

ANNA CITY COUNCIL

MINUTES
REGULAR SESSION

May 10, 2016

The City Council of the City of Anna met in Regular Session on the above date at Anna City Hall, located at 111 North Powell Parkway (Hwy 5), to consider the following items.

1. Call to Order, Roll Call and Establishment of Quorum.

Mayor Crist called the meeting to order at 7:30 p.m.

Council Members Justin Burr, John Beazley, Chad Barnes, Nathan Bryan and Dick Dowd were present. Lauren Lovato was absent.

2. Invocation and Pledge of Allegiance.

Mayor Crist led the 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.*

No comments.

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.*

Mayor Crist read and presented the proclamations.

- a. Proclamations
 - i. National Public Works Week
 - ii. National Police Week

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 the City Council minutes for April 26, 2016. (Carrie Smith)**
- b. **Approve the City Council minutes for May 3, 2016. (Carrie Smith)**
- c. **Review EDC minutes for February 4, 2016 and March 3, 2016. (Jessica Perkins)**
- d. **Review CDC minutes for February 4, 2016 and March 3, 2016. (Jessica Perkins)**
- e. **Review Quarterly Investment Report. (Clayton Fulton)**
- f. **Approve a resolution authorizing an RFP for Audit Services. (Clayton Fulton)**

RESOLUTION NO. 2016-05-169 A RESOLUTION AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR INDEPENDENT FINANCIAL AUDIT SERVICES.

- g. **Approve a Resolution approving a Final Plat of Anna Crossing Phase 1B. (Maurice Schwanke)**

RESOLUTION NO. 2016-05-170 A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A FINAL PLAT OF ANNA CROSSING PHASE 1B.

- h. **Approve a Resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2016 Rate Review Mechanism filings. (City Manager)**

RESOLUTION NO. 2016-05-171 AN RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS

CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2016 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

MOTION: Council Member Barnes moved to approve Consent Agenda. Dowd seconded. Motion carried 6-0.

6. Conduct a Public Hearing (1st) on the annexation of a 32.295 acre tract of land located in the Henry Smith Survey, Abstract 0823. (Maurice Schwanke)

Rob Adams, 1622 Taylor Blvd, Anna, TX 75409 – Mr. Adams is one of the property owners affected by the annexation. He has a number of questions and would like an opportunity to meet with staff.

Steven and Vernon Constien, Ferguson Pkwy, Anna, TX 75409 – Property owners affected by the annexation spoke with Council about extending the development agreement longer than three years.

Mayor Crist opened the public hearing at 7:53 p.m.
No comments.
Mayor Crist closed the public hearing at 7:53 p.m.

7. Consider/Discuss/Action regarding an Ordinance approving the annexation of a 75.97 acre tract of land in the Joseph Slater Schluter Survey, Abstract 856 located south of FM 455 and east of Natural Springs Park. (Maurice Schwanke)

ORDINANCE NO. 719-2016 AN ORDINANCE ANNEXING INTO THE CITY OF ANNA, TEXAS THE HEREINAFTER DESCRIBED TERRITORY ADJACENT TO AND ADJOINING THE CITY OF ANNA, TEXAS, TO WIT: BEING A CERTAIN AREA OF LAND SITUATED IN THE JOSEPH SCHLUTER LAND SURVEY, ABSTRACT NUMBER 856, COUNTY OF COLLIN, STATE OF TEXAS; AMENDING THE OFFICIAL CITY MAP; PROVIDING FOR A SERVICE PLAN;

REQUIRING THE FILING OF THIS ORDINANCE WITH THE COLLIN COUNTY CLERK; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR AN EFFECTIVE DATE.

The road is a gated private road and must be maintained by the property owners as stated in the service plan.

MOTION: Council Member Burr moved to approve. Council Member Dowd seconded. Motion carried 6-0.

8. Consider/Discuss/Action regarding a Resolution approving the Fifth Agreement Amending the Subdivision Improvement Agreement for Anna Town Square. (City Manager)

The City of Anna CCN overlaps the North Collin CCN in a defined area located primarily east of Powell Parkway (SH 5). Per the terms of the Settlement Agreement the City owes North Collin SUD \$200 per acre when property in the overlapping CCN area is developed and included in a final plat.

A portion of the Anna Town Square development is located with an area where the City of Anna CCN overlaps the North Collin CCN. As part of the consideration for Skorborg Company's request for early release of building permits in Anna Crossing, Phase 3A, the City is requesting that Skorborg Company (represented as Anna Crossing AMC, Ltd.) agree to pay the "buyout" fees owed to North Collin SUD under the CCN Settlement Agreement. The fees owed to North Collin SUD to date for the portions of Anna Crossing Phases 1A and 3A located in the overlapping CCN area are approximately \$5,430.

RESOLUTION NO. 2015-05-172 A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING THE FIFTH AGREEMENT AMENDING THE SUBDIVISION IMPROVEMENT AGREEMENT FOR ANNA TOWN SQUARE

MOTION: Council Member Barnes moved to approve. Council Member Dowd seconded. Motion carried 6-0.

9. Consider/Discuss/Action regarding a Resolution approving the First Agreement Amending Subdivision Improvement Agreement for Anna Crossing, Phase 3A. (City Manager)

Prior to approval of this Amended Agreement, Staff has requested that the Skorborg Co.; 1) address some minor outstanding issues related to the Anna Town Square project; and 2) dedicate certain easements necessary for the Foster Crossing Water line project. If all outstanding

issues are resolved, and the City receives the executed easements as requested prior to the City Council meeting, Staff will recommend approval of the attached Agreement. The Resolution includes a provision requiring the Skorborg Company execute an agreement concerning the payment of certain CCN fees owed by the City to the North Collin SUD (see prior agenda item).

RESOLUTION NO. 2016-05-173 A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING THE FIRST AGREEMENT AMENDING SUBDIVISION IMPROVEMENT AGREEMENT FOR ANNA CROSSING, PHASE 3A

MOTION: Council Member Dowd moved to approve. Council Member Beazley seconded. Motion carried 6-0.

10. Future Agenda Consideration: Ordinance amending building permit requirements in the extraterritorial jurisdiction. (Mayor Crist)

Council directed staff to perform addition research on the issue and bring back to a future meeting in June.

11. Briefing/Discussion regarding 2016 ICSC Annual Conference. (Jessica Perkins)

ICSC is the International Council of Shopping Centers and is the premiere resource for retail real estate professionals.

RECon, held annually the 3rd week of May, is the global convention for the shopping center industry and provides networking, deal making and educational opportunities for retail real estate professionals. With over 36,000 attendees and 1,000 exhibitors, you can do a year's worth of business in just three days.

RECon is the opportunity to meet retailers, view the latest industry products and services, attend educational sessions or find the next retail deal.

For the last several years, the EDC has sent representation to the RECon convention and has successfully built relationships with retailers we would like to see locate in Anna. Both CVS and McDonalds are ICSC successes.

Currently, over 1,000 public officials or staff are registered to attend the 2016 RECon convention. Anna EDC staff has reached out to 25 retailers that will be in attendance at the convention to discuss Anna as a location to open a store.

12. 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**); ETJ Boundary, Building Permit Requirements.
- b. discuss or deliberate the purchase, exchange, lease, or value of real property (**Tex. Gov't Code §551.072**); acquisition of right-of-way, easements, and land for municipal facilities.
- c. discuss or deliberate personnel matters (**Tex. Gov't Code §551.074**); City Attorney annual review.

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

None.

13. Consider/Discuss/Action on any items listed on the posted agenda or any closed session occurring during this meeting, as necessary.

No action.

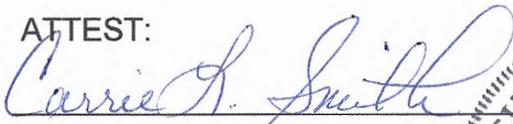
14. Adjourn.

MOTION: Council Member Beazley moved to adjourn. Mayor Crist seconded. Motion carried 6-0.

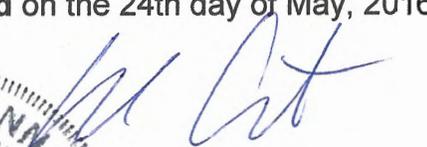
Mayor Crist adjourned the meeting at 8:19 p.m.

Approved on the 24th day of May, 2016.

ATTEST:



City Secretary Carrie L. Smith



Mayor Mike Crist

ANNA CITY COUNCIL

MINUTES
WORK SESSION

May 10, 2016

The City Council of the City of Anna met in Work Session on the above date at Anna City Hall, located at 111 N. Powell Parkway (Hwy 5), regarding the following items:

1. Call to Order, Roll Call and Establishment of Quorum.

Mayor Crist called the meeting to order at 6:30 pm.

Council Members Justin Burr, John Beazley, Chad Barnes, Nathan Bryan, and Dick Dowd were present. Lauren Lovato was absent.

2. Discussion regarding FY 17 budget – Revenue Projections (Clayton Fulton)

Finance Director presented preliminary information on property taxes, sales tax, franchise fees, and development revenue. Historically, these revenue sources have comprised 90% all General Fund Revenue.

Additionally, possible funding scenarios for roadways were discussed.

3. Briefing regarding wastewater treatment plant operations (Joseph Johnson)

Public Works Director provided an overview of the TCEQ permit process for the wastewater treatment plant.

4. 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**); ETJ Boundary, Building Permit Requirements.
- b. discuss or deliberate the purchase, exchange, lease, or value of real property (**Tex. Gov't Code §551.072**); acquisition of right-of-way, easements, and land for municipal facilities.

- c. discuss or deliberate personnel matters (Tex. Gov't Code §551.074); City Attorney annual review.

MOTION: Council Member Barnes moved to enter closed session. Council Member Dowd seconded. Motion carried 6-0.

Mayor Crist recessed to closed session at 6:59 p.m.

Mayor Crist reconvened the open meeting at 7:07 p.m.

- 5. Consider/Discuss/Action on any items listed on the posted agenda or any closed session occurring during this meeting, as necessary.

MOTION: Council Member Burr moved to take no action. Council Member Barnes seconded. Motion carried 6-0.

- 6. Adjourn.

MOTION: Council Member Dowd moved to adjourn. Council Member Barnes seconded. Motion carried 6-0.

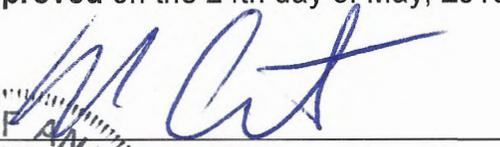
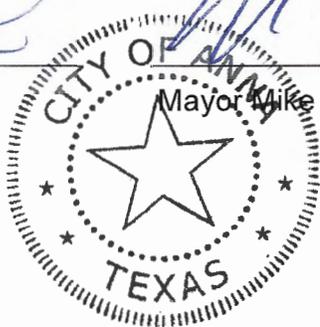
Mayor Crist adjourned the meeting at 7:08 p.m.

Approved on the 24th day of May, 2016.

ATTEST:



City Secretary Carrie L. Smith

Mayor Mike Crist



FY 17 Budget Workshop



Preliminary Revenue Projections

General Fund

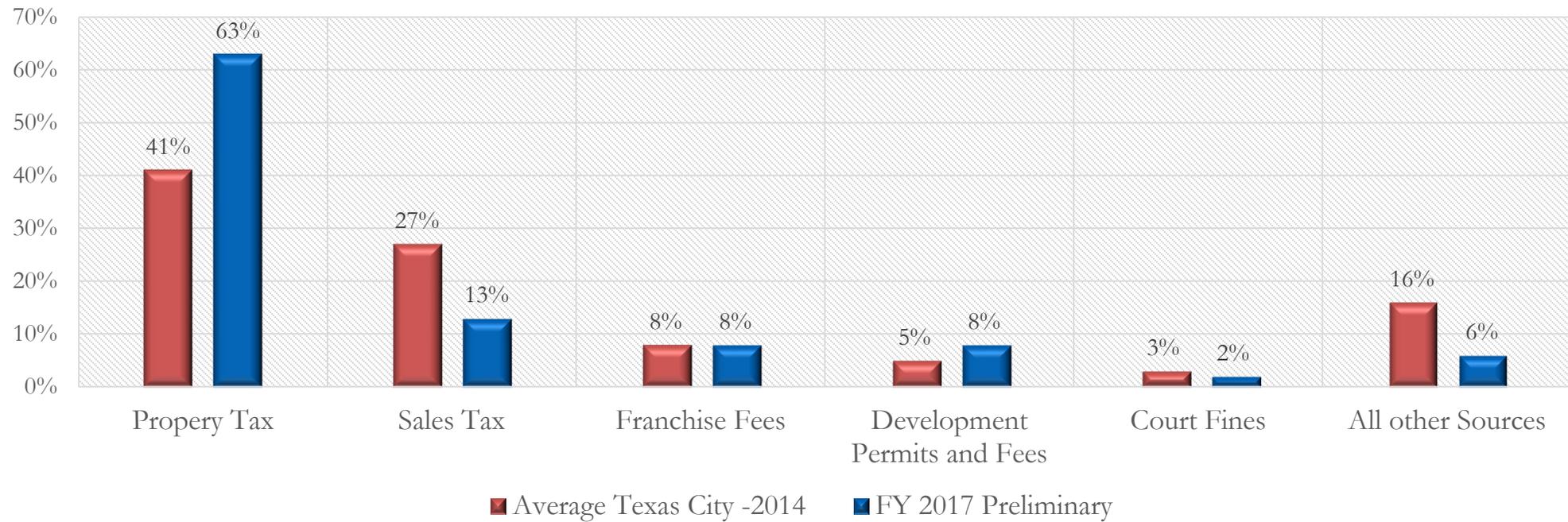
- Property Tax
- Sales Tax
- Development
- Franchise Fees
- Court

Realities, Constraints, Assumptions

- Collin CAD Estimates
 - Timing of valuations
- Truth in Taxation
 - Effective and Roll Back Rates
- Changes in economy
 - Future Development
 - Sales Tax
- 18 month prediction

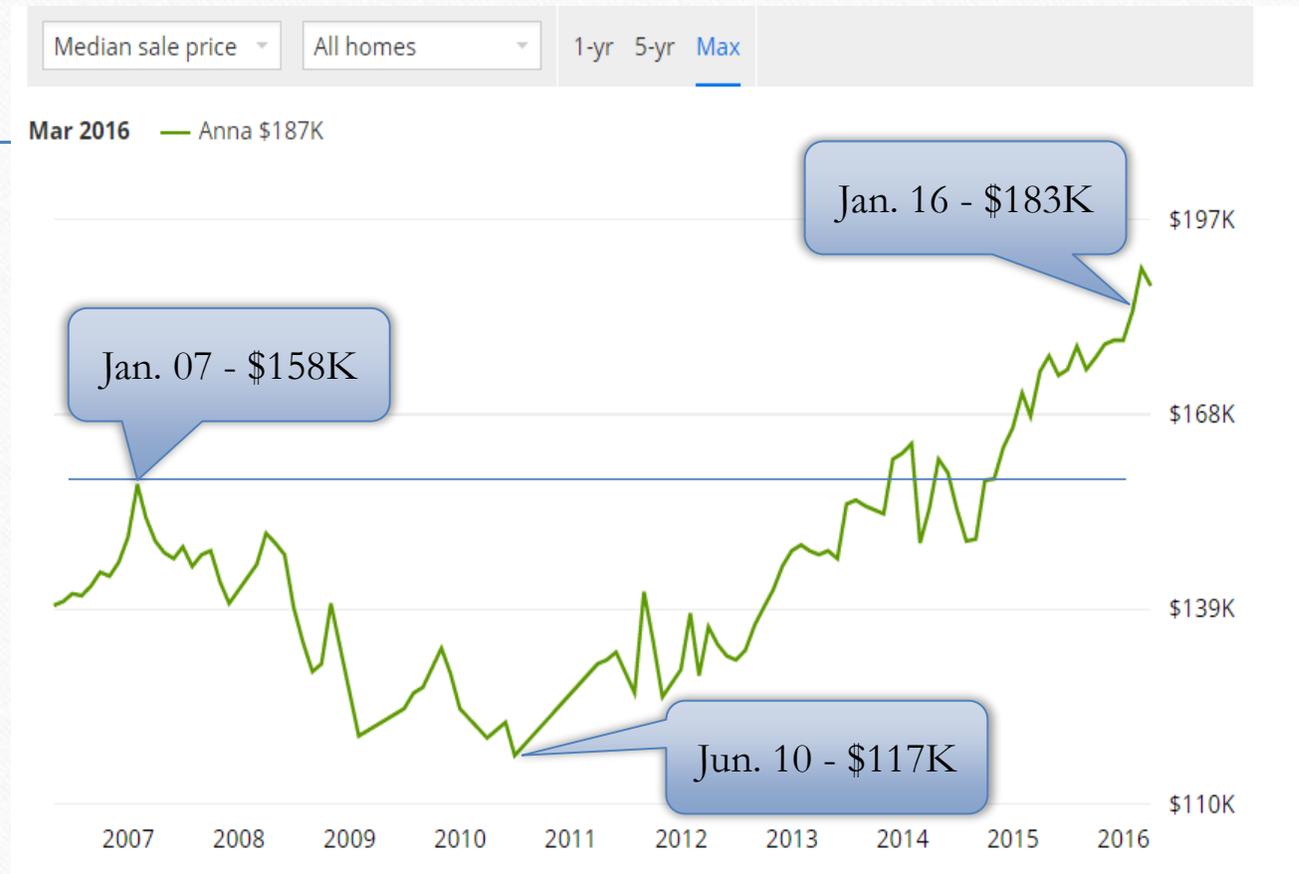


Average vs. Anna



Anna Home Values

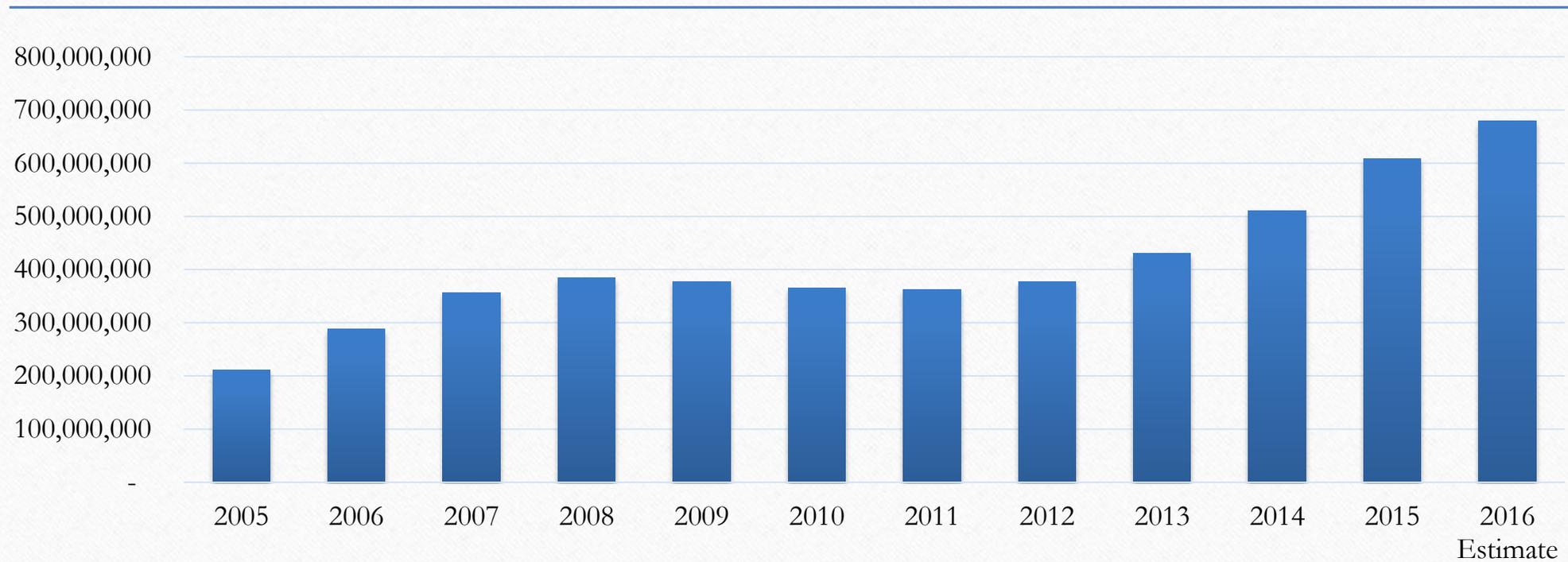
- Market is “warm” in Anna
 - Lot inventory has declined
 - Average days on market is low (38)
 - Closed sales has increased 24% from last year
- Increasing values
 - Fewer days on market, less supply, increased sales
- CCAD average market value \$158,000



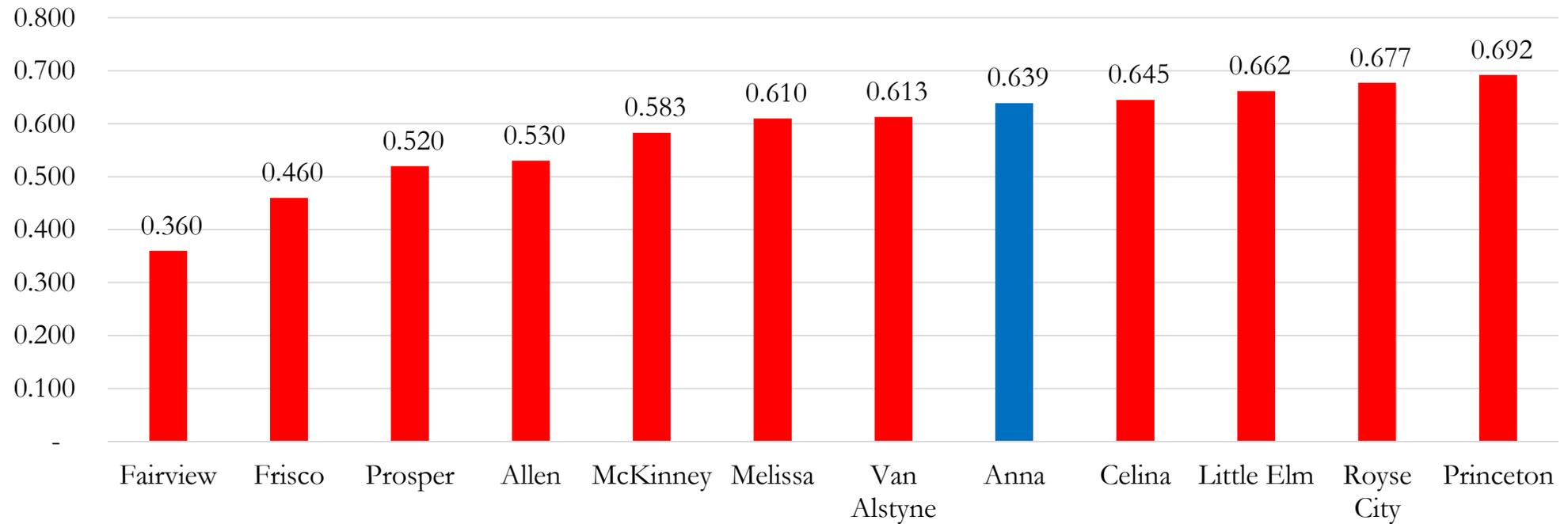
Property Valuations

- Timing of valuation – as of Jan. 1, 2016
 - Based upon real estate activity in latter part of 2015
- 2016 Preliminary Estimate of Taxable Assessed Value (TAV)
 - 2015 Certified TAV \$608,694,594
 - 2016 Estimate TAV \$680,000,000
 - Existing properties up 6.28%
 - New Value of \$30,678,000
- Preliminary increase of 11.51%
- One cent in the tax rate results in \$68,000

TAV Change Over Time

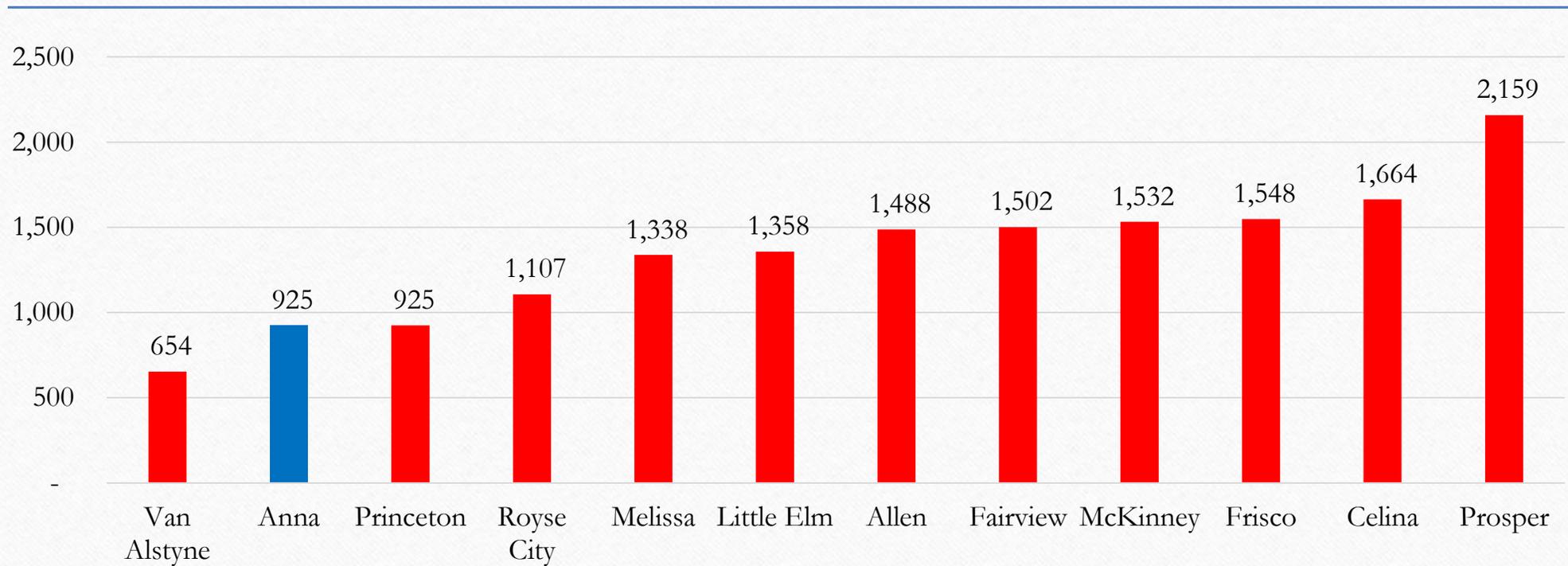


2015 Tax Rate

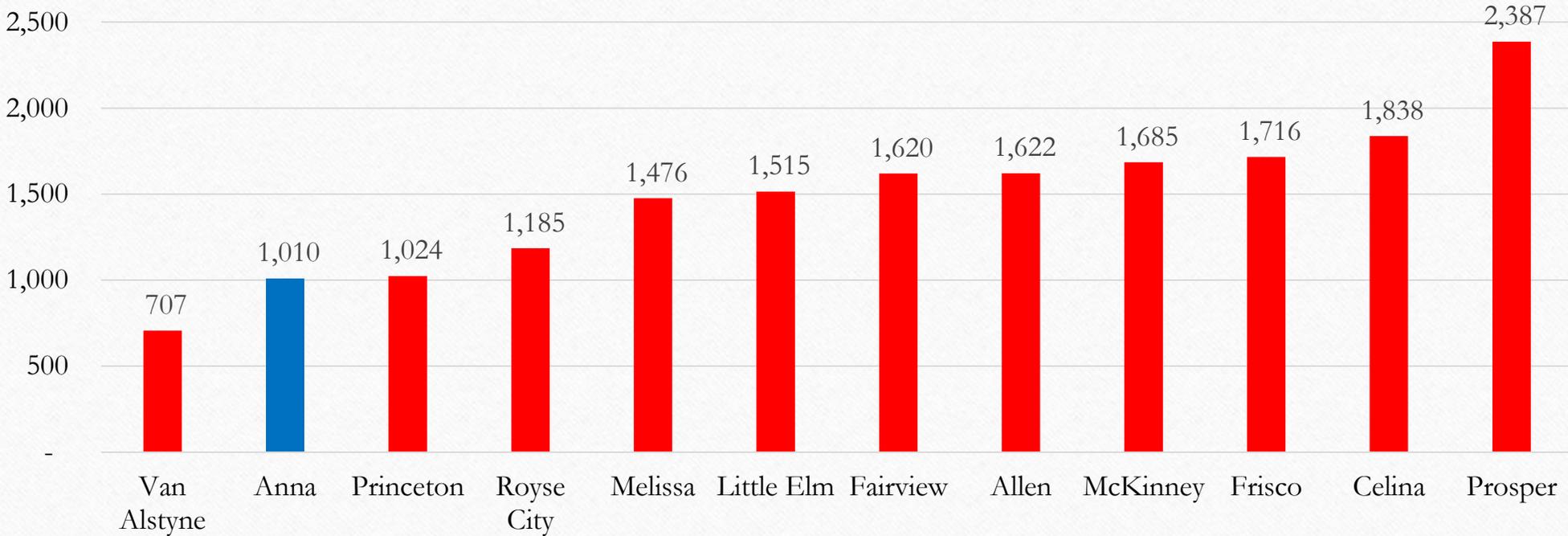


Anna
CITY OF ANNA, TEXAS

2015 Average Household Tax Levy



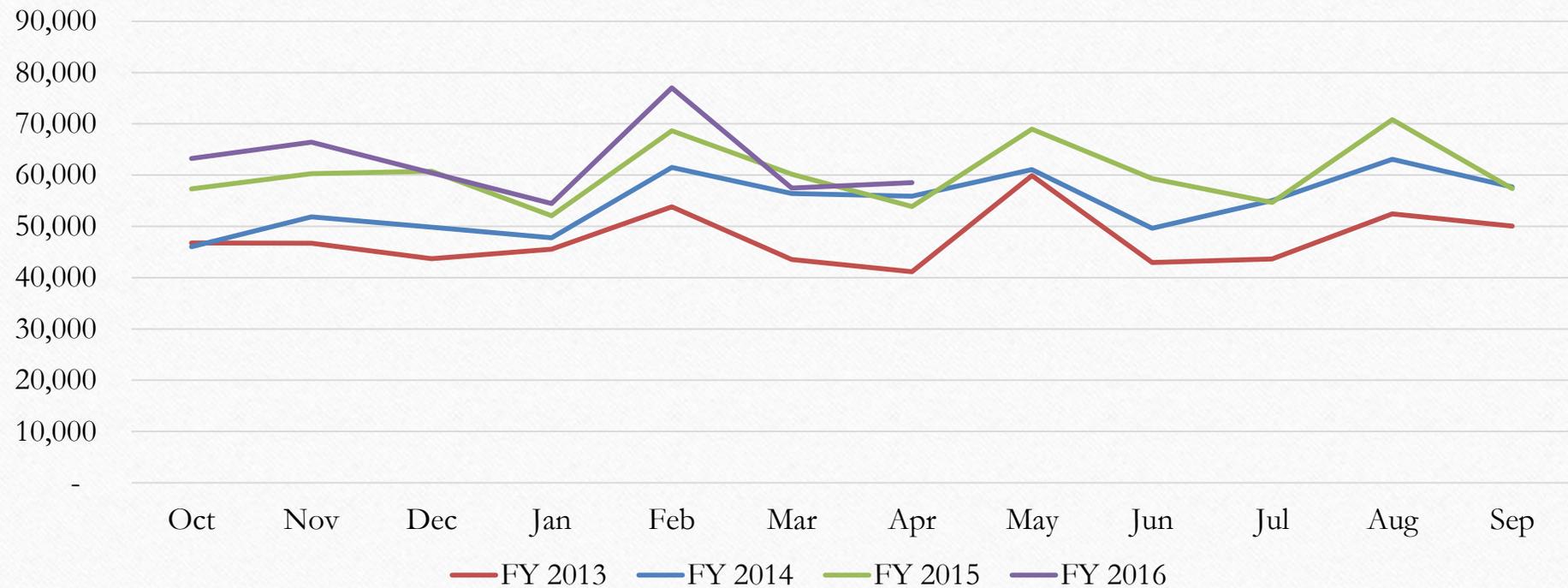
2016 Projected Average Household Tax Levy



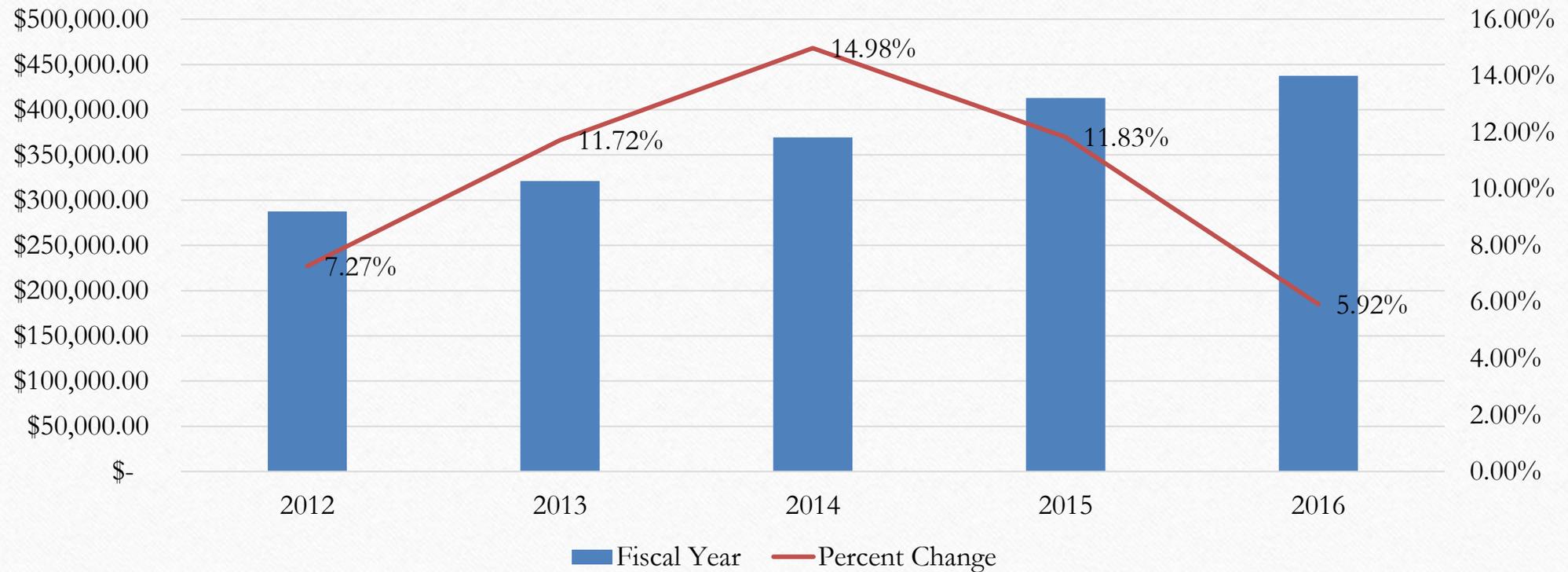
Sales Tax

- FY 16 has seen strong increases
 - Population growth
 - Construction activity
- Continued growth year over year
 - FY 16 is up 5.92% over FY 15
 - Average annual increase of 10% since 2010
- FY 17 outlook is conservative
 - Estimating flat revenue for remainder of FY 16 and flat through FY 17

General Fund Sales Tax Revenue Over Time

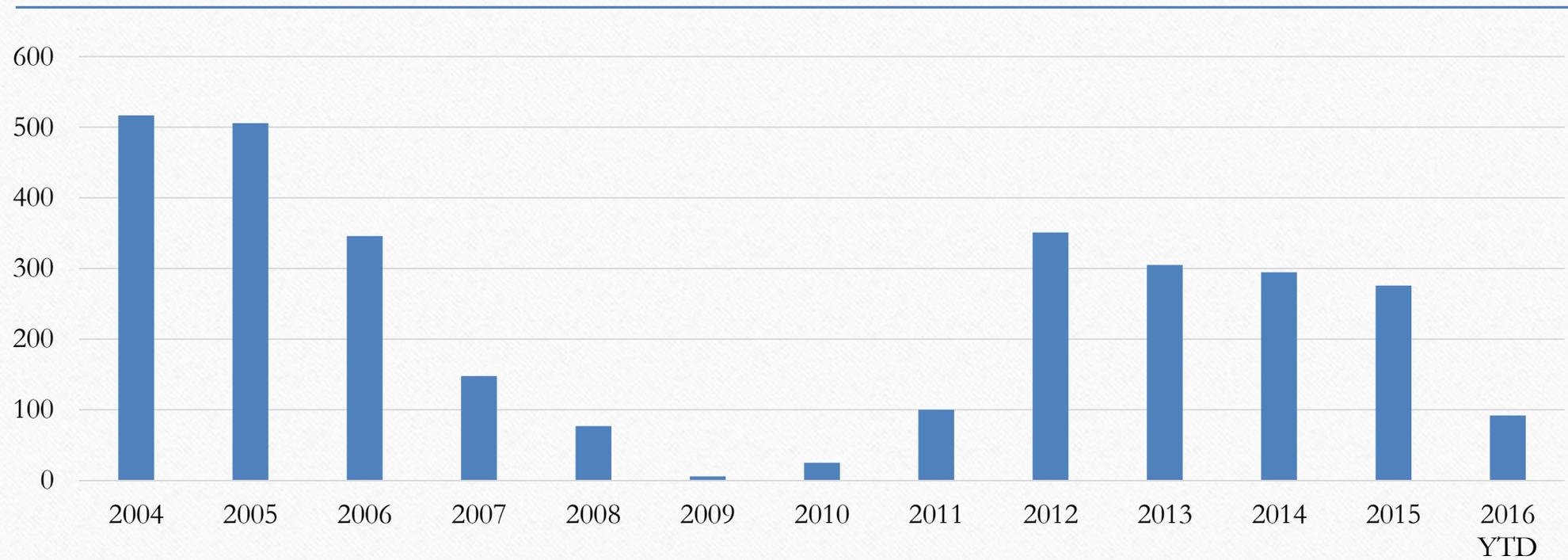


Annual Sales Tax Revenue Through April



Anna
CITY OF ANNA, TEXAS

SF Permits by Year



Development

- Ongoing interest and development of new additions
 - Lakeview Estates
 - Anna Town Square
 - West Crossing
 - Camden Park
 - Avery Point
 - Northpoint
- Assuming FY 17 activity of 200 homes



Franchise Fees

- When utilities and other industries use city property to distribute their services, cities are permitted by law to collect rental fees, also known as “franchise” fees, for the use of public property. Franchise fees are calculated by various methods, depending on industry type.
- Typically based upon sales
- Difficult to predict
- Assuming flat revenue for FY 17

FY 17 Starting Point

	FY 15 ACTUAL	FY 16 BUDGET	FY 16 ESTIMATE	FY 17 PROPOSED	% CHANGE
Property Tax	\$2,790,773	\$3,241,913	\$3,279,029	\$3,619,919	11.66%
Sales Tax	\$736,481	\$700,000	\$750,000	\$750,000	7.14%
Development	\$466,265	\$422,600	\$499,600	\$440,100	4.14%
Franchise Fees	\$450,799	\$420,000	\$450,000	\$450,000	7.14%
Court Fees	\$103,600	\$100,000	\$95,000	\$100,000	0.00%
Other	\$406,646	\$434,146	\$434,295	\$431,622	-0.58%
Total	\$4,954,564	\$5,318,659	\$5,507,924	\$5,791,641	8.89%



Recent Sales Tax Legislation

- HB 157 allows cities to reallocate a portion of their sales tax in 1/8 increments
- Must be approved by election
- Would allow a reallocation of the General, EDC, and CDC sales taxes.
- Staff evaluating various scenarios and the impact upon the corporations and General Fund
- Potential funding for street project

Revenue for Street Projects

- Sales tax reallocation of $\frac{1}{4}$ cent
 - Possible \$187,500 under conservative scenario
- Max Roadway Impact Fees
 - Budgeting \$161,000 under current fee structure (only includes residential)
 - Could be \$295,327 under maximum impact fee
 - Would increase service area 1 from \$1,000 to \$2,106.00
 - Would increase service area 2 from \$1,000 to \$1,849.50
 - Considerations for CIP eligible roadways constructed by developer