



AGENDA

City Council Special Meeting

Tuesday, November 22, 2016 @ 6:30 PM

Anna City Hall, Council Chambers
111 N. Powell Parkway, Anna, Texas 75409

The City Council of the City of Anna will meet in Special Session at 6:30 PM, on November 22, 2016, at the 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
2. Invocation and Pledge of Allegiance
3. Consider/Discuss/Action regarding a Resolution approving a Special Event Permit and an Agreement between the City of Anna and the Greater Anna Chamber of Commerce for the 2016 Christmas Parade. (Maurice Schwanke)
4. Consider/Discuss/Action on an Ordinance canvassing November 8, 2016 election returns. (City Secretary)
5. Consider/Discuss/Action on a Resolution of the Anna Community Development Corporation authorizing the issuance and sale of Sales Tax Revenue Bonds by the Corporation; Affirming a Sales Tax Remittance Agreement; and enacting other provisions relating to the subject. (Jessica Perkins)
6. Consider/Discuss/Action on an Ordinance authorizing the issuance and sale of City of Anna, Texas General Obligation Refunding Bond, Series 2016, levying an annual ad valorem tax for the payment of said Bond, and enacting other provisions relating to the subject. (City Manager)
7. Consider/Discuss/Action regarding a Resolution authorizing the City Manager to execute an Agreement with HD Supply Waterworks, Ltd. for the purchase and installation of Advanced Metering Infrastructure. (Joseph Johnson)
8. Consider/Discuss/Action regarding a Resolution approving a Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the Advanced Metering Infrastructure Project. (City Manager)
9. Adjourn.

This is to certify that I, Carrie L. Smith, 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. on November 18, 2016.

Carrie L. Smith, 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. 3.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action regarding a Resolution approving a Special Event Permit and an Agreement between the City of Anna and the Greater Anna Chamber of Commerce for the 2016 Christmas Parade. (Maurice Schwanke)

SUMMARY:

The Greater Anna Chamber of Commerce will host the annual Christmas Parade event on Saturday, December 10th, 2016. Preparation will start at approximately 9:00 a.m. with the actual parade starting at 12:00 noon. A request to close SH 5 (Powell Parkway) and Fourth Street has been approved by TxDOT. The parade will start at the Anna ISD Middle school and proceed south along Powell Parkway to 4th Street, east on 4th Street to Sherley Street, then south on Sherley Street to the Anna ISD Administration Building. The attached map identifies the proposed route.

The Parks Advisory Board recommended approval of the Special Event Permit at a special meeting held on Monday, October 24th, 2016.

STAFF RECOMMENDATION:

Staff recommends approval of the attached Resolution and Special Event Permit.

ATTACHMENTS:

Description	Upload Date	Type
Christmas Parade Resolution	11/16/2016	Resolution
Exhibit 1 Special Event Agreement	11/16/2016	Exhibit
Christmas Route	11/14/2016	Backup Material
GACC Application	11/14/2016	Backup Material



Item No. 4.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action on an Ordinance canvassing November 8, 2016 election returns. (City Secretary)

SUMMARY:

The attached Ordinance formally approves the results of the November 8, 2016 election on the City of Anna Proposition reallocating a portion of the local option sales tax. The Proposition was approved by a vote of 2,217 in favor, and 1,160 in opposition.

STAFF RECOMMENDATION:

Staff recommends approval of the attached Ordinance.

ATTACHMENTS:

Description	Upload Date	Type
Election Canvass Ordinance	11/17/2016	Staff Report



Item No. 5.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action on a Resolution of the Anna Community Development Corporation authorizing the issuance and sale of Sales Tax Revenue Bonds by the Corporation; Affirming a Sales Tax Remittance Agreement; and enacting other provisions relating to the subject. (Jessica Perkins)

SUMMARY:

The Anna Community Development Corporation (CDC) has negotiated the purchase of an 85-acre tract of land generally located at the northeast corner of SH 5 and the Collin County Outer Loop. The Corporation intends to develop and market the land as a Business Park to increase employment in Anna and diversify the tax base. After reviewing financing options, the CDC and Anna Economic Development Corporation (EDC) decided to jointly purchase the property. Both corporations will use cash toward a down payment and the CDC will finance the remainder of the purchase price with a bond.

The attached resolution authorizes the CDC to issue sales tax revenue bonds for the purchase of the property. The aggregate principal amount of the Bonds will not exceed \$3,100,000.

STAFF RECOMMENDATION:

Staff recommends approval of the attached Resolution.

ATTACHMENTS:

Description	Upload Date	Type
Resolution Approving CDC Resolution	11/16/2016	Resolution
Exhibit A, CDC Bond Resolution	11/17/2016	Exhibit



Item No. 6.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action on an Ordinance authorizing the issuance and sale of City of Anna, Texas General Obligation Refunding Bond, Series 2016, levying an annual ad valorem tax for the payment of said Bond, and enacting other provisions relating to the subject. (City Manager)

SUMMARY:

Pursuant to a Plan of Finance presented by FirstSouthwest, the City's financial advisor, on October 25, 2016; the City Council will consider an Ordinance authorizing the issuance of approximately \$870,000 General Obligation Refunding Bond, Series 2016 (the "2016 Bond") in order to refinance \$640,000 (which represents a portion of the currently outstanding Combination Tax and Revenue Certificate of Obligation, Series 2007); and \$165,000 (which represents a portion of the currently outstanding General Obligation Refunding Bond, Series 2007) (the "Refunded Obligations"). Moreover, a portion of the proceeds of the 2016 Bond will be utilized to pay financing costs.

The Refunded Obligations currently carry a tax-exempt interest rate of 3.95%. The Refunded Obligations interest rate is scheduled to reset to 15% on February 15, 2017. February 15, 2017 is also the "call date" for the Refunded Obligations. On such "call date" the Refunded Obligations can be paid off without penalty, it is the City's plan to set up an escrow account with proceeds of 2016 Bond to have sufficient funds to pay off the Refunded Obligations on February 15, 2017 and avoid the interest rate reset.

Pursuant to the Plan of Finance, it is expected the fixed tax-exempt interest rate on the 2016 Bond will be lower than the current 3.95% on the Refunded Obligations. The 2016 Bond will be amortized through February 15, 2027 which represents the existing final maturity of the Refunded Obligations, there will be no extension of original maturity. The 2016 Bond early prepayment feature (call date) will be at the option of the 2016 Bond purchaser (investor).

The \$1,420,000 Combination Tax and Revenue Certificate of Obligation, Series 2007 was originally issued in March 2007 to finance street projects, drainage projects, signalization, landscaping, right-of-way and land acquisition and utility system improvements. The \$370,000 General Obligation Refunding Bond, Series 2007 was originally issued in March 2007 to refinance the Limited Tax Note, Series 2006 which was a short term debt instrument issued to finance 19 acres of land at 1300 West FM 455 to be used in part for Natural Springs park. Both

2007 Refunded Obligations were sold to Bank of America for a repayment term of 20 years, but a 10-year tax-exempt interest rate pricing subject to reset in 2017.

STAFF RECOMMENDATION:

Staff recommends approval of the attached Ordinance.

ATTACHMENTS:

Description	Upload Date	Type
Ordinance Authorizing GO Refunding Bonds	11/17/2016	Ordinance



Item No. 7.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action regarding a Resolution authorizing the City Manager to execute an Agreement with HD Supply Waterworks, Ltd. for the purchase and installation of Advanced Metering Infrastructure. (Joseph Johnson)

SUMMARY:

The City Council recently approved the Fiscal Year 2017 budget which included funding assigned for the purchase and installation of Advanced Metering Infrastructure. Advanced Metering Infrastructure (AMI) is essentially the infrastructure necessary to allow two-way communication between a water meter and the City's utility billing system using RF and internet communication. The principal goal of AMI is to provide on-demand water consumption data. Additional benefits of AMI include increased efficiency and more productive use of department personnel, regular billing intervals, removal of human error, and detailed consumption data that will allow the customer to make informed decisions about water use.

We estimate that Water department employees spend an average of 164 man hours per month reading water meters and on other associated tasks. The total annual cost (\$36,471 labor plus \$7,872 in fuel) is estimated at \$44,384. This cost will increase as the number of utility customers increases. An entry level maintenance worker costs approximately \$46,000 per year and works an average of 155 hours per month in the field. The AMI system would cost an estimated \$1.3 million and would be financed over a ten-year period. The annual payments on the AMI system (\$149,178) are approximately \$59,000 more than the annual cost (\$90,000) of our water meter replacement program.

For just under the net annual cost of the AMI, the City could add additional staff to the Water department, but that would delay the full implementation of the more accurate and more efficient fully automated system. In addition, the cost of manual and drive-by meter reading will increase as Anna continues to grow. The AMI project will change all the water meters during FY 2016-17 and will allow our Water department and Utility Billing staff to realize the labor saving benefits of the system within the first year.

Over the past several months City staff has met with various vendors that provide AMI. Our goal was to identify the system that was most versatile, allowed for technologic advances without full system replacement, employed local and skilled customer service representatives, was cost effective, and offered a durable and trustworthy product. The Neptune fixed-base AMI system

distributed locally by HD Supply Waterworks, met or exceeded that criteria. Staff is recommending purchase and installation of the Neptune fixed-base AMI system and will provide a more detailed briefing on the system during the regular Council meeting.

The AMI system will also allow for a customer web portal to be activated in the FY 2017-18 budget. The customer web portal has the option to provide customers with real time consumption data and customer driven consumption updates and alerts. This system will provide water customers more information and greater control over their water usage.

STAFF RECOMMENDATION:

Staff recommends approval of the Resolution which authorizes the City Manager to execute an Agreement with HD Supply Waterworks, Ltd. for the purchase and installation of advanced metering infrastructure.

ATTACHMENTS:

Description	Upload Date	Type
Resolution approving AMI Project Agreement	11/16/2016	Resolution
Exhibit 1, Master Project Agreement	11/16/2016	Exhibit



Item No. 8.

City Council Agenda
Staff Report

Meeting Date: 11/22/2016

AGENDA ITEM:

Consider/Discuss/Action regarding a Resolution approving a Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the Advanced Metering Infrastructure Project.
(City Manager)

SUMMARY:

City Staff has reviewed options for funding the Advanced Metering Infrastructure Project authorized under the FY 2016-2017 Budget. Staff considered a traditional finance option through certificates of obligation and a lease/purchase proposal from US Bancorp. After evaluating the options and reviewing comments from the City's Financial Advisor, Staff is recommending the approval of a Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the Project. Staff believes that the lease/purchase provides the best solution for the for the following reasons:

- Lower total cost
- Faster availability of funds
- No additional fees
- No SEC disclosure requirements.

The total cost of the Project is \$1,340,009.75. The lease/purchase payments would be financed over ten (10) years at a 2% interest rate. The Lease Payment Schedule shown below requires equal annual payments of \$149,178.63 over ten years.

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount
1	11/28/17	\$149,178.63	\$122,378.44	\$26,800.20	NA
2	11/28/18	\$149,178.63	\$124,826.01	\$24,352.63	\$1,125,589.46
3	11/28/19	\$149,178.63	\$127,322.53	\$21,856.11	\$994,447.26
4	11/28/20	\$149,178.63	\$129,868.98	\$19,309.66	\$860,682.22
5	11/28/21	\$149,178.63	\$132,466.36	\$16,712.28	\$724,241.87
6	11/28/22	\$149,178.63	\$135,115.68	\$14,062.95	\$585,072.71
7	11/28/23	\$149,178.63	\$137,818.00	\$11,360.64	\$443,120.18
8	11/28/24	\$149,178.63	\$140,574.36	\$8,604.28	\$298,328.59

9	11/28/25	\$149,178.63	\$143,385.84	\$5,792.79	\$150,641.17
10	11/28/26	\$149,178.63	\$146,385.84	\$2,952.07	0
TOTALS		\$1,491,786.33	\$1,340,009.75	\$151,776.58	

Traditional certificates of obligation typically have a revenue and tax pledge as the security for the bond. With the lease/purchase option, the AMI equipment is the security. The lease/purchase option is subject to non-appropriation, meaning that the City would be required to return the equipment if the City failed to appropriate funds and make the annual lease payment. Additionally, funds authorized under the lease agreement would be deposited in an interest bearing escrow account, and all payments to the vendor will be made by US Bancorp after the City has authorized payment.

The analysis prepared by the Finance department Staff in September was based on the preliminary project cost estimate of \$1,295,502. The actual amount is about \$45,000 more than the preliminary estimate, however the analysis and conclusions are still valid.

STAFF RECOMMENDATION:

Staff recommends approval of the attached Resolution and lease/purchase agreement.

ATTACHMENTS:

Description	Upload Date	Type
Lease Purchase Agreement Resolution	11/16/2016	Resolution
Exhibit 1, Lease Purchase Agreement	11/16/2016	Exhibit
AMI Finance Plan Analysis	11/16/2016	Backup Material