and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties.

Section 14. Governing Law and Venue

This Agreement shall be governed by the laws of the State of Texas as to interpretation and performance. Any and all legal action necessary to enforce this Agreement shall be brought in a court of competent jurisdiction in Collin County, Texas or in the United States District Court for the Eastern District of Texas, Sherman Division.

Section 15. Severability

The provisions of this Agreement are severable. In the event that any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement shall be found to be contrary to the law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement.

Section 16. Contract Interpretation

This Agreement is the result of negotiation between the parties, and shall, in the event of any dispute over the meaning or application of any portion thereof, be interpreted fairly and reasonably, and not to be more strictly construed against one party than another, regardless of which party originally drafted the section in dispute. Time is of the essence with respect to the deadlines set forth in this Agreement.

Section 17. Force Majeure

If a party is prevented or delayed from performing any of its obligations hereunder due to a natural or manmade event or condition not caused by such party and beyond such party's reasonable control, then such party's performance of those obligations shall be suspended until such time as the event or condition no longer prevents or delays performance. If any event or condition results in the creation of amounts of refuse in excess of ordinary amounts, then the parties shall discuss, but shall not be bound to conclude, terms and conditions for collection of those excess amounts.

Section 18. Inclement Weather

If the GACC cannot reasonably proceed with an event due to inclement weather, then the GACC shall reschedule the event so that it occurs in reasonably close temporal proximity to the original date scheduled for the event. A failure to so reschedule and hold the event is a material breach of this Agreement.

Section 19. Assignment

It is understood and agreed that GACC shall not assign, sublet, or transfer any of the rights and duties under the terms of this Agreement without the prior written approval of the EDC.

Section 20. Effective Date

This Agreement shall be effective upon the date first stated herein, and performance of such Agreement shall begin as soon thereafter as practicable.

IN WITNESS WHEREOF, EDC and GACC have executed this Agreement.

By: _____ _____

Sara Cox
Greater Anna Chamber of Commerce

EDC President

AGREEMENT FOR SPONSORSHIP COMMITMENT FOR 2011-2012

THIS AGREEMENT FOR SPONSORSHIP COMMITMENT (this "Agreement") is made by and between the Anna Community Development Corporation ("CDC"), and the Greater Anna Chamber of Commerce, Inc. ("GACC") and entered into on this _____ day of _____, 20____.

Section 1. Summary

During the CDC's 2011-2012 fiscal year, the CDC hereby promises to make certain payments to the GACC to sponsor certain GACC events that GACC promises will promote the CDC and the growth and the development of the City. The amount of each payment is specified under this Agreement for each corresponding GACC event. Each payment is to be provided to the GACC prior to each event, but is contingent upon GACC providing a letter of intent to organize and hold the corresponding event and meet the corresponding benchmarks set forth herein, as well as to adequately promote the CDC and the City.

Section 2. Definitions

For purposes of this Agreement, the following meanings shall apply:

(a) City shall mean the City of Anna, Texas.

(b) CDC shall mean the Anna Community Development Corporation, a Texas nonprofit corporation.

(c) GACC shall mean the Greater Anna Chamber of Commerce, Inc., a Texas nonprofit corporation.

(d) Sponsor shall mean a person or corporation that pays or provides something of value to the GACC in connection with a GACC event in exchange for GACC providing promotional marketing or any other benefits associated with the GACC event.

(e) Sponsorship Benefits shall mean at least that amount of sponsorship designation, advertising in print and broadcast media, marketing materials and opportunities, onsite and offsite signage and marketing, public relations benefits and all other benefits listed in this Agreement and/or otherwise available that would promote the CDC to an extent equal to or greater than any other Sponsor of the GACC event in question. In other words, Sponsorship Benefits shall provide the CDC with at least "equal billing" compared with any other Sponsor and shall provide the highest level of promotional or other benefits made available or provided to any other Sponsor, regardless of the amounts paid by the CDC as compared with other Sponsor Designation includes and shall mean:

(1) the CDC shall be named as a Sponsor of the GACC event, that the CDC may use the same designation in all GACC-approved advertising, merchandising and promotions; and

(2) the CDC shall have first right of refusal as a Sponsor of any subsequent events arising out of any of the GACC events in future years.

Section 3. General Requirements

3.01 Letter of Intent

The GACC agrees to provide to the CDC a letter of intent prior to each event and prior to the CDC's payment to GACC of any funds for such event. The letter of intent will be drafted on a standard form attached as "Exhibit A", and incorporated herein as if set forth in full. The letter of intent shall include a promise by the GACC to organize and hold the specific event setting forth its purpose and goals including the benchmark provisions set forth in this Agreement and shall constitute further binding contractual responsibilities of the GACC to attain those benchmarks and adequately promote the CDC. The letter of intent for any given event may set forth a different amount requested to be paid by the CDC than the amount estimated for such event as set forth in Section 4 of this Agreement.

3.02 Sponsorship Benefits

The GACC agrees to furnish all materials, equipment, tools and other items necessary to provide Sponsorship Benefits to the CDC, and, in addition, all Sponsor Designations, advertising in print and broadcast media, marketing materials and opportunities, onsite and offsite signage and marketing, and all other public relations and promotional benefits as further described in this Agreement under each specific event.

Advertising in print and broadcast media includes the CDC's identification as Sponsor on all print advertising secured promoting the GACC event. All such advertising shall reference the CDC as: The City of Anna Community Development Corporation.

Marketing materials and opportunities, onsite signage and marketing, and public relations benefits will be provided for under each specific event in this Agreement.

Section 4. GACC Events

The GACC and CDC anticipate CDC sponsorship of the following events and provides specific terms of compensation, Sponsorship Benefits, goals and benchmarks to gauge promotional impact:

4.01 Glowfest 2011

Name/Purpose: *Glowfest 2011*, Community Fall Festival

Date, Time, Location of Event: All Day on Saturday, October 29, 2011 at Slater Creek Park (and surrounding private property)

Deadline for GACC to provide letter of intent to CDC: Monday, September 26, 2011

Estimated Compensation amount: $5,000.00

Due Date of Payment: Monday, October 17, 2011

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: CDC Logo on pre-event banners; CDC Logo on registration form; listed as "Platinum Level" sponsor in newspaper advertisement and article

Promotional Benchmark Requirements: GACC will provide approximate headcount of attendees' and geographic locations where attendees reside.

4.02 2011 Christmas Parade and Winter Wonderfest

Name/Purpose: *2011 Christmas Parade and Winter Wonderfest* - Community Festival and Parade

Date, Time, Location of Event: All Day on Saturday, December 10, 2011, parade route

Deadline for GACC to provide letter of intent to CDC: Monday, November 14, 2011

Estimated Compensation amount: $1,500.00

Due Date of Payment: Monday, November 28, 2011

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: CDC Logo on pre-event banners; CDC Logo on registration forms; listed as sponsor in newspaper advertisement and article

Promotional Benchmark Requirements: GACC will provide a count or list of float participation.

4.03 2012 Annual Banquet

Name/Purpose: *2012 Annual Banquet* - Awards and appreciation banquet as well as a promotional event for current and prospective businesses in our community.

Date, Time, Location of Event: 5:00pm – 11:00pm Saturday, February 8, 2012, Longhorn Hill Party Barn in Anna, TX

Deadline for GACC to provide letter of intent to CDC: Monday, January 9, 2012

Estimated Compensation amount: $500.00

Due Date of Payment: Monday, January 24, 2012

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: One table at the banquet; full-page advertisement placed on back of program; advertisement during event including signage and in PowerPoint presentation

Promotional Benchmark Requirements: GACC will provide list of attendees

4.04 2012 Golf Tournament

Name/Purpose: *2012 Golf Tournament*, Networking event for current GACC members as well as a promotion to prospective new members and businesses

Date, Time, Location of Event: All Day on Monday, April 16, 2012, Hurricane Creek Country Club

Deadline for GACC to provide letter of intent to CDC: Monday, March 19, 2012

Estimated Compensation amount: **$3,000.00**

Due Date of Payment: Monday, April 2, 2012

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: CDC Logo on postcard distributed throughout Anna, Van Alstyne, Melissa, Sherman & McKinney, Recognition as Title Sponsor in Program and on signage the day of the event, opportunity to display promotional material, signage placed on various holes

Promotional Benchmark Requirements: GACC will provide a list of players

4.05 Anna Fireworks Event

Name/Purpose: *2012 Anna Fireworks Event*, Community Festival

Date, Time, Location of Event: 5:00pm – Conclusion of Fireworks, Sunday, July 1, 2012 at Slater Creek Park and Anna ISD Football Stadium

Deadline for GACC to provide letter of intent to CDC: Monday, June 4, 2012

Estimated Compensation amount: **$5,000.00**

Due Date of Payment: Monday, June 18, 2012

Sponsorship Obligations of GACC in addition to Sponsorship Benefits: CDC Logo on pre-event banners; CDC Logo on registration form; listed as sponsor in newspaper advertisement and article

Promotional Benchmark Requirements: GACC will provide and estimated number of attendees

Section 5. Compensation

In consideration of the performance of GACC's obligations under this Agreement, including the provision of Sponsorship Benefits described herein, the CDC agrees to pay the GACC the total amount of compensation of ($15,000) during the CDC's fiscal year 2011-2012, subject to the conditions set forth in this Agreement. Before the CDC shall have any obligation to make any payment to GACC with respect to any given event described in Section 4 of this Agreement, the GACC must timely provide the CDC with a letter of intent—signed by a GACC representative authorized to contractually bind the GACC—as described in Section 3.01 of this Agreement and the GACC must submit said letter of intent to the CDC before the applicable deadline for such event as set forth in Section 4 of this Agreement. The total ($15,000) amount of compensation shall be made in five separate payments with the amount of each payment being determined by the CDC by electing one of the two following options per GACC event: (1) the estimated compensation amount set forth in Section 4 of this Agreement; or (2) a different amount requested by GACC that is set forth in the letter of intent described in Section 3.01 of this Agreement and attached hereto as Exhibit A. If the CDC decides to honor any GACC request for a different amount than what is set forth in Section 4 of this Agreement, the CDC shall thereafter have discretion to alter the amount of payments it makes with respect to any remaining events so that its overall compensation paid to the Chamber under this Agreement does not exceed $15,000 during the CDC's 2011-2012 fiscal year. The GACC shall provide the CDC with a written receipt.

Section 6. Licenses and Permits

The GACC shall obtain and pay for any and all permits, licenses, disposal fees, or any other costs required for any of the GACC events and to fulfill this Agreement. The GACC shall take all reasonable steps necessary to ensure that all state, federal, and local permitting and licensing requirements are met at all times during all GACC events. The GACC must comply with all federal and state laws, and local ordinances while organizing and participating in the GACC events.

Section 7. Independent Contractor Status/ Liability/ Indemnity

It is expressly understood and agreed that the CDC has no right of control, supervision, or direction over any work performed by the GACC relating in any way to the GACC's undertaking of any of its events (the "Work"), including but not limited to its employees, agents, contractors, or its subcontractors, nor does the CDC have any control, supervision or direction of the means, methods, sequences, procedures, and techniques utilized to complete any of the Work. There shall be no joint control over the Work. **The GACC agrees to fully defend, indemnify and hold harmless the**

CDC from any claim, proceeding, cause of action, judgment, penalty, or any other cost or expense arising or growing out of, associated or in connection with the Work. The indemnification includes, but is not limited to, attorney fees incurred by the CDC in defending itself or in enforcing this Agreement. By entering into this Agreement, GACC waives all rights and remedies in law or in equity except to seek enforcement of specific performance, without any right to reimbursement of costs or attorney fees, of the obligations under this Agreement. This provision is not intended to and does not waive any of the CDC's governmental immunities, including immunity from suit and liability.

Section 8. Insurance

GACC shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in conjunction with the performance of the Work or in any way related to the GACC's undertakings performed in connection with the GACC events, including but not limited to coverage for GACC, its agents, representatives, employees, contractors, or subcontractors. The form and limits of such insurance, together with the underwriter thereof in each case, must be acceptable to the CDC but regardless of such acceptance it shall be the responsibility of the GACC to maintain adequate insurance coverage at all times. Failure of the GACC to maintain adequate coverage shall not relieve the GACC of any contractual responsibility or obligation. Each policy shall provide that there will be no alteration or modification which reduces coverage in any way prior to 30 days written notice being given to the CDC. A copy of each policy, or at the CDC's discretion, a certificate of insurance, shall be filed with the CDC Secretary.

Section 9. Default

9.01 Events of Default

The occurrence, at any time during the term of the Agreement, of any one or more of the following events, shall constitute an Event of Default under this Agreement:

(a) the failure of GACC to timely provide the CDC with a properly executed letter of intent in accordance with the terms of this Agreement prior to each event;

(b) the failure of the GACC event to occur on the scheduled date, or—if the event cannot occur on the originally scheduled date due to inclement weather—the failure of the GACC event to be rescheduled and occur in accordance with Section 18 of this Agreement;

(c) the failure of GACC to provide the CDC with all Sponsorship Benefits enumerated in this Agreement for each event;

(d) the failure of GACC to meet each promotional benchmark requirement;

(e) the failure of the CDC to pay the GACC according to the compensation terms of each event when such payment may become due; and

(f) the CDC's or GACC's breach or violation of any of the material terms, covenants, representations or warranties contained herein or GACC's failure to perform any material obligation contained herein.

9.02 Uncured Events of Default

Upon the occurrence of an Event of Default by CDC that can be cured by the immediate payment of money to GACC, CDC shall have 10 calendar days from receipt of written notice from GACC of an occurrence of such Event of Default to cure same before GACC may exercise any of its remedies as set forth in this Agreement.

Upon the occurrence of an Event of Default by GACC that does not include the failure to abide by a deadline or to a failure described in Section 9.01(b), it shall have 10 calendar days from receipt of written notice from CDC of an occurrence of such Event of Default to cure same, or, if same cannot be effectively cured within 10 calendar days and fully and effectively provide CDC with the Sponsorship Benefits, the default may be cured by refunding CDC's entire sponsorship fee, unless such Event of Default creates or contributes to an emergency situation in which injury to persons or property reasonably appears imminent, in which case CDC is immediately entitled to exercise or seek all rights available to it at law or in equity. If with respect to any given event set forth in Section 4 of this Agreement, there is a failure of GACC to meet a deadline or a failure described in Section 9.01(b), the CDC shall be entitled to a full refund of any amounts paid by the CDC to GACC for such event.

Section 10. Amendment; Termination

This Agreement may not be amended except pursuant to a written instrument signed by both parties. This Agreement shall terminate once both parties shall have completed performance of their respective obligations hereunder.

Section 11. Notice

Notice as required by this Agreement shall be in writing delivered to the parties via postage prepaid, U.S. certified mail, return receipt requested, at the addresses listed below:

CDC	GACC
CDC President Anna Community Development Corporation 101 N. Powell Parkway Anna, Texas 75409	GACC Director Greater Anna Chamber of Commerce P.O. Box 1256 Anna, Texas 75409

Each party shall notify the other in writing within 10 days of any change in the address information listed in this section.

Section 12. No Waiver of Immunity

Nothing in this Agreement waives any governmental immunity available to the CDC under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Section 13. Entire Agreement

This Agreement represents the entire and integrated Agreement between CDC and GACC and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties.

Section 14. Governing Law and Venue

This Agreement shall be governed by the laws of the State of Texas as to interpretation and performance. Any and all legal action necessary to enforce this Agreement shall be brought in a court of competent jurisdiction in Collin County, Texas or in the United States District Court for the Eastern District of Texas, Sherman Division.

Section 15. Severability

The provisions of this Agreement are severable. In the event that any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement shall be found to be contrary to the law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement.

Section 16. Contract Interpretation

This Agreement is the result of negotiation between the parties, and shall, in the event of any dispute over the meaning or application of any portion thereof, be interpreted fairly and reasonably, and not to be more strictly construed against one party than another, regardless of which party originally drafted the section in dispute. Time is of the essence with respect to the deadlines set forth in this Agreement.

Section 17. Force Majeure

If a party is prevented or delayed from performing any of its obligations hereunder due to a natural or manmade event or condition not caused by such party and beyond such party's reasonable control, then such party's performance of those obligations shall be suspended until such time as the event or condition no longer prevents or delays performance. If any event or condition results in the creation of amounts of refuse in excess of ordinary amounts, then the parties shall discuss, but shall not be bound to conclude, terms and conditions for collection of those excess amounts.

Section 18. Inclement Weather

If the GACC cannot reasonably proceed with an event due to inclement weather, then the GACC shall reschedule the event so that it occurs in reasonably close temporal proximity to the original date scheduled for the event. A failure to so reschedule and hold the event is a material breach of this Agreement.

Section 19. Assignment

It is understood and agreed that GACC shall not assign, sublet, or transfer any of the rights and duties under the terms of this Agreement without the prior written approval of the CDC.

Section 20. Effective Date

This Agreement shall be effective upon the date first stated herein, and performance of such Agreement shall begin as soon thereafter as practicable.

IN WITNESS WHEREOF, CDC and GACC have executed this Agreement.

By: _____ _____

Sara Cox	Jason Schilli
Greater Anna Chamber of Commerce	CDC President

Item No. WS-4
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011
Account Code #:
Budgeted Amount:

Staff Contact: Philip Sanders

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Discussion regarding Fire Station improvements.

SUMMARY: Staff will provide information to the City Council regarding the proposed improvements to the Fire Station including design layout, construction management, timeline, and funding source.

Item No. 5
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011
Account Code #:
Budgeted Amount:

Staff Contact: Philip Sanders

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Consent Items. *These items consist of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Council member making such request prior to a motion and vote on the Consent Items.*

a. Approve City Council Minutes for September 6, 2011 Special Meeting.
b. Approve "Mason Addition" Final Plat. (Maurice Schwanke)

RECOMMENDATION: Staff recommends approval of the consent items.

MINUTES OF

CITY OF ANNA AGENDA NOTICE – CITY COUNCIL SPECIAL MEETING

September 6, 2011 6:30 p.m. – Anna City Hall Administration Building

The City Council of the City of Anna met in Special Session at 6:30 p.m., September 6, 2011, at the Anna City Hall Administration Building, located at 111 North Powell Parkway (Hwy 5), to consider the following items.

1. **Call to Order.**

   Mayor Darren R. Driskell called the meeting to order at 6:33 pm. Mayor Darren R. Driskell and Council Members Mike Crist, Marc Hendricks, and Becky Glover were present. Council Member Kevin Anderson arrived at 6:35 pm. Council Member John Geren arrived at 7:00 pm. Council Member Keith Green was absent.

2. **Invocation and Pledge of Allegiance.**

   Mayor Darren R. Driskell gave the invocation.

   Council Member Crist made the motion to enter closed session at 6:37 pm. Council Member Hendricks seconded the motion. Motion passes.

   Aye 5 NAY 0 ABSTAIN 0

   Council Member Crist made the motion to return to open session at 6:55 pm. Council Member Hendricks seconded the motion. Motion passes.

   AYE 5 NAY 0 ABSTAIN 0

   Mayor Driskell opened the meeting to citizen comments.

   Eric Henson 1838 Walnut Way, Anna, Texas, spoke regarding the City providing facilities for the fire fighters and volunteer fire fighters. Patrice Henson 1838 Walnut Way, Anna, Texas, spoke regarding the City providing facilities for the fire fighters and volunteer fire fighters. Shanna Brown 505 Niagara Falls Drive, Anna, Texas spoke regarding the City providing facilities for the fire fighters and volunteer fire fighters. Bo Brown 505 Niagara Falls Drive, Anna, Texas, spoke regarding the City providing facilities for the fire fighters and volunteer fire fighters. Stacey Driskell, 1100 Honeywell Dr, Anna, Texas, spoke regarding having volunteers ready to update the fire department facilities.

3. **Consider/Discuss/Action regarding adopting an Ordinance approving and adopting the proposed City of Anna Fiscal Year 2011-2012 Budget for the City of Anna, Texas. (Philip Sanders)**

City Manager, Philip Sanders presented the item to council and answered questions from council members. Council Member Crist made the motion to approve the 2011-2012 FY Budget. Council Member Geren seconded the motion. Motion passes.

AYE 5 NAY 1 (Mayor Driskell) ABSTAINED 0

4. **Consider/Discuss/Action regarding adopting an Ordinance setting the ad valorem tax rate per $100 valuation for Fiscal Year 2011-2012 for the City of Anna, Texas. (Philip Sanders)**

City Manager, Philip Sanders presented the item to council. Council Members discussed the proposed tax rate, effective tax rate, and their effects on the increase in taxes to the residents. Council Member Glover made the motion to approve the proposed tax rate of .650032 per $100 valuation. Council Member Geren seconded the motion. Motion failed, tied vote.

AYE 3 (CM Crist, Geren and Glover)
NAY 3 (CM Anderson, Hendricks and Mayor Driskell)
ABSTAINED 0

Mayor Driskell made the motion to approve the effective tax rate. Council Member Anderson seconded the motion. Motion failed. Tie vote.

AYE 3 (CM Anderson, Hendricks and Mayor Driskell)
NAY 3 (CM Crist, Geren and Glover)
ABSTAINED 0

Council Members discussed the tax rate issue further. Council Member Crist made the motion to approve the .650332 tax rate. Council Member Geren seconded the motion. Motion fails. Tie vote.

Council recessed at 7:47 pm and returned at 7:58 pm.

AYE 3 (CM Crist, Geren and Glover)
NAY 3 (CM Anderson, Hendricks and Mayor Driskell)
ABSTAINED 0

Discussion regarding not being able to pass the tax rate ordinance at this time, what is the latest date that the rate can be passed and what the consequences of not passing the rate on time would be took place.

5. **Consider/Discuss/Action regarding a Resolution approving an Interlocal Agreement between the City of Anna and Collin County regarding the relocation of utilities on FM 455 (Philip Sanders)**

   City Manager, Philip Sanders presented the item to council. Council Member Crist made the motion to approve. Mayor Driskell seconded the motion. Motion passes.

   AYE 6 NAY 0 ABSTAINED 0

6. **Consider/Discuss/Action regarding an Ordinance ordering a special election to take place on November 8, 2011 to propose to qualified voters: (1) the sale of municipally-owned park property in exchange for property to be used for park purposes; and, (2) multiple amendments to the City of Anna, Texas Home-Rule Charter. (Philip Sanders)**

   City Manager, Philip Sanders presented the item to council and answered questions. Mayor Driskell made the motion to not approve the ordinance. Council Member Crist seconded the motion.

   AYE 4 NAY 1 (CM Glover) ABSTAINED 0

   Mayor Driskell made the motion to adjourn at 8:17 pm. Council Member Geren seconded the motion. Motion failed.

   AYE 3 (CM Crist, Geren and Mayor Driskell)
   NAY 3 (CM Anderson, Hendricks and Glover)
   ABSTAINED 0

   Council returned to Item 4 to discuss the effective tax rate vs the current tax rate.

7. **CLOSED SESSION (EXCEPTIONS): Under Tex. Gov't Code Chapter 551, the City Council may enter into closed session to discuss any items listed or referenced on this agenda under the following exceptions**

   a. **Personnel Matters: to deliberate the appointment, employment, evaluation, reassignment, duties, of a public officer or employee (Tex. Gov't Code §551.074); Crime Scene Technician.**

   b. **Consult with legal counsel regarding pending or contemplated litigation and/or on matters 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 Chapter 551 of the Government Code (Tex. Gov't Code §551.071); *Powell v. City of Anna*, Cause No. 401-03815-2009 in the 401st District Court of Collin County, Texas**

c. **Deliberate the purchase, exchange, lease, or value of real property.**

8. Adjourn.

Council Member Anderson made the motion to adjourn at 8:30 pm. Mayor Driskell seconded the motion. Motion passes.

AYE 6 NAY 0 ABSTAINED 0

ATTEST: APPROVED:

_____ _____

Natha Wilkison, City Secretary Darren R. Driskell, Mayor

Item No._____
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Maurice. Schwanke

Account Code #: N/A

Date Prepared: 09/21/11

Budgeted Amount: N/A

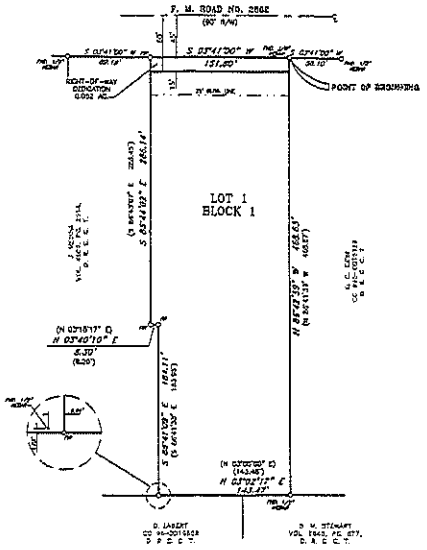
Exhibits: ■ Yes ☐ No

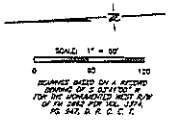
AGENDA SUBJECT: Approve "Mason Addition" final plat.

SUMMARY: The final plat "Mason Addition" is a parcel of land that has not been platted in the past located at 2627 FM 2862. Part of the approval is a variance for the onsite septic system. The septic system is already in place and servicing the existing occupied single family house. The purpose of this plat is so the owners can add an additional structure on the property. The final plat has been reviewed by staff and is recommended for approval.

PLANNING AND ZONING ACTION: The Planning and Zoning Commission recommended approval of the development plat at their meeting September 12, 2011. The vote was unanimous.

RECOMMENDED ACTION: Approval



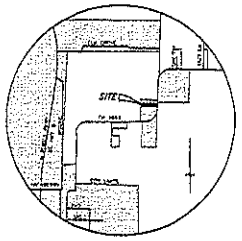


AREA SUMMARY

LOT 1 1.548 ACRES

LEGEND

( )	RECORD DATA PER DEED
⊙	FOUND 5/8" REBAR
D. R. C. C. T.	DEED RECORDS OF COLLIN CO., TX.



VICINITY MAP
N. T. S.

OWNER'S CERTIFICATE

STATE OF TEXAS
COUNTY OF COLLIN

WHEREAS, the James D. Mason is the owner of a tract of land situated within the G. Morrison Survey, Abstract Number 559, Collin County, Texas, as conveyed by a deed filed for record at County Clerk's Instrument Number 20110400093729 of the Deed Records of Collin County, Texas, and herein plats said property described by metes and bounds as follows:

A tract of land situated within the G. Morrison Survey, Abstract Number 559, Collin County, Texas, and being the same tract of land as conveyed to G. W. Crim, et ux, by a deed filed for record in Volume 337X at Page 947 of the Deed Records of Collin County, Texas, Save & Except that portion conveyed to Julio Medina by a deed filed for record in Volume 4606 at Page 2314 of the Deed Records of Collin County, Texas. Said tract of land being more particularly described by metes and bounds as follows:

Beginning at a 5/8" rebar found, on the West right-of-way line of F. M. Road No. 2862, for the common East corner of the tract of land herein described and a tract of land conveyed to G. C. Crim by a deed filed for record at County Clerk's Instrument Number 96-0015658 of the Deed Records of Collin County, Texas, from which a 1/2" rebar found for a corner Point of Curvature of said right-of-way bears S 02°41'00" W, 35.10 feet;

Thence N 86°43'29" W, along the common boundary line of the tract of land herein described and the aforementioned Crim tract, 496.53 feet to a 1/2" rebar found for their common West corner on the East boundary line of a tract of land conveyed to E. M. Stewart by a deed filed for record in Volume 2843 at Page 677 of the Deed Records of Collin County, Texas;

Thence N 03°00'17" E, along the common boundary line of the tract of land herein described and the aforementioned Stewart tract, 143.47 feet to a 5/8" rebar found for the common West corner of the tract of land herein described and a tract of land conveyed to J. Medina by a deed filed for record in Volume 4606 at Page 2314 of the Deed Records of Collin County, Texas;

Thence along the common boundary line of the tract of land herein described and the aforementioned Medina tract:

S 86°41'03" E, 164.11 feet to a 5/8" rebar found for a common corner;

N 03°48'10" E, 6.30 feet to a 5/8" rebar found for a common corner;

S 86°44'03" E, 285.14 feet to a 5/8" rebar found, on the above-mentioned West right-of-way line, for their common East corner;

Thence S 02°41'00" W, along the aforementioned West right-of-way line, 151.80 feet to the Point of Beginning.

Said tract of land containing 67,705 square feet or 1.600 acres, more or less.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

That, James D. Mason, does hereby adopt this plat designating the herein above described property as the MASON ADDITION, an addition to the City of Anna, Collin County, Texas and do hereby dedicate, in fee simple, to the Public use forever the streets shown hereon and do hereby grant utility easements for the mutual use and accommodation of the City of Anna. The City of Anna shall have the right to remove and keep removed all parts of any building, fences, trees, shrubs or other improvements or growths, which in any way, endanger or interfere with the construction, maintenance or efficiency of its respective easements for the purpose of construction, reconstruction, patrolling, maintaining, adding to or removing from all or parts of their respective system without the necessity, at any time, of procuring the permission of anyone.

Executed this the _____ day of _____, 2011.

_____
James D. Mason

ACKNOWLEDGEMENT

State of Texas
County of Collin

This instrument was acknowledged before me on the _____ day of _____, 2011, by James D. Mason.

_____
Notary Public

SURVEYOR'S CERTIFICATE

Know All Men By These Presents:

That I, Larry W. Busby, do hereby certify that I prepared this Plat and the field notes made a part thereof from an actual and accurate survey of the land and that the corner monuments shown thereon were properly placed under my personal supervision, in accordance with the Subdivision Regulations of the City of Anna, Texas.

_____
Larry W. Busby
TX RPLS No. 4067

ACKNOWLEDGEMENT

State of Texas
County of Collin

This instrument was acknowledged before me on the _____ day of _____, 2011, by Larry W. Busby.

_____
Notary Public

APPROVAL CERTIFICATE FOR THE CITY OF ANNA, TEXAS

State of Texas
County of Collin

Approved this _____ day of _____, 2011, by the City Council of the City of Anna, Texas.

_____
Mayor

_____
City Secretary

GENERAL NOTES

1. A 1/2" rebar with a cap marked "RPLS #4067" was set for each inlacap lot corner unless otherwise noted hereon.
2. Variance Requested for the on-site sewage disposal system.

With reference to my copy of the Federal Emergency Management Agency Flood Insurance Rate Map for Collin County, Texas, Community Panel No. 48085C0215G, Revised on 6/6/00, the subject property's mapped location lies within Flood Zone X, which is designated a 100 year Special Flood Hazard Area. The above map is intended to show the approximate Special Flood Hazard Area and other a more detailed study the Special Flood Hazard Areas may be modified and other short areas. Localized flooding may occur somewhere due to changes in adjacent drainage patterns.

MASON ADDITION

PLAT SHOWING LOT 1, BLOCK 1
AND
BEING A PORTION OF THE G. MORRISON SURVEY,
ABSTRACT NUMBER 559
CITY OF ANNA, COLLIN COUNTY, TEXAS.

Copyright 2011 – All Rights Reserved

SHEET 1 OF 1

DELTA LAND SURVEYING
1920 Northstar Road
Anna, Texas 75409
Tel: (214) 494-5128 Fax: (972) 924-4069

Item No. 6
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Maurice Schwanke

Account Code #: N/A

Date Prepared: 9/21/11

Budgeted Amount: N/A

Exhibits: ■ Yes ☐ No

AGENDA SUBJECT: Public Hearing: (2nd)
For City Council to hear public Comments regarding the annexation of the following tract: A tract of land in the DEW Babb Survey, Abstract No. A0033 generally located south of CR 421 and east of CR 418 and adjacent to the city limits, and containing 10.4 acres more or less.

SUMMARY: This tract being requested for annexation is within the City of Anna extraterritorial jurisdiction. This is a voluntary request and is owned by Oncor Electric Delivery Company. The tract is proposed as a future electrical substation. The tract is adjacent to the Current City Limits.

Prior to the establishment of a use, the property needs to be annexed and zoned appropriately for the proposed use. The property if annexed will automatically come in zoned as "SF-E". A request for an SUP in a "SF-E" district has been submitted.

PLANNING AND ZONING ACTION: The Planning and Zoning Commission recommended approval at their meeting on September 12, 2011 meeting. The vote was unanimous.

RECOMMENDED ACTION: Hold the 2nd Public Hearing.

INSTRUCTIONS TO NEWSPAPER: Please publish this Public Hearing notice at the next available date. Please bill the City of Anna.

CITY OF ANNA
SECOND PUBLIC HEARING
ANNEXATION OF TERRITORY

The City of Anna will hold a second public hearing on Tuesday, September 27, 2011, at 7:30 p.m. at the Community Room of the Anna City Hall Administration Building located at 111 North Powell Parkway (Hwy 5) regarding annexation of the following tract:

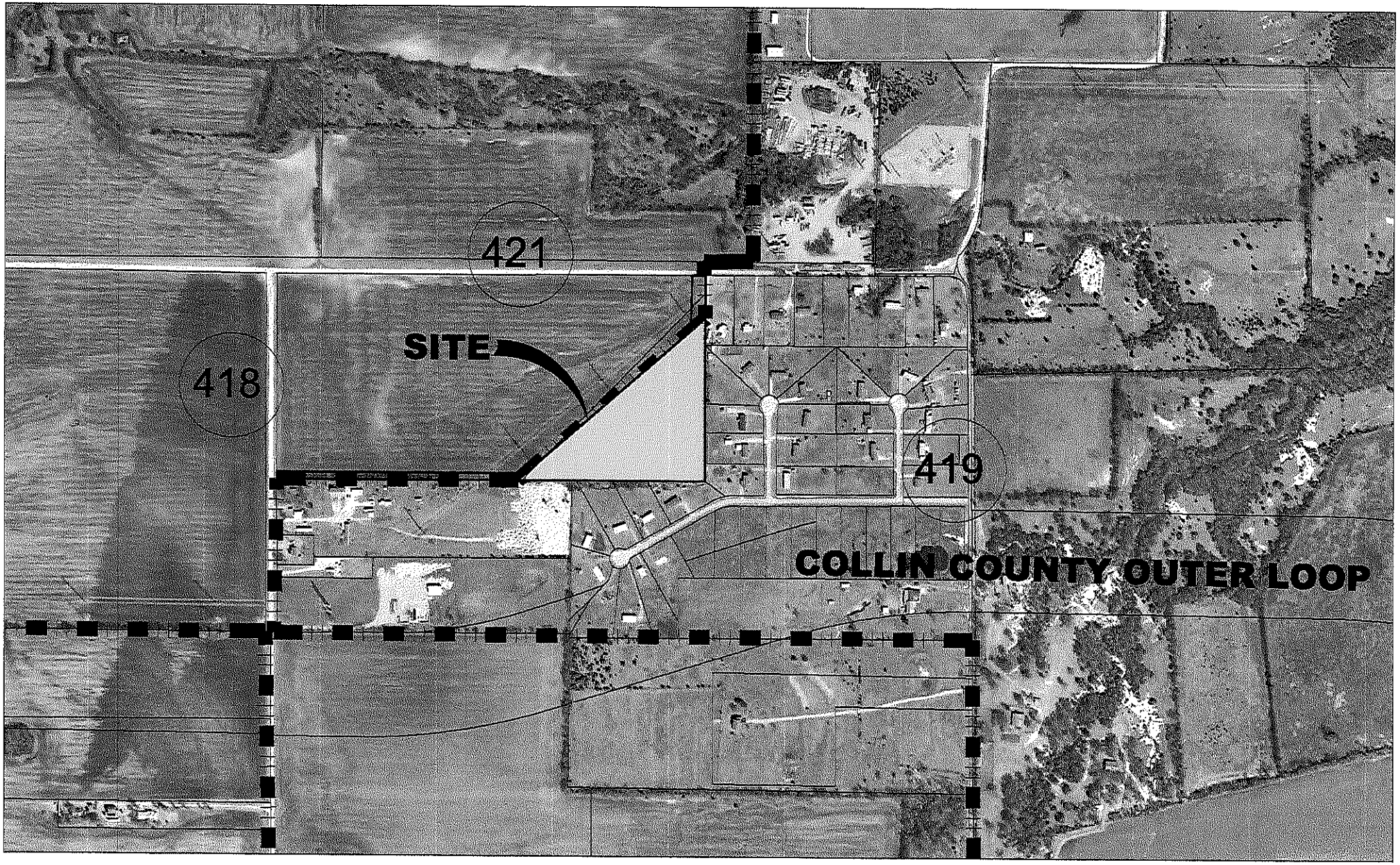
> A tract of land in the D E W Babb Survey, Abstract No. A0033 generally located south of CR 421 and east of CR 418 and adjacent to the city limits, containing 10.4 acres more or less, property being owned by Oncor Electric Delivery Company.

The annexation is being undertaken as a result of petition of the property owner.

Additional information regarding the annexation can be secured from the office of the Planning and Development Department, City of Anna, by phone at 972-924-3325, by mail at P. O. Box 776, Anna, TX 75409, or by personal inquiry at the Anna City Hall, 101 N. Powell Parkway, Anna, TX 75409.

These public hearings are an opportunity for citizens of Anna to comment on the proposed annexation. Persons unable to attend the hearings may submit their comments in writing to the Planning and Development Department, P. O. Box 776, Anna, TX 75409 or through personal deliver at the Anna City Hall, 101 N. Powell Parkway, Anna, TX 75409.

Darren R. Driskell
Mayor


421
SITE
418
419
COLLIN COUNTY OUTER LOOP

Item No. 7
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Clayton Fulton

Account Code #: N/A

Date Prepared: 9/23/11

Budgeted Amount: N/A

Exhibits: ☑ Yes ☐ No

AGENDA SUBJECT: Consider/Discuss/Action regarding an Ordinance amending the city's Financial Policies

SUMMARY: Staff has been reviewing the current financial and investment policies for the City of Anna. The review set out to accomplish the following:

- Incorporate standards set forth by the Governmental Accounting Standards Board (GASB) Statement 54
- Maintain compliance with the Public Funds Investment Act (PFIA)
- Bring the policies in line with financially sound practices and operations

GASB 54, entitled "Fund Balance Reporting and Governmental Fund Type Definitions", takes effect for fiscal years ending June 30, 2011 or later. The intent of GASB 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. Revisions to the current financial policies will bring the city into compliance with GASB 54.

The PFIA states that "the governing body of an investing entity shall review its investment policy and investment strategies not less than annually". To maintain compliance with the PFIA the Council must pass an ordinance or resolution stating they have reviewed the investment policy for the City of Anna.

Some additional changes beyond those made for the purposes of GASB 54 and the PFIA were made to ensure that our operations and practices are consistent with sound financial policies.

RECOMMENDATION: Staff recommends that the Council approves an ordinance amending the financial and investment policies.

CITY OF ANNA, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ANNA, TEXAS, ADOPTING A FINANCIAL POLICY; REPEALING ORDINANCE NO. 511-2010; REPLACING IN FULL ALL PRIOR FINANCIAL POLICIES, INVESTMENT POLICIES, AND INVESTMENT STRATEGIES; PROVIDING FOR A SAVINGS, SEVERABILITY, AND REPEALING CLAUSE; PROVIDING FOR A PENALTY NOT TO EXCEED $500; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Anna, Texas ("the City") is committed to principles and practices of open and fair government that honor the public trust; and

WHEREAS, the City of Anna, Texas City Council (the "City Council") has determined that it is in the interests of the citizens of Anna to adopt a new Financial Policy that establishes policies and procedures to govern the management and care of public funds; and

WHEREAS, The Public Funds Investment Act ("the Act") requires annual review of the City's investment policy and investment strategies and the recording of any changes made to said policies and strategies; and

WHEREAS, the City has determined it is in its best interest to comply with the requirements found in the Governmental Accounting Standards Board (GASB) Statement 54 – "Fund Balance Reporting and Governmental Fund Type Definitions"; and

WHEREAS, the City Council desires to repeal and replace all prior financial policies, investment policies, and investment strategies with the financial policy, investment policy and investment strategies by adoption of this ordinance;

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

Section 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

Section 2. Ordinance No. 511-2010 Repealed.

City of Anna Ordinance No. 511-2010 is hereby repealed in its entirety and the financial

policy, investment policy and investment strategies adopted under said ordinance are replaced in their entirety with the financial policy, investment policy, and investment strategies adopted under this ordinance.

Section 3. Investment Policy Reviewed.

The City Council has hereby reviewed the City's investment policy and investment strategies and any changes made to the previous investment policy or investment strategies are recorded in the Financial Policy attached hereto as Exhibit 1, said exhibit being incorporated herein for all purposes as if set forth in full.

Section 4. Financial Policy Adopted.

The City Council hereby approves and adopts the Financial Policy attached hereto as EXHIBIT 1, said exhibit being incorporated herein for all purposes as if set forth in full. Said Financial Policy, including but not limited to the investment policy and investment strategies set forth therein, supercedes and replaces the provisions of the previous Financial Policy adopted under City of Anna Ordinance No. 511-2010 on September 28, 2010.

Section 5. Penalty.

Any violation of any of the terms of this ordinance or any provision of the financial policy adopted hereunder, including but not limited to the investment policy and investment strategies, whether denominated in this ordinance as unlawful or not, shall be deemed a misdemeanor. Any person convicted of any such violation shall be fined in an amount not to exceed $500 for each incidence of violation. Each day a violation exists is considered a separate offense and will be punished separately.

Section 6. Savings, Severability and Repealing Clauses.

All ordinances of the City in conflict with the provisions of this ordinance are repealed to the extent of that conflict. If any section, subsection, sentence, clause, or phrase of this ordinance, or its application to a particular set of persons or circumstances, is declared invalid or adjudged unconstitutional by a court of competent jurisdiction, it does not affect the remaining portions of this ordinance, as the various portions and provisions of this ordinance are severable. The City Council, declares that it would have passed each and every part of this ordinance notwithstanding the omission of any part that is declared invalid or unconstitutional.

Section 7. Effective Date.

This ordinance shall become effective after its passage and upon the posting and/or publication, if required by law.

PASSED by the City Council of the City of Anna, Texas, on this the 27th day of September, 2011.

ATTEST:

APPROVED:

Natha Wilkison, City Secretary

Darren R. Driskell, Mayor

City of Anna, Texas
Financial Policies

BUDGET POLICY

Introduction:

The City of Anna, Texas financial policies set forth the basic framework for the fiscal management of the City. These policies are to ensure consistency in the City's financial processes related to revenue, expenditures, purchasing, accounting, investing, fiscal management and integrity, and fund balance. The City's financial policies are intended to assist the City council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances and conditions. The City of Anna will ensure long-standing policies that provide guidelines for current decision-making processes and future plans.

Operating Budget Policies:

The fiscal year of the City of Anna shall begin on October 1 of each calendar year and end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.

The operating budget will be balanced with current revenues and a portion of beginning resources or fund balances which will be greater than or equal to current expenditures or expenses. The City Manager's budget shall assume, for each fund, operating revenues that are equal to, or exceed operating expenditures.

Annual estimates of revenues in all funds will be based on historical trends, and reasonable expectations and assumptions regarding growth, the state of the economy, and other relevant factors. A conservative approach will be observed in estimating revenues.

Expenditures in all funds will be managed so as to ensure the fund's obligations are met when due. Throughout the year the Finance Department will provide regular budgetary comparisons reports to Department Directors and the City Manager. These reports will highlight Adopted Budget, Adjusted Budget, Current, Year to Date, and Previous Year expenditures and revenues. These periodic budgetary comparisons statements of revenue and expenditures will allow department directors to adequately manage their department's budget and anticipate revenues and expenditures.

Expenditures within the each Fund will remain within each department's original appropriation unless an intra-fund budget transfer is approved by the City Manager. The City Manager is authorized to approve intra-fund transfers. Only the City Council may approve inter-fund transfers. Budget amendments will occur when total actual expenditures exceed budgeted expenditures in any fund(s). Budget amendments are authorized only by the City Council approved by ordinance. If at any time during a fiscal year the City Manager estimates that current year expenditures in any fund will exceed available revenues, the City Manager will submit a plan to the City Council addressing the estimated deficit including a plan of action to overcome the estimated deficit.

Anna's budget is coordinated to identify major policy issues for the City Council to consider several months prior to the budget approval date. In this way, the Council has adequate time to

evaluate decisions and ensure proper decisions are made. The budget review process will include City Council, City staff, and citizen participation through public hearings.

Each department head is responsible for ensuring proper budgetary procedures are followed throughout his or her department.

Investments made by the City of Anna will be in compliance with policies contained in the City of Anna Investment Policy and the Public Funds Investment Act. All investments will be evaluated upon safety, liquidity, and yield. Interest earned from investment of available funds is based on departmental ownership of the invested dollars and will be booked to the appropriate department's fund when realized.

After City council adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Following the final adoption of the budget by ordinance, the City Council shall pass an ordinance levying property taxes for the current year.

Fund Balance:

A key element of the financial stability of the City is to establish guidelines or "safe harbors" for fund balance. Unassigned fund balance is an important measure of economic stability. It is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the City's general operations.

For governmental funds, it is important to distinguish between fund equity and fund balance. A fund's equity is typically the difference between its assets and liabilities. Fund balance is an accounting distinction made between the portions of fund equity that are spendable and non-spendable. The Governmental Accounting Standards Board has established 5 classifications of fund balance:

1. **Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds (i.e. endowment funds).

2. **Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and child safety fees.

3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

a. The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

4. **Assigned fund balance** – comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (i.e. only funds in the capital projects fund may be used for capital projects).

    a. The City Council has authorized the City Manager to assign fund balance to a specific purpose as approved by this fund balance policy.

5. **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Minimum Unassigned Fund Balance
The City shall set aside resources during years of growth to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded through debt financing. It shall be the goal of the City to maintain an unassigned fund balance in the General Fund of 25% of total appropriations.

Minimum Unrestricted Net Assets
The City shall set aside resources during years of growth to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded through debt financing. It shall be the goal of the City to maintain unrestricted net assets in the Utility Fund (a non-governmental type fund) of 25% of total appropriations.

At the close of each fiscal year, the unencumbered balance of each appropriation shall revert to the fund from which it was appropriated.

If minimum fund balance falls below the goals stated above, the City Manager will develop a strategy to initially evaluate current government wide spending to determine areas where cost efficiencies may be realized and implement those efficiencies. Should the analysis prove insufficient to attain the goal, a multi-year strategy will be put in place to meet the goals through a combination of cost cutting, cost recovery, and revenue enhancing strategies.

Order of Expenditure of Funds
When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and

unassigned fund balance), the City will start with the most restrictive category and spend those funds first before moving down to the next category with available funds.

Financial Policies:

The accounts of the City are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The City's annual budget shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects fund, which adopts project-length budgets.

Account balances shall be reported on the modified accrual basis of accounting within the General Fund and other governmental funds and the accrual basis of accounting in the Utilities Fund.

Quarterly Reports:

Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the quarterly budget reports prepared and submitted by the City Manager's Office.

The City Manager shall submit to the City Council each quarterly financial report of the City. The report will compare budget estimates against the previous quarter's realized revenues including year to date realized revenues. The previous fiscal year's performance will also be included.

General Obligation Bonds/ Debt:

Anna shall have the power to borrow money on the full faith and credit of the City and to issue general obligation bonds for permanent public improvements. The City will also be allowed to borrow money for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be voted on and issued in conformity with the laws of the State of Texas.

Any and all bond funds approved by the vote of the Citizens of Anna will be expended only for the purposes stated in the bond issue.

The City shall also from time to time borrow money utilizing other available instruments including revenue bonds, certificates of obligation, et al.

In all cases, the City shall evaluate the following prior to incurring debt obligations:

- Ensure that the purpose of the debt is consistent with type of debt instrument
- Where possible, match the useful life of the asset with the maturity of the debt

- Review the maintenance & operations property tax rate against the debt service tax rate and ensure that no more than 35% of the total tax rate is used for debt obligations.

The City will manage the length and maturity of its long-term debt in order to lower net interest cost and to maintain future flexibility by paying off debt earlier.

Revenues:

The City of Anna strives to maintain and enhance a diversified and stable revenue system to shelter it from fluctuations in any single revenue source. The City also pursues an aggressive policy of collecting all money due to the City. The City will continue an aggressive policy to reduce the level of delinquent taxes.

For every annual budget, the City shall levy two property tax rates: maintenance/operations (M&O) and debt service (I&S). The debt service levy shall be sufficient for meeting all principal and interest obligations associated with the City's outstanding debt, less money transferred into the debt service fund from other funds and any self-sustaining debt such as revenue bonds, for the budget year. The operation and maintenance levy shall be accounted for in the General Fund.

The City is primarily a bedroom community with a heavy reliance upon property taxes. In order to supplement property taxes, the City has and will continue to support economic development and community development to create a vibrant community with a growing sales tax base to defray the reliance upon property taxes.

The City Manager shall project revenues from every source based on actual collections from the preceding years and estimated collections of the current fiscal year. There are a variety of factors that may impact revenues for an upcoming fiscal year, and the City Manager will take these into account when projecting collections. Sales tax revenue projections should be conservative due to the nature of this more volatile revenue source.

Types of City Funds:

- General Fund is the government's primary operating fund.
- Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.
- Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by any other fund.
- Utility Fund is used to account for the City's water and wastewater operations and certain long-term debt.

Financial Statements:

An annual independent audit will be completed and filed with the City Secretary within one hundred eighty (180) days from the completion of each fiscal year, the results of which shall be presented to and approved by the City Council. The financial statements to the City are to be prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards

Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City shall contract with a qualified independent auditing firm on an annual basis, and shall use the same firm no more than five consecutive years.

INVESTMENT POLICY

A component part of the overall financial management of the City of Anna, Texas is an effective cash management plan. Many factors determine the amount of funds on hand during any fiscal year, but these funds are an important revenue source for the City budget. It is imperative that these funds be managed in such a way as to be responsive to the public need and consistent with a conservative cash management plan. To provide this framework for effective cash management, an Investment Policy and a Statement of Investment Strategy have been prepared.

Purpose:

The Investment Policy is authorized by the City Council of the City of Anna in accordance with Chapter 2256, Texas Government Code, also known as the Public Funds Investment Act (PFIA). The Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of City funds. All such funds will be managed within the guidelines of this Policy with the exception of the Deferred Compensation Agency (TMRS) fund. Bond funds, in addition to this Policy, shall be managed in accordance with their issuing documentation and all applicable state and federal law.

In addition to the Policy, the Statement of Investment Strategy, also approved by the City Council, provides a separate written investment strategy for each of the City's funds. Each investment strategy describes the investment objectives for each particular fund according to the following priorities:

1) Investment Suitability
2) Preservation and Safety of Principal
3) Liquidity
4) Marketability Prior to Maturity of each Investment
5) Diversification
6) Yield.

Annual Review:

The Investment Policy and the Statement of Investment Strategy will be reviewed on an annual basis by the City Council. Revisions and/or amendments will be approved and documented by the City Council.

Investment Objectives:

The investment of funds will be governed by the following investment objectives, in order of priority:

1. Preservation and Safety of Principal
    a. Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults, erosion of market value, or other risks
2. Liquidity
    b. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements
3. Yield
    c. The investment portfolio of the City shall be designed to attain a market rate of return throughout budgetary and economic cycles taking into account risk constraints and liquidity needs. Return on investment, while important, is of less importance than safety and liquidity.

Authorized Investments:

While the Public Funds Investment Act allows a wide range of eligible securities, the City has chosen to allow only the following securities, which are somewhat more conservative and more restrictive than some of the other investments permitted under the PFIA:

1. Direct obligations of the United States government with a maturity not to exceed two years from the date of purchase.

2. Fixed rate or discount notes with a maturity not to exceed two years from the date of purchase by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student loan Marketing Association (SLMA), and Federal Home loan Mortgage Corporation (FHLMC). The City may not invest more than 25% of the City's previous month's average balance of liquid financial assets in instruments covered under this paragraph (2).

3. Bonds or other interest bearing obligations having a stated final maturity of two years or less of which the principal and interest are guaranteed by the full faith and credit of the United States Government.

4. FDIC insured Certificates of Deposit issued by national banks domiciled in Texas with a stated final maturity of two years or less. Certificates of Deposit balances exceeding FDIC insurance limits will be fully collateralized by securities listed in 1 and 2 above. Collateral will be held by the City's third-party custodian.

5. Repurchase agreements collateralized with U.S. Treasury securities at a minimum market value of 102 percent of the dollar value of the transaction, with any accrued interest accumulated on the collateral included in the calculation. The City may not lend securities but only invest excess cash against receipt of appropriate collateral. Repurchase

agreements will be entered into only with primary government securities dealers (as defined by the Federal Reserve) who have executed a City-approved Master Repurchase Agreement. Collateral will be delivered to and held by an AAA rated (as raged by Fitch, Moody's or Standard & Poor's) third party safekeeping agent approved by the City and held in the City's name. The maximum term for direct repurchase agreements will be limited to 90 days or less. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in repurchase agreements.

6. SEC-registered, AM-rated (as rated by Fitch, Moody's or Standard & Poor's), no-load money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or less. Assets will consist exclusively of those securities listed as authorized investments in this section. The investment objective of the fund must be to maintain a stable dollar net asset value of USD 1.00. The maximum stated maturity of any single security in the fund will be 13 months, and the dollar weighted average portfolio maturity will be 90 days or less. The City may not invest funds under its control in an amount that exceeds 10% of total assets of any individual money market mutual fund. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in any single money market funds. Cumulatively, the City may not invest more than 25% of the City's previous month's average balance of liquid financial assets in money market funds. A fund prospectus shall be reviewed for compliance with policy prior to depositing monies.

7. State or local investment pools organized under the Interlocal Cooperation Act and authorized by the City Council. The investment pool must be rated AM-rated (as rated by Fitch, Moody's or Standard & Poor's) and have a dollar-weighted average portfolio maturity of 60 days or less. Assets will consist exclusively of those securities listed in this section D. The investment objective of the pool must be to maintain a stable dollar net asset value. All securities owned in the pool will have a stated remaining maturity of 13 months or less. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in a single investment pool. Cumulatively, the City may not invest more than 55% of the City's previous month's average balance of liquid financial assets in investment pools in aggregate, nor more than 25% in anyone pool.

Prohibited Investments:

The City is expressly prohibited from entering into options trading or futures contracts, hedging or purchasing any security that is not authorized by Texas State law, or any direct investment in asset backed or mortgage-backed securities. The City expressly prohibits the acceptance of Interest-only (IO) and Principal-only (PO) Collateralized Mortgage Obligations (CMOs) as collateral for bank deposits or repurchase agreements. "No transactions may be entered for speculation. No transaction may be entered using leverage."

Protection of Principal:

The City shall seek to control the risk of principal loss due to the failure of a security issuer or grantor. Such default risk shall be controlled by investing only in the safest types of securities as

defined in the Policy, by collateralization as required by law, and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed by "delivery versus payment" (DVP) method through the City's safekeeping agent. By so doing, City funds are not released until the City has received, through the safekeeping agent, the securities purchased. Exceptions would be deposits made to investment pools and mutual funds.

Diversification by Investment Type:

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types. Undue concentrations of assets in a specific maturity sector shall be avoided. Bond proceeds may be invested in a single security of investment if it is determined that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculation.

Diversification by Investment Maturity:

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

Operating Funds:

The weighted-average days to maturity for the operating fund portfolio shall be fewer than 270 days and the maximum allowable maturity shall be two years.

Construction and Capital Improvement Funds:

The investment maturity of construction and capital improvement funds shall generally be limited to the anticipated cash flow requirement or the "temporary period" as defined by Federal tax law. During the temporary period bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations. The maximum maturity for all construction or capital improvement funds shall not exceed the expected final expenditure date for the bond proceeds.

Debt Service Funds:

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. Investments will be made in such a manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment. Debt Service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream with a low degree of volatility. Purchased securities for reserve funds will have a stated final maturity of three years of less.

Ensuring Liquidity:

Liquidity shall be achieved by analyzing and anticipating cash flow requirements, by investing in securities with active secondary markets and by investing in eligible money market mutual funds and local government investment pools. A security may be liquidated for the following reasons:

1. To meet unanticipated cash requirements
2. To re-deploy cash into other investments expected to outperform current holdings
3. To otherwise to adjust the portfolio.

Depository Agreements:

The City will select and designate a qualified bank depository for a three to five year period. Consistent with the requirements of state law, the City will require that all deposits be federally insured or collateralized with eligible securities. If deposits are collateralized, they will be held by the City's safekeeping agent. The depository will be required to sign a Safekeeping Agreement with the City and the City's safekeeping agent. The Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations. It shall further address any concerns in relation to acceptable collateral, levels of collateral, substitution and addition of collateral, and reporting and monitoring of collateral.

Safekeeping and Custody:

Securities purchased for the City's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the City's safekeeping and custodian bank. The City will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the City's interest. All securities owned by the City will be held in a Customer Account naming the City as the Customer.

Competitive Bidding:

It is the policy of the City to require and document at least three competitive bids or proposals for all security purchases and sales except for:

1. Transactions with money market mutual funds and local government investment pools;
2. New agency securities purchased at issue through an approved broker/dealer; or
3. Overnight "sweep" transactions with the City depository bank.

Authority to Invest:

Management responsibility for the investment program is assigned to the City Manager by the City Council. As such, the City Manager shall oversee and approve any deposit, withdrawal, investment, transfer, documentation, and otherwise manage City funds according to this policy. Any limitations placed on this authority will be specifically stated. No person may engage in an investment transaction or the management of funds except as provided under the terms of the Investment Policy, the Statement of Investment Strategy, and other operational procedures

established by the City Manager. The Finance Director shall be considered the Investment Officer for the purposes of this policy.

Within twelve (12) months after taking office or assuming duties, each Investment Officer shall attend a training session relating to his/her investment responsibilities and receive not less than ten (10) hours of instruction. On an ongoing basis, all Investment Officers shall receive not less than ten (10) hours of instruction in each subsequent two-year period. Training must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Prudent Investment Management:

The designated Investment Officer shall perform his/her duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

Standard of Care:

The standard of care used by the City shall be the "prudent investor rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

> *"Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."*

Standard of Ethics:

The designated Investment Officer shall act as custodian of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. The Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair his/her ability to make impartial investment decisions. Additionally, the Investment Officer shall file with the Texas Ethics Commission and the City a statement disclosing any personal business relationship with an entity seeking to sell investments to the City or any relationship with the second degree by affinity or third degree of consanguinity to an individual seeking to sell investments to the City.

Internal Controls:

The City Manager will establish a system of internal controls that shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include, but not be limited to:

1. Control of collusion
2. Separation of duties

3. Separating transaction authority from accounting and record-keeping
4. Custodial safekeeping
5. Avoidance of bearer-form securities
6. Clear delegation of authority
7. Written confirmation of telephone transactions
8. Minimizing the number of authorized investment officials
9. Documentation of transactions

Marked to Market

The City's complete investment portfolio will be marked to market monthly with pricing information coming from reliable and generally accepted sources. Should the price of a particular security not be available from reliable and generally accepted sources, the price may be estimated but the City Manager and City Council must be informed immediately of such action.

Investment Committee &: Reporting

To review strategies, policies and investment results under the City's Investment Policy, an investment committee comprised of the City Manager, City Finance Director, Investment Officer(s), and the Finance Supervisor will meet on a quarterly basis. The Investment Committee will prepare a brief report for the City Council as appropriate but at a minimum every quarter.

PURCHASING POLICY

The City Manager is authorized to make purchases and enter into contracts on behalf of the City if the amount does not exceed $50,000. All purchases, transactions and contracts for expenditures involving more than $50,000 must be expressly approved in advance by the City Council during a duly noticed public meeting. Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, all purchases, transactions and contracts for expenditures regardless of amount must be expressly approved in advance by the City Council during a duly noticed public meeting if—with respect to such purchase, transaction or contract for expenditure—any City Official (as defined in the Anna Code of Ethics) is: (1) required to file a Conflicts Disclosure Statement under Chapter 176 of the Texas Local Gov't Code or the Anna Code of Ethics, as amended; or (2) is a Vendor as that term is described under Section 176.002 of the Texas Local Gov't Code, which includes acting as an agent of a Vendor. Otherwise, the following purchasing procedure is outlined in accordance with the noted dollar thresholds of expenditures.

Petty Cash:

Any and all purchases under $15.00 should be paid from Petty Cash. This reduces paperwork and eliminates checks. Petty Cash may also be used for minor purchases of goods or services that are more than $15.00, where deemed appropriate. A receipt from the purchase is required at time of reimbursement and the employee requesting reimbursement will be required to sign a receipt for the cash.

Expenditures for Goods or Services $1-$500:

Department Directors are allowed to make purchases for goods or services under $500 without seeking bids.

Expenditures for Goods or Services $501-$2,999:

Expenditures for good or services over $500 but not exceeding $2,999 may be approved at the department level by the Department Director. Department directors should request and review at least three different quotes or bids unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. This is an informal bid process and can be done via mail, e-mail, delivery service, telephone or facsimile. In lieu of providing three different quotes or bids, and when authorized by the City Manager, Department Directors may purchase goods or services in this category through a local government purchasing cooperative or interlocal purchasing agreement of which the City of Anna is a member or eligible to participate, where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute.

Expenditures for Goods or Services $3000-$49,999:

Expenditures for good or services equal to $3,000 but not exceeding $49,999 are also bid on an informal basis. At least three written bids or quotes are required unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. The City will contact Historically Underutilized Business as stipulated in Texas Local Government Code

Chapter 252.0215 unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. In lieu of providing three different written quotes, goods or services in this category may be purchased through a local government purchasing cooperative or interlocal purchasing agreement of which the City of Anna is a member or eligible to participate, where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute. All purchases in this category must be approved in advance by the City Manager.

Once the bids have been received and evaluated, the department collecting bids or quotes shall submit a requisition accompanied with a memorandum recommending a bidder. After authorization has been received from the City Manager, the purchase requisition is processed.

Expenditures for Goods or Services $50,000 and over:

All purchases above $50,000.00 must be purchased under formal competitive sealed bidding rules or as other wise permitted by the Local Government Code under Chapters 252 and 271. No bid process shall begin until approved by the City Council and City Manager. The City Council hereby selects as its designated representative the City Manager of the City of Anna, Texas to discharge on its behalf any duty it may have now or in the future with respect to any purchase or contract to determine the method(s) of purchase that will provide the best value to the City.

Professional Services:

Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, purchases of professional services regulated by the Professional Services Procurement Act (PSPAP) shall be in accordance with the requirements outlined in the PSPA as amended.

Emergency Purchases:

Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, the City Manager is authorized to make or approve any emergency purchase necessary to respond to a public calamity, or to preserve or protect the public health or safety of the municipality's residents in accordance with the General Exemptions authorized in Section 252.022 of the Texas Local Government Code without seeking bids or contacting Historically Underutilized Businesses. The City Manager shall advise the City Council of any such emergency purchase in excess of $50,000. When an emergency occurs during office hours and the expense exceeds the normal department approval amount, the department director shall contact the City Manager to receive authorization for the emergency purchase.

PURCHASING CARD POLICY

Purpose:

The purpose of the Purchasing Card Program is to provide the City with an efficient and controllable method of making small dollar commodity, service, and travel purchases. The City will issue cards from a company that has received the State of Texas purchasing card contract or under a Co-operative purchasing agreement with another municipality within the State of Texas. The card will be primarily used in place of petty cash, small regular purchase orders, blanket purchase orders (where sales are made over-the-counter), emergency purchase orders, and all other credit cards. This card policy is not intended to replace, but rather supplement existing purchasing, travel and other City policies. Participating in the purchasing card program will be the option of the employer. Employees that are not issued a card may obtain travel advances or reimbursements

Use:

The card will be used for the following:

1) Any transaction that does not exceed $1,500 or the cardholder's transaction limit, whichever is less.
2) Over-the-counter type retail purchases normally made using a charge account or discontinued credit cards.
3) Travel related purchases in compliance with the City of Anna Travel Policy.
4) Any other business related purchase as long as:
    a. The vendor accepts credit cards, and the goods/services purchases are not covered under a City supply contract. Accounting Department will periodically update staff via email of any commodities that cannot be purchased with the purchasing card.
    b. All other purchases are to be made using the standard purchasing process.

Transaction/Card Limits:

Each individual purchasing card will have transaction and/or spending limits. The Finance Director has the ability also to limit types of purchases, place of purchase and hours of day purchases can be made on individual cards. The total purchase price as printed on the individual credit card receipt is known as the "transaction amount". The purchasing card may be limited by the merchant type, transaction amount, and monthly transaction limit. The Department Director, Finance Director, and City Manager determine limits.

Cardholder Class	*Per Transaction	*Per Month
Management City Manager, Department Directors	$ 2,500	$ 5,000

Supervisory Division Heads, Supervisors	$ 1,500	$ 3,000
Intermediate Level Users	$ 500	$ 2,000

*The City Manager may set different limits for specific individuals as needed.

Restrictions:

Employees may NOT use the card for the following:

1. Any purchases of items for personal use
2. Cash refunds or advances
3. Any purchases of goods/services at a merchant type not considered prudent or of good judgment
4. Any transaction amount greater than the cardholder's transaction limit
5. Items under contract, unless an emergency exception is granted by the Finance Department
6. Alcohol, liquor, and tobacco products of any kind
7. Separate, sequential and component purchases or any transaction made with intent to circumvent City purchasing policy or state law
8. Any other purchase specifically excluded in the City purchasing policy

Receipts:

All purchases must be supported by a receipt for the purchaser. Any purchase without a receipt shall be the responsibility of the purchaser unless approved by the City Manager.

Audit review:

Purchases using the Anna Purchasing cards shall be reviewed for compliance with this policy by City Auditor during the annual audit process.

ETHICS POLICY

This Ethics Policy is cumulative of any provisions governing ethics or conflicts of interest under state law, the City of Anna's Home-Rule Charter, and the Anna Code of Ethics, all as amended, and in the event of any conflict between any such provisions, the most restrictive provision shall govern. This Ethics Policy will promote the objectives of protecting government integrity and facilitating the recruitment and retention of qualified ethical personnel needed by the City of Anna. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

As a public entity, the City is expected to be able to demonstrate to the public that it has spent their tax dollars wisely. All participants in the City are responsible for insuring that money is spent in accordance with the terms and conditions of all the policies of the City of Anna. Public employees must discharge their duties impartially so as to assure fair competitive access to government procurement by responsible contractors. Public officials and employees must take precautions to avoid even the appearance of impropriety, self-dealing, favoritism, or undue influence.

Therefore, all persons with the responsibility of handling City of Anna monies must obtain and/or create as appropriate adequate documentation, including a clear explanation of exactly what each purchase is for.

General Ethical Standards:

1. It shall be a breach of ethics to attempt to realize personal gain through public employment with the City of Anna by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics to attempt to influence any public employee of the City of Anna to breach the standards of ethical conduct set forth in this code.
3. It shall be a breach of ethics for any employee of the City of Anna to participate directly or indirectly in a procurement when the employee knows that:
    a. The employee or any member of the employee's immediate family has a financial interest in the procurement;
    b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement;
    c. Any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
4. It shall be a breach of ethics for any employee of the City of Anna to accept, receive, or arrange for any gratuity or any offer of employment in connection with any decision, approval, denial, recommendation, preparation of any part of a program requirement or purchase request, influencing the content or any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or

other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal thereof, pending before this government.

5. It shall be a breach of ethics for any employee of the City of Anna to approve or allow any purchase, transaction or contract for expenditure regardless of the amount unless said employee has been expressly authorized to do so in advance by the City Council during a duly noticed public meeting if—with respect to such purchase, transaction or contract for expenditure—any City Official (as defined in the Anna Code of Ethics) is: (1) required to file a Conflicts Disclosure Statement under Chapter 176 of the Texas Local Gov't Code or the Anna Code of Ethics, as amended; or (2) is a Vendor as that term is described under Section 176.002 of the Texas Local Gov't Code, which includes acting as an agent of a Vendor.
6. It shall be a breach of ethics for any employee or former employee of the City of Anna knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

BANK DEPOSITORY

The City Council shall select a bank depository that will meet the needs of the City and comply with all state laws governing such depositories and the management and safeguarding of public funds. The City shall issue a request for proposals/qualifications for bank depository services every five years, or more often if necessary. However, said requirements shall not restrict the number of years, either cumulatively or consecutively, that any single bank depository shall be used. Depositories shall be selected based on a number of criteria, including, but not limited to, ability to comply with state and local statutes, customer service, hours of operation, yield on deposits, geographic proximity to City hall, services offered, etc.

City of Anna, Texas

Financial Policies

Deleted: BUDGET POLICY . 1¶
INVESTMENT POLICY . 76¶
PURCHASING POLICY . 1413¶
PURCHASING CARD POLICY . 1615¶
CODE OF ETHICS . 1817¶
BANK DEPOSITORY . 2018¶

Formatted: Font: 24 pt

BUDGET POLICY

Introduction:

The City of Anna, Texas financial policies set forth the basic framework for the fiscal management of the City. These policies are to ensure consistency in the City's financial processes related to revenue, expenditures, purchasing, accounting, investing, fiscal management and integrity, and fund balance. The City's financial policies are intended to assist the City council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances and conditions. The City of Anna will ensure long-standing policies that provide guidelines for current decision-making processes and future plans.

Operating Budget Policies:

The fiscal year of the City of Anna shall begin on October 1 of each calendar year and end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.

The operating budget will be balanced with current revenues and a portion of beginning resources or fund balances which will be greater than or equal to current expenditures or expenses. The City Manager's budget shall assume, for each fund, operating revenues that are equal to, or exceed operating expenditures.

Annual estimates of revenues in all funds will be based on historical trends, and reasonable expectations and assumptions regarding growth, the state of the economy, and other relevant factors. A conservative approach will be observed in estimating revenues.

Expenditures in all funds will be managed so as to ensure the fund's obligations are met when due. Throughout the year the Finance Department will provide regular budgetary comparisons reports to Department Directors and the City Manager. These reports will highlight Adopted Budget, Adjusted Budget, Current, Year to Date, and Previous Year expenditures and revenues. These periodic budgetary comparisons, statements of revenue and expenditures will allow department directors to adequately manage their department's budget and anticipate revenues and expenditures.

Expenditures within the each Fund will remain within each department's original appropriation unless an intra-fund budget transfer is approved by the City Manager. The City Manager is authorized to approve intra-fund transfers. Only the City Council may approve inter-fund transfers. Budget amendments will occur when total actual expenditures exceed budgeted expenditures in any fund(s). Budget amendments are authorized only by the City Council approved by ordinance. If at any time during a fiscal year the City Manager estimates that current year expenditures in any fund will exceed available revenues, the City Manager will submit a plan to the City Council addressing the estimated deficit including a plan of action to overcome the estimated deficit.

Anna's budget is coordinated to identify major policy issues for the City Council to consider several months prior to the budget approval date. In this way, the Council has adequate time to

Formatted: Justified

Deleted: a

Deleted: that their

Deleted: are long-standing and

Deleted: will

Deleted: should

Deleted:

Deleted: ¶

Deleted: Only t

Deleted: may

Deleted: an

Deleted: If necessary, o

Deleted: an

Deleted: it is

Deleted: estimated by

Deleted: the City Manager

Deleted: will propose to the council a plan, if necessary, to deal with the potential problem

Deleted: ¶
Expenditures in all funds will be managed so as to ensure the obligations of each fund are met when due. Expenditures in the General Fund will remain within each department's original appropriation level unless an intra-fund budget transfer is approved by the City Manager or an inter-fund transfer is approved by the City council. Budget amendments must be passed by the City council if total actual expenditures exceed budgeted expenditures in any fund(s). Such amendments shall be approved by ordinance.

Deleted: ¶

Deleted: so as

Deleted: over

evaluate decisions and ensure proper decisions are made. The budget review process will include City Council, City staff, and citizen participation through public hearings.

Each department head is responsible for ensuring proper budgetary procedures are followed throughout his or her department.

Investments made by the City of Anna will be in compliance with policies contained in the City of Anna Investment Policy and the Public Funds Investment Act. All investments will be evaluated upon safety, liquidity, and yield. Interest earned from investment of available funds is based on departmental ownership of the invested dollars and will be booked to the appropriate department's fund when realized.

After City council adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Following the final adoption of the budget by ordinance, the City Council shall pass an ordinance levying property taxes for the current year.

Deleted: so

Deleted: participation

Deleted: to allow for citizens' participation in the budget process.

Deleted: address

Deleted: .

Deleted: the

Fund Balance:

A key element of the financial stability of the City is to establish guidelines or "safe harbors" for fund balance. Unassigned fund balance is an important measure of economic stability. It is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the City's general operations.

For governmental funds, it is important to distinguish between fund equity and fund balance. A fund's equity is typically the difference between its assets and liabilities. Fund balance is an accounting distinction made between the portions of fund equity that are spendable and non-spendable. The Governmental Accounting Standards Board has established 5 classifications of fund balance:

1. **Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds (i.e. endowment funds).

2. **Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and child safety fees.

3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Indent: Left: 0.5"

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

Formatted: Font: 12 pt

Formatted: Font: Bold

a. The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

4. **Assigned fund balance** – comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (i.e. only funds in the capital projects fund may be used for capital projects).

   a. The City Council has authorized the City Manager to assign fund balance to a specific purpose as approved by this fund balance policy.

5. **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Minimum Unassigned Fund Balance

The City shall set aside resources during years of growth to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded through debt financing. It shall be the goal of the City to maintain an unassigned fund balance in the General Fund of 25% of total appropriations.

Minimum Unrestricted Net Assets

The City shall set aside resources during years of growth to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded through debt financing. It shall be the goal of the City to maintain unrestricted net assets in the Utility Fund (a non-governmental type fund) of 25% of total appropriations.

At the close of each fiscal year, the unencumbered balance of each appropriation shall revert to the fund from which it was appropriated.

If minimum fund balance falls below the goals stated above, the City Manager will develop a strategy to initially evaluate current government wide spending to determine areas where cost efficiencies may be realized and implement those efficiencies. Should the analysis prove insufficient to attain the goal, a multi-year strategy will be put in place to meet the goals through a combination of cost cutting, cost recovery, and revenue enhancing strategies.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and

Formatted: Bullets and Numbering
Formatted: Font: 12 pt
Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"
Formatted: Font: Bold
Formatted: Indent: Left: 0.25"
Formatted: Bullets and Numbering
Deleted: as the official authorized
Formatted: Font: 12 pt, Not Bold
Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"
Formatted: Font: 12 pt
Formatted: Font: Not Italic
Formatted: Justified
Deleted: should
Deleted: by
Deleted: reserve
Formatted: Font: Bold, Italic
Deleted: and a reserve fund balance
Deleted:

unassigned fund balance), the City will start with the most restrictive category and spend those funds first before moving down to the next category with available funds.

Formatted: Justified

Financial Policies:

The accounts of the City are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Deleted: accounts

The City's annual budget shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects fund, which adopts project-length budgets.

Account balances shall be reported on the modified accrual basis of accounting within the General Fund and other governmental funds and the accrual basis of accounting in the Utilities Fund.

Deleted: s

Deleted:

Deleted: actual

Quarterly Reports:

Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the quarterly budget reports prepared and submitted by the City Managers Office.

The City Manager shall submit to the City Council each quarterly financial report of the City. The report will compare budget estimates against the previous quarter's realized revenues including year to date realized revenues. The previous fiscal year's performance will also be included.

Deleted: ;

Deleted: versus

Deleted: from the preceding quarter and for the fiscal year to date.

General Obligation Bonds/ Debt:

Anna shall have the power to borrow money on the full faith and credit of the City and to issue general obligation bonds for permanent public improvements. The City will also be allowed to borrow money for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be voted on and issued in conformity with the laws of the State of Texas.

Deleted:

Formatted: Justified

Any and all bond funds approved by the vote of the Citizens of Anna will be expended only for the purposes stated in the bond issue.

The City shall also from time to time borrow money utilizing other available instruments including revenue bonds, certificates of obligation, et al.

Deleted: tools

Deleted: The City will manage the length and maturity of its long-term debt in order to lower net interest cost and to maintain future flexibility by paying off debt earlier.

In all cases, the City shall evaluate the following prior to incurring debt obligations:

- Ensure that the purpose of the debt is consistent with type of debt instrument
- Where possible, match the useful life of the asset with the maturity of the debt

Formatted: Bullets and Numbering

- Review the maintenance & operations property tax rate against the debt service tax rate and ensure that no more than 35% of the total tax rate is used for debt obligations.

The City will manage the length and maturity of its long-term debt in order to lower net interest cost and to maintain future flexibility by paying off debt earlier.

Revenues:

The City of Anna strives to maintain and enhance a diversified and stable revenue system to shelter it from fluctuations in any single revenue source. The City also pursues an aggressive policy of collecting all money due to the City. The City will continue an aggressive policy to reduce the level of delinquent taxes.

Deleted: will

Deleted: one

Deleted: will

For every annual budget, the City shall levy two property tax rates: maintenance/operations (M&O) and debt service (I&S). The debt service levy shall be sufficient for meeting all principal and interest obligations associated with the City's outstanding debt, less money transferred into the debt service fund from other funds and any self-sustaining debt such as revenue bonds, for the budget year. The operation and maintenance levy shall be accounted for in the General Fund.

Deleted: payments

The City is primarily a bedroom community with a heavy reliance upon property taxes. In order to supplement property taxes, the City has and will continue to support economic development and community development to create a vibrant community with a growing sales tax base to defray the reliance upon property taxes.

The City Manager shall project revenues from every source based on actual collections from the preceding years and estimated collections of the current fiscal year. There are a variety of factors that may impact revenues for an upcoming fiscal year, and the City Manager will take these into account when projecting collections. Sales tax revenue projections should be conservative due to the nature of this more volatile revenue source.

Deleted: economically sensitive

Types of City Funds:

- General Fund is the government's primary operating fund.
- Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.
- Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by any other fund.
- Utility Fund is used to account for the City's water and wastewater operations and certain long-term debt.

Formatted: Justified, Bulleted + Level: 1 + Aligned at: 0.5" + Tab after: 0.75" + Indent at: 0.75"

Formatted: Justified

Financial Statements:

An annual independent audit will be completed and filed with the City Secretary within one hundred eighty (180) days from the completion of each fiscal year, the results of which shall be presented to and approved by the City Council. The financial statements to the City are to be prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards

Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City shall contract with a qualified independent auditing firm on an annual basis, and shall use the same firm no more than five consecutive years.

INVESTMENT POLICY

A component part of the overall financial management of the City of Anna, Texas is an effective cash management plan. Many factors determine the amount of funds on hand during any fiscal year, but these funds are an important revenue source for the City budget. It is imperative that these funds be managed in such a way as to be responsive to the public need and consistent with a conservative cash management plan. To provide this framework for effective cash management, an Investment Policy and a Statement of Investment Strategy have been prepared.

Formatted: Justified

Purpose:

The Investment Policy is authorized by the City Council of the City of Anna in accordance with Chapter 2256, Texas Government Code, also known as the Public Funds Investment Act (PFIA). The Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of City funds. All such funds will be managed within the guidelines of this Policy with the exception of the Deferred Compensation Agency (TMRS) fund. Bond funds, in addition to this Policy, shall be managed in accordance with their issuing documentation and all applicable state and federal law.

In addition to the Policy, the Statement of Investment Strategy, also approved by the City Council, provides a separate written investment strategy for each of the City's funds. Each investment strategy describes the investment objectives for each particular fund according to the following priorities:

1) Investment Suitability,
2) Preservation and Safety of Principal,
3) Liquidity,
4) Marketability Prior to Maturity of each Investment,
5) Diversification,
6) Yield.

Deleted: i
Deleted: s
Deleted: ,
Deleted: p
Deleted: s
Deleted: p
Deleted: ,
Deleted: l
Deleted: ,
Deleted: m
Deleted: p
Deleted: m
Deleted: i
Deleted: ,
Deleted: d
Deleted: , and

Annual Review:

The Investment Policy and the Statement of Investment Strategy will be reviewed on an annual basis by the City Council. Revisions and/or amendments will be approved and documented by the City Council.

Investment Objectives:

The investment of funds will be governed by the following investment objectives, in order of priority:

1. Preservation and Safety of Principal
   a. Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults, erosion of market value, or other risks.
2. Liquidity
   b. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements.
3. Yield
   c. The investment portfolio of the City shall be designed to attain a market rate of return throughout budgetary and economic cycles taking into account risk constraints and liquidity needs. Return on investment, while important, is of less importance than safety and liquidity.

Authorized Investments:

While the Public Funds Investment Act allows a wide range of eligible securities, the City has chosen to allow only the following securities, which are somewhat more conservative and more restrictive than some of the other investments permitted under the PFIA;

1. Direct obligations of the United States government with a maturity not to exceed two years from the date of purchase.

2. Fixed rate or discount notes with a maturity not to exceed two years from the date of purchase by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student loan Marketing Association (SLMA), and Federal Home loan Mortgage Corporation (FHLMC). The City may not invest more than 25% of the City's previous month's average balance of liquid financial assets in instruments covered under this paragraph (2).

3. Bonds or other interest bearing obligations having a stated final maturity of two years or less of which the principal and interest are guaranteed by the full faith and credit of the United States Government.

4. FDIC insured Certificates of Deposit issued by national banks domiciled in Texas with a stated final maturity of two years or less. Certificates of Deposit balances exceeding FDIC insurance limits will be fully collateralized by securities listed in 1 and 2 above. Collateral will be held by the City's third-party custodian.

5. Repurchase agreements collateralized with U.S. Treasury securities at a minimum market value of 102 percent of the dollar value of the transaction, with any accrued interest accumulated on the collateral included in the calculation. The City may not lend securities but only invest excess cash against receipt of appropriate collateral. Repurchase

Deleted: 1)
Deleted: s
Deleted: p
Deleted: .
Formatted: Bullets and Numbering
Deleted: .
Deleted: 2)
Deleted: .
Deleted: .
Deleted: 3)
Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"
Deleted: .
Formatted: Justified, Numbered + Level: 2 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Tab after: 1" + Indent at: 1"
Formatted: Justified
Deleted: ¶
Act

agreements will be entered into only with primary government securities dealers (as defined by the Federal Reserve) who have executed a City-approved Master Repurchase Agreement. Collateral will be delivered to and held by an AAA_rated (as raged by Fitch, Moody's or Standard & Poor's) third party safekeeping agent approved by the City and held in the City's name. The maximum term for direct repurchase agreements will be limited to 90 days or less. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in repurchase agreements.

6. SEC-registered, AM-rated (as rated by Fitch, Moody's or Standard & Poor's), no-load money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or less. Assets will consist exclusively of those securities listed as authorized investments in this section. The investment objective of the fund must be to maintain a stable dollar net asset value of USD 1.00. The maximum stated maturity of any single security in the fund will be 13 months, and the dollar weighted average portfolio maturity will be 90 days or less. The City may not invest funds under its control in an amount that exceeds 10% of total assets of any individual money market mutual fund. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in any single money market funds. Cumulatively, the City may not invest more than 25% of the City's previous month's average balance of liquid financial assets in money market funds. A fund prospectus shall be reviewed for compliance with policy prior to depositing monies.

7. State or local investment pools organized under the Interlocal Cooperation Act and authorized by the City Council. The investment pool must be rated AM-rated (as rated by Fitch, Moody's or Standard & Poor's) and have a dollar-weighted average portfolio maturity of 60 days or less. Assets will consist exclusively of those securities listed in this section D. The investment objective of the pool must be to maintain a stable dollar net asset value. All securities owned in the pool will have a stated remaining maturity of 13 months or less. The City may not invest more than 10% of the City's previous month's average balance of liquid financial assets in a single investment pool. Cumulatively, the City may not invest more than 55% of the City's previous month's average balance of liquid financial assets in investment pools in aggregate, nor more than 25% in anyone pool.

Prohibited Investments:

The City is expressly prohibited from entering into options trading or futures contracts, hedging or purchasing any security that is not authorized by Texas State law, or any direct investment in asset backed or mortgage-backed securities. The City expressly prohibits the acceptance of Interest-only (IO) and Principal-only (PO) Collateralized Mortgage Obligations (CMOs) as collateral for bank deposits or repurchase agreements. "No transactions may be entered for speculation. No transaction may be entered using leverage."

Protection of Principal:

The City shall seek to control the risk of principal loss due to the failure of a security issuer or grantor. Such default risk shall be controlled by investing only in the safest types of securities as

defined in the Policy, by collateralization as required by law, and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed by "delivery versus payment" (DVP) method through the City's safekeeping agent. By so doing, City funds are not released until the City has received, through the safekeeping agent, the securities purchased. Exceptions would be deposits made to investment pools and mutual funds.

Diversification by Investment Type:

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types. Undue concentrations of assets in a specific maturity sector shall be avoided. Bond proceeds may be invested in a single security of investment if it is determined that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculation.

Diversification by Investment Maturity:

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

Operating Funds:

The weighted-average days to maturity for the operating fund portfolio shall be fewer than 270 days and the maximum allowable maturity shall be two years.

Construction and Capital Improvement Funds:

The investment maturity of construction and capital improvement funds shall generally be limited to the anticipated cash flow requirement or the "temporary period" as defined by Federal tax law. During the temporary period bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations. The maximum maturity for all construction or capital improvement funds shall not exceed the expected final expenditure date for the bond proceeds.

Debt Service Funds:

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. Investments will be made in such a manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment. Debt Service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream with a low degree of volatility. Purchased securities for reserve funds will have a stated final maturity of three years of less.

Ensuring Liquidity:

Liquidity shall be achieved by analyzing and anticipating cash flow requirements, by investing in securities with active secondary markets and by investing in eligible money market mutual funds and local government investment pools. A security may be liquidated for the following reasons:

1. To meet unanticipated cash requirements,
2. To re-deploy cash into other investments expected to outperform current holdings,
3. To otherwise to adjust the portfolio.

Depository Agreements:

The City will select and designate a qualified bank depository for a three to five year period. Consistent with the requirements of state law, the City will require that all deposits be federally insured or collateralized with eligible securities. If deposits are collateralized, they will be held by the City's safekeeping agent. The depository will be required to sign a Safekeeping Agreement with the City and the City's safekeeping agent. The Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations. It shall further address any concerns in relation to acceptable collateral, levels of collateral, substitution and addition of collateral, and reporting and monitoring of collateral.

Safekeeping and Custody:

Securities purchased for the City's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the City's safekeeping and custodian bank. The City will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the City's interest. All securities owned by the City will be held in a Customer Account naming the City as the Customer.

Competitive Bidding:

It is the policy of the City to require and document at least three competitive bids or proposals for all security purchases and sales except for:

1. Transactions with money market mutual funds and local government investment pools;
2. New agency securities purchased at issue through an approved broker/dealer; or
3. Overnight "sweep" transactions with the City depository bank.

Authority to Invest:

Management responsibility for the investment program is assigned to the City Manager by the City Council. As such, the City Manager shall oversee and approve any deposit, withdrawal, investment, transfer, documentation, and otherwise manage City funds according to this policy. Any limitations placed on this authority will be specifically stated. No person may engage in an investment transaction or the management of funds except as provided under the terms of the Investment Policy, the Statement of Investment Strategy, and other operational procedures

Deleted: t

Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.29" + Tab after: 0.54" + Indent at: 0.54"

Deleted: ,

Deleted: t

Deleted: , or

Deleted: o

Formatted: Justified

Deleted: t

Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 0.75" + Indent at: 0.75"

Deleted: n

Deleted: o

Formatted: Justified

Deleted: is

Deleted: authorized

Deleted: to

Deleted: execute

established by the City Manager. The Finance Director shall be considered the Investment Officer for the purposes of this policy.

Deleted: City Manager

Deleted: finance o

Deleted: and other persons granted investment authority shall be considered "Investment Officers" for the purpose of this policy.

Within twelve (12) months after taking office or assuming duties, each Investment Officer shall attend a training session relating to his/her investment responsibilities and receive not less than ten (10) hours of instruction. On an ongoing basis, all Investment Officers shall receive not less than ten (10) hours of instruction in each subsequent two-year period. Training must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Prudent Investment Management:

The designated Investment Officer shall perform his/her duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

Standard of Care:

The standard of care used by the City shall be the "prudent investor rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

> *"Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."*

Standard of Ethics:

The designated Investment Officer shall act as custodian of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. The Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair his/her ability to make impartial investment decisions. Additionally, the Investment Officer shall file with the Texas Ethics Commission and the City a statement disclosing any personal business relationship with an entity seeking to sell investments to the City or any relationship with the second degree by affinity or third degree of consanguinity to an individual seeking to sell investments to the City.

Internal Controls:

The City Manager will establish a system of internal controls that shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include, but not be limited to:

1. Control of collusion
2. Separation of duties

Deleted: c

Deleted: ,

Deleted:

Deleted: s

Deleted: ,

3. Separating transaction authority from accounting and record-keeping
4. Custodial safekeeping
5. Avoidance of bearer-form securities
6. Clear delegation of authority
7. Written confirmation of telephone transactions
8. Minimizing the number of authorized investment officials
9. Documentation of transactions

Deleted: s
Deleted: ,
Deleted: c
Deleted: ,
Deleted: a
Deleted: ,
Deleted: c
Deleted: ,
Deleted: w
Deleted: ,
Deleted: m
Deleted: , and
Deleted: d
Deleted: .

Marked to Market

The City's complete investment portfolio will be marked to market monthly with pricing information coming from reliable and generally accepted sources. Should the price of a particular security not be available from reliable and generally accepted sources, the price may be estimated but the City Manager and City Council must be informed immediately of such action.

Investment Committee &: Reporting

To review strategies, policies and investment results under the City's Investment Policy, an investment committee comprised of the City Manager, City Finance Director, Investment Officer(s), and the Finance Supervisor will meet on a quarterly basis. The Investment Committee will prepare a brief report for the City Council as appropriate but at a minimum every quarter.

Deleted: and the

PURCHASING POLICY

The City Manager is authorized to make purchases and enter into contracts on behalf of the City if the amount does not exceed $50,000. All purchases, transactions and contracts for expenditures involving more than $50,000 must be expressly approved in advance by the City Council during a duly noticed public meeting. Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, all purchases, transactions and contracts for expenditures regardless of amount must be expressly approved in advance by the City Council during a duly noticed public meeting if—with respect to such purchase, transaction or contract for expenditure—any City Official (as defined in the Anna Code of Ethics) is: (1) required to file a Conflicts Disclosure Statement under Chapter 176 of the Texas Local Gov't Code or the Anna Code of Ethics, as amended; or (2) is a Vendor as that term is described under Section 176.002 of the Texas Local Gov't Code, which includes acting as an agent of a Vendor. Otherwise, the following purchasing procedure is outlined in accordance with the noted dollar thresholds of expenditures.

Formatted: Justified

Deleted: or purchases

Deleted:

Deleted: T

Deleted: ¶

Deleted: ¶

Petty Cash:

Any and all purchases under $15.00 should be paid from Petty Cash. This reduces paperwork and eliminates checks. Petty Cash may also be used for minor purchases of goods or services that are more than $15.00, where deemed appropriate. A receipt from the purchase is required at time of reimbursement and the employee requesting reimbursement will be required to sign a receipt for the cash.

Deleted: ,

Deleted: asked

Expenditures for Goods or Services $1-$500:

Department Directors are allowed to make purchases for goods or services under $500 without seeking bids.

Deleted: s

Expenditures for Goods or Services $501-$2,999:

Expenditures for good or services over $500 but not exceeding $2,999 may be approved at the department level by the Department Director. Department directors should request and review at least three different quotes or bids unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. This is an informal bid process and can be done via mail, e-mail, delivery service, telephone or facsimile. In lieu of providing three different quotes or bids, and when authorized by the City Manager, Department Directors may purchase goods or services in this category through a local government purchasing cooperative or interlocal purchasing agreement of which the City of Anna is a member or eligible to participate, where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute.

Deleted: are allowed and

Deleted:

Deleted:

Expenditures for Goods or Services $3000-$49,999:

Expenditures for good or services equal to $3,000 but not exceeding $49,999 are also bid on an informal basis. At least three written bids or quotes are required unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. The City will contact Historically Underutilized Business as stipulated in Texas Local Government Code

Deleted: if the purchase is not from a sole source vendor

Deleted:

Chapter 252.0215 unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. In lieu of providing three different written quotes, goods or services in this category may be purchased through a local government purchasing cooperative or interlocal purchasing agreement of which the City of Anna is a member or eligible to participate, where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute. All purchases in this category must be approved in advance by the City Manager.

Once the bids or quotes have been received and evaluated, the department collecting bids or quotes shall submit a requisition accompanied with a memorandum recommending a bidder. After authorization has been received from the City Manager, the purchase requisition is processed.

Deleted: requires that a municipality, in making an expenditure of $3,000 but less than $50,000, shall contact at least two Historically ¶
Underutilized Businesses (HUBs) on a rotating basis, based on information provided by the General Services Commission.

Deleted: the apparent low bidder has been identified,

Deleted: user

Deleted: ¶

Expenditures for Goods or Services $50,000 and over:

All purchases above $50,000.00 must be purchased under formal competitive sealed bidding rules or as other wise permitted by the Local Government Code under Chapters 252 and 271. No bid process shall begin until approved by the City Council and City Manager. The City Council hereby selects as its designated representative the City Manager of the City of Anna, Texas to discharge on its behalf any duty it may have now or in the future with respect to any purchase or contract to determine the method(s) of purchase that will provide the best value to the City.

Formatted: Heading 2

Professional Services

Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, purchases of professional services regulated by the Professional Services Procurement Act (PSPAP) shall be in accordance with the requirements outlined in the PSPA as amended.

Formatted: Not Highlight

Formatted: Justified

Emergency Purchases:

Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, the City Manager is authorized to make or approve any emergency purchase necessary to respond to a public calamity, or to preserve or protect the public health or safety of the municipality's residents in accordance with the General Exemptions authorized in Section 252.022 of the Texas Local Government Code without seeking bids or contacting Historically Underutilized Businesses. The City Manager shall advise the City Council of any such emergency purchase in excess of $50,000. When an emergency occurs during office hours and the expense exceeds the normal department approval amount, the department director shall contact the City Manager to receive authorization for the emergency purchase.

Formatted: Not Highlight

PURCHASING CARD POLICY

Purpose:

Deleted: *A)*

Formatted: Justified

The purpose of the Purchasing Card Program is to provide the City with an efficient and controllable method of making small dollar commodity, service, and travel purchases. The City will issue cards from a company that has received the State of Texas purchasing card contract or under a Co-operative purchasing agreement with another municipality within the State of Texas. The card will be primarily used in place of petty cash, small regular purchase orders, blanket purchase orders (where sales are made over-the-counter), emergency purchase orders, and all other credit cards. This card policy is not intended to replace, but rather supplement existing purchasing, travel and other City policies. Participating in the purchasing card program will be the option of the employer. Employees that are not issued a card may obtain travel advances or reimbursements

Use:

Deleted: ¶ *8)*

Deleted: *age*

The card will be used for the following:

1) Any transaction that does not exceed $1,500 or the cardholder's transaction limit, whichever is less.
2) Over-the-counter type retail purchases normally made using a charge account or discontinued credit cards.
3) Travel related purchases in compliance with the City of Anna Travel Policy.
4) Any other business related purchase as long as:
    a. The vendor accepts credit cards, and the goods/services purchases are not covered under a City supply contract. Accounting Department will periodically update staff via email of any commodities that cannot be purchased with the purchasing card.
    b. All other purchases are to be made using the standard purchasing process.

Transaction/Card Limits:

Each individual purchasing card will have transaction and/or spending limits. The Finance Director has the ability also to limit types of purchases, place of purchase and hours of day purchases can be made on individual cards. The total purchase price as printed on the individual credit card receipt is known as the "transaction amount". The purchasing card may be limited by the merchant type, transaction amount, and monthly transaction limit. The Department Director, Finance Director, and City Manager determine limits.

Cardholder Class	*Per Transaction	*Per Month
Management City Manager, Department Directors	$ 2,500	$ 5,000

Formatted: Justified

Formatted: Justified

Supervisory Division Heads, Supervisors	$ 1,500	$ 3,000
Intermediate Level Users	$ 500	$ 2,000

*The City Manager may set different limits for specific individuals as needed.

Restrictions:

Employees may NOT use the card for the following:

1. Any purchases of items for personal use
2. Cash refunds or advances
3. Any purchases of goods/services at a merchant type not considered prudent or of good judgment
4. Any transaction amount greater than the cardholder's transaction limit
5. Items under contract, unless an emergency exception is granted by the Finance Department
6. Alcohol, liquor, and tobacco products of any kind
7. Separate, sequential and component purchases or any transaction made with intent to circumvent City purchasing policy or state law
8. Any other purchase specifically excluded in the City purchasing policy

Receipts:

All purchases must be supported by a receipt for the purchaser. Any purchase without a receipt shall be the responsibility of the purchaser unless approved by the City Manager.

Audit review:

Purchases using the Anna Purchasing cards shall be reviewed for compliance with this policy by City Auditor during the annual audit process.

Formatted: Justified
Formatted: Justified
Formatted: Justified
Deleted: *CARDHOLDER CLASS ·PER TRANSACTION ·PERMONTH* ¶
Management ¶
City Manager, Department Directors ¶
$2,500 $5,000 ¶
Supervisory ¶
Division Heads and Supervisors ¶
$1,500 $5,000 ¶
Intermediate Level Users $500 $2,500 ¶
Staff $100 I $1,000 I ¶
~II Other Employees . ¶
Formatted: Justified
Deleted: ¶
0)
Deleted: .
Formatted: Bullets and Numbering
Deleted: e
Deleted: .
Deleted: .
Deleted: .
Deleted: Accounting.
Deleted: .
Deleted: .
Deleted: .
Deleted: ¶
E)
Deleted: ¶
F)

ETHICS POLICY

This Ethics Policy is cumulative of any provisions governing ethics or conflicts of interest under state law, the City of Anna's Home-Rule Charter, and the Anna Code of Ethics, all as amended, and in the event of any conflict between any such provisions, the most restrictive provision shall govern. This Ethics Policy will promote the objectives of protecting government integrity and facilitating the recruitment and retention of qualified ethical personnel needed by the City of Anna. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

As a public entity, the City is expected to be able to demonstrate to the public that it has spent their tax dollars wisely. All participants in the City are responsible for insuring that money is spent in accordance with the terms and conditions of all the policies of the City of Anna. Public employees must discharge their duties impartially so as to assure fair competitive access to government procurement by responsible contractors. Public officials and employees must take precautions to avoid even the appearance of impropriety, self-dealing, favoritism, or undue influence.

Therefore, all persons with the responsibility of handling City of Anna monies must obtain and/or create as appropriate adequate documentation, including a clear explanation of exactly what each purchase is for.

General Ethical Standards:

1. It shall be a breach of ethics to attempt to realize personal gain through public employment with the City of Anna by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics to attempt to influence any public employee of the City of Anna to breach the standards of ethical conduct set forth in this code.
3. It shall be a breach of ethics for any employee of the City of Anna to participate directly or indirectly in a procurement when the employee knows that:
   a. The employee or any member of the employee's immediate family has a financial interest in the procurement;
   b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement;
   c. Any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
4. It shall be a breach of ethics for any employee of the City of Anna to accept, receive, or arrange for any gratuity or any offer of employment in connection with any decision, approval, denial, recommendation, preparation of any part of a program requirement or purchase request, influencing the content or any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or

Deleted: Code of Ethics

Deleted: CODE OF

Formatted: Justified

Deleted: The Code of

Deleted: all as

Deleted: is a policy of the City of Anna that will

Deleted: of

Deleted: make

Deleted: ¶
Participating in the purchasing card program will be the option of the employee. Employees that do not have a card may obtain travel advances or be reimbursed for travel. ¶
¶
A)

Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

Formatted: Justified, Numbered + Level: 2 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Tab after: 1" + Indent at: 1"

Formatted: Justified, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

Deleted: to offer, give or agree to give any employee of the City of Anna, or for any employee of the City of Anna to solicit, demand, accept or agree to accept from another person,

Deleted: disapproval

other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal thereof, pending before this government.

5. It shall be a breach of ethics for any employee of the City of Anna to approve or allow any purchase, transaction or contract for expenditure regardless of the amount unless said employee has been expressly authorized to do so in advance by the City Council during a duly noticed public meeting if—with respect to such purchase, transaction or contract for expenditure—any City Official (as defined in the Anna Code of Ethics) is: (1) required to file a Conflicts Disclosure Statement under Chapter 176 of the Texas Local Gov't Code or the Anna Code of Ethics, as amended; or (2) is a Vendor as that term is described under Section 176.002 of the Texas Local Gov't Code, which includes acting as an agent of a Vendor.
6. It shall be a breach of ethics for any employee or former employee of the City of Anna knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

Formatted: Justified

BANK DEPOSITORY

Formatted: Justified

The City Council shall select a bank depository that will meet the needs of the City and comply with all state laws governing such depositories and the management and safeguarding of public funds. The City shall issue a request for proposals/qualifications for bank depository services every five years, or more often if necessary. However, said requirements shall not restrict the number of years, either cumulatively or consecutively, that any single bank depository shall be used. Depositories shall be selected based on a number of criteria, including, but not limited to, ability to comply with state and local statutes, customer service, hours of operation, yield on deposits, geographic proximity to City hall, services offered, etc.

Item No. 8
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011
Account Code #: GF Contingency
Budgeted Amount: $52,383

Staff Contact: Philip Sanders

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Resolution authorizing contingency fund allocations. (Philip Sanders)

SUMMARY: The current fiscal year budget included a contingency appropriation of $97,983. During their July 12 meeting, the City Council authorized $45,600 of the contingency appropriation cover some unexpected expenses that occurred this fiscal year. During the September 13 City Council meeting, several Council members suggested that the remainder of the FY 2010-2011 contingency appropriation ($52,383) be assigned to pay for the construction of showers and related improvements to the fire station. The attached Resolution and Exhibit would authorize spending up to $52,383 of the FY 2010-2011 General Fund contingency appropriation for capital improvements to the fire station.

RECOMMENDATION: Staff recommends approval of the attached Resolution.

CITY OF ANNA, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING AND AUTHORIZING THE CITY MANAGER TO DISTRIBUTE AND SPEND FUNDS FROM THE CONTINGENCY APPROPRIATION INCLUDED IN THE ANNUAL BUDGET FOR THE CITY OF ANNA FOR THE 2010-2011 FISCAL YEAR

WHEREAS, on September 7, 2010 the City Council of the City of Anna, Texas (the "City Council") approved Ordinance No. 508-2010 that approved an annual budget for the City of Anna, Texas (the "City") for the 2010-2011 fiscal year; and,

WHEREAS, the 2010-2011 fiscal year budget includes a contingency appropriation of $97,983 as outlined in Section 3 of Ordinance No. 508-2010; and,

WHEREAS, $45,600 of the contingency appropriation has been previously distributed and $52,383 remains unallocated; and,

WHEREAS, section 7.08 of the City of Anna, Texas Home Rule Charter (the "Charter") states that a contingency appropriation is under the control of the City Manager and may be distributed by him only after prior approval by the City Council; and,

WHEREAS, the City Council has reviewed the City Manager's recommendations for the distribution of the contingency appropriation;

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

Section 1. Recitals Incorporated.

The recitals above are incorporated herein as if set forth in full for all purposes.

Section 2. Authorization to Distribute Contingency Appropriation

The City Council hereby authorizes the City Manager to distribute a portion of the contingency appropriation including the City's 2010-2011 Annual Budget as set forth in the attached Exhibit 1, incorporated herein for all purposes. The proceeds of the contingent appropriation may be disbursed only by transfer to other departmental appropriation, the spending of which must be charged to the departments or activities for which the appropriations are made.

PASSED by the City Council of the City of Anna, Texas, on this 27th day of September, 2011.

ATTEST: APPROVED:

_____ _____

Natha Wilkison, City Secretary Mayor, Darren R. Driskell

EXHIBIT 1

Proposed FY 2011 General Fund Contingency Appropriation Distribution

Department	Account Name	Account Number	FY 2011 Adjusted Budget	Proposed Budget Increase/Decrease	Proposed FY 2011 Adjusted Budget	Justification
Fire	Other Capital Expenditures	10-543-6941	$0	$ 52,383.00	$ 52,383.00	Pay for building improvements to the fire station
General Fund Contingency			**$ 52,383.00**	**$ (52,383.00)**	**$0**	

Item No. 9
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Clayton Fulton

Account Code #: N/A

Date Prepared: 9/22/11

Budgeted Amount: N/A

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Discussion regarding Senate Bill 1 related to taxes on goods in transit.

SUMMARY: During the 2011 special session, the legislature revised and narrowed the goods-in-transit exemption under 11.253 of the Property Tax Code. According to the Collin Central Appraisal District, they have never had a goods-in-transit exemption application filed from the original 2008 implementation of the exemption.

Section 11.253 provides an exemption for "goods in transit", described as goods acquired inside or outside the state, detained at a facility in which the owner of the goods has no direct or indirect ownership of the facility, detained for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property, and then shipped to another location in or out of this state within 175 days. The goods do not include oil, gas or petroleum products or special inventories such as motor vehicles or boats in a dealer's retail inventory. Taxing units may elect to tax the goods notwithstanding the above.

The goods-in-transit exemption is separate from the freeport exemption. Section 11.251 of the Tax Code provides for a freeport exemption applying to goods, wares, ores and merchandise other than oil, gas and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas) and to aircraft or repair parts used by a certificated air carrier. The freeport goods qualify if they leave Texas within 175 days from the date they are brought into or acquired in the state.

The statute states that the official action to tax the goods-in-transit must be taken between October 1, 2011 and January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. There has to be a public hearing before the vote, but it can be a separate item on the same agenda as a regularly scheduled or special meeting as long as people are given a chance to speak. There are no special publication requirements for this meeting.

In short, this law exempts goods, principally inventory, that are stored under a contract of bailment by a public warehouse operator at a public warehouse facility, that is in no way owned or controlled by the owner of the goods, provided such property is moved to another location in this state or out of state within 175 days after the goods were acquired in Texas or imported into Texas. The movement requirement could be satisfied by simply moving the goods to another warehouse across the street. Should the City take no action, the exemption will be granted for 2011; however, the City could take action in 2011 for the 2012 tax year.

Item No. 10
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011
Account Code #:
Budgeted Amount:

Staff Contact: Natha Wilkison

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Discussion regarding 2012 Election schedule. (Natha Wilkison)

SUMMARY: Staff will provide an update regarding information on the May 2012 Election as a Result of SB100 to City Council.

Item No. 11
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Clayton Fulton

Account Code #: N/A

Date Prepared: 9/22/11

Budgeted Amount: N/A

Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Discussion regarding sale of GTUA-CGMA Minimum Take or Pay to Participant City.

SUMMARY: As a member of the Collin Grayson Municipal Alliance (Cities of Anna, Melissa, Van Alstyne, and Howe), each city has a minimum take or pay (MT/P) agreement with the Greater Texoma Utility Authority and the North Texas Municipal Water District for 59,312,500 gallons of ground water annually at a cost of $1.42 per thousand gallons.

Should any member City exceed the MT/P, excess water use will be billed at $0.43 per thousand gallons; however, the MT/P will increase that member city in the ensuing water year causing an increase in water costs for that city.

For the water year ended July 31st, 2011 the City of Melissa exceeded their MT/P by 59,193,994 gallons. The other member cities did not exceed their MT/P amount. In order for the City of Melissa to avoid an increase in their MT/P for the 2012 water year, it has been recommended that the City of Melissa purchase the excess capacity from the other three member cities for the 2011 water year.

The remaining member cities may agree to sell 19,731,331 gallons each to Melissa at a rate of $0.93 per thousand gallons ($0.93 rate is determined by averaging the MT/P rate of $1.42 and the excess water rate of $0.43). Currently, Dan Paschal (the consultant for CGMA) is working with GTUA and NTMWD to verify volumes and billings to determine an accurate amount; however, it appears that Melissa would thus pay each of the other three member cities the amount of $18,350.

An agreement to sale excess water to Melissa for the 2011 water year will not have any effect upon the 2012 water year or upon Anna's MT/P volume or obligations.

A letter from Don Paschal explaining the sale of MT/P to Melissa is attached.

DONALD E. PASCHAL, JR.

904 Parkwood Court McKinney, TX 75070 Tel. & FAX 972.529.1325
email: don@paschalconsulting.com

To: CGMA City Managers

Subject: Sale of GTUA-CGMA Minimum Take or Pay to Participant City

Date: September 8, 2011

While it was not possible to effectuate a sale of GTUA-CGMA minimum take or pay (MT/P) to a North Texas Municipal Water District (NTMWD) member City as discussed in my email to each or you on August 31, we have been able to shift a portion of the City of Melissa use on their previously existing supply meter with NTMWD to the GTUA-CGMA meter. The purpose of this communication is to outline the proposed details of that transaction. I will try to keep the explanation and process as simple as possible. There are, however, many variables to the concept that have been carefully reviewed while working with the concept to sell MT/P to NTMWD members including working through the conceptual price / cost of that water with the respective Cities with which I visited.

Background:

- CGMA City MT/P: The base MT/P water purchase (minimum contract provision that the GTUA-CGMA system has with NTMWD for water) is a total of 237,250,000 gallons of water annually (MT/P amount) which represents 237,250 one thousand gallon increments (K gals). Each CGMA City is responsible for 59,312.5 K gals plus pumping and related cost). Once all four CGMA Cities reach the MT/P, excess water is charged to that respective City at the cost then in effect for volumes (plus proportionate pumping and related costs) over the 59,312,500 gallons.
- For the recently ended water year, only Melissa has taken water. The other three Cities have held off taking the water up to now relying instead on their ground water supplies (transmission system fully complete and functional so Cities may begin taking as desired).
- Melissa actually takes / receives water from two points of delivery: one being the original Melissa connection with McKinney to receive water from NTMWD which dates back over 20 years and the second being the GTUA – CGMA transmission system. Each of these connections is separately metered; the original meter has a MT/P like the GTUA system. For the recently ended water year, the Melissa original meter MT/P was 187,379,000 gallons. Melissa actual use from the GTUA – CGMA meter was 72,990,000 gallons which was 13,677,500 gallons over their MT/P. Melissa use from their original meter was 232,895,000 gallons which was 45,516,000 over their MT/P on that meter.
- Melissa had the right to purchase the excess water from their original meter at $0.43 / K gals; the standard rate for the recently ended water year was $1.42 / K gals (same water rate as GTUA – CGMA contract rate, which was the NTMWD customer rate).

Opportunity:

- During the early to mid portion of the current fiscal year, the NTMWD (North Texas Municipal Water District) and the City of Melissa agreed to an interruption of water service on the original 12" water main providing water to Melissa by the NTMWD to accommodate a NTMWD

wastewater outfall main project crossing the original water line. To provide service during that time, additional water was provided to Melissa through the GTUA-CGMA. Normally, Melissa would have closely monitored the original line with the objective of managing the flow to as to not exceed the annual minimum take or pay for that meter and secured additional requirements through the GTUA-CGMA transmission system. As the MT/P water year end approached (July 31), it was apparent that the service interruption (about 4 months) had impacted Melissa minimum take or pay (MT/P) with the original line having been used excessively after being reconnected to the extent that 45,516,000 gallons of excess water flowed through the original line. NTMWD has agreed to adjust the meter volumes by transferring this excess water to the GTUA-CGMA meter, thus using a larger portion of the other three CGMA City's MT/P. Thus, the actual metered flow of 72,990,000 gallons will be adjusted by the 45,516,000 excess flow on the original meter resulting in an adjusted total GTUA-CGMA use of 118,506,000 gallons.

- While Melissa could save significant water purchase costs by paying the excess water rate applicable to the original meter, transferring the excess flow to the GTUA-CGMA meter keeps the Melissa original MT/P lower for future years while helping to use a portion of the other CGMA cities MT/P.
- The cost that was generally agreed to by the NTMWD member cities in the potential sale of MT/P to then was a compromise between their normal member City rate and the excess water rate which is an average that that provides each entity with approximately the same savings (return) or extra cost:

NTMWD Member	**MT/P water**	**Excess Water**	**Average**	
rate / 1000 gal	$1.37	$0.38	$0.88	/ K gal
Melissa / Customer	$1.42	$0.43	$0.93	/ K gal

- Applying this same principal to the GTUA – CGMA situation results in the CGMA City not using its MT/P selling a portion of the unused MT/P for $0.90 cents / K gal that cost $1.42 and Melissa purchasing the same unused MT/P for $0.90 instead of $0.43 if it had taken the MT/P option on the original meter. This methodology can be used until all cities begin using the contract MT/P. Additionally, it actually encourages a City with another option to use a portion of the CGMA Cities MT/P by allowing that City to preserve other sources of water or to keep the other MT/P lower, at least up to the time that all the CGMA Cities are using their MT/P.
- NTMWD and the City of McKinney have agreed that the Melissa Excess water being transferred to the GTUA-CGMA meter will not be charged the McKinney pass through since the wastewater transmission main that caused the interruption of the original Melissa line flow was for the benefit of the City of McKinney. Thus, it will not be necessary for Melissa to pay or the other CGMA Cities to credit Melissa for the McKinney pass through fee on the 45 million gallons transferred. Melissa (or any other CGMA user) will pay the pass through on any / the proportionate flow through the GTUA – CGMA meter.

Implementation Results:

- Melissa will be responsible for paying the McKinney pass though fee for its MT/P and the additional 13 million gallons that actually flowed through the GTUA – CGMA meter for a total metered flow of 72,990,000 gallons.
- Melissa will agree to purchase from each of the other three CGMA Cities (Anna, Van Alstyne, and Howe). Thus, adjusted GTUA-CGMA volume of 118,506,000 less the Melissa MT/P of 59,312,500 gallons results in 59,193,994 gallons that Melissa purchases from the other three

cities at the discounted rate.

- Anna, Van Alstyne, and Howe will agree to sell the above noted total of 59,193,994 gallons of water to Melissa at the agreed rate; each of these three cities share of the sale of 19,731,331 gallons. At the noted rate of $0.93 / K gals, Melissa will thus pay to each of the three cities the amount of $18,350 (rounded to nearest dollar).

Process / Steps:

1. GTUA will be asked to verify the volumes from NTMWD billings; the above is believed to be very close to final, but could be slightly adjusted by final billings.
2. Each of the three selling Cities will adopt a Resolution authorizing an inter-local agreement to sell the above noted MT/P to Melissa at the agreed rate.
3. Melissa will adopt a Resolution authorizing an inter-local agreement to purchase the above noted MT/P from the three respective Cities at the agreed rate.
4. An inter-local agreement will be attached to each of the Resolutions noted in items 2 & 3 detailing the provisions of the sale / purchase between the selling CGMA Cities (Anna, Van Alstyne, and Howe) and the purchasing City (Melissa).
5. Following approval of Resolutions and execution of the inter-local agreements, Melissa will be able to pay the respective city for the agreed purchase. This can be completed by the end of the fiscal year or at the beginning of the new fiscal year.
6. Consultant will be pleased to draft the respective Resolutions or work with one of the City Managers to draft the Resolution and craft an inter-local agreement (cities may wish for one of the City Attorneys to review and "clean-up" or draft the agreement, in which case Consultant will simply meet with the drafting City Attorney to explain and assist).
7. It is suggested that this document be attached as a reference document to the inter-local agreement to help clarify the concept and to serve as a future reference.

Item No. 12
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011 Staff Contact: Philip Sanders
Account Code #:
Budgeted Amount: Exhibits: ☐ Yes ☐ No

AGENDA SUBJECT: Discussion regarding the proposed NTGCD Budget and water production fee.

SUMMARY: The North Texas Groundwater Conservation District has prepared a proposed budget for 2012 which will be considered for adoption during their October 18 regular meeting. In order to fund their operating budget and current debt obligation, I anticipate that the Board will recommend the adoption of a $0.10 per 1,000 gallons of water production fee that all municipal and commercial well owners will have to pay starting on January 1, 2012. Because we do not sell all the water we produce (we average about a 15% water loss due to water breaks, maintenance etc.) Staff will likely recommend that the Council adopted a $0.12 per 1,000 gallon fee to cover the cost of the NTGCD production fee that goes into effect on January 1, 2012.

Staff will provide information to the City Council regarding the NTGCD's proposed budget including an explanation of our belief that the proposed operating budget should be reduced by $200,000 in the contract services account. We will also provide information about the District's current debt obligations, and an explanation of the proposed water production fee.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

BUDGET 2012

	Jan - Jun 11 Actual	Budget to date	Proposed Amended Budget 2011	Proposed Budget 2012
Ordinary Income/Expense				
Income				
46003 GMA8			3,762.50	29,618.75
46005 PRODUCTION FEES				235,000.00
46002 - COUNTY LOAN	450,000.00	450,000.00	450,000.00	-
Total Income	450,000.00	450,000.00	453,762.50	264,618.75
Expense				
77010 ADMINISTRATIVE	15,505.00	49,999.98	100,000.00	100,000.00
77020 ADS-LEGAL			2,500.00	500.00
77025 ACCOUNTING	550.00	2,150.00	4,300.00	7,550.00
77027 AUDITING			3,250.00	3,500.00
77030 BONDING INSURANCE		750.00	1,500.00	1,500.00
77100 CONSULTING SVC	45,361.62	27,499.98	55,000.00	-
77150 CONTRACT FIELD PERSON			18,112.67	57,400.00
77325 DIRECT COSTS-REIMB	1,096.72	252.00	2,500.00	2,500.00
77450 DUES & SUBSCRIPTION	0.00	499.98	1,000.00	1,000.00
77480 EQUIPMENT			18,844.00	-
77500 FEES-GMA8			4,300.00	33,850.00
77650 FUEL/MAINTENANCE			2,035.00	6,930.00
77810 GL INSURANCE	0.00	0.00	2,291.00	2,300.00
77840 CONTRACT SVC			0.00	200,000.00
77855 INTERNET FEES-CDM	46,304.60	25,000.02	136,200.00	26,000.00
77970 LEGAL	44,601.94	22,500.00	57,000.00	30,000.00
78010 MEETINGS & CONFERENCES	596.15	3,000.00	1,500.00	1,500.00
78610 TELEPHONE	1,211.40	247.50	1,820.00	1,660.00
Total Expense	155,227.43	131,899.46	412,152.67	476,190.00
Net Ordinary Income	294,772.57	318,100.54	37,847.33	(211,571.25)
Other Income/Expense				
Other Income				
46100 Interest Inc	43.73			75.00
TRF FROM PRIOR YR LOAN				211,496.25
Total Other Income	43.73			211,571.25
Net Other Income	43.73	0.00		
Net Income	294,816.30	318,100.54	41,609.83	-

NORTH TEXAS GROUNDWATER CONSERVATION BUDGET

SUMMARY AND SUPPORT INFORMATION

Fiscal Year 2012

Administrative	General Manager duties, recording and communication services, database collection and well registration services, developing policies, District rules, Bylaws and management plan.
AdS- Legal	Legal Ads
Accounting	Keeping financial records, issuing invoices, paying invoices, preparing for audit, preparing budget
Audit	Fees paid to independent auditor for annual audit services. These are based upon the audit engagement letter submitted by Rutherford Taylor & Co.
Bonding Insurance	The expenses in this line item include Directors' bonds.
Contract Field Person	Person to locate, verify well information, testing meters
Direct costs- Reimb	Office supplies, postage, copies
Dues	Membership for the Texas Water Conservation Association, Texas Assoc of Groundwater Districts
GMA8	See Attached Budget
Fuel/Maintenance	Fuel, general maintenance for Field Tech Vehicle
General Liab Insurance	Insurance for GL, Errors and Omissions, Automobile
Internet Fees	Development and maintain web site
Legal	Legal costs
Meetings & Conferences	Expenses included in this line item are proposed to meet the monthly costs of meetings of the Board of Directors, as well as any other meetings or conferences required throughout the course of the fiscal year.
Telephone	This line item includes projected costs for telephone services, cell phone and internet usage on phone.

Item No. 13
City Secretary's use only

City of Anna
City Council Agenda
Staff Report

Council Meeting: September 27, 2011

Staff Contact: Maurice. Schwanke

Account Code #: N/A

Date Prepared: 09/21/11

Budgeted Amount: N/A

AGENDA SUBJECT: Discussion regarding new subdivision ordinance.

SUMMARY: Over the past several months Staff has been drafting a new subdivision ordinance in order to correct deficiencies in the current ordinance and to better apply modern planning principles to new development as it occurs within the City and the ETJ. Staff will update the City Council on our current efforts. We plan to take the current draft to the Planning and Zoning Commission next month for their review and recommendation.