



Y{OUR} HOMETOWN

FY 2013

ADOPTED BUDGET

**THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$91,047 OR 3.86%, AND OF THAT AMOUNT, \$85,207.92 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR**



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# Budget Letter

July 24, 2012

Honorable Mayor and Council Members:

In accordance with the City Charter and the laws of the state of Texas governing home rule cities, please accept this letter as my budget transmittal and executive summary of the fiscal year (FY) 2013 budget. The Annual Budget and Plan of Municipal Services is the most important document that is adopted by the City Council each year. In developing this document, as always, a significant amount of time is devoted by City Council Members and City Staff. An Annual Budget is developed through an extensive process of reviewing requests received from various City departments then prioritizing those requests in a manner that utilizes resources effectively, within fiscal constraints, while working to achieve goals set out by the City Council.

## GOALS

The City Council has proposed a list of strategic goals that the City of Anna should strive toward on an ongoing basis. These goals were developed through a strategic planning process held in 2009 and have been adopted by the City Council. The strategic goals established by the City Council include the following:

- Promote the development of a full service community
- Encourage small business development
- Foster an environment that encourages multi-generational living
- Exercise responsible stewardship over natural resources, and promote sustainable development
- Promote a strong sense of community pride
- Facilitate access to state-of-the-art technology
- Support the growth of a high quality education system
- Enhance the safety and security of our citizens

The Budget includes a copy of those goals along with the adopted Commitment Statement.

## VALUE OF TAXABLE PROPERTY

According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna has grown by 600% since the year 2000. Since 2008, the growth of the national and local economy has slowed significantly. Uncertainty surrounding employment, housing prices, and our national economy has had a significant effect on our local economy here in Anna.

The most dramatic impact of this economic uncertainty can be observed in the recent multi-year decline in local property values. This decline in property values has a direct and significant impact on our ability to fund the programs and infrastructure that we have invested so heavily in over the past decade. Over 55% of our General Fund revenue is derived from property taxes, and, with the exception of the most recent year, the taxable value of existing properties has declined an average of over 3% per year since 2008. This equates to a loss of over \$42 million in taxable value based on a year to year comparison. Even with over \$35 million in new buildings and property added to the tax roll since 2008, the taxable value of the 2012 tax role is nearly



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2% lower than the 2008 roll. In addition, the average value of a residential homestead in Anna has declined by 11% since 2008.

### 2008 to 2012 Net Taxable Property Value

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential Homestead	\$ 125,137	\$ 120,237	\$ 115,135	\$ 112,269	\$ 111,927
Existing Properties		\$ 369,504,964	\$ 359,503,795	\$ 354,749,323	\$ 363,964,366
New Properties Added		\$ 8,648,746	\$ 5,616,009	\$ 8,281,764	\$ 12,986,568
*Total Taxable Value	\$ 383,935,013	\$ 378,153,710	\$ 365,119,804	\$ 363,031,087	\$ 376,578,308
Decline/increase in Taxable Value of Existing Properties over the Previous Year		\$ (14,430,049)	\$ (18,649,915)	\$ (10,370,481)	\$ 933,279

\*Total Taxable Value for 2012 includes 15 properties with a value of \$1,615,685 that are still under appeal as of July 23, 2012.

Based on the most recent 2012 property appraisals, it appears that existing properties have retained their value since 2011, and we are guardedly optimistic that this could mark the beginning of a trend toward market appreciation. In addition we have observed a significant increase in the number of single family homes building permits issued since the beginning of the year. While this will most certainly add the city's tax base, it will also increase the demand for municipal services that are funded primarily by property taxes.

### EMPLOYEE PAY AND BENEFITS

The City of Anna has historically tried to adjust civilian employee wages based on changes in the Consumer Price Index for the Dallas/Fort Worth region. In FY 2009-10 civilian employees earning less than \$40,000 per year received a 2% merit increase. Eligible police officers received their scheduled step pay increase. No merit or cost of living increases were included for civilian employees earning more than \$40k per year. In FY 2010-11, a 2% merit increase was approved for all civilian employees, and eligible police officers received their scheduled step pay increase. In FY 2011-12, civilian employees received a one-time, non-recurring payment equal to 2% of the employee's base annual pay, and eligible police officers received their scheduled step pay increase.

Over the last 24 months (May 2010 - May 2012), the CPI rose 4.9 percent (3.3% from May 2010-May 2011, and 1.6% from May 2011 - May 2012). The proposed FY 13 budget includes a 3% cost of living increase for civilian employees. Funding is also included for eligible police officers to receive their scheduled step pay increase.

The City pays for health insurance for all City employees through a plan provided by the Texas Municipal



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League Intergovernmental Employee Benefits Pool (TMLIEBP). In FY 2011-2012, the City paid TMLIEBP \$408.36 per month for health insurance for each employee and additional \$80 per month contribution to each employee's TMLIEBP Health Reimbursement Account (HRA) for a total health insurance payment of \$488.36 per month. Funds in an employee's HRA may only be used for pay for medical related expenses. TMLIEBP has advised us that the cost of our current health plan will increase 5% for the upcoming plan year.

Last year, TMLIEBP began offering member cities the option to purchase health insurance through a Consumer Centered Pool Plan (CCPP). The CCPP offers eight health insurance plan options. The cost of each plan option varies depending on the deductible and co-pay. The proposed FY 2012-13 budget would move employee health coverage from a standard one-size fits all plan to a the TMLIEBP Consumer Centered Pool Plan. The City will pay \$510 per month for health insurance for each employee. Employees will be required to select one of the CCPP plans and have the option to purchase additional spouse or dependent coverage. Any positive difference between the city's contribution and the cost of the plan selected by the employee will be deposited into an employee Health Reimbursement Account (HRA) or Health Savings Account (HSA). This new approach will give employees greater control over and more responsibility for their health insurance choices.

## GENERAL FUND

The General Fund is the City's main operating fund, which is used to account for all financial resources except those required to be reported in another fund. The General Fund receives revenues from property taxes, permits, franchise taxes, sales tax, fines, fees for services, interest income, and several other miscellaneous general revenue sources. The General Fund includes the following departments:

- Administration
- City Council
- City Manager
- City Secretary
- City Attorney
- Finance
- Development
- Ambulance
- Fire
- Animal Control
- Police
- Municipal Court
- Parks
- Streets

### Revenue

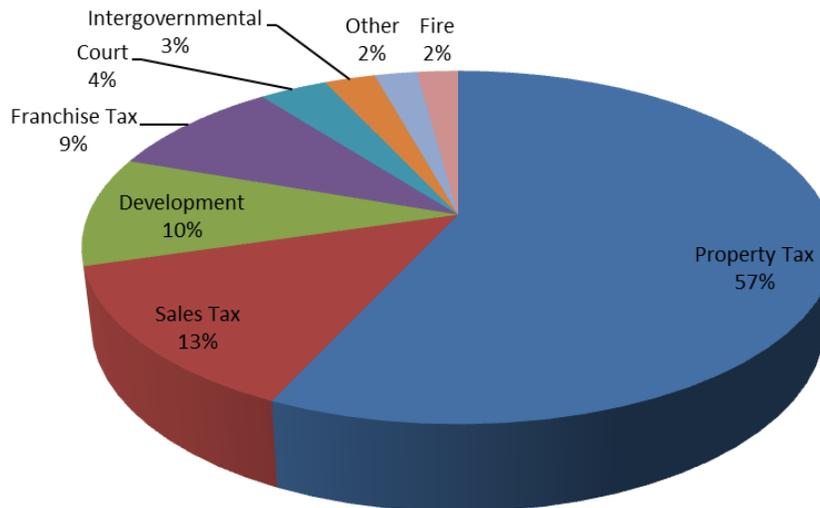
Revenues in the General Fund consist of a number of sources. As can be seen in the table below, the bulk of revenue, 57% is derived from property taxes. The significant increase in Development revenue is primarily attributable to expected increase in the number of permit applications for single family homes. Intergovernmental revenue is derived from allocations from the EDC and CDC to pay a portion of the Assistant to the City Manager and Parks Superintendent salaries; and from the Anna ISD to pay for a portion of the maintenance costs of the ball fields at Slayter Creek Park.



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TYPE	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
Property Tax	\$ 2,037,838	\$ 2,030,335	\$ 2,030,335	\$ 2,106,203	4%
Sales Tax	\$ 542,239	\$ 460,000	\$ 494,000	\$ 500,000	9%
Development	\$ 241,652	\$ 122,300	\$ 397,300	\$ 371,300	204%
Franchise Tax	\$ 343,304	\$ 335,000	\$ 335,000	\$ 340,000	1%
Court	\$ 85,726	\$ 131,175	\$ 85,225	\$ 130,300	-1%
Intergovernmental	\$ 91,400	\$ 93,600	\$ 93,600	\$ 96,450	3%
Other	\$ 101,567	\$ 103,294	\$ 93,288	\$ 83,929	-19%
Fire	\$ 63,048	\$ 107,500	\$ 57,000	\$ 78,000	-27%
<b>Total</b>	<b>\$ 3,506,774</b>	<b>\$ 3,383,204</b>	<b>\$ 3,585,748</b>	<b>\$ 3,706,182</b>	<b>10%</b>

## FY 13 Proposed General Fund Revenue



The City receives the certified tax roll from Collin County. The estimated taxable value for 2012 is \$376,533,308. The current property tax rate of \$0.650332 cents per \$100 of taxable assessed valuation is to remain the same. The total tax rate is divided between the General Fund and the Tax Interest and Sinking or Debt Service Fund with \$0.559367 cents being utilized by the General Fund and \$0.090965 cents being utilized by the Debt Service Fund. By adopting the same tax rate as last year, property taxes due on the average residential homestead will decline by \$2.22.

	Total Tax Rate	M&O Rate	I&S Rate	Average Taxable Value of a Residence Homestead	Annual Tax Imposed on the Average Homestead
<b>FY 2012 Adopted Budget</b>	0.650332	0.559367	0.090965	\$112,269	\$730.12
<b>FY 2013 Proposed Budget</b>	0.650332	0.559367	0.090965	\$111,927	\$727.90
<b>Effective Tax Rate</b>	0.646813	0.555848	0.090965	\$111,927	\$723.96
<b>Roll Back Rate</b>	0.691646	0.600681	0.090965	\$111,927	\$774.14



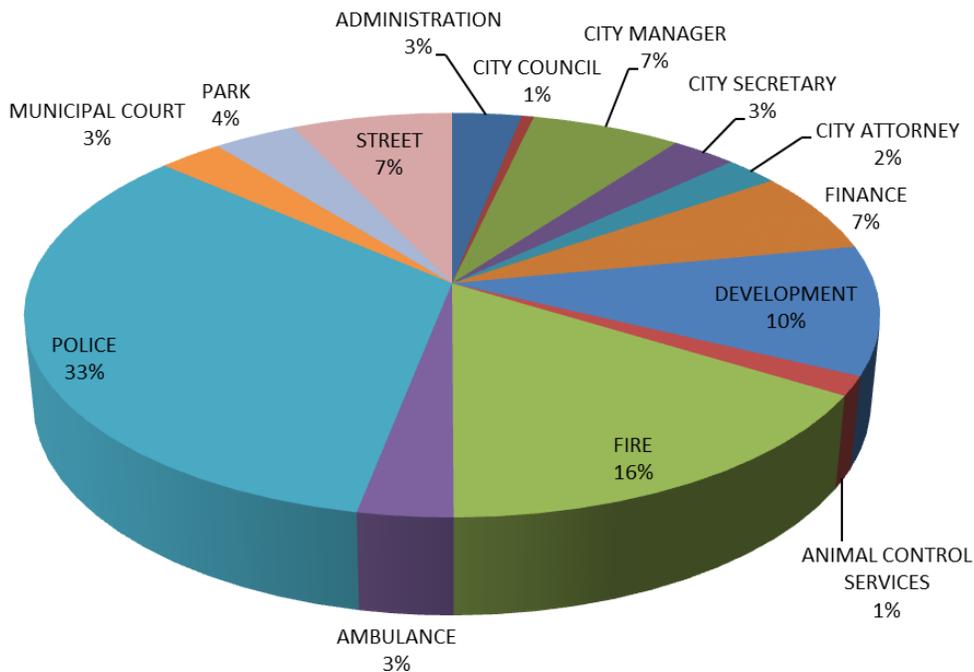
# Budget Letter

## Expenditures

Expenditures in the Budget for the General Fund amount to \$3,706,182. This represents a 10% increase compared to the amount budgeted in FY 2011-12. The budgeted expenses will fund some enhancements to existing services, and are a response to our continued growth and development. I have included a discussion of the significant budgetary issues affecting the various departments.

DEPARTMENT	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
ADMINISTRATION	\$99,460	\$102,714	\$112,025	\$112,706	10%
CITY COUNCIL	\$16,628	\$15,710	\$17,550	\$19,998	27%
CITY MANAGER	\$238,143	\$239,143	\$233,757	\$243,483	2%
CITY SECRETARY	\$85,854	\$103,611	\$86,758	\$106,339	3%
CITY ATTORNEY	\$124,305	\$120,000	\$165,000	\$87,000	-28%
FINANCE	\$241,960	\$225,173	\$217,756	\$243,892	8%
DEVELOPMENT	\$364,765	\$310,914	\$377,622	\$380,439	22%
ANIMAL CONTROL SERVICES	\$51,877	\$51,338	\$51,338	\$56,643	10%
FIRE	\$433,153	\$442,244	\$546,685	\$598,249	35%
AMBULANCE	\$102,793	\$102,793	\$114,800	\$114,800	12%
POLICE	\$1,182,487	\$1,170,583	\$1,189,421	\$1,241,956	6%
MUNICIPAL COURT	\$78,798	\$86,168	\$78,698	\$104,148	21%
PARK	\$107,496	\$128,119	\$131,130	\$135,292	6%
STREET	\$304,386	\$259,500	\$268,260	\$261,237	1%
<b>Total</b>	<b>\$3,432,105</b>	<b>\$3,358,010</b>	<b>\$3,590,800</b>	<b>\$3,706,182</b>	<b>10%</b>

FY 13 Proposed General Fund Budget





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## Significant Budgetary Issues

Development Inspection Fees. The 22% increase in the Development Department budget is driven primarily by the significant increase in the number of single family homes being constructed. The City uses a third party building inspection company for building inspection services. Based on the current construction trend we are estimating a 113% increase in the fees paid to our inspection contractor. Inspection fees collected by the City from contractors and home builders will off-set this increase and are also expected to increase significantly.

Services Provided by Collin County. The City Contracts with Collin County for a number of services including, ambulance, animal control, dispatch, jail, child advocacy, and health inspections. The increases in Ambulance and Animal Control Budgets are directly attributable to Collin County's decision to increase the cost of these services provided to the city. The Police Department budget has also been impacted by increases in Collin County's charges for dispatch and child advocacy services.

Fire Department Staffing and Volunteer Stipend: The FY 2013 budget includes funding to improve Fire Department supervision and response to calls for service, and to address gaps in coverage. The additional staffing provided in this budget will provide better around the clock fire and EMS response. The FY 12 budget included two full-time fire fighter positions. The FY 13 budget reclassifies these two positions as Fire Captains and includes funding for one additional full-time Fire Captain. Funding is also included for several part-time fire fighters to provide coverage on average of 60 hours per week. The three full-time captains will be assigned to work traditional 24 hour shifts which will provide more consistent response and management of physical and human resources on a 24 hour a day basis. The department will continue to use part-time fire-fighters during the day and volunteers in the evenings and weekends. Volunteers assigned to work an evening or weekend shift will received a stipend of \$20 per shift. Funding to pay an average of 28 volunteer stipends per week is included in the budget. The stipend will only be paid to volunteers that are scheduled to work shifts during the week. Unscheduled volunteers who show up for a shift are welcome but will not receive the stipend.

Personal Protective Equipment Purchase: The Fire Department budget includes \$30K to purchase new and/or replace personal protective equipment worn by the paid and volunteer fire fighters.

Reassignment of Existing Personnel: In order to better align the needs of the City with our existing personnel, code enforcement responsibilities are being transferred to the Fire Department where the Fire Marshall will assume responsibility for the code enforcement program. The Code Enforcement Officer position will be reclassified as an Administrative Assistant in the Planning and Development Department. Prior to 2009 when Anna was growing rapidly, the City employed a full-time permit clerk. When development activity declined, the permit clerk was reassigned to fill a vacancy in the finance department. Development activity has again surged and this reclassification will provide the Planning Department with additional clerical help without the addition of a new employee.

City Attorney Cost Allocation: In the FY 2012 budget all legal fees from the City's Attorney were charged to the City Attorney budget in the General Fund. In the FY 2013 budget we have reallocated the budget for le-



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gal fees associated with prosecuting cases in municipal court to the Municipal Court budget in order to more accurately reflect the true cost of operating the court. We have also reallocated a portion of the City Attorney's normal administrative support legal fees to the Utility fund since a portion of their work supports the operations of this fund.

Investment Advisor: Since Staff does not currently possess the time or the expertise to actively manage an investment portfolio, the City has historically taken a relatively passive approach to investment of financial assets. The Finance Department budget includes \$9,000 to retain the services of an investment advisor. The advisor selected by the city will have specific expertise in the management of governmental investment portfolios and compliance with the Public Funds Investment Act. By using an investment advisor to actively manage our portfolio, we anticipate an increase in interest earnings to offset the additional cost. The City's depository banking contract expires in the summer of 2013. The Finance Department budget includes \$6,000 to retain the services of an investment advisor to manage the RFP and negotiate a new depository contract. This is a one-time fee that will provide the City with a stronger banking contract and improved banking services.

Defibrillator Purchase: The Police Department budget includes the purchase of two portable defibrillators which will be carried in the vehicles of the officers on duty.

## DEBT SERVICE FUND

The Debt Service Fund is a special fund established to account for the accumulation and expenditure of resources for payment of principal and interest on tax supported bond debt. Bonded debt includes general obligation bonds, certificates of obligations and combination tax and revenue certificates of obligation. The principal sources of revenue are assessed property taxes as established by ordinance, and transfers from other funds.

### Revenue

Revenues required to pay the City's outstanding debt are transferred to this fund and all monies are restricted to debt payments only. The revenue generated from the interest and sinking (I&S) portion of the tax rate (0.090965 cents per \$100 valuation) is used to fund the majority of our debt service obligations. Total revenue from the debt service tax rate is budgeted at \$342,513. In recent years, the City has transferred money from the Utility Fund to pay the principle and interest on the tax pledged debt instruments that have funded infrastructure and capital equipment in that fund. In the FY 2013 budget, debt expense for water and sewer capital projects will remain in the Utility Fund budget.

In order to further reduce the debt service tax rate, this fund is being subsidized with unspent revenue from the 2005 Certificates of Obligation bond issue. The payment this year is \$114,281 as recommended in our debt management strategy prepared by the city's financial advisor First Southwest and presented to the City Council in June of this year. The subsidy to the debt service fund from the 2005 CO bond issue will continue through FY 2014. In 2014, the City will need to initiate a series of planned refundings of existing debt to stabilize the debt service portion of the City's tax rate consistent with our debt management strategy.



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## Expenditures

Total expenditures in the Debt Service fund are \$456,793. The budget pays for the principle and interest payments on one vehicle note and five bond issues.

## **CAPTIAL PROJECTS FUND**

### Revenue

Total new revenue in the Capital Project Fund budget is estimated at \$4,076,696.

#### Slayter Creek Park, Phase II - \$ \$2,065,470

- Texas Parks and Wildlife Grant - \$500K
- Anna Community Development Corporation - \$1.6 million

#### Slayter Creek Trail Extension - \$301,560

- Collin County Parks and Open Space Grant - \$301,560

#### FM 455 Utility Relocation Project - \$1,600,000

- 2007 Collin County Bond Program - \$800K
- Texas Department of Transportation Reimbursement - \$800K

#### FM 455 Median Break Public Improvement District (PID) - \$74,623

- PID Assessments - \$74,623

### Expenditures

Total expenditures in the Capital Projects fund are \$4,160,722.

2007 Bond Project Construction Fund - \$3,700. The remaining money in the 2007 bond issue project account is budgeted to be spent on qualified projects.

Slayter Creek Park, Phase II - \$ \$2,065,470. This project will be funded by a \$500K grant from the Texas Department of Parks and Wildlife and a \$1.6 million contribution from the Anna Community Development Corporation.

Slayter Creek Trail Extension - \$301,560. This project is funded by a grant from the Collin County Open Space Grant Program.

FM 455 Utility Relocation Project - \$1,600,000. Approximately ½ of the cost of this project (\$800K) will be funded by the 2007 Collin County Bond Program. The remainder of the cost will be reimbursed to the City from the Texas Department of Transportation.

FM 455 Median Break Public Improvement District (PID) - \$74,623. PID assessments will fund a median break on FM 455 in front of the Anna Market Center shopping plaza.



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In addition, \$114,281 from the 2005 CO issue is being transferred to the Debt Service fund to help defease the bonds accounted for in the Debt Service fund. All unspent revenue from the 2005 CO bond will be used to reduce the overall debt service obligation consistent with the city’s debt management strategy.

## UTILITY FUND

The Water and Sewer Fund in an enterprise fund that accounts for the water, sewer and refuse services that are provided to city residents and a few customers located outside the city limits. All activities to maintain these services are accounted for in this fund, including but not limited to; operations, maintenance, billing and collections, administration, financing, and related debt service. The Utility Fund includes the following departments:

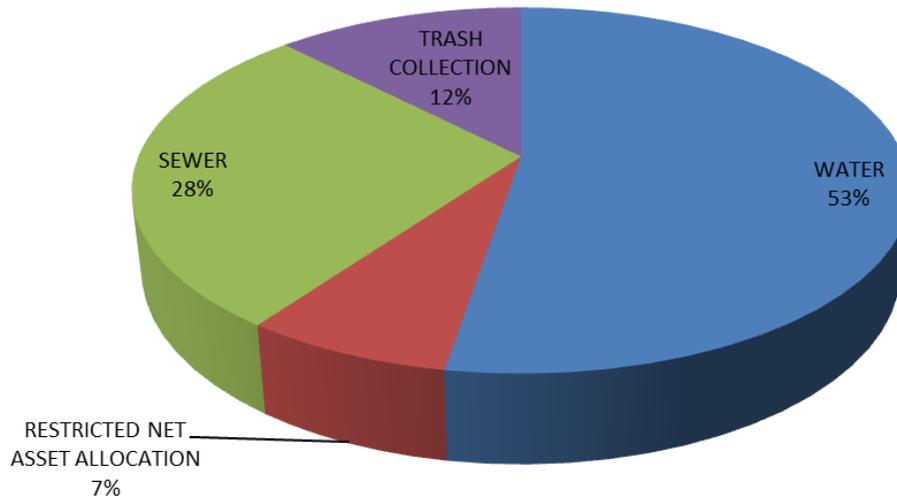
- Water
- Sewer
- Utility Billing

### Revenue

The Utility Fund’s principle source of revenues are charges to customers for water consumption, wastewater collection, refuse collection, and fees related to providing consumers with water and wastewater services. Water and wastewater impact fees are collected whenever new homes are constructed in the City of Anna. These fees may only be used to pay for specific water and sewer projects listed in a capital improvement program adopted by the City Council. Impact fees not spent within ten years of collection must be refunded. The fees collected by the City are listed among the restricted assets on our audit report. The FY 2013 budget will use \$350,000 of the water impact fees previously collected to make debt payments on previously constructed water projects listed on our capital improvement program. As a result of this payment the Utility Fund budget is expected to have a surplus of just over \$200K in FY 2013. The additional surplus funds will be unrestricted assets and will help the city meet its goal of building a 90-day operating reserve in working capital.

TYPE	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
WATER	\$2,986,169	\$2,256,016	\$2,365,793	\$2,513,730	11%
RESTRICTED NET ASSET ALLOCATION	\$0	\$0	\$0	\$350,000	N/A
SEWER	\$1,328,409	\$1,274,200	\$1,312,975	\$1,324,821	4%
TRASH COLLECTION	\$573,248	\$580,000	\$583,500	\$589,000	2%
<b>TOTAL</b>	<b>\$4,887,826</b>	<b>\$4,110,216</b>	<b>\$4,262,268</b>	<b>\$4,777,551</b>	<b>16%</b>

## Utility Fund Revenue Breakdown



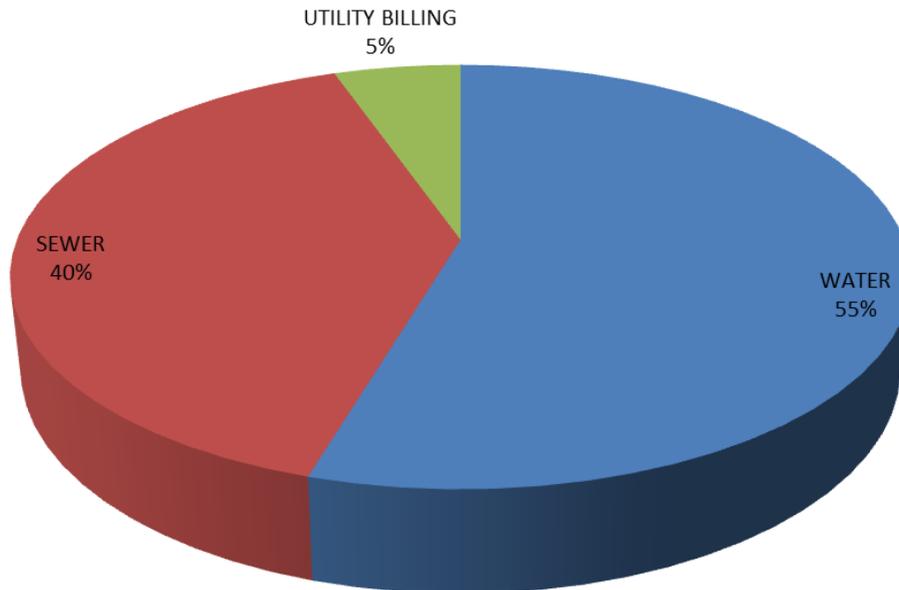
In order to ensure that our utility rates will continue to support our operating costs and debt obligations, staff asked our rate consultant to update the 2008 rate study which established the baseline for our current rate structure. The updated utility rate model recommends adjusting utility rates gradually by 2 to 3 percent each year starting in FY 2014. The FY 2013 budget does not include a utility rate increase.

### Expenditures

Expenditures in the Budget for the Utility Fund amount to \$4,575,092. This represents a 12% increase compared to the amount budgeted in FY 2011-12. The budgeted expenses will fully fund the water meter replacement program and some additional tools and equipment for the staff of the Public Works and Utility Billing Departments. I have included a discussion of the significant budgetary issues affecting the various departments.

DEPARTMENT	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
WATER	\$2,691,680	\$2,165,945	\$2,424,967	\$2,498,768	15%
SEWER	\$1,833,990	\$1,687,111	\$1,745,806	\$1,830,026	8%
UTILITY BILLING	\$207,386	\$226,505	\$196,705	\$246,298	9%
<b>TOTAL</b>	<b>\$4,733,056</b>	<b>\$4,079,561</b>	<b>\$4,367,478</b>	<b>\$4,575,092</b>	<b>12%</b>

## Utility Fund Expense Breakdown



### Significant Budgetary Issues

Utility Billing Staffing Changes: The FY 2013 budget includes proposals to implement new technologies related to utility billing that will decrease the need to hire paid staff as we continue to grow. The city currently has one vacancy in the Utility Billing Department which has not been filled. The FY 2013 budget eliminates funding for this vacancy.

Payment Kiosk: The payment kiosk will replace the drive-up window at the utility billing and court office. The kiosk will accept cash, check, and credit card payments for utility bills and court payments. It is our goal to encourage utility customers to take advantage of remote payment options, including e-bill and ACH transactions, which reduce the city's reliance on paid staff to collect payments. During the month of June just over 950 utility payments were made using the drive-through drop box and drive-through window located at the utility billing office. An estimated additional 250 payments were made in-person inside the building. The kiosk adds another remote payment option for drive-through and walk-in customers. Payments made using the kiosk are applied directly to the customer's account eliminating the need for manual entry by city staff. The kiosk should decrease the need to hire paid staff as we continue to grow. The kiosk will also allow customers to make recorded payments after hours and on weekends. Purchase and installation will cost approximately \$40K in FY 2013. On-going maintenance and software licensing will cost about \$5,200 annually.

Outsource Monthly Billing: The budget includes funding to outsource the compiling and mailing of monthly utility bills. Our current cost of in-house monthly billing is \$13,000 for hard costs such as paper, printing and postage, and another \$2,400 in labor for a total of \$15,480. Outsourcing the billing will cost \$24,000 annually. The additional cost of outsourcing the bills will cost \$8,500 annually which equates to about \$0.21 per



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month for each of the city's 3,355 utility customers. The new utility bills would be printed on a full letter-sized paper and will include information about the customer's consumption history. The new bill will also have space for the City to provide relevant information to our customers. Customer bills sent through the mail will be placed in an envelope with a return payment envelope. E-bill customers will continue to receive an e-mail notification that their bill is due but will not receive a paper bill in the mail.

Water Meter Replacement Program: Over the past several years, the City has been replacing standard water meters with radio read water meters. Water consumption information from the radio read meters is automatically uploaded to a specially equipped laptop computer when the meter reader drives by the meter box. Converting all of our customer water meters to the radio read model will save a significant amount of staff time each month. There are about 1,300 meters that still need to be replaced. The FY 2013 budget includes \$247,000 to purchase the required number of water meters to complete the replacement project.

Trackhoe Purchase: The Water Department includes \$50K to purchase a small to mid-sized trackhoe vehicle. The trackhoe is a highly maneuverable vehicle which will allow repair crews better access to and movement within water and sewer repair locations. The track vehicle will also reduce damage to concrete and turf within a repair site. The vehicle will also be used to maintain areas around drainage ditches and water features in the city's parks.

Miscellaneous Equipment Purchases: Based on some of our recent experiences repairing major water main breaks, the water department budget includes \$8,400 to purchase a tapping tool, pipe saw, and electric jack hammer. There is also \$5,000 in the budget to purchase plan file cabinets for the permanent storage of utility infrastructure plans.

North Texas Municipal Water District (NTMWD) Wastewater Treatment Fees: The cost of passing wastewater through to the NTMWD wastewater system is expected to increase as a result of the increase in single family home construction within that wastewater basin, and an expected increase in the NTMWD fees. The estimated cost for FY 2013 has increased to approximately \$279K.

North Texas Groundwater Conservation District (NTGCD) Production Fees: The NTGCD was established by the Texas Legislature during the 2009 legislative session. The District, which covers Collin, Denton, and Cook Counties, has been charged with regulating the production of groundwater in the three-county area with the goal of conserving groundwater for the future. The operations of the District are primarily paid for by the public and large commercial groundwater producers. Starting in January 2012 the City is required to pay the District \$0.10 for every 1,000 gallons of groundwater we produce. The City does not sell all the water it produces (we average about a 34% water loss due to water used for fire protection, water breaks, routine maintenance etc.) In order to pay the NTGCD water production fee, the City's water customers pay a fee equal to \$0.15 per 1,000 gallons of water they use per month. The NTGCD will not adopt their 2013 production fee until September or October this year. We do not expect the District to increase their production fee; however, if they adopt a fee higher than the 2012 fee, we will recommend that the City's customer fees and budget be amended appropriately.

Utility Fund Debt Obligations: The City's total water and sewer debt service obligations increase gradually



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until FY 2015 at which time they will increase dramatically unless the City initiates a series of refundings to restructure our existing debt. These restructurings are described in the debt management strategy prepared by First Southwest, the City’s financial advisor and presented to the City Council in June of this year.

This budget does not include utility system depreciation costs which ideally we would fund on an annual basis to pay for system replacement. The city’s auditor will make adjustments for depreciation expense in the city’s annual audit.

## TRUST FUNDS

The City has established a number of Trust Funds, the uses of which are restricted to certain pre-determined expense categories. The following is a summary of the revenue and expenditures that will be budgeted in the various Trust Funds.

### Revenue

DEPARTMENT	FY 2013 PROJECTED REVENUE
WEST CROSSING WATER TRUST	\$66,000
WEST CROSSING SEWER TRUST	\$66,000
MISC. IMPACT FEE TRUST	\$134,000
WESTFIELD WATER TRUST	\$11,000
WESTFIELD SEWER TRUST	\$11,000
NORTHPOINTE WATER TRUST	\$22,000
NORTHPOINTE SEWER TRUST	\$22,000
W&S IMPROVEMENTS TRUST	\$134,000
PARK TRUST	\$132,800
SWEETWATER STREETS TRUST	\$14,000
ROAD CAPITAL IMPROVEMENT	\$15
FIRE DEPARTMENT TRUST	\$37,200
COURT BUILDING SECURITY FUND	\$2,085
COURT TECHNOLOGY FUND	\$3,015
CHILD SAFETY FUND	\$9,030



# Budget Letter

## Expenditures

DEPARTMENT	FY 13 EXPENDITURES	DESCRIPTION
COURT BUILDING SECURITY FUND	\$3,000	Police overtime for court security
COURT TECHNOLOGY FUND	\$2,665	Brazos ticket writer software licensing and support
PARK TRUST	\$25,00	Parks Furnishings and Equipment
FIRE DEPARTMENT TRUST	\$43,000	Fire Department Furnishings and Equipment
WATER IMPACT FEE TRUST FUNDS	\$350,000	Off-set debt payments for water capital projects

## CLOSING

While budgets are always a challenge, we have worked diligently to bring a budget that is both balanced and sufficient to meet the needs of the coming FY. The staff of the Finance department has put tremendous effort into the development of this document, and I would like to thank them and each department director for their hard work during this process. On behalf of myself and the staff, I also want to express my appreciation to the City Council for your diligent efforts throughout the year in providing guidance, direction and support for our efforts to serve the citizens of Anna.

As Anna continues to grow, the city remains committed to the Hometown ideal outlined in its Strategic Vision. The FY 2013 budget is designed to preserve and enhance the quality of existing services and respond appropriately to our city's continuing growth and development.

Respectfully Submitted,

Philip Sanders  
City Manager



# City Organization

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## Elected Officials

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Michael Crist  
*Mayor*

James T. Cook  
*Place 1*

John Geren  
*Place 4, Mayor Pro Tem*

Vacant  
*Place 2*

Nathan Bryan  
*Place 5*

John Hopewell  
*Place 3*

Becky Glover  
*Place 6, Deputy Mayor Pro Tem*

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## Administrative Officials

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Philip Sanders  
*City Manager*

Kenneth Jenks  
*Chief of Police/Deputy City Manager*

Maurice Schwanke  
*Director of Planning and Development*

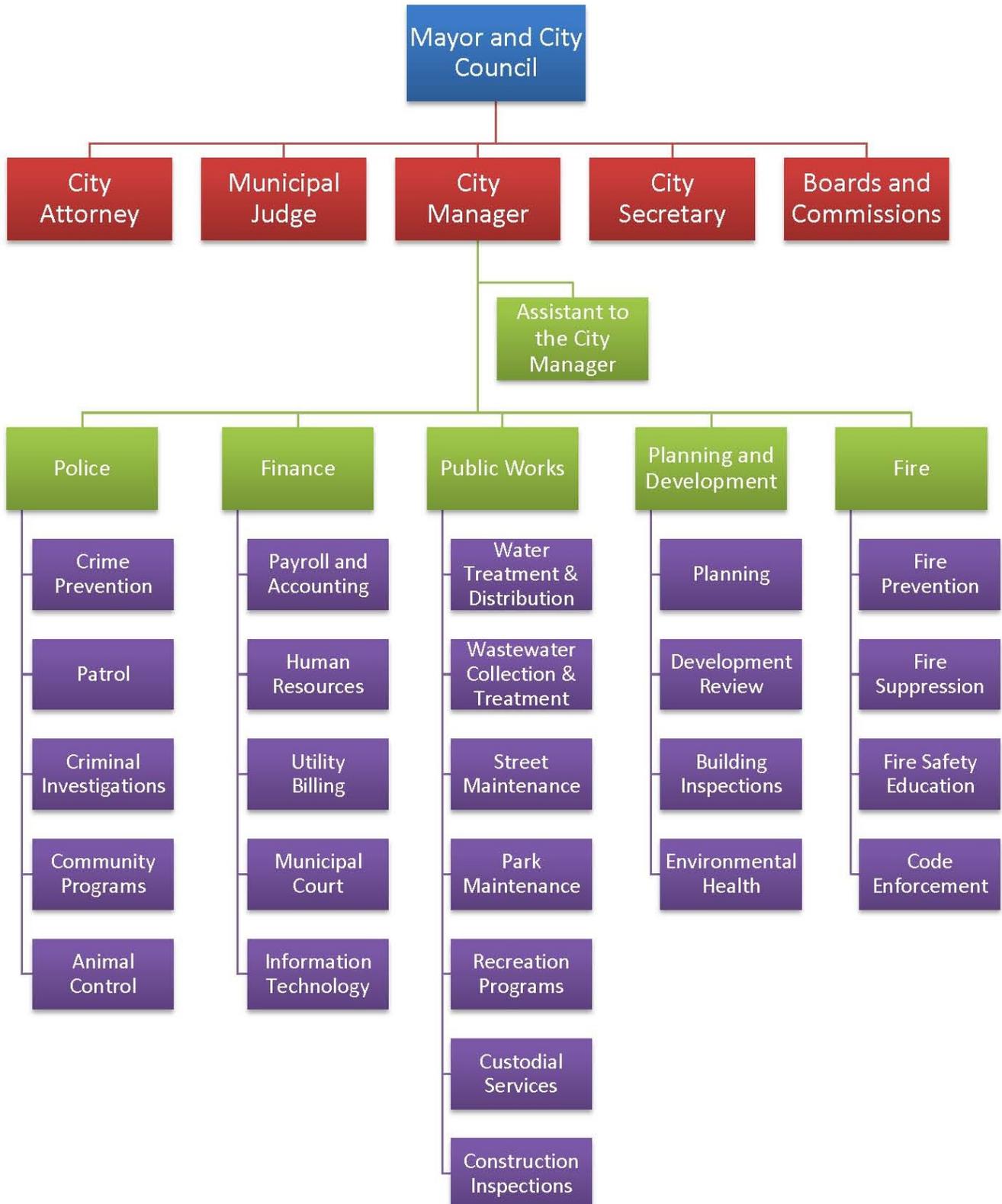
Clayton Fulton  
*Director of Finance*

James Parkman  
*Director of Public Works*

Natha Wilkison  
*City Secretary*

Frank Roma  
*Interim Fire Chief*

## Organization Chart





## Commitment and Vision

### OUR COMMITMENT

**In order to enhance the quality of our community, the City of Anna is committed to principles of open and fair government and progressive planning that honor the public trust, protect our common resources, and promote a safe, sustainable, and connected community.**

#### **WHO ARE WE?**

The City of Anna is a municipal organization that includes the City Council, Staff, Boards and Commissions, and any other entities who act on their behalf.

#### **WHY DO WE SERVE?**

We exist to act on behalf of the citizens in a way that enhances the quality of our community.

#### **WHOM DO WE SERVE?**

We serve ALL members of the community including current and future citizens, businesses, property owners, and any other individuals or organizations who comprise "the community of Anna".

#### **WHAT IS OUR COMMITMENT?**

Our decisions and actions will be consistent with principles of open and fair government and progressive planning.

#### **HOW DO WE HONOR OUR COMMITMENT?**

We will honor the public trust and will be open, fair, consistent, and professional in all our dealings.

We will protect the resources that have been entrusted to us, and will be prudent in the expenditure of public funds and the exercise of regulatory powers.

We will promote a safe, sustainable, and connected community consistent with the model to which we aspire.



## OUR STRATEGIC VISION

**ANNA IS OUR HOMETOWN. In order to protect and promote our community vision, we will implement policies that:**

- ★ Promote the development of a full service community
- ★ Encourage small business development
- ★ Foster an environment that encourages multi-generational living
- ★ Exercise responsible stewardship over natural resources, and promote sustainable development
- ★ Promote a strong sense of community pride
- ★ Facilitate access to state-of-the-art technology
- ★ Support the growth of a high quality education system
- ★ Enhance the safety and security of our citizens



<b>Date of Incorporation</b>	1913
<b>Date of Home Rule Charter Adoption</b>	May 7, 2005
<b>Form of Government</b>	Council/Manager
<b>Estimated Population January 1, 2012</b>	8,580
<b>Area in Square Miles</b>	15
<b>Planning Area in Square Miles ( includes ETJ)</b>	62
<b>Fire Protection</b>	
Number of Full Time Employees	4
Number of Volunteers	30
Number of Calls for Service – entire fire district (2011)	1,066
<b>Police Protection</b>	
Sworn Police Officers	12
Civilian Employees	1
Calls for Service (2011)	9,594
Arrests (2011)	130
<b>Water and Sewer Utility</b>	
Active Residential Accounts	2988
Active Non-Residential Accounts	116
Average Daily Water Consumption (2011)	1,200,000 gallons
Ground Storage	1,000,000 gallons
Elevated Storage	600,000 gallons
Production Capacity	2,200,000 gallons per day
Pump Capacity	3,500 gallons per minute
Waste Water Treatment Capacity	750,000 gallons per day
<b>Building Permits</b>	
Residential Building Permits (2011)	100
Residential Market Value (2012 Certified Tax Roll)	\$287,805,608
Non-residential Building Permits (2011)	15
Non-residential Market Value (2012 Certified Tax Roll)	\$184,767,328
<b>Parkland Acreage</b>	
Acres of Developed Parkland	63
Acres of Undeveloped Parkland	87



# Budget Process

## Introduction:

The annual budget is the single most important financial responsibility of a local government. Citizens are able to see how city officials and staff plan to spend taxpayer dollars. Once the budget is adopted, funds may only be spent in a manner consistent with the stated plans, objectives, and policies outlined in the budget unless amended in accordance with the City Charter and approval of the City Council.

The budget begins with a transmittal letter written by the City Manager to the City Council. This letter is to officially present the budget to the City Council and provide a general overview of budget conditions and trends for the City of Anna.

The budget is divided into four specific sections: introduction, financial/operational summaries by fund, component units, and supplemental information. The introduction contains the transmittal letter, policy statements to guide the City officials and staff, and an overview of budget practices and administration within the City of Anna. The financial/operational section of the budget will contain specific information on each fund and subsequent departments the city operates. Activities, services, goals, and objectives will be outlined for each department. Comparisons on revenue and expenses between the previous FY, the current FY budget, current FY estimate, and proposed for the upcoming FY.

## General Budget process, practice, and administration:

The budget follows the fiscal year (FY) of October 1 through September 30. Each year the budget is adopted by the council and sets the legal spending limits for the government during the upcoming FY. In order to prepare for and adopt the budget on time the city must follow a schedule allowing for sufficient time to adequately evaluate current and past budgets, current economic conditions, and project revenues and expenses for the upcoming budget. The budget is developed at the department level and adopted at the fund level.

Many individuals are involved in the budget process. City officials, department directors and the public are all involved; however, the primary responsibility to assemble and create the document falls upon the City Manager and Finance Director. There is also a schedule the city follows for the budget process. Following you will see a budget calendar the city follows(ed) for the preparation and adoption of this document.

Throughout the year the finance department provides periodic and regular reports to department directors. These reports are used to analyze current and projected revenues expenditures. In this way, department heads are able to control their expenditures, maintain their budgets, and project future expenditures through out the year. This is crucial to the budget process as conditions and situations may change throughout the year. Once the budget is adopted, it can only be amended under certain provisions established through the City's charter. If amendments are required it is imperative that budget amendments be accurate and only occurs when absolutely necessary. In this way, the budget process occurs throughout the year; first to ensure that budgets are maintained, second to prepare for any amendments that may be necessary due to unforeseen circumstances, and third to evaluate trends in preparation for the upcoming budget.

While the budget is ongoing, the bulk of the work occurs begins in the 3<sup>rd</sup> quarter of each fiscal year. By the end of April, department directors update their five year capital improvements plan with any projects and estimated costs. By mid May all projected revenues and expenditures for the subsequent fiscal year are due. Throughout the month of June, the City Manager and Finance Director will meet jointly with each department head to review the department's



## Budget Process

budget proposal, including line item detail for each department's budget. The City Council will also meet in workshop session in June to discuss budget priorities. The meeting with the Council is a public meeting where citizens can come to participate and hear each department director review their department's current accomplishments and goals and discuss priorities for the subsequent year's budget goals and priorities

Upon a review of budget priorities with the Council and once all each department's budget proposals have been discussed with the City Manager and Finance Director, the budget will enter the balancing stage. During the month of July the City Manager and the Finance Department work in concert to ensure that revenues and expenditures are projected appropriately and create a balanced budget. Budget requests and priorities are carefully weighed to ensure that city functions and services will be maintained while allowing for increased services where necessary.

As will be discussed later, property taxes are a major driver of the City's Budget. The Collin Central Appraisal District (CAD) provides the tax roll with information on the taxable value within the City of Anna. Staff receives periodic reports from the CAD to evaluate trends in the taxable value in order to gauge taxable value for the purpose of estimating revenue. Once certified tax rolls are available from Collin County, the City will finalize the proposed budget including a recommended property tax rate that will allow the city to meet its budgetary obligations. The certified tax rolls are typically available in late July and the proposed budget will be presented to the council in late July as well.

Budget meetings and hearings occur throughout the month of August with formal adoption of the budget scheduled for early September.

For more information on the budget process and administration, please refer to Article 7 of the City of Anna Charter included in the supplemental section of the budget.



# Budget Calendar

## BUDGET/TAX RATE CALENDAR—FY 13

### April 2012

S	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

### May 2012

	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

### June 2012

					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

### July 2012

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

### August 2012

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

### September 2012

						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

### April

**30-Submit 5 year CIP with updated projects and cost to City Manager**

### May

**01-Activate budgeting program for all department directors and begin to enter operating budget data**

**29-Budget Priorities workshop with City Council**

### June

**01-Deadline to enter 2013 budget into computer budget software including all revenues and expenditures**

**04-15-City Manager/Finance Department meets with Department Directors to discuss Budget Proposals**

**12-City Council Workshop on Long Term Debt**

**29-Deadline for five-year operating budget projections**

### July

**24-Present Budget to City Council & name date and time for public hearing on the Budget**

**25-Deadline for chief appraiser to certify rolls to taxing units**

**26-Publish 1st public notice for public hearing on the Budget**

**31-Budget Workshop with Council**

### August

**02-Publish 2nd public notice for public hearing on the Budget**

**03-Submit effective and rollback tax rates to the City Council**

**07-Council to discuss the Tax Rate and votes on proposed rate**

**09-Publish effective and rollback tax rates**

**09-Publish "Notice of Public Hearing on Tax Rate" per Texas Tax Code and post on website**

**10-Deliver Budget to City Secretary for Public Review and post on website**

**10-72 hour open meetings notice for public hearing on the Budget**

**14-Public Hearing on the Budget**

**17-72 hour open meetings notice for 1st hearing on Tax Rate**

**21-1st Public Hearing on Tax Rate**

**24-72 hour open meetings notice for 2nd hearing on Tax Rate**

**28-2nd Public Hearing on Tax Rate**

**28-Schedule and announce meeting to adopt tax rate in 3-14 days**

**30-Publish "Notice of Tax Revenue Increase" per Texas Tax Code and post on website**

**31-72 hour open meetings notice to adopt the budget and tax rate**

### September

**4-Meeting to adopt the Budget and Tax Rate.**

\*Dates may be subject to change

\*\*Staff dates are in **Blue**; Holidays are in **Red**; Council dates are in **Gray**; dates in **Green** are only needed if the tax rate exceeds the lower of the effective rate or roll back rate



# Fund Structure

## Description of Fund Structure

The budget is organized by funds with departments and line items all rolling up to the fund level. A fund is generally defined as a fiscal/accounting entity with its own set of self-balancing accounts. Each fund can be presented independent of the other funds to illustrate that funds purpose for specific activities.

The City of Anna deploys Governmental and Proprietary Funds. Governmental funds are used for the bulk of the activities carried out by the City. The focus of Governmental funds is the flow of current financial resources. It is also assumed that those receiving services are expected to pay a fee commensurate with the value of that service. The Governmental funds account for services like Police and Fire in the General Fund, as well as debt in the Debt Service Fund, capital projects in the Capital Improvements Fund, and restricted/special revenues. Proprietary or Enterprise funds focus is that of a business which charges a fee to cover the cost of providing goods or services. The Utility Fund, which accounts for water, sewer, and trash services provided to the citizens of Anna, is an Enterprise Fund.

### **Governmental Fund Types**

**General Fund** – This is the primary operating fund for the City. The General Fund revenue is from taxes, fees, fines, licenses etc. General Fund expenditures are for typical municipal services such as Police, Fire, Ambulance, Parks, Streets, and Administration.

**Debt Service Fund** – This fund accounts for all the long term debt supported by taxes and issued to support governmental fund type activities. A portion of the property tax levy (Interest and Sinking Rate) is dedicated to support this fund. Principal and interest payments on long term debt are found in the Debt Service Fund.

**Capital Improvements Fund** – This fund accounts for major capital projects and improvements such as streets, sidewalks, park projects etc. Revenues for this fund are restricted for the project. Revenue sources include bond proceeds, fund transfers, grants, and intergovernmental revenue from other governmental units like TxDOT and Collin County.

**Restricted Revenue Trusts Funds**– With the exception of capital projects, this accounts for revenue sources that are legally restricted to expenditures for a specific purpose and in accordance with the enabling legislation. Currently these trusts are accounted for in the general fund and reported in the audited as restricted fund balance.

### **Proprietary/Enterprise Fund Types**

**Utility Fund** – This fund accounts for the operation and maintenance of the City's water and waste water utility system as well and for contracting refuse collection services. This fund is financially supported solely by user charges for utility and trash service.

The typical measure of financial health for each fund is the fund balance at year end. The fiscal policies which will follow this section will discuss those measures in more detail. A schedule of estimated and projected fund is below:



# Fund Structure

## Schedule of Fund Balance

	2011 Audited Fund Balance	2012 Projected Fund Balance	2013 Proposed Fund Balance	% Change
<b>General Fund</b>	<b>\$2,306,489</b>	<b>\$2,358,668</b>	<b>\$2,508,398</b>	<b>6%</b>
<i>Restricted</i>	\$156,274	\$257,836	\$407,566	58%
<i>Assigned</i>	\$52,383	\$0	\$0	N/A
<i>Unassigned</i>	\$2,097,832	\$2,100,832	\$2,100,832	0%
<b>Debt Service Fund</b>	<b>\$50,758</b>	<b>\$53,945</b>	<b>\$53,945</b>	<b>0%</b>
<i>Restricted</i>	\$50,758	\$53,945	\$53,945	0%
<i>Assigned</i>	\$0	\$0	\$0	N/A
<i>Unassigned</i>	\$0	\$0	\$0	N/A
<b>Capital Improvements Fund</b>	<b>\$264,563</b>	<b>\$113,558</b>	<b>\$100,000</b>	<b>-12%</b>
<i>Restricted</i>	\$264,563	\$113,558	\$100,000	-12%
<i>Assigned</i>	\$0	\$0	\$0	N/A
<i>Unassigned</i>	\$0	\$0	\$0	N/A
<b>Utility Fund</b>	<b>\$2,705,247</b>	<b>\$3,039,353</b>	<b>\$3,226,072</b>	<b>6%</b>
<i>Restricted Net Assets</i>	\$1,353,085	\$1,618,345	\$1,600,345	-1%
<i>Unrestricted Net Assets</i>	\$1,352,162	\$1,421,008	\$1,625,727	14%

The Governmental Accounting Standards Board (GASB) has issued a statement regarding the classification of fund balance. Fund balance in the Governmental Funds is classified as nonspendable, restricted, committed, assigned, and unassigned. The City currently has no fund balance classified as nonspendable or committed.

The Utility Fund does not report fund balance, but reports net assets. For the purposes of this schedule, net assets reported in the Utility Fund as restricted includes impact fees and other assets restricted for a specific use purpose and unrestricted net assets includes assets which hold no restriction upon their use.



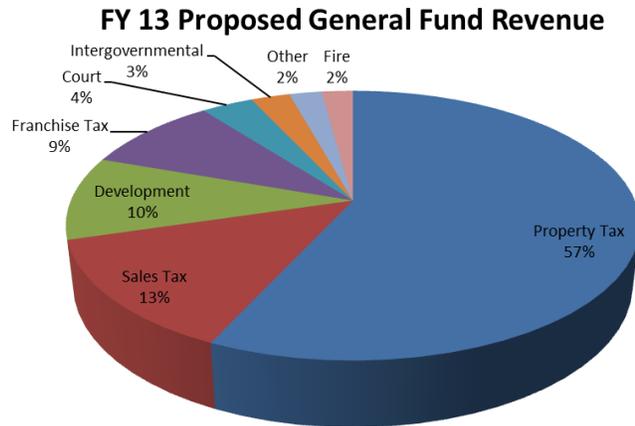
# General Fund Revenue

## Revenue Mix

The City of Anna finances its general fund activities from 3 types of revenue; taxes, fines & fees, and user charges. These include property and sales taxes, licenses and permits, fines, Beneficiaries of General Fund Services are not generally required to pay a fee commensurate with the value of those services. Illustrated below, the majority of the General Fund activities (70%) are financed through taxes. The top 3 revenue sources are (1) property taxes, (2) sales tax, and (3) development fees. The 3 sources comprise 80% of FY 13 revenue.

### Property Tax:

The Ad Valorem Property Tax (57%) is a function of the tax rate the City formally adopts each year. The Collin Central Appraisal District (CCAD) establishes the value of each property with the City of Anna and the city applies the maintenance and operations portion of the rate to the certified value provided by CCAD. For FY13 the certified taxable value is \$376,533,308. This represents an increase of 3.7% that is almost exclusively due to the addition of new value as the result of increased building activity.

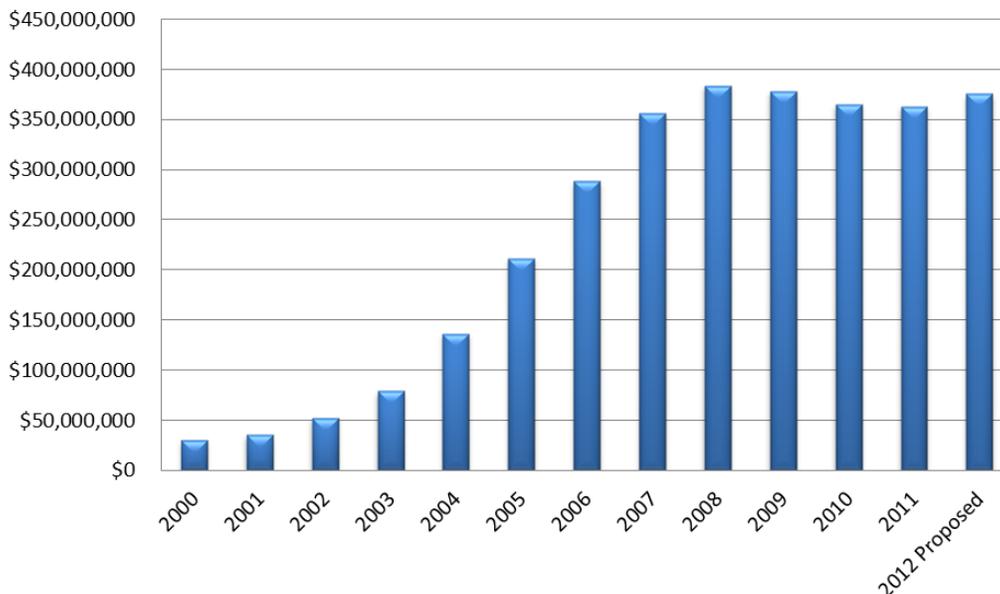


With the exception of the most recent year, the taxable value of existing properties has declined an average of over 3% per year since 2008. This equates to a loss of over \$42 million in taxable value based on a year to year comparison. Even with over \$35 million in new buildings and property added to the tax roll since 2008, the taxable value of the 2012

tax role is nearly 2% lower than the 2008 roll. In addition, the average value of a residential homestead in Anna has declined by 11% since 2008.

Based on the most recent 2012 property appraisals, it appears that existing properties have retained their value since 2011, and we are guardedly optimistic that this could mark the beginning of a trend toward market appreciation. In addition we have observed a significant increase in the number of sin-

### Total Taxable Value





# General Fund Revenue

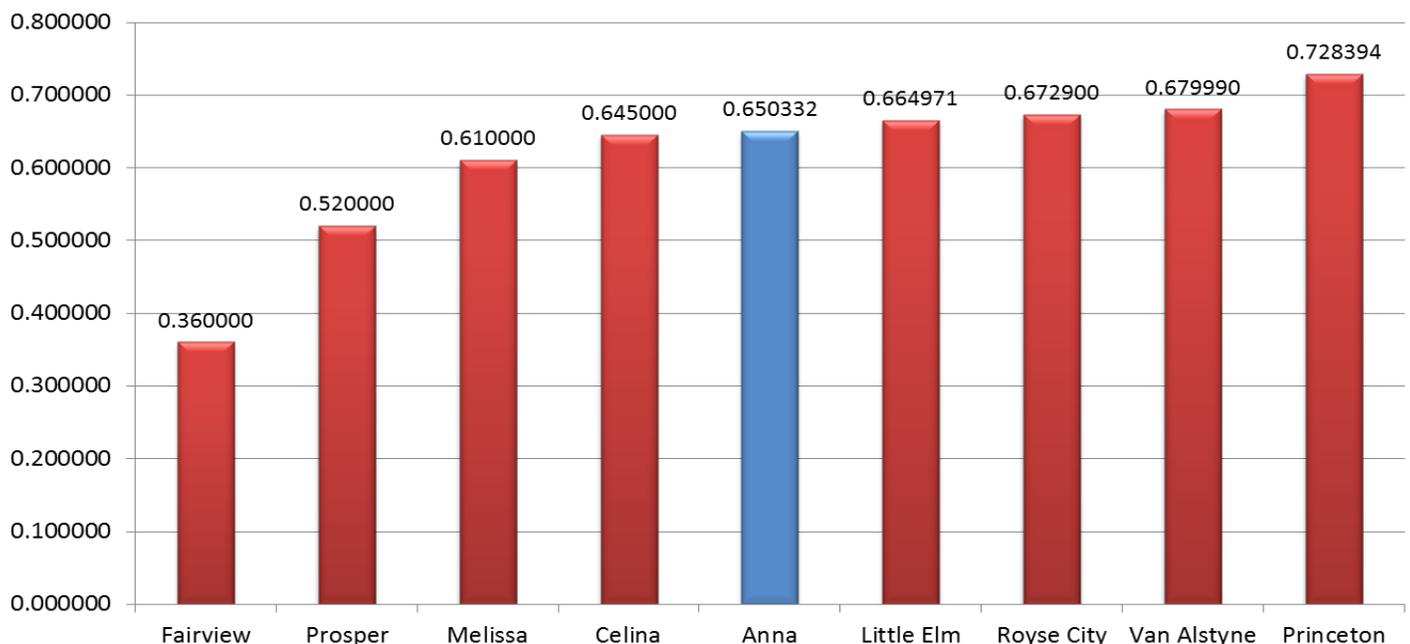
gle family homes building permits issued since the beginning of the year. While this will most certainly add the city's tax base, it will also increase the demand for municipal services that are funded primarily by property taxes.

The following table illustrates the change in assessed value, tax rate(s), and property tax revenue since tax year 2000.

Tax Year	Assessed Value	Total Tax Rate	M&O Rate	Debt Service Rate	Total Property Tax Revenue
2000	\$29,991,809	0.5299	0.2563	0.2735	\$150,809
2001	\$35,320,292	0.5799	0.1511	0.4288	\$182,838
2002	\$52,462,163	0.4997	0.4997	0	\$288,103
2003	\$79,351,888	0.4997	0.4997	0	\$407,430
2004	\$136,234,607	0.4997	0.4997	0	\$693,504
2005	\$211,508,957	0.525	0.525	0	\$1,148,140
2006	\$288,590,455	0.525	0.4386	0.0863	\$1,541,817
2007	\$356,238,071	0.575	0.4667	0.1082	\$2,015,950
2008	\$383,961,925	0.575	0.4794	0.0955	\$2,207,626
2009	\$378,153,710	0.622733	0.529939	0.0928	\$2,354,888
2010	\$365,119,804	0.650332	0.554225	0.096107	\$2,374,491
2011	\$362,969,678	0.650332	0.559367	0.090965	\$2,360,508
2012 Proposed	\$376,533,308	0.650332	0.559367	0.090965	\$2,448,717

Below is a summary of the FY 12 adopted tax rates of our comparison cities

City Tax Rate (FY 2012)

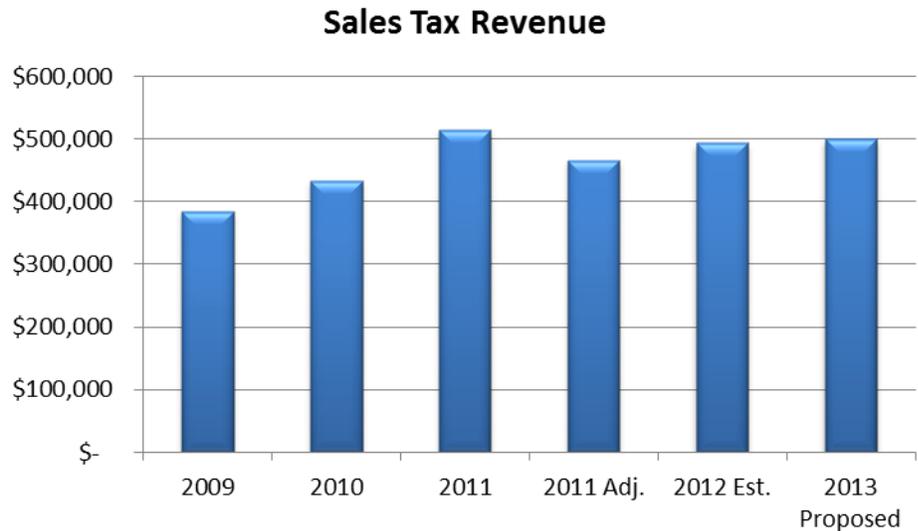




# General Fund Revenue

## Sales Tax:

Sales tax accounts for 13% of General Fund Revenue. The City currently charges a 2% sales tax. This 2% is in addition to the 6.25% the state charges. Of the additional 2% charged, 1% is allocated to the general fund while the remaining 1% funds the Economic and Community Development Corporations. As the City has grown, so has the sales tax base. Since 2008 the City has seen average annual sales tax growth of just under 14%. The forecast for FY 2013 is conservative based upon the economic climate nationally and that fact that sales tax growth appears to be slowing down based upon recent years.



FY 2011 sales tax revenue was adjusted down to account and an economic develop incentive between the City of Anna and a local home builder. The incentive expired in late 2011 and the numbers are adjusted to account for actual sales tax revenue in the General Fund. The City continues to partner with its Economic Development Corporation to recruit business to Anna that will be successful and contribute to our sense of community.

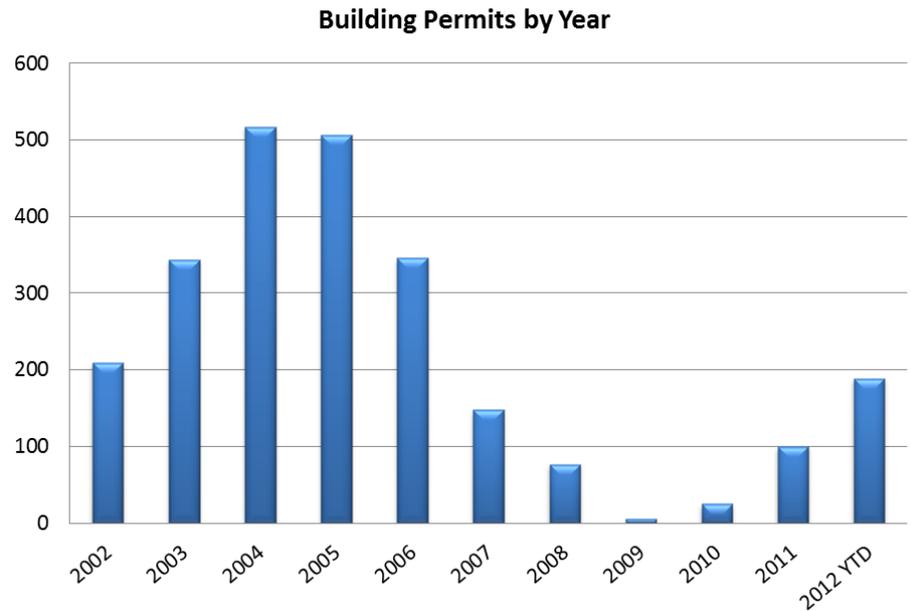
General Fund Sales Tax Revenue		
Fiscal Year	Sales Tax Revenue	% Change
1996	\$29,149	15.89%
1997	\$32,332	10.92%
1998	\$41,271	27.65%
1999	\$42,743	3.57%
2000	\$37,586	-12.06%
2001	\$43,827	16.60%
2002	\$61,160	39.55%
2003	\$79,132	29.38%
2004	\$115,843	46.39%
2005	\$155,399	34.15%
2006	\$225,886	45.36%
2007	\$293,934	30.12%
2008	\$336,730	14.56%
2009	\$384,642	14.23%
2010	\$433,375	12.67%
2011	\$515,381	18.92%
2011 Adjusted	\$458,432	5.78%
2012 Estimate	\$494,000	7.76%
2013 Projection	\$500,000	1.21%



# General Fund Revenue

Development:

Development revenue is driven by building activity in the City. The revenue amount is a combination of building permits, zoning fees, plat fees, contractor registration fees, and all other fees related to the permitting and approval of construction activity in the City. As you can see by the charge on the right, the City experienced a sharp decline in building permits that coincided with the recession. However, as the economy has seen signs of improvement nationally and locally, we are seeing increased building activity. Much of the increase is attributable by a large inventory of available single family lots. As that inventory diminishes we expect to see a light drop in building activity until more developments are platted and approved.



Illustrated below is a brief history of revenue sources for the City of Anna. Proposed revenue for FY 13 is up 10% over the budgeted amount for FY 12. The estimate for FY 12 is based upon performance over the first 3 quarters of the fiscal year including historical and seasonal trends. Of note is the significant increase in building activity. As discussed above, the City saw an unexpected increase in building activity and expect to see similar level of activity through FY 13. The increase in intergovernmental revenue is to offset personnel costs in Parks the Economic and Community Development Corporations.

The decline in other revenue is due in part one time payments from insurance claims and gain on sale of assets such as retired vehicles etc. The decline in Fire revenue is due to accounting for grant revenue in a special revenue fund. Of note in the Fire Department for FY 13 is the inclusion of ALS fees charged for services administered by the Fire Department for advanced life support.

## General Fund Revenue Summary

TYPE	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
Property Tax	\$ 2,037,838	\$ 2,030,335	\$ 2,030,335	\$ 2,106,203	4%
Sales Tax	\$ 542,239	\$ 460,000	\$ 494,000	\$ 500,000	9%
Development	\$ 241,652	\$ 122,300	\$ 397,300	\$ 371,300	204%
Franchise Tax	\$ 343,304	\$ 335,000	\$ 335,000	\$ 340,000	1%
Court	\$ 85,726	\$ 131,175	\$ 85,225	\$ 130,300	-1%
Intergovernmental	\$ 91,400	\$ 93,600	\$ 93,600	\$ 96,450	3%
Other	\$ 101,567	\$ 103,294	\$ 93,288	\$ 83,929	-19%
Fire	\$ 63,048	\$ 107,500	\$ 57,000	\$ 78,000	-27%
<b>Total</b>	<b>\$ 3,506,774</b>	<b>\$ 3,383,204</b>	<b>\$ 3,585,748</b>	<b>\$ 3,706,182</b>	<b>10%</b>



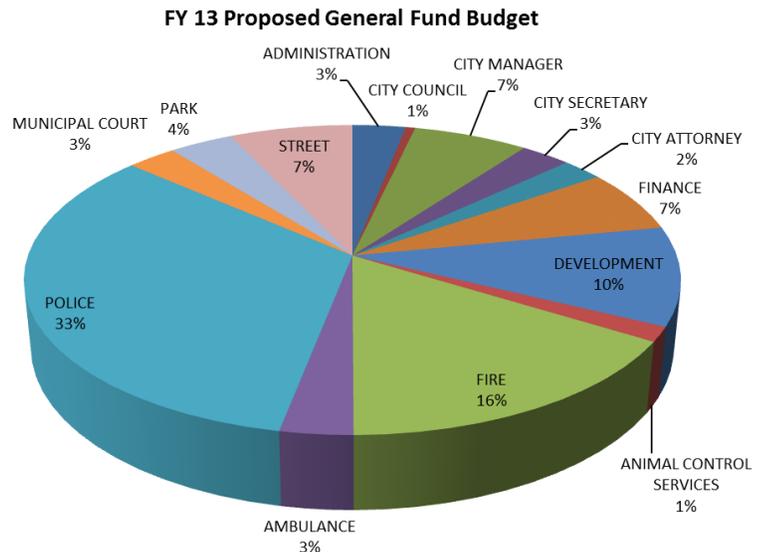
# General Fund Expense Summary

The General Fund Accounts for the expenditures associated with operating the general government services one typically expects from their municipal government. These services include public safety, parks, streets, planning, and the general administrative support for these services and the city council.

The chart on the right illustrates the percentage of the budget each department is responsible for. For FY 13 public safety will account for 52% of the budget. This includes police, fire, and ambulance services.

The table below illustrates each department of FY 11, FY 12, and FY 13. The table includes actual costs from FY 11, budgeted costs for FY 12, FY 12 estimate of costs, FY 13 proposed budget, and the percent change from the FY 12 budget.

The proposed FY 13 budget has an increase of 10% over the FY 12 budget. The departmental summaries demonstrate details on the increase. The 10% increase can be attributed to (1) costs associated with increased development activity, (2) new programs in various departments, (3) additional employees in the Fire Department, and (4) increases in personnel costs. These changes will all be discussed in the departmental summaries that follow.



## General Fund Expense Summary

DEPARTMENT	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
ADMINISTRATION	\$99,460	\$102,714	\$112,025	\$112,706	10%
CITY COUNCIL	\$16,628	\$15,710	\$17,550	\$19,998	27%
CITY MANAGER	\$238,143	\$239,143	\$233,757	\$243,483	2%
CITY SECRETARY	\$85,854	\$103,611	\$86,758	\$106,339	3%
CITY ATTORNEY	\$124,305	\$120,000	\$165,000	\$87,000	-28%
FINANCE	\$241,960	\$225,173	\$217,756	\$243,892	8%
DEVELOPMENT	\$364,765	\$310,914	\$377,622	\$380,439	22%
ANIMAL CONTROL SERVICES	\$51,877	\$51,338	\$51,338	\$56,643	10%
FIRE	\$433,153	\$442,244	\$546,685	\$598,249	35%
AMBULANCE	\$102,793	\$102,793	\$114,800	\$114,800	12%
POLICE	\$1,182,487	\$1,170,583	\$1,189,421	\$1,241,956	6%
MUNICIPAL COURT	\$78,798	\$86,168	\$78,698	\$104,148	21%
PARK	\$107,496	\$128,119	\$131,130	\$135,292	6%
STREET	\$304,386	\$259,500	\$268,260	\$261,237	1%
<b>Total</b>	<b>\$3,432,105</b>	<b>\$3,358,010</b>	<b>\$3,590,800</b>	<b>\$3,706,182</b>	<b>10%</b>



# Departmental Summaries

Each departmental summary will include its purpose, FY 12 accomplishments, and FY 13 goals. Additionally a summary of expenses will be illustrated as well as new programs or noteworthy changes from the FY 12 budget. Expenses will be summarized into the following categories:

Payroll:

Payroll expense includes all the costs associated with the employees in that department. The payroll category includes the following: salaries and wages, overtime, payroll taxes, health insurance, retirement, unemployment, workers compensation, and other miscellaneous payroll costs.

Supplies:

Supply expense includes office supplies, vehicle supplies, fuel, postage, medical supplies, clothing supplies, chemical supplies, protective gear and other miscellaneous items.

Maintenance:

Maintenance expense includes maintenance and repair costs for all city assets, equipment, and other city owned property. Items would include buildings, water and sewer system in the Utility Fund, vehicles, equipment, etc.

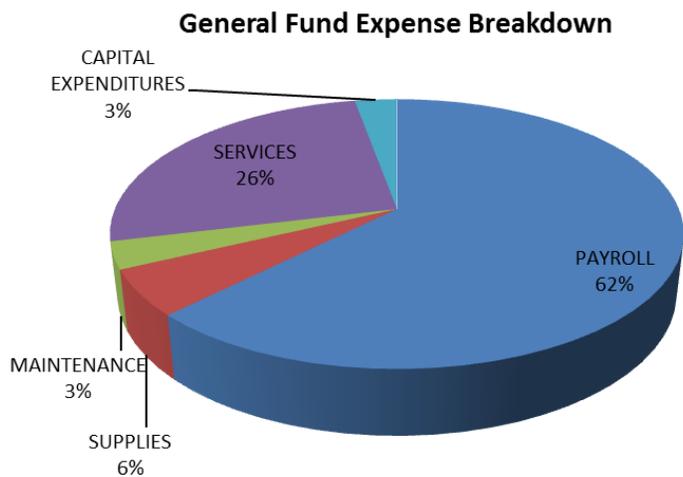
Services:

Service expense includes services the city pays for. Items such as utility costs, telephones, liability and property insurance, employee travel and education, advertising for public notices, etc. This category also includes contracted services such as the solid waste contract, IT services, dispatch services etc.

Capital Expenditures:

Capital expenditures includes items such as machinery and equipment, motor vehicles, building renovations, etc.

The table below illustrates how departments will be summarized. The 10% increase is discussed above; however, illustrated below is a 63% increase in supplies. This is due to fuel costs, supplemental requests for one time expenses, and the commitment to purchase protective gear in the Fire Department.



## General Fund Expense Summary by Category

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-213	% CHANGE
PAYROLL	\$2,063,776	\$2,125,036	\$2,076,386	\$2,311,109	9%
SUPPLIES	\$126,009	\$124,185	\$146,747	\$202,805	63%
MAINTENANCE	\$98,981	\$120,415	\$132,895	\$119,800	-1%
SERVICES	\$915,794	\$870,874	\$999,177	\$961,621	10%
CAPITAL EXPENDITURES	\$227,545	\$117,500	\$235,595	\$110,847	-6%
<b>TOTAL GENERAL FUND</b>	<b>\$3,432,105</b>	<b>\$3,358,010</b>	<b>\$3,590,800</b>	<b>\$3,706,182</b>	<b>10%</b>



# 10-400 Administration

## Purpose/Description

*To provide general administrative support to all the functions, programs, activities, and projects in the General Fund. These activities have costs not readily assignable to any specific department. Administration covers a number of shared expenses at City Hall (utilities, supplies, etc.) as well as other General Fund expenses (IT services).*

## FY 12 Accomplishments

- Upgrade of Microsoft Office Suite from Office 2003 to Office 2010
- Began electronic document management plan to scan, store, and disseminate critical documents i.e. ordinances, resolutions, council minutes etc.

## FY 13 Objectives

- Execute electronic document management plan
- Provide ongoing IT support to all departments
- Make critical IT upgrades such as security cameras at parks, networking capacity, and other IT upgrades.

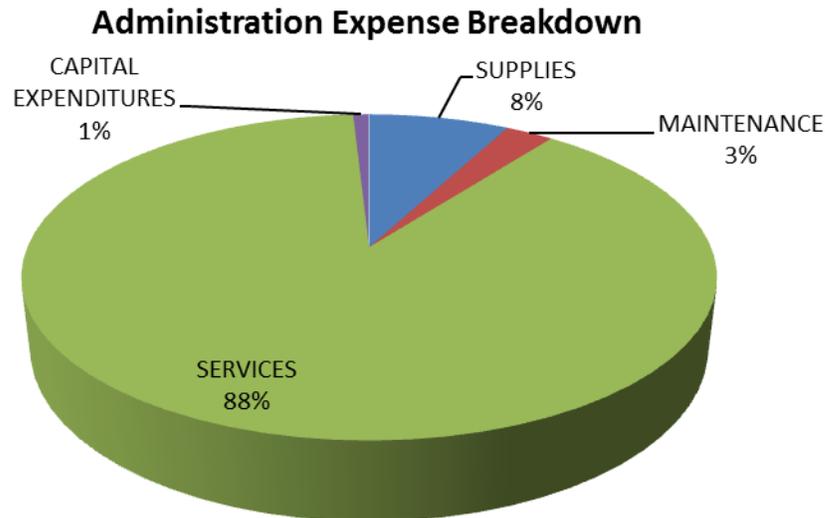
## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
SUPPLIES	\$8,020	\$9,500	\$9,000	\$8,300	-13%
MAINTENANCE	\$2,488	\$4,600	\$4,500	\$3,000	-35%
SERVICES	\$88,361	\$87,614	\$97,415	\$99,906	14%
CAPITAL EXPENDITURES	\$590	\$1,000	\$1,110	\$1,000	0%
<b>TOTAL 10-400E</b>	<b>\$99,459</b>	<b>\$102,714</b>	<b>\$112,025</b>	<b>\$112,706</b>	<b>10%</b>



# 10-400 Administration

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Ongoing maintenance for document imaging
- Additional funds for critical IT projects

### Administration FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
N/A					
Total					

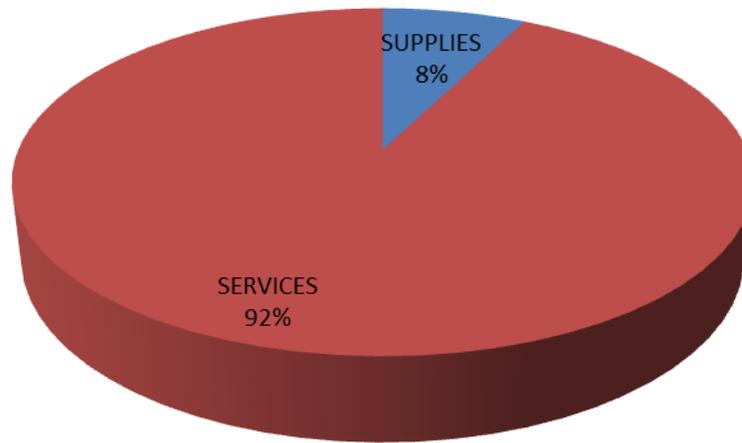


# 10-403 City Council

## Purpose/Description

*In order to enhance the quality of our community, the City Council is committed to principles of open and fair government and progressive planning that honor the public trust, protect our common resources, and promote a safe, sustainable, and connected community. The City Council is the legislative body of the city functioning under a Home Rule Charter adopted May 7, 2005. This department is designed to provide funding related to administration of legislative matters including, professional development of Council members.*

## City Council Expense Breakdown



## New and Noteworthy for FY 13

- Increased services budget for expanded travel and training opportunities for the Mayor and City Council

## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
SUPPLIES	\$1,077	\$1,200	\$1,500	\$1,500	25%
SERVICES	\$10,886	\$14,510	\$16,050	\$18,498	27%
CAPITAL EXPENDITURES	\$4,666	\$0	\$0	\$0	0%
<b>TOTAL 10-403E</b>	<b>\$16,629</b>	<b>\$15,710</b>	<b>\$17,550</b>	<b>\$19,998</b>	<b>27%</b>



# 10-406 City Manager

## Purpose/Description

*The City Manager's Office oversees implementation of City Council policies and directives, manages the day-to-day operations of the city, responds to concerns and inquiries, and promotes the overall interest of the community. The City Manager advises the City Council on policy decisions and provides leadership to the departments as they implement City policies. The City Manager's assistant also serves as the public relations manager and provides administrative support to the City's Economic and Community Development Corporations.*

The list below represents some of the major accomplishments achieved by the City through the cooperative efforts of the department directors and employees of the City of Anna. It is the privilege of the City Manager to partner with these outstanding individuals in moving the City forward.

## FY 12 Accomplishments

- Developed method for funding the construction of Phase II of Slayter Creek Park
  - Commenced Construction on Phase II of Slayter Creek Trail
  - Constructed parking lot and irrigation improvements at Geer Park and Bryant Park\*
  - Upgraded the Slayter Creek Park concession building\*
  - Completed the 2010 TxCDBG (Highway 5) Water Line Project
  - Initiated Highway 5 ground storage tank rehabilitation project
  - Completed water system Capital Improvement Plan study
  - Constructed Hackberry Drive water line relocation project
  - Updated the City's water and sewer rate model
  - Negotiated easement acquisition for the FM 455 water and sewer relocation project
  - Commenced work on the FM 455 water and sewer relocation project
  - Completed wastewater treatment option study
  - Renewed wastewater treatment plant discharge permit
  - Coordinated efforts with TxDOT and Collin County to schedule funding for US 75/FM 455 interchange reconstruction project
  - Negotiated median break agreements for the FM 455 expansion project
  - Initiated conversation with TxDOT on the future reconstruction and expansion of Powell Parkway (Hwy. 5)
  - Completed design and construction of the 2012 street rehabilitation project\*
  - Completed Interurban storm sewer repair project\*
  - Coordinated adoption of a new Subdivision Ordinance
  - Completed update of the City's Standard Design Manual
  - Initiated project to update land development codes including the City's Zoning Ordinance
  - Worked with developers to begin construction on over 30,000 square feet of new commercial space in downtown Anna.
  - Implemented builder sign kiosk program
  - Prepared the fiscal year operating budget without increasing the tax rate
  - Updated the General Fund and Utility Fund debt management strategies
  - Completed the FY 2011 Audit
  - Completed Fire Station Remodel project
  - Implemented an advanced life support EMS program
  - Implemented document management software program
  - Improved on-line communication with citizens
  - Initiated the "Shop Local" program
  - Assisted the Economic Development Corporation's remodel of the old post office as office space for an expanding local business
  - Worked with local business and national retail brands to expand business activity in Anna
- \* expected to be complete by the close of the 2012 fiscal year



# 10-406 City Manager

## FY 13 Objectives

- Work with the City Council to conduct a comprehensive review and update of the City’s strategic vision
- Manage the implementation of programs and projects approved in the FY 2013 Budget
- Continue to promote fiscally responsible practices in the management of city operations
- Continue to improve citizen communication including expanding the use of social media
- Ensure quality and timeliness of website and social media content.
- Apply for and receive the GFOA budget presentation recognition
- Oversee the timely development of the fiscal year 2014 budget.
- Pursue grant opportunities that improve City facilities, fund necessary staffing and build new facilities that improve the quality of life for Anna’s residents and businesses.
- Partner with the Economic Development Corporation and pursue activities and projects that promote business and the job growth within the city of Anna
- Effectively manage all media events and matters
- Develop and send timely notification to City Council of significant events.
- Update the Personnel Policy Manual
- Submit application for NTMWD wastewater customer status
- Work with TxDOT to begin construction on the FM 455 highway expansion project.
- Continue to work with TxDOT and other county, state and federal agencies to secure funding for U.S. 75 through Anna.
- Continue to work with TxDOT on the planning and design schematic for the future Highway 5 expansion program.
- Effectively oversee construction of capital projects including; FM 455 water and sewer relocation project; 2013 street rehabilitation project; Phase II of Slayter Creek Park; property acquisition for Phase III of Slayter Creek Tail; Highway 5 ground storage tank rehabilitation project
- Oversee planning and design for wastewater treatment plan bypass line, and Phase I of the groundwater/surface water blending project

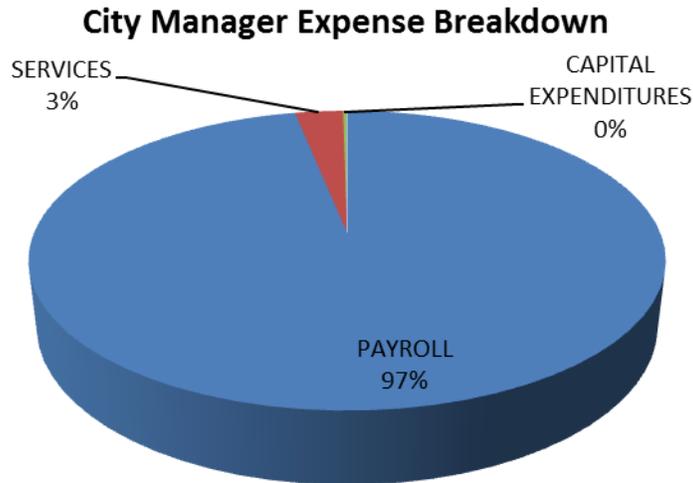
### Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$231,373	\$232,343	\$229,937	\$235,783	1%
SERVICES	\$5,625	\$6,200	\$3,820	\$7,100	15%
CAPITAL EXPENDITURES	\$1,143	\$600	\$0	\$600	0%
<b>TOTAL 10-406E</b>	<b>\$238,141</b>	<b>\$239,143</b>	<b>\$233,757</b>	<b>\$243,483</b>	<b>2%</b>



# 10-406 City Manager

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance

### City Manager FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
City Manager	1	1	1	1	1
Assistant to the City Manager	0.5	0.5	0.5	0.5	0.5
Receptionist	0.5	0.5	0.5	0.5	0.5
Administrative Assistant	1	0	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>



# 10-409 City Secretary

## Purpose/Description

*The City Secretary's office provides administrative support to the City Council and City Manager, maintains records, administers elections, and responds to Public Information Act Requests. The City Secretary attends all the City Council meetings and keeps minutes of the proceedings; works with the City Manager to prepare agendas and support materials for City Council meetings; coordinates City elections; works with other departments and the City Attorney to ensure Public Information Requests are handled in compliance with the Public Information Act; oversees the Records Management Program for the City; serves as custodian of all official City records .*

## FY 12 Accomplishments

- Held May 12, 2012 General Election and Special Election
- Worked on Records Management Program – working to scan, index and make available to staff old City documents such as ordinances, resolutions, etc. and scan and index new City documents as produced
- Support to City Council – Attend all public meetings and hearings and kept minutes of the proceedings
- Support to City Staff - making sure documents are available to staff
- Will begin the Electronic Document Management program using Sharepoint with RICOH before end of FY 12

## FY 13 Objectives

- Hold a General Election on May 11, 2013
- Continue work on Records Management Program
- Work on City Secretary certification
- Continue to support City Council and staff
- Continue Electronic Document Management program and incorporate Planning Department documents

## Expense Summary

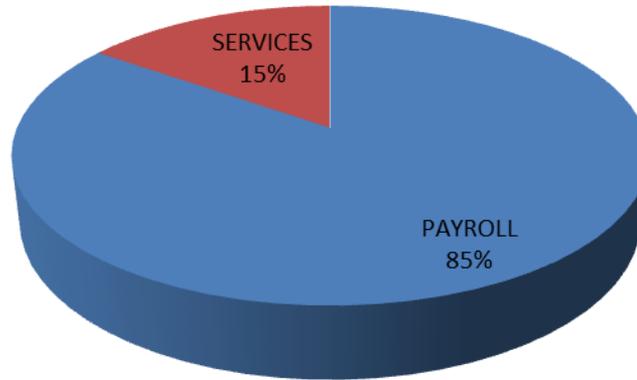
	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$75,385	\$87,391	\$72,802	\$90,084	3%
SERVICES	\$9,569	\$16,220	\$13,956	\$16,255	0%
CAPITAL EXPENDITURES	\$900	\$0	\$0	\$0	0%
<b>TOTAL 10-409E</b>	<b>\$85,854</b>	<b>\$103,611</b>	<b>\$86,758</b>	<b>\$106,339</b>	<b>3%</b>



# 10-409 City Secretary

## Proposed Budget Breakdown

### City Secretary Expense Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance

### City Secretary FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
City Secretary	1	1	1	1	1
Total	1	1	1	1	1

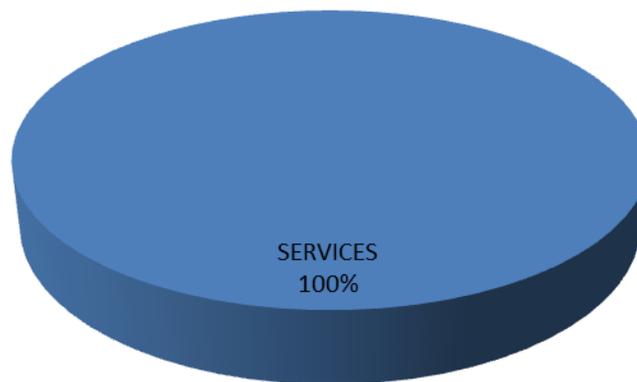


# 10-411 City Attorney

## Purpose/Description

Provide professional legal assistance and advice to the City Council, City Manger, and each department. The City Attorney serves as the legal advisor to the City Council and City Manager; represents the City in litigation and proceedings as directed by the City Council and City Manager; reviews and provides legal opinions as requested; serves as the prosecutor in municipal court. The City Attorney is appointed by the City Council and is a contracted service. The City Attorney does not include any personnel costs.

## City Attorney Expense Breakdown



## New and Noteworthy for FY 13

- Assignment of direct costs of City Prosecutor’s time to Municipal Court
- Allocation of costs associated with City Council meetings and staff meetings to be shared between Utility Fund and General Fund

### Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
SERVICES	\$124,305	\$120,000	\$165,000	87000	-28%
<b>TOTAL 10-411E</b>	<b>\$124,305</b>	<b>\$120,000</b>	<b>\$165,000</b>	<b>\$87,000</b>	<b>-28%</b>



# 10-414 Finance

## Purpose/Description

The Finance Department maintains the financial integrity of the city provides comprehensive and integrated financial management of the day-to-day financial operations of the city. The Finance Department is responsible to keep and maintain financial records; provide accurate financial reporting; invest public funds in compliance with applicable laws, ordinances, and policies; procurement; basic human resource activities; and information technology operations of the city.

## FY 12 Accomplishments

- Maintained Anna’s Gold Leadership Circle award for financial transparency
- Graduated two staff members from the Texas Tech Institute of Public Finance
- Assisted one staff member with tuition to achieve a bachelor’s degree in Human Resource Management
- Increased fund balance in the General Fund and working capital in the Utility Fund

## FY 13 Objectives

- Apply for the Distinguished Budget Presentation Award from GFOA
- Develop a vehicle replacement reserve fund
- Develop an internal service fund
- Update inventory and disposal process for all city assets
- Conduct a cost allocation study between the utility fund and the water fund

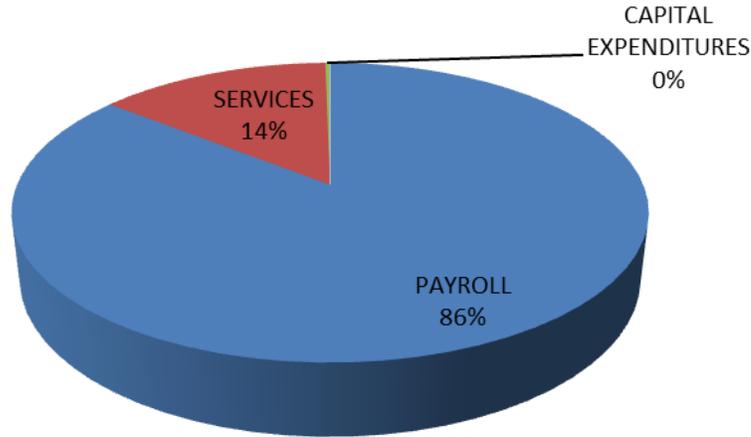
## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$212,923	\$204,506	\$199,401	\$209,204	2%
SERVICES	\$27,593	\$20,167	\$17,655	\$33,988	69%
CAPITAL EXPENDITURES	\$1,446	\$500	\$700	\$700	40%
<b>TOTAL 10-414E</b>	<b>\$241,962</b>	<b>\$225,173</b>	<b>\$217,756</b>	<b>\$243,892</b>	<b>8%</b>



**Proposed Budget Breakdown**

**Finance Expense Breakdown**



**New and Noteworthy for FY 13**

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Inclusion of supplemental request for support on RFP and negotiation of depository banking contract
- Inclusion of supplemental request for contract with investment advisors to support more active investment strategy
- Increase in capital expenditures for new computer for staff

**Finance FTE Schedule**

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Finance Director	1	1	1	1	1
Finance/HR Supervisor	1	1	1	1	1
Payroll/Accounting Assistant	1	1	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>



# 10-420 Development

## Purpose/Description

*The Development Department's mission is to promote sustainable development consistent with our Strategic Vision through the fair, consistent and ethical enforcement of the City's land development regulations. The Development Department ensures that new development occurring within the City and its extra-territorial jurisdiction is consistent and in compliance with the City's comprehensive plan, zoning ordinance, subdivision ordinance, building codes, and other development regulations.*

## FY 12 Accomplishments

- Oversee construction and inspection of 14 commercial projects and an anticipated 250 single family homes
- Secured over \$800,000 in park grants
- Applied for an additional \$500,000 in park grants
- Established sign plaza program
- Created and adopted sustainable land use controls

## FY 13 Objectives

- Oversee an estimated 200 single family building permits and potential new subdivisions
- Develop a record management system
- Update impact fees
- Continue work on facilities inventory
- Develop downtown implementation plan

## Expense Summary

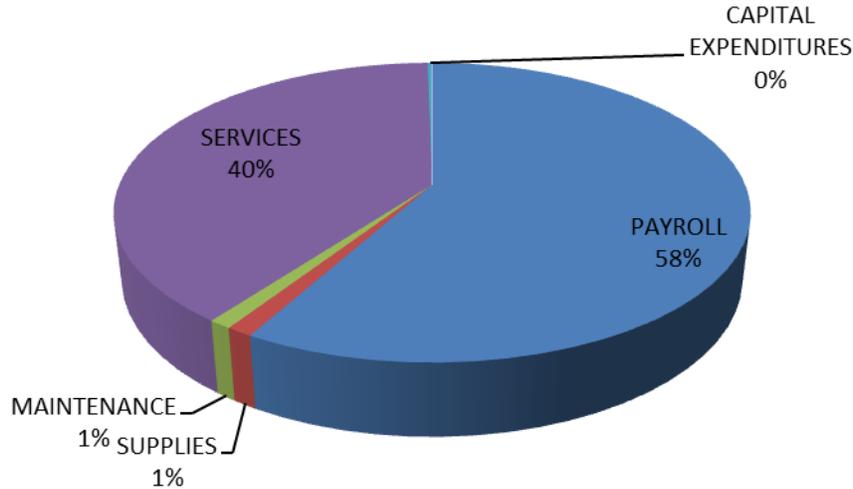
	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$219,028	\$218,107	\$218,500	\$221,039	1%
SUPPLIES	\$5,458	\$6,250	\$6,250	\$4,350	-30%
MAINTENANCE	\$3,483	\$4,315	\$6,695	\$3,800	-12%
SERVICES	\$136,216	\$82,242	\$146,177	\$150,250	83%
CAPITAL EXPENDITURES	\$580	\$0	\$0	\$1,000	N/A
<b>TOTAL 10-420E</b>	<b>\$364,765</b>	<b>\$310,914</b>	<b>\$377,622</b>	<b>\$380,439</b>	<b>22%</b>



# 10-420 Development

## Proposed Budget Breakdown

### Development Expense Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Reassignment of code enforcement officer to administrative assistant
- Movement of code enforcement related costs to the Fire Department
- Increase in services due to anticipated 200 single family building permits

### Planning FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Director of Planning	1	1	1	1	1
Planning Assistant	1	1	1	1	1
Code Enforcement Officer	0.5	1	1	1	0
Administrative Assistance	0	0	0	0	1
<b>Total</b>	<b>2.5</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>



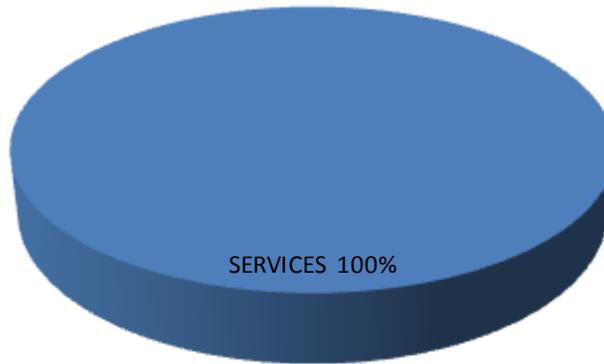
# 10-525 Animal Control

## Purpose/Description

*Animal control and animal shelter services are currently provided through a contract with Collin County. Services include responding to citizen complaints regarding animal control issues. The contract also allows animals captured within the City of Anna to be housed at the Collin County animal shelter. Animal Control does not have any personnel related costs as it is a contracted service.*

*The contract does not provide pro-active or routine patrols and enforcement of animal control ordinances.*

## Animal Control Expense Breakdown



## New and Noteworthy for FY 13

- Increase passed down from Collin County to pay for additional patrol officers and expanded shelter services

### Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
SERVICES	\$51,877	\$51,338	\$51,338	\$56,643	10%
<b>TOTAL 10-525E</b>	<b>\$51,877</b>	<b>\$51,338</b>	<b>\$51,338</b>	<b>\$56,643</b>	<b>10%</b>



# 10-543 Fire

## Purpose/Description

The Fire Department provides professional fire suppression, first responder, rescue, fire prevention, fire education, and emergency medical response services to the community of Anna.

## FY 12 Accomplishments

- Obtained grant funding for training library, 6 sets of personal protective equipment (PPE), an LCD projector and wildfire fire shelters.
- Began Advanced Life Support First responder level service.
- Completed extensive renovation to AMR ambulance bay and sleeping quarters converting that space into kitchen, dining area and day room; remodeled old kitchen area into two offices.
- Observed an increased level of interest in recruitment and retention of volunteer members.
- Held budget planning retreat with officers to identify and develop supplemental items priority list, and developed department budget with input from membership
- Upgrade portable radios to 700mhz as required for interoperable status.

## FY 13 Objectives

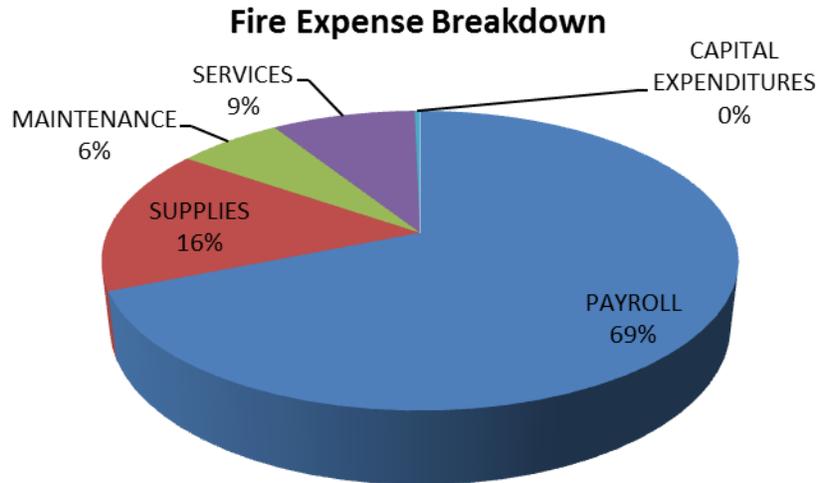
- Move to 24 hour three shift coverage for fire and first responder level service with addition of paid staff.
- Develop a capital facilities improvement plan and vehicle replacement schedule.
- Upgrade and improve availability of Personal Protective Equipment (PPE).
- Combine code enforcement and fire inspections within the Fire Department.
- Increase efficiency of training program through the appointment of a Training Officer (volunteer).
- Support ALS First Responder program with the appointment of an EMS Officer (volunteer).

## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$271,351	\$269,523	\$247,425	\$412,006	53%
SUPPLIES	\$35,826	\$29,150	\$42,500	\$94,035	223%
MAINTENANCE	\$33,561	\$28,700	\$30,700	\$38,000	32%
SERVICES	\$91,589	\$107,371	\$100,176	\$52,208	-51%
CAPITAL EXPENDITURES	\$826	\$7,500	\$125,884	\$2,000	-73%
<b>TOTAL 10-543E</b>	<b>\$433,153</b>	<b>\$442,244</b>	<b>\$546,685</b>	<b>\$598,249</b>	<b>35%</b>



**Proposed Budget Breakdown**



**New and Noteworthy for FY 13**

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Addition of 2.5 FTE's
- Reassignment of current firefighter positions to fire captain
- Addition of code enforcement duties
- Inclusion of stipend and accident insurance for volunteers
- Funding for replacement of Personal Protective Equipment
- Inclusion of one time supplemental requests for improvement to vehicles and equipment

**Fire FTE Schedule**

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Fire Chief	0	1	1	1	1
Fire Marshall	1	1	1	1	1
Fire Captain	0	0	0	0	3
Part-time Fire Fighter	2	2	2	2	1.5
<b>Total</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6.5</b>

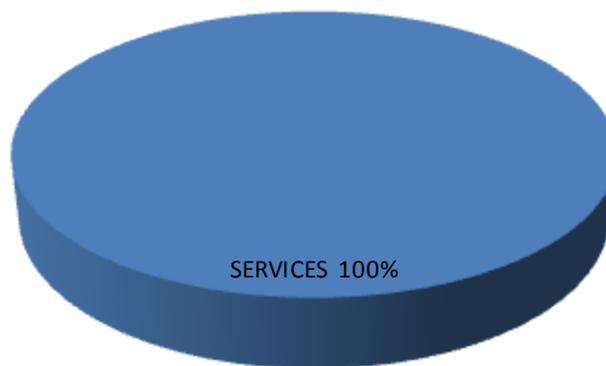


# 10-544 Ambulance

## Purpose/Description

Ambulance service is currently provided by AMR through a contract with Collin County. The Ambulance Department does not have any personnel costs as it is a contracted service.

## Ambulance Expense Breakdown



## New and Noteworthy for FY 13

- Increases in the American Medical Response contract with Collin County passed down to the City

### Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
SERVICES	\$102,793	\$102,793	\$114,800	\$114,800	12%
<b>TOTAL 10-544E</b>	<b>\$102,793</b>	<b>\$102,793</b>	<b>\$114,800</b>	<b>\$114,800</b>	<b>12%</b>



# 10-550 Police

## Purpose/Description

*The mission of the Anna Police Department is to work to enhance the quality of life for residents that make up our hometown. Our commitment to excellence in the professional and courteous delivery of police services while operating under the framework of the U.S. Constitution in enforcing laws, reducing fear, and preserving human life is the core of our "Community First" philosophy. The department responds to all calls for service, investigates criminal complaints, assists with the prosecution of suspects, and provides 24 hours a day, 365 days per year patrol coverage.*

## FY 12 Accomplishments

- Obtained grant funding for the Active Shooter Response Program
- Installed a PC-based firearms video simulator in the Police Building
- Obtained personal protective equipment for all officers including ballistic helmets ballistic shields and gas masks
- Hosted area agencies in Active Shooter training at the Anna ISD High School
- Hosted the most popular National Night Out event in the area at Slayter Creek Park with over 275 attendees
- Will host the Child ID fair in August at Anna PD issuing over 200 child ID's

## FY 13 Objectives

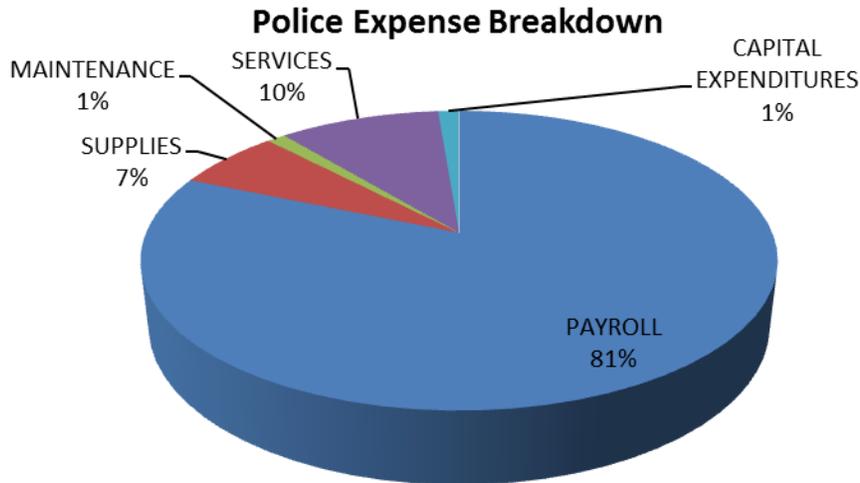
- Continue to host the National Night Out event in October
- Ensure that all Officers receive a min. 40 hours of training, including State mandated training by Sept. 2013
- Apply for grants for Automated External Defibrillators and less-lethal electrical devices like Tasers for all sworn offices
- Conduct the Annual Children's ID Fair.

## Expense Summary

	<b>ACTUAL 2010-2011</b>	<b>BUDGET 2011-2012</b>	<b>ESTIMATE 2011-2012</b>	<b>PROPOSED 2012-2013</b>	<b>% CHANGE</b>
PAYROLL	\$938,935	\$982,850	\$975,850	\$1,010,515	3%
SUPPLIES	\$63,713	\$62,585	\$75,897	\$80,270	28%
MAINTENANCE	\$17,353	\$11,300	\$25,300	\$14,000	24%
SERVICES	\$95,429	\$107,448	\$105,974	\$121,361	13%
CAPITAL EXPENDITURES	\$67,054	\$6,400	\$6,400	\$15,810	147%
<b>TOTAL 10-550E</b>	<b>\$1,182,484</b>	<b>\$1,170,583</b>	<b>\$1,189,421</b>	<b>\$1,241,956</b>	<b>6%</b>



**Proposed Budget Breakdown**



**New and Noteworthy for FY 13**

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Increase in fuel costs
- Increase in maintenance costs of aging patrol vehicles
- Increase in contracted services such as software support for mobile data computers in patrol cars
- Inclusion of supplemental request for automatic external defibrillators
- Grant funded purchase of a Laser Radar

**Police FTE Schedule**

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Police Chief	1	1	1	1	1
Executive Assistant	0.5	0	0	0	0
Crime Scene Technician	0	1	1	1	1
Records Manager	1	1	1	1	1
Police Sergeant	1	1	1	1	1
Police Officer	8	9	9	9	9
<b>Total</b>	<b>11.5</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>



# 10-552 Municipal Court

## Purpose/Description

Provide the public a fair, impartial and unbiased court system for the person charged with the offenses, in accordance with the Code of Criminal Procedures and the Rules of Criminal Evidence. The Anna Municipal Court has jurisdiction over all fine-only offenses that have been committed within the Anna city limits. These offenses include Class C misdemeanors, traffic offenses and City ordinance violations. The court collects fines, conducts trials, and issues warrants of arrest.

## FY 12 Accomplishments

- Will begin taking credit card payments in the office
- Will begin taking credit card payments online
- Improved operating efficiency during court proceedings by utilizing court technology fund to purchase and deploy technology in the court room helping the court clerk and judge have access to court records and allowing the clerk to immediately process cases

## FY 13 Objectives

- Increase court collections by contracting with a new collections agency and improving coordination with PD, Code Enforcement, and other City offices
- Increase efficiency in the court related to code violations
- Increase participation in professional associations
- Increase cross training with UB office

## Expense Summary

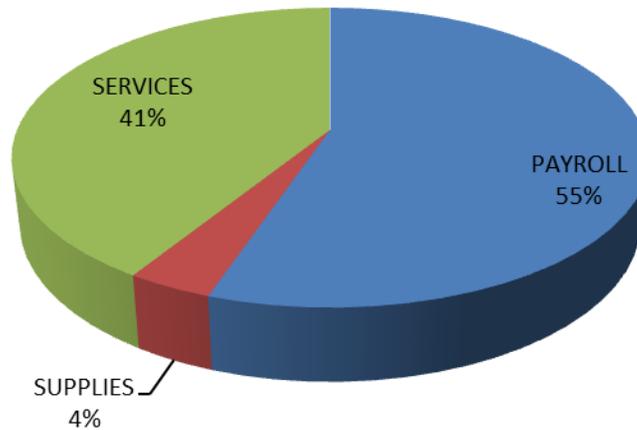
	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$56,218	\$56,601	\$55,795	\$57,490	2%
SUPPLIES	\$4,602	\$5,500	\$3,350	\$3,850	-30%
SERVICES	\$17,977	\$24,067	\$19,553	\$42,808	78%
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	0%
<b>TOTAL 10-552E</b>	<b>\$78,797</b>	<b>\$86,168</b>	<b>\$78,698</b>	<b>\$104,148</b>	<b>21%</b>



# 10-552 Municipal Court

## Proposed Budget Breakdown

### Court Expense Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Increase in services due to allocation of direct costs for city prosecutor’s time from City Attorney to Municipal Court

### Municipal Court FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Municipal Court Clerk	1	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>



# 10-555 Parks

## Purpose/Description

The Parks department oversees the development and maintenance of parks and recreation facilities for the citizens of Anna. The department also supports community organizations that provide sports and recreation opportunities for the youth of our community.

## FY 12 Accomplishments

- Demolition of Slayter Creek ball fields in preparation for Phase II
- Complete outfit of the concession stand and Slayter Creek Park
- Installed irrigation for Bryant and Geer fields
- Built walking trail from Slayter Creek Park to Anna High School

## FY 13 Objectives

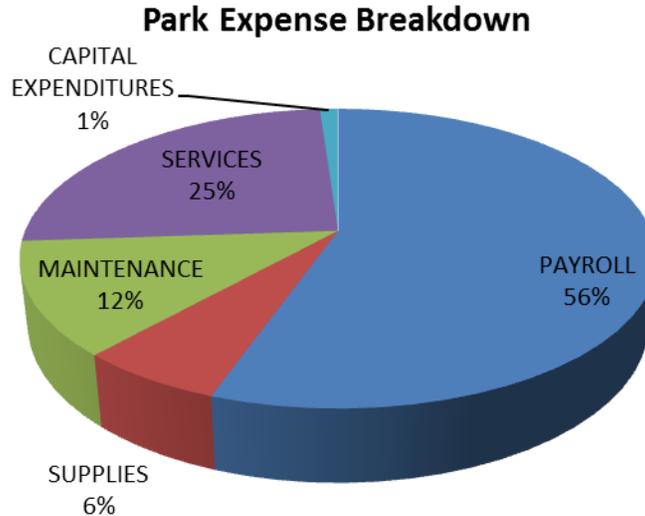
- Begin phase II construction on Slayter Creek Park
- Begin construction on Collin County grant funded projects
- Implement new parks fees

## Expense Summary

	<b>ACTUAL 2010-2011</b>	<b>BUDGET 2011-2012</b>	<b>ESTIMATE 2011-2012</b>	<b>PROPOSED 2012-2013</b>	<b>% CHANGE</b>
PAYROLL	\$58,560	\$73,715	\$76,676	\$74,988	2%
SUPPLIES	\$6,468	\$8,500	\$6,500	\$8,500	0%
MAINTENANCE	\$12,650	\$15,000	\$15,200	\$16,500	10%
SERVICES	\$29,817	\$29,404	\$31,254	\$33,804	15%
CAPITAL EXPENDITURES	\$0	\$1,500	\$1,500	\$1,500	0%
<b>TOTAL 10-555E</b>	<b>\$107,495</b>	<b>\$128,119</b>	<b>\$131,130</b>	<b>\$135,292</b>	<b>6%</b>



**Proposed Budget Breakdown**



**New and Noteworthy for FY 13**

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Anticipated increase in equipment maintenance
- Final payment on mower lease

**Parks FTE Schedule**

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Park Superintendent	0	0.5	0.5	0.5	0.5
<b>Total</b>	<b>0</b>	<b>.5</b>	<b>.5</b>	<b>.5</b>	<b>.5</b>



# 10-580 Street

## Purpose/Description

Provide the citizens of Anna a street and drainage system that will allow efficient operations on a daily basis while planning for future growth. The Street Department performs maintenance on 68 miles of streets within the city limits. Services include: cleaning streets, clearing rights of way, mowing rights of way, routine maintenance and repair, and street sign installation and maintenance. The Street Department also performs maintenance on the storm drainage system within the city limits.

## FY 12 Accomplishments

- Rehabilitation of Hackberry Street east from Powell Parkway to Riggins Street
- Repair of Hackberry Street west from Powell Parkway to Slayter Creek
- Repair of Interurban Street at the creek crossing

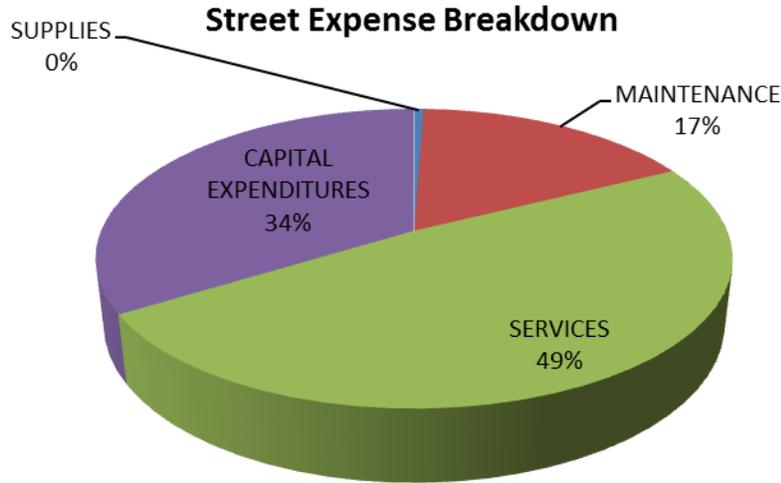
## FY 13 Objectives

- Complete annual street rehabilitation project

## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
SUPPLIES	\$841	\$1,500	\$1,750	\$1,500	0%
MAINTENANCE	\$29,448	\$56,500	\$50,500	\$44,500	-21%
SERVICES	\$123,756	\$101,500	\$116,010	\$127,000	25%
CAPITAL EXPENDITURES	\$150,342	\$100,000	\$100,000	\$88,137	-12%
<b>TOTAL 10-580E</b>	<b>\$304,387</b>	<b>\$259,500</b>	<b>\$268,260</b>	<b>\$261,137</b>	<b>1%</b>

**Proposed Budget Breakdown**



**New and Noteworthy for FY 13**

- Decrease in maintenance due to completion planned storm sewer project
- Increase in services due to changes in allocation of engineering costs
- Decrease in capital expenditures due to changes in allocation of engineering costs

**Street FTE Schedule**

Description	FY 09	FY 10	FY 11	FY 12	FY 13
N/A					
Total	0	0	0	0	0



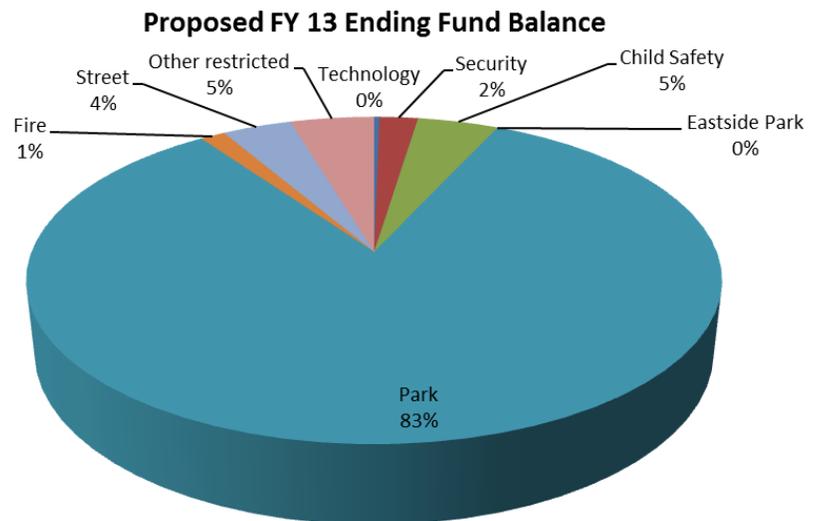
# Restricted Revenue Trusts

Incorporated within the General Fund are some restricted revenue trusts. These trusts are a Governmental Fund type. When monies in the restricted revenue trusts are received, their uses are restricted based upon the circumstances of their receipt. Restrictions are placed on the spending of the revenue for a number of reasons including, but not limited to laws, ordinances, grant contracts, donations etc.

For example, the City of Anna manages a Court Technology Fund. The revenues in the Court Technology Fund are the result of a local ordinance that dedicates a portion of court fines for court related technology purposes. The revenue in this fund can only be spent in accordance with the ordinance.

The primary Restricted Revenue Trusts the City currently manages are outlined below:

- Park Trust
- Eastside Park Trust
- Fire Trust
- Court Technology Fund
- Court Building Security Fund
- Child Safety Fund
- Street Capital Improvements



## Park Trust

The Park Trust is funded by park development fees as stipulated in either developer agreements or the subdivision ordinance and are used to serve the City’s master parks plan through development, improvement, or maintenance to the City’s parks. Park Trust revenues and expenses are illustrated below. Estimated and proposed revenues are the result of increased building activity in the City.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5106 INTERGOVERNMENTAL REVENUE	\$0	\$0	\$0	\$0	N/A
5121 DEVELOPER FEES	\$26,550	\$0	\$150,000	\$131,800	N/A
5329 DONATIONS	(\$116)	\$0	\$0	\$0	N/A
5499 MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	N/A
5530 INTEREST REVENUE	\$293	\$0	\$790	\$1,000	N/A
<b>TOTAL REVENUES</b>	<b>\$26,727</b>	<b>\$0</b>	<b>\$150,790</b>	<b>\$132,800</b>	<b>N/A</b>
LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
6931 LAND & IMPROVEMENTS	\$0	\$0	\$0	\$0	N/A
6941 OTHER CAPITAL EXPENDITURES	\$13,852	\$10,000	\$10,000	\$25,000	150%
<b>TOTAL EXPENSE</b>	<b>\$13,852</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>150%</b>



# Restricted Revenue Trusts

## Eastside Park Trust

The Eastside Park Trust was created from a private donation for improvements to the Eastside Park, otherwise known as Geer Park. The entire trust fund will be expended in FY 12 for parking improvements at the park. The trust has had minimal interest earnings from the donation and all amounts from interest earnings and the donation will be used for the project.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
6941 OTHER CAPITAL EXPENDITURES	\$0	\$28,700	\$29,032	\$0	-100%
<b>TOTAL EXPENSE</b>	<b>\$0</b>	<b>\$28,700</b>	<b>\$29,032</b>	<b>\$0</b>	<b>-100%</b>

## Fire Trust

The Fire Trust accounts for fees negotiated with developers for support of the Anna Fire Department. Additionally, grant projects typically funded through the Texas Forest Service, The Federal Emergency Management Agency, and other grantors are accounted for in the Fire Trust. In FY 12, the Fire Trust supported the Fire Department with protective gear, training and education, machinery and equipment, and other capital expenditures. Fire Trust revenues and expenses are illustrated below.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5121 DEVELOPER FEES	\$4,900	\$0	\$5,000	\$12,200	N/A
5500 GRANT REVENUE	\$0	\$20,657	\$20,000	\$25,000	21%
5530 INTEREST REVENUE	\$535	\$0	\$175	\$100	N/A
<b>TOTAL REVENUES</b>	<b>\$5,435</b>	<b>\$20,657</b>	<b>\$25,175</b>	<b>\$37,300</b>	<b>81%</b>

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
6213 PROTECTIVE GEAR	\$0	\$0	\$13,968	\$15,000	N/A
6721 EDUCATION & TRAINING	\$0	\$0	\$6,984	\$7,000	N/A
6911 MACHINERY & EQUIPMENT	\$0	\$0	\$469	\$3,000	N/A
6941 OTHER CAPITAL EXPENDITURES	\$34,160	\$25,000	\$25,000	\$18,000	-28%
<b>TOTAL EXPENSE</b>	<b>\$34,160</b>	<b>\$25,000</b>	<b>\$46,421</b>	<b>\$43,000</b>	<b>72%</b>



## Restricted Revenue Trusts

### Municipal Court Technology Fund

The Court Technology Fund accounts for portion of court fines to support the use of technology in the court room. In FY 12 the Court Technology Fund purchasing a laptop and other equipment allowing the court to operate more efficiently when in session. In FY 13 this fund will begin to support the annual software costs of the electronic ticket writers that will interface with existing court software. Court Technology Fund revenues and expenses are illustrated below.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5111 MUNICIPAL COURT TECHNOLOGY FUND	\$3,115	\$3,000	\$2,300	\$3,000	0%
5530 INTEREST REVENUE	\$3	\$100	\$19	\$15	-85%
<b>TOTAL REVENUES</b>	<b>\$3,118</b>	<b>\$3,100</b>	<b>\$2,319</b>	<b>\$3,015</b>	<b>-3%</b>
LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
6703 CONTRACT SERVICES	\$2,050	\$0	\$0	\$2,665	N/A
6911 MACHINERY & EQUIPMENT	\$0	\$3,000	\$2,560	\$0	-100%
<b>TOTAL EXPENSE</b>	<b>\$2,050</b>	<b>\$3,000</b>	<b>\$2,560</b>	<b>\$2,665</b>	<b>-11%</b>

### Municipal Court Building Security Fund

The Building Security Fund is also funded like the Court Technology Fund by accounting for portion of court fines. This revenue is used to maintain security in the court room and is budgeted for overtime pay to officers to act as a bailiff when necessary. Building Security Fund revenues and expenses are illustrated below.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5112 MUNICIPAL COURT BUILDING SECURITY	\$7,645	\$1,800	\$1,800	\$2,000	11%
5530 INTEREST REVENUE	\$27	\$50	\$80	\$85	70%
<b>TOTAL REVENUES</b>	<b>\$7,672</b>	<b>\$1,850</b>	<b>\$1,880</b>	<b>\$2,085</b>	<b>13%</b>
LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
6799 OTHER SERVICES - MISC.	\$0	\$3,000	\$0	\$3,000	0%
6911 MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	N/A
<b>TOTAL EXPENSE</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$0</b>	<b>\$3,000</b>	<b>0%</b>



## Restricted Revenue Trusts

### Child Safety Fund

The Child Safety Fund accounts for a portion of court fees that can be used to fund various programs designed to enhance child safety as outlined in State Code. The Child Safety Fund has no planned expenses in FY 12 or FY 13. Child Safety Fund revenues are illustrated below.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5113 CHILD SAFETY FUND	\$0	\$0	\$9,000	\$9,000	N/A
5499 MISCELLANEOUS REVENUE	\$4,195	\$2,000	\$0	\$0	-100%
5530 INTEREST REVENUE	\$40	\$60	\$25	\$30	-50%
<b>TOTAL REVENUES</b>	<b>\$4,235</b>	<b>\$2,060</b>	<b>\$9,025</b>	<b>\$9,030</b>	<b>338%</b>

### Street Capital Improvement Fund

The Street Capital Improvement Fund accounts for fees negotiated with developers for the improvements of streets. No expenses are planned for the Street Capital Improvement Fund in FY 12 or FY 13. This fund's revenues are illustrated below.

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
5125 ROAD CAPITAL IMPROV. IMPACT FEE	\$1,500	\$0	\$0	\$14,000	N/A
5530 INTEREST REVENUE	\$0	\$0	\$12	\$15	N/A
<b>TOTAL REVENUE</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$12</b>	<b>\$14,015</b>	<b>N/A</b>

### Changes in Fund Balance

All restricted revenues trusts are reported in the annual audit under the general fund as restricted fund balance. The schedule below illustrates the projected changes in fund balance at year end.

	2011 Audited Fund Balance	2012 Projected Fund Balance	2013 Proposed Fund Balance
Court Technology	\$1,067	\$826	\$1,176
Building Security	\$7,669	\$9,549	\$8,634
Child Safety	\$74	\$9,099	\$18,129
Eastside Park	\$28,804	\$0	\$0
Park	\$66,094	\$206,884	\$339,684
Fire	\$32,546	\$11,300	\$5,600
Street	\$1,500	\$1,512	\$15,527
Other restricted	\$18,519	\$18,665	\$18,815
<b>Total Restricted</b>	<b>\$156,274</b>	<b>\$257,836</b>	<b>\$407,566</b>



# Debt Service Fund Revenue

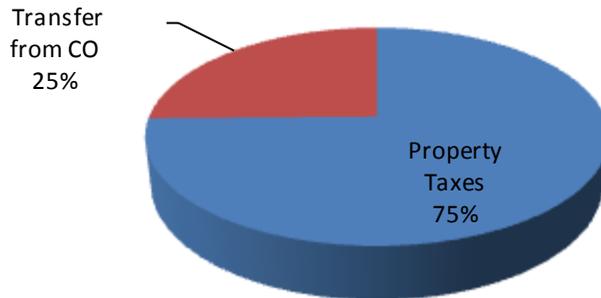
The Debt Service Fund is a special revenue fund used to account for a portion of the ad valorem property tax dedicated to support the principal and interest payments on debt issued for General Fund Purposes. Unlike Enterprise Funds, which are intended to operate like a business enterprise, the General Fund’s intent is to focus on the flow of current financial resources. Therefore, the Debt Service Fund is a self balancing set of accounts intended to account only for General Fund Debt.

All debt accounted for in the Debt Service Fund is bonded debt supported by taxes. Bonded debt includes general obligation bonds, certificates of obligations and combination tax and revenue certificates of obligation.

Revenues required to pay the City’s outstanding debt are transferred to this fund and all monies are restricted to debt payments only. The revenue generated from the interest and sinking (I&S) portion of the tax rate (0.090965 cents per \$100 valuation) is used to fund 75% of our debt service obligations. The remaining 25% needed is a transfer from excess bond proceeds that are the result of a certificate of obligation issued to refinance debt in 2005. Excess proceeds are held in a reserve trust fund with the intent to support the I&S fund in an effort to hold down property taxes.

Of particular note for FY 13 is the 100% decline of “transfer in - water fund”. Previously the transfer was to cover debt service associated with debt issued for water and sewer projects. At the recommendation of our auditor and to show the Utility Fund’s true annual debt obligation, this transfer will no longer occur thereby decreasing that revenue item.

## Debt Service Fund Revenue



### Debt Service Revenue Detail

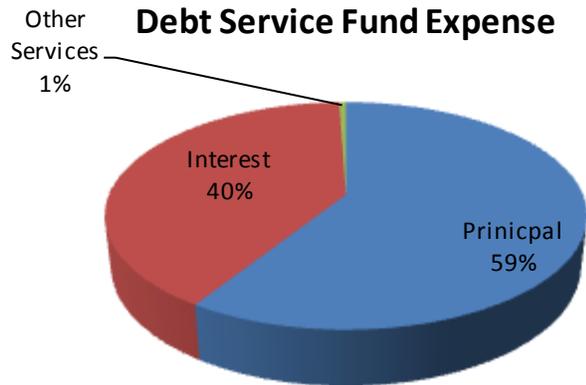
LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
5101 PROPERTY TAX REVENUE - I&S FUNDS	\$344,413	\$320,738	\$320,738	\$332,238	4%
5102 PROPERTY TAX REVENUE - DELINQUENT	\$5,117	\$6,775	\$6,775	\$7,364	9%
5103 PROPERTY TAX PENALTY & INTEREST	\$4,181	\$2,660	\$2,660	\$2,911	9%
5530 INTEREST REVENUE	\$1,175	\$0	\$0	\$0	
<b>REVENUES</b>	<b>\$354,886</b>	<b>\$330,173</b>	<b>\$330,173</b>	<b>\$342,513</b>	<b>4%</b>
5801 TRANSFERS IN - WATER FUND	\$205,159	\$221,079	\$221,079	\$0	-100%
5803 TRANSFERS IN - TRUST FUNDS	\$107,636	\$136,750	\$136,750	\$114,281	-16%
<b>OTHER SOURCES OF FUNDS</b>	<b>\$312,795</b>	<b>\$357,829</b>	<b>\$357,829</b>	<b>\$114,281</b>	<b>-68%</b>
<b>TOTAL DEBT SERVICE REVENUE</b>	<b>\$667,681</b>	<b>\$688,002</b>	<b>\$688,002</b>	<b>\$456,794</b>	<b>-34%</b>



# Debt Service Fund Expense

The City of Anna currently holds just over \$4.5 million in outstanding tax supported debt. The FY 13 debt service obligations are \$269,527 in principal payments and \$184,767 in interest payments for a total debt service of \$454,294. An additional \$2,500 is budgeted for paying agent fees as required under the bond covenants.

Of particular note for FY 13 is an overall decline in expenses of 34% (illustrated below). To be clear, this decline is due to Utility Fund debt obligations previously accounted for in the Debt Service Fund. At the recommendation of our auditor and to show the Utility Fund's true annual debt obligation, these water and sewer debt instruments will not longer be accounted for in the Debt Service Fund. All water and sewer debt will be accounted for in the Utility Fund.



## Debt Service Expense Detail

LINE ITEMS	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
6789 DEBT-SERVICE PRINCIPAL	\$37,055	\$42,124	\$24,268	\$19,527	-54%
6790 INTEREST EXPENSE	\$373,970	\$378,477	\$200,354	\$184,767	-51%
6799 OTHER SERVICES - MISC.	\$1,400	\$2,400	\$2,500	\$2,500	4%
<b>SERVICES</b>	<b>\$412,425</b>	<b>\$423,001</b>	<b>\$227,122</b>	<b>\$206,793</b>	<b>-51%</b>
8000 BOND PAYMENT	\$250,000	\$265,000	\$240,000	\$250,000	-6%
<b>OTHER USES OF FUNDS</b>	<b>\$250,000</b>	<b>\$265,000</b>	<b>\$240,000</b>	<b>\$250,000</b>	<b>-34%</b>
<b>TOTAL DEBT SERVICE EXPENSE</b>	<b>\$662,425</b>	<b>\$688,001</b>	<b>\$467,122</b>	<b>\$456,793</b>	<b>-34%</b>



# Debt Service Fund Expense

## Debt Management Plan

The City has worked closely with our financial advisors, First Southwest to develop a sound debt management plan. Looking to the future, the City anticipates a spike in our debt service in 2014, 2015, 2018, and 2019. Left unaddressed, this could lead to a spike in I&S tax rates as well. In 2014 the I&S rate may increase by over 30% dependent upon available trust funds to support the Debt Service Fund, changes in property values, and new construction activity.

The table below illustrates the total annual debt service supported by the I&S tax rate through FY 2029.

### Outstanding Debt Schedule

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/2013	\$269,527	\$184,767	\$454,294	-2%
9/30/2014	\$270,115	\$193,922	\$464,036	2%
9/30/2015	\$273,000	\$202,286	\$475,286	2%
9/30/2016	\$289,000	\$190,065	\$479,065	1%
9/30/2017	\$249,000	\$222,728	\$471,728	-2%
9/30/2018	\$220,000	\$286,646	\$506,646	7%
9/30/2019	\$258,000	\$299,675	\$557,675	10%
9/30/2020	\$269,000	\$275,275	\$544,275	-2%
9/30/2021	\$286,000	\$248,781	\$534,781	-2%
9/30/2022	\$313,000	\$219,231	\$532,231	0%
9/30/2023	\$324,000	\$187,400	\$511,400	-4%
9/30/2024	\$361,000	\$152,525	\$513,525	0%
9/30/2025	\$378,000	\$114,131	\$492,131	-4%
9/30/2026	\$414,000	\$72,281	\$486,281	-1%
9/30/2027	\$205,000	\$34,875	\$239,875	-51%
9/30/2028	\$65,000	\$14,625	\$79,625	-67%
9/30/2029	\$65,000	\$4,875	\$69,875	-12%
<b>TOTAL</b>	<b>\$4,508,641</b>	<b>\$2,904,089</b>	<b>\$7,412,730</b>	

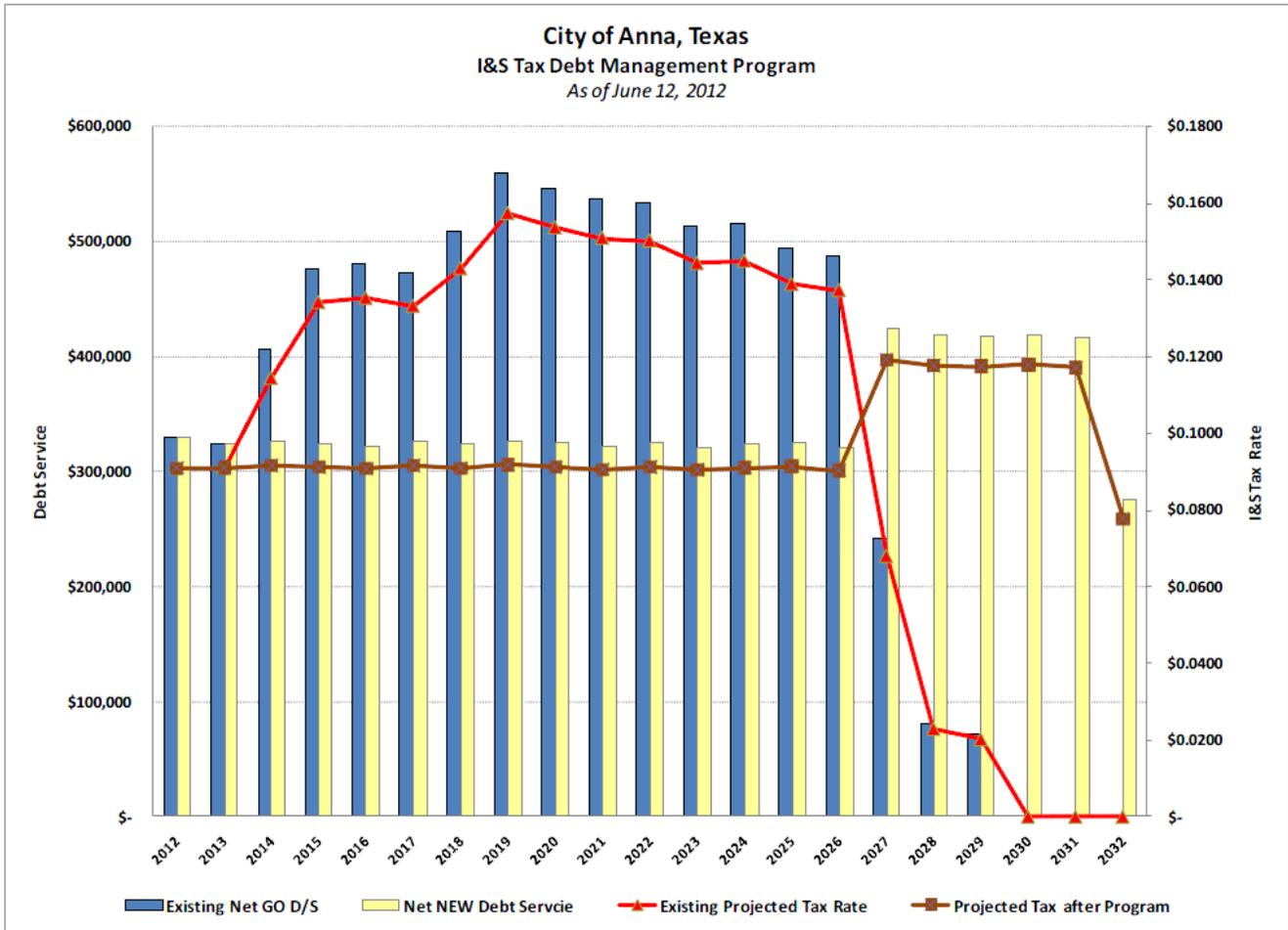
In order to keep the I&S rate low, the City of Anna and First Southwest have developed a series of planned refundings of existing debt to maintain the current I&S rate through 2026. This plan is based upon very conservative assumptions in growth of the property tax base and interest rates. Additionally, the planned refundings are scheduled to coincide with interest rate resets and, where possible, refunding bonds that are callable and advance refundable. In this way the plan will minimize the present value cost to the city. Refunding and restructuring of debt is scheduled to occur in 2013, 2016 and 2017. The following chart illustrates current and future debt obligations based upon existing debt obligations and projected new debt obligations after the planned refunding/restructuring.



# Debt Service Fund Expense

## Interest and Sinking Fund Debt Management Program

City of Anna, Texas



\*This chart is provided by First Southwest and is for discussion purposes only. Actual results may vary based upon future economic conditions.



## Capital Improvements Fund

The Capital Improvement Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. Capital Improvements Fund projects are the result of long term planning that occurs in the Capital Projects Plan. Each year projects are updated and projected across a 5 year time horizon and beyond. These projects are given priority based upon a combination of factors including community needs /interests and available funding.

In FY 12, the Capital Improvements Fund completed a CDBG grant funded project responsible for a new water line along Powell Parkway and an Active Shooter Response program funded through JAG grants. The City of Anna has been successful at obtaining grants to fund various capital projects. In FY 13, the Capital Improvements Fund will begin work on the following projects:

- Slayter Creek Park, Phase II
- Collin County Parks Grants
- FM 455 Utility Relocation Project
- FM 455 PID
- 2005 Certificate of Obligation
- 2007 Bond Project

Each project will be discussed individually including revenue and expense items. As projects can span more than a single FY, they are presented here in graphical format rather than a table illustrating expenses for each year.

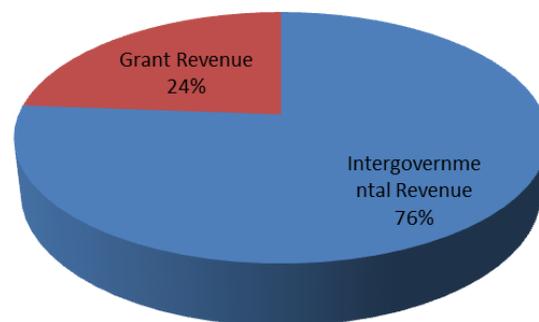
### Slayter Creek Park, Phase II

The Slayter Creek Park, Phase II project is the result of the City's long range plans to develop a top rate parks system that will meet the needs of our community and attract new residents to Anna.

This project is supported by the Texas Department of Parks and Wildlife by a \$500,00 grant and a \$1.6 million contribution from the Community Development Corporation. In total the project will be a \$2.1 million park project that includes the following improvements:

- Splash Pad
- Addition to the Skateboard Park
- Disc Golf Course
- Additional athletic fields
- Athletic field improvements including lighting and a scoreboard
- Expansion of the trail system
- Park facilities and furnishings including a gazebo, bleachers, benches, bike racks etc.
- Completion of roads and parking

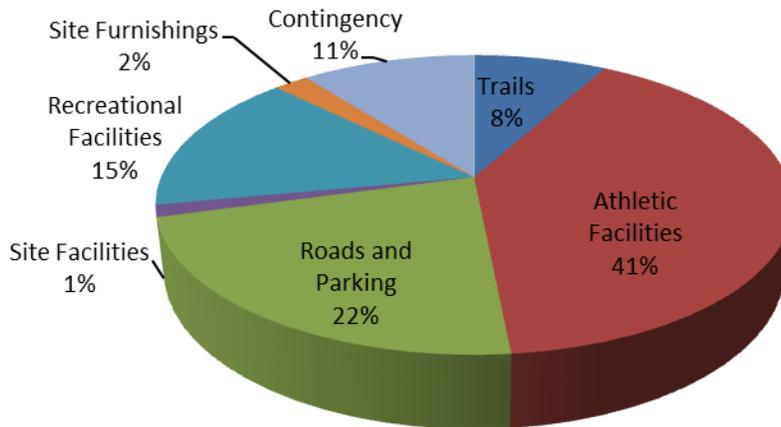
**Slayter Creek Park, Phase II Revenue**



# Capital Improvements Fund

The City will manage the bulk of the project self performing a portion of the work and contract the remaining portion. In terms of budget classification, all costs are considered a capital expenditure; however, the project has 7 primary components outlined above. The chart below illustrates the types of capital outlay expended for this project. Total project cost is \$2.1 million.

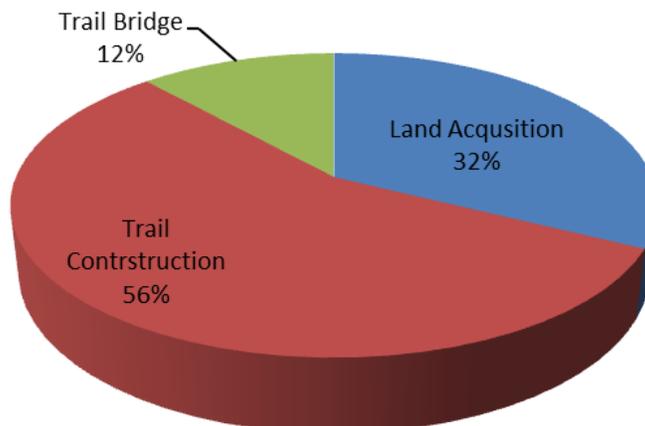
## Slayter Creek Park Phase II Project Budget



## Collin County Parks Grant

The Collin County Parks Grants project is 100% grant funded from the Collin County Parks program and will provide funds for land acquisition, trail construction and a steel trail bridge. This project will provide a key component of our interconnected trail system. Upon completion, this project will connect the Natural Springs Park and Slayter Creek Park via walking/biking trail with an underground street crossing at FM 455 via Total project cost is \$301,560.

## Collin County Parks Grant Project



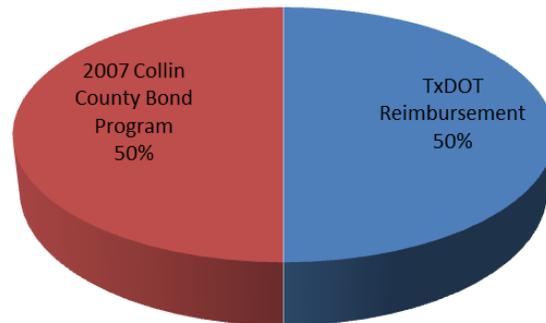
# Capital Improvements Fund

## FM 455 Utility Relocation Project

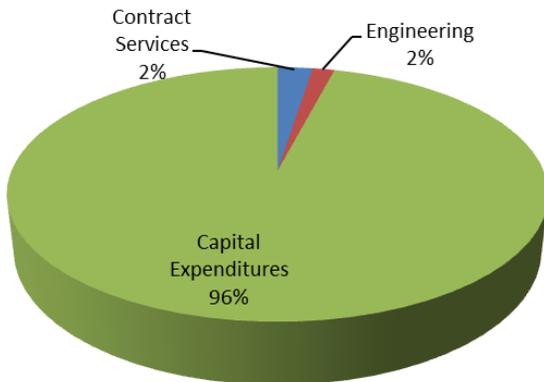
The Texas Department of Transportation has planned to widen FM 455 from Highway 75 to Powell Parkway (Highway 5) from two lanes to a four lane divided road. In preparation for widening FM 455, the City of Anna must move the water and sewer utilities running along FM 455.

The complete cost of this project is expected to be \$1.6 million and is 100% reimbursable from Collin County and TxDOT.

### FM 455 Utility Relocation Revenue



### FM 455 Utility Relocation Expense

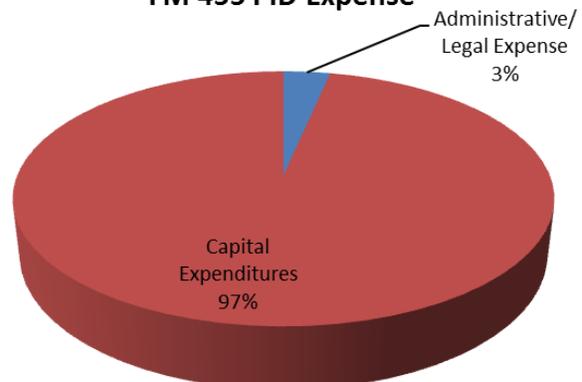


The FM 455 Utility Relocation Project will expend the full \$1.6 million for services and capital expenditures. Services include costs for engineering and project inspections. Capital expenditures include costs to obtain rights of way, easements, and the cost of physically moving the water and waste water utility lines.

## FM 455 Public Improvement District

The FM 455 Public Improvement District (PID) Project funds a median break on FM 455 at the entrance to Anna Market Center. TxDOT did not include a median break in the FM 455 project but has agreed to construct the median break at the City's expense. The property owners that will benefit from the median break have agreed to a PID assessment to pay for 100% of the \$75,136 project costs. The project will be divided between services for administrative/legal expense and capital expenditures.

### FM 455 PID Expense





# Capital Improvements Fund

## 2005 Certificate of Obligation

This project accounts for the excess bond proceeds used to refinance General Fund Debt. A portion of the Debt Service Fund revenue is a transfer from this project. No other expenses are accounted for in this project. The only expense is for the transfer to support the Debt Service Fund. Funds in this project are expected to run out in FY 14.

The budgeted expense is \$114,281 with no budgeted revenue. All expenses are funded out restricted fund balance in the Capital Improvements Fund.

### Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
CAPITAL EXPENDITURES	\$968	\$0	\$0	\$0	N/A
OTHER USES OF FUNDS	\$107,636	\$136,750	\$136,750	\$114,281	-16%
<b>TOTAL 50-625E</b>	<b>\$107,636</b>	<b>\$136,750</b>	<b>\$136,750</b>	<b>\$114,281</b>	<b>-16%</b>

## 2007 Bond Project

The 2007 Bond Project Construction Fund was undertaken to complete various infrastructure upgrades and improvements throughout the City. Eligible projects include:

- Constructing and improving streets and roads including: Drainage, Signalization, Landscaping, Lighting and signage, Acquisition of land and interests in land
- Acquiring, constructing, and installing additions, extensions and improvements to the City's waterworks and sanitary sewer system
- Constructing and installing municipal drainage improvements
- Paying legal, fiscal, engineering and architectural fees in connection with these projects

The 2007 bond fund has a balance of just under \$3,700. The remaining funds will be expended in FY 13 on eligible project not yet determined.



# 5 Summary of Capital Projects

FIVE YEAR CAPITAL IMPROVEMENTS PLAN							
Capital Projects	Department	FY13	FY14	FY15	FY16	FY17	Future
<b>BUILDINGS</b>							
City Hall Addition	Admin		\$500,000				
Central Fire Station	Fire						\$2,700,000
Fire Station #2	Fire						\$1,500,000
New City Hall	Admin						\$10,000,000
NSP Community Center	Parks						\$1,500,000
<b>WATER AND SEWER</b>							
Hwy 5 Ground Storage Tank Repair	Water	\$100,000					
Blended Water System	Water		\$2,250,000				
WWTP Upgrades	Sewer	\$800,000					
WWTP Relief Line	Sewer	\$950,000					
Clemens Creek Sewer Extension	Sewer						\$700,000
Elevated Storage Tank	Water						\$2,800,000
<b>STREETS</b>							
Annual Street Repair	Streets	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Ferguson Pkwy. Bypass	Streets		\$50,000				
Ferguson Pkwy. (FM 455 to Foster Crossing Rd. – Engineering)	Streets						\$594,000
Construct Ferguson Pkwy. (FM 455 to CR 367)	Streets						\$1,000,000
FM 455 (U.S. 75 to East Fork Creek – Engineering)	Streets						\$520,000
Rosamond Pkwy. (Hwy 5 to U.S. 75 – Engineering)	Streets						\$520,000
Reconstruct Hackberry (Hwy. 5 to Slayter Creek)	Streets						\$423,000
Mantua Rd/CR 371 (Hwy. 5 to U.S. 75 – reconstruction)	Streets						\$6,600,000
<b>PARKS</b>							
Slayter Creek Park Ph. II	Parks	\$2,100,000					
Trail Extensions	Parks	\$301,560	\$300,000	\$300,000	\$300,000		
Geer Park Phase I	Parks						\$1,500,000
<b>VEHICLES</b>							
Vehicle Replacement	Police		\$65,550	\$64,000	\$32,500	\$32,500	\$32,500
New Command Vehicle	Fire		\$36,000				
Replace R901	Fire						\$450,000
Quint Fire Engine	Fire						\$1,000,000
Replace/Purchase Trucks	Public Works		\$25,000	\$30,000			



# 5 Summary of Capital Projects

FIVE YEAR CAPITAL IMPORVEMENTS PLAN							
Capital Projects	Department	FY13	FY14	FY15	FY16	FY17	Future
<b>Machinery &amp; Equipment</b>							
Payment Kiosk	Utility Billing	\$40,000					
Mini Excavator	Public Works	\$50,000					
Mower	Parks		\$12,000				
Backhoe Trailer	Public Works		\$15,000				
Portable Generator	Public Works			\$85,000			
Purchase New Thermal Imaging Camera (TIC)	Fire		\$10,000				
Mobile Data Computers for Fire Apparatus	Fire		\$7,500				
Pump overhaul for E902	Fire		\$35,000				
Purchase Gas Detector	Fire			\$6,500			
Purchase 10 Scott Air-Pacs	Fire		\$20,000				
<b>TOTAL</b>		<b>\$4,441,560</b>	<b>\$3,426,050</b>	<b>\$585,500</b>	<b>\$432,500</b>	<b>\$132,500</b>	<b>\$31,839,500</b>
<b>GRAND TOTAL</b>		<b>\$40,857,610</b>					

\*All projects are subject to available funding resources in any given Fiscal Year; therefore, this document does not represent a funding guarantee for any given project



# Utility Fund Revenue

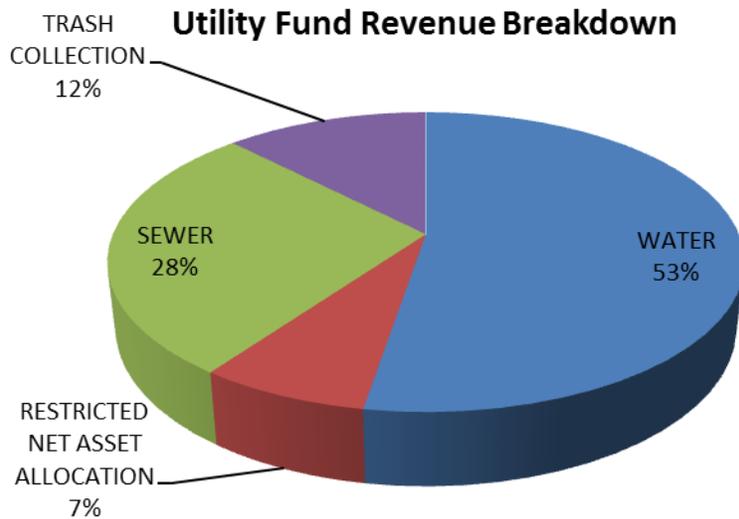
The Utility Fund in an enterprise fund that accounts for the water, sewer, and refuse services that are provided to the City’s residents and few residents outside the City. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business. The intent is that the costs of providing goods or services are financed primarily through user charges.

All operations and maintenance activities related water, sewer, and refuse services are accounted for in the utility fund; including but not limited to; operations, maintenance, billing and collections, administration, financing, and related debt service.

The Utility Fund’s principle source of revenues are charges to customers for water consumption, wastewater collection, refuse collection, and fees related to providing consumers with water and wastewater services. For FY 13 a transfer from water impact fee trusts is also included with the intent to use a portion of water impact fee revenue to pay down existing long term debt associated with our water infrastructure.

The City of Anna utility rates include a base charge and a volumetric rate for water consumption beyond 2,000 gallons per month. The base rate was instituted to provide stability in our revenue as water sales are more volatile than other revenue sources and change based upon the climate, principally upon precipitation. As water sales can be volatile, we have been conservative in our approach to estimating water revenue so as not to overstate projected revenue. The increase in water revenue for FY 13 is based in large part upon growth in our customer base. Growth in our customer base is also driving our increase in sewer revenue and trash collection revenue.

In FY 12, the City engaged a consultant to analyze growth and consumption patterns to determine projected revenue against projected costs. The results of his study indicate that our water rates can sustain the utility fund for FY 13; however, the updated utility rate model recommends adjusting utility rates gradually by 2 to 3 percent each year starting in FY 14.



## Utility Fund Revenue Summary

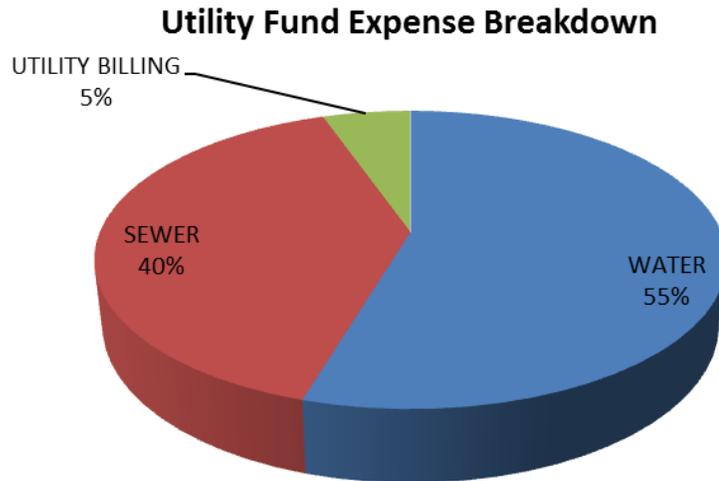
TYPE	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
WATER	\$2,986,169	\$2,256,016	\$2,365,793	\$2,513,730	11%
RESTRICTED NET ASSET ALLOCATION	\$0	\$0	\$0	\$350,000	N/A
SEWER	\$1,328,409	\$1,274,200	\$1,312,975	\$1,324,821	4%
TRASH COLLECTION	\$573,248	\$580,000	\$583,500	\$589,000	2%
<b>TOTAL</b>	<b>\$4,887,826</b>	<b>\$4,110,216</b>	<b>\$4,262,268</b>	<b>\$4,777,551</b>	<b>16%</b>



# Utility Fund Expense

As discussed above, the Utility Fund accounts for all the costs associated with providing and maintaining utility services. These services are provided by three departments; Water, Sewer, and Utility Billing. Departmental summaries are provided similar to the general fund with expenses categorized by type. These types are payroll, supplies, maintenance, and capital expenditures as discussed on page 32. In addition, the utility fund includes another type, "Other Uses of Funds". This expenses includes amounts previously transferred to the Debt Service Fund for utility fund debt that was previously accounted for in the Debt Service Fund. Utility Fund debt is now fully accounted for in the Utility Fund.

The chart on the right illustrates the percentage of costs associate with each of the three Utility Fund departments. Below, those departmental costs are broken down over FY 11, 12 and 13.



The departmental summaries will provide greater detail on increased expenses; however, much of the increase is due to one time requests to fund new projects and an increase in debt service obligations.

## Utility Fund Expense Summary by Department

DEPARTMENT	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
WATER	\$2,691,680	\$2,165,945	\$2,424,967	\$2,498,768	15%
SEWER	\$1,833,990	\$1,687,111	\$1,745,806	\$1,830,026	8%
UTILITY BILLING	\$207,386	\$226,505	\$196,705	\$246,298	9%
<b>TOTAL</b>	<b>\$4,733,056</b>	<b>\$4,079,561</b>	<b>\$4,367,478</b>	<b>\$4,575,092</b>	<b>12%</b>

The table below illustrates the 12% increase is related to maintenance, services, and capital expenditures for new projects. The increases will be discussed in the departmental summaries.

## Utility Fund Expense Summary by Type

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$782,733	\$847,020	\$789,460	\$814,700	-4%
SUPPLIES	\$100,888	\$113,775	\$107,650	\$120,525	6%
MAINTENANCE	\$321,837	\$310,400	\$374,000	\$533,600	72%
SERVICES	\$2,251,750	\$2,493,678	\$2,785,665	\$2,997,618	20%
CAPITAL EXPENDITURES	\$1,070,689	\$35,585	\$31,600	\$108,650	205%
OTHER USES OF FUNDS	\$205,159	\$279,103	\$279,103	\$0	-100%
<b>EXPENDITURES</b>	<b>\$4,733,056</b>	<b>\$4,079,561</b>	<b>\$4,367,478</b>	<b>\$4,575,093</b>	<b>12%</b>



# 60-701 Water

## Purpose/Description

To provide the City of Anna a quality potable water system that meets the demands of today and tomorrow. The water department is responsible for water production, operation, and maintenance of the City's entire water distribution system including 7 wells and the GTUA surface water connection which will provide treated surface water from the North Texas Municipal Water District.

## FY 12 Accomplishments

- Completed water line replacement funded through the CDBG grant
- Installed new 8" water line on Hackberry drive from Powell Parkway west to Slayter Creek
- Completed water rate and water system studies
- Rehabbed and lowered well #2 allowing for sustained production capacity
- Continued installation of radio read water meters

## FY 13 Objectives

- Relocate water utilities along FM 455
- Renovate ground storage tank for well #2
- Disconnect water lines replaced by CDBG project
- Complete installation of radio read meter system

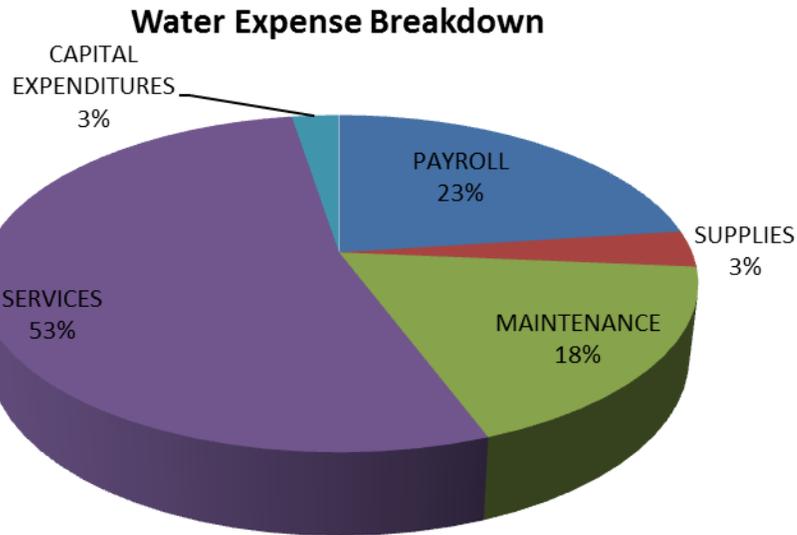
## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$511,183	\$569,414	\$536,600	\$571,388	0%
SUPPLIES	\$73,022	\$85,200	\$79,375	\$86,950	2%
MAINTENANCE	\$259,711	\$224,800	\$312,300	\$448,000	99%
SERVICES	\$976,552	\$908,743	\$1,245,904	\$1,325,780	46%
CAPITAL EXPENDITURES	\$724,676	\$30,000	\$30,000	\$63,400	111%
OTHER USES OF FUNDS	\$146,534	\$220,788	\$220,788	\$0	-100%
<b>TOTAL 60-701E</b>	<b>\$2,691,678</b>	<b>\$2,038,945</b>	<b>\$2,424,967</b>	<b>\$2,495,518</b>	<b>22%</b>



# 60-701 Water

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Increase in maintenance costs for project to complete change over to radio read water meters
- Increase in services due to allocation of legal and IT costs
- Increase in services due to Inclusion of debt service previously allocated to the Debt Service Fund
- Increase in capital expenditures due to supplemental request for small track-hoe

### Water FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Director of Public Works	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Field Supervisor	1	1	1	1	1
Crew Leader	1	1	1	1	1
Equipment Operator	1	1	1	1	0
Water Operator	1	1	1	1	2
Maintenance Laborer	3	3	3	4	4
Seasonal Laborer	1	1	1	1	1
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>



# 60-705 Sewer

## Purpose/Description

*Provide wastewater collection and treatment services to the citizens of Anna in strict compliance with the standards established by the Texas Commission on Environmental Quality and the Environmental Protection Agency. The department is responsible for the collection and treatment of wastewater from all the Anna utility customers.*

## FY 12 Accomplishments

- Upgraded pumps in the Throckmorton lift station
- Reactivated North Point North sewer system
- Upgraded Sweetwater lift station
- Received new waste water treatment plant permit from the Texas Commission on Environmental Quality

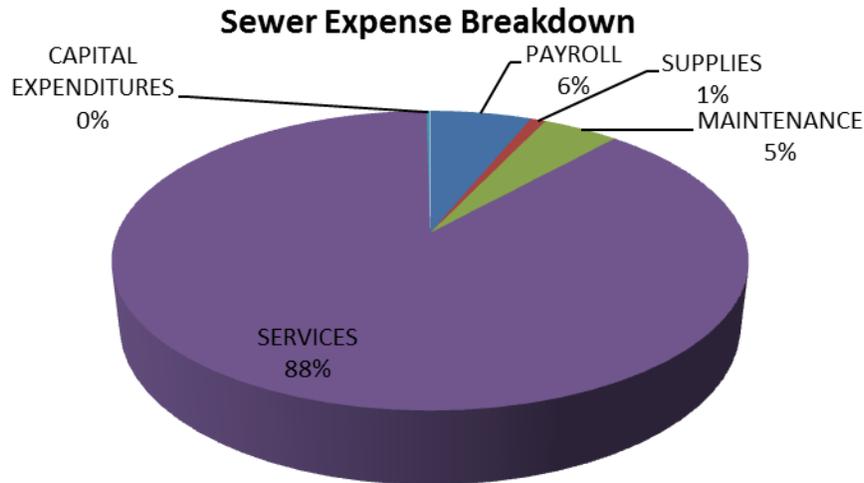
## FY 13 Objectives

- Relocate sewer utilities along FM 455
- Install new relief line at sewer treatment plant
- Prepare for upgrades to the waste water treatment plant
- Prepare for construction of a sewer relief line

## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% CHANGE
PAYROLL	\$107,824	\$110,376	\$110,085	\$113,018	2%
SUPPLIES	\$14,453	\$13,500	\$12,200	\$16,750	24%
MAINTENANCE	\$61,899	\$85,000	\$56,500	\$85,000	0%
SERVICES	\$1,245,179	\$1,179,921	\$1,507,706	\$1,614,508	37%
CAPITAL EXPENDITURES	\$346,013	\$5,000	\$1,000	\$4,000	-20%
OTHER USES OF FUNDS	\$58,625	\$58,315	\$58,315	\$0	-100%
<b>TOTAL 60-705E</b>	<b>\$1,833,993</b>	<b>\$1,452,112</b>	<b>\$1,745,806</b>	<b>\$1,833,276</b>	<b>26%</b>

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Increase in payroll due to 3% COLA
- Movement to the consumer centered pool plan with defined contribution of \$510 per month per employee for health insurance
- Increase in treatment costs for wastewater treated by the North Texas Municipal Water District
- Increase in services due to inclusion of debt service previously allocated to the Debt Service Fund

### Sewer FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Wastewater Operator	2	2	2	2	2
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>



# 60-710 Utility Billing

## Purpose/Description

*To ensure excellence in customer service through accuracy, efficiency, fairness, convenience, teamwork, leadership and integrity. Utility billing is responsible for the billing of water, sewer, and trash collection serviced provided to the citizens of Anna.*

## FY 12 Accomplishments

- Began accepting credit cards payments in the office
- Increased employee productivity
- Improved proficiency in operating Utility Billing Software
- Instituted a customer feedback system

## FY 13 Objectives

- Provide extended services online such as utility billing application
- Improve online payment portal
- Evaluate customer feedback

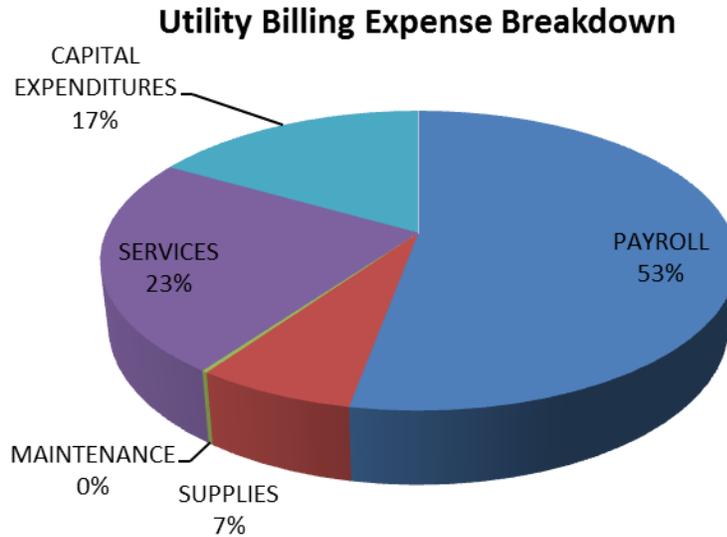
## Expense Summary

	<b>ACTUAL 2010-2011</b>	<b>BUDGET 2011-2012</b>	<b>ESTIMATE 2011-2012</b>	<b>PROPOSED 2012-2013</b>	<b>% CHANGE</b>
PAYROLL	\$163,727	\$167,230	\$142,775	\$130,293	-22%
SUPPLIES	\$13,413	\$15,075	\$16,075	\$16,825	12%
MAINTENANCE	\$229	\$600	\$5,200	\$600	0%
SERVICES	\$30,017	\$43,015	\$32,055	\$57,330	33%
CAPITAL EXPENDITURES	\$0	\$585	\$600	\$41,250	6951%
<b>TOTAL 60-710E</b>	<b>\$207,386</b>	<b>\$226,505</b>	<b>\$196,705</b>	<b>\$246,298</b>	<b>9%</b>



# 60-710 Utility Billing

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Decrease in payroll due to not filling an FTE in Utility Billing
- Increase in services due to supplemental request to outsource billing services
- Increase in capital expenditures due to supplemental request to install customer kiosk

### Utility Billing FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Customer Service Supervisor	1	1	1	1	1
Senior Customer Service Rep.	1	1	1	1	1
Customer Service Rep.	1	1	1	1	0
Receptionist	0.5	0.5	0.5	0.5	0.5
<b>Total</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>2.5</b>



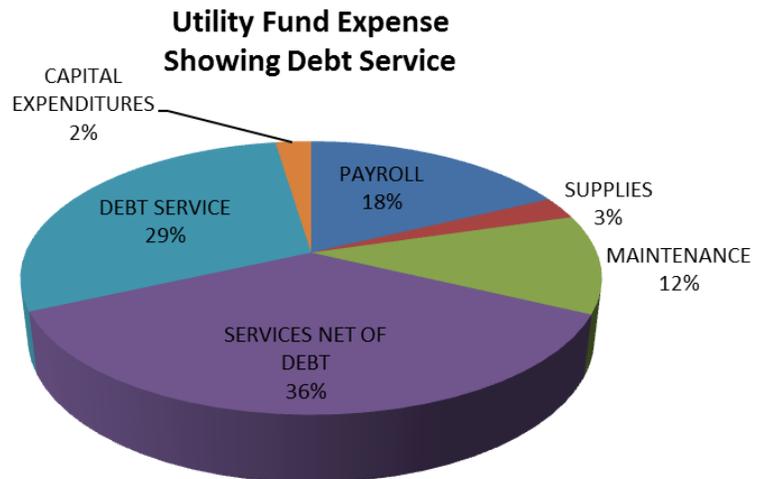
# Utility Fund Debt

Unlike the General Fund, all Utility Fund debt is accounted for within the Utility Fund. An Enterprise Fund is focused upon the total cost of providing services. With that focus in mind the Utility Fund includes all costs including long term debt service.

All debt accounted for in the Utility Fund is supported by the revenues generated from the Utility Fund's operations. While some debt instruments have a tax pledge, no Utility Fund debt is supported by taxes.

In FY 13, debt service accounts for 29% of the total Utility Fund budget. On page 73 debt service is included with "Services" for purposes of grouping expense types. However, to clearly illustrate Utility Fund debt it is specifically highlighted here.

For FY 13, an allocation of restricted net assets from impact fee trusts will be issued to support the FY 13 debt obligations in the Utility Fund. This is a one time transfer to support water related debt and is not planned to be an ongoing revenue source for the Utility Fund.



## Debt Management Plan

Not unlike the Debt Service Fund, the Utility Fund also faces challenges with its outstanding debt. Currently the Utility Fund holds just over \$19.2 million in outstanding debt. The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan for the Utility Fund as well. Looking to the future, the City anticipates a spike in debt service in 2014, 2015, 2018, and 2019. Left unaddressed, this could lead to significant spikes in utility rates to support the debt payments.

In order to appropriately manage Utility Fund debt, the City and First Southwest developed a plan to take advantage of call dates and advance refundings of debt the City is currently obligated to pay. All effort has been made to minimize the present value costs to the City. The current plan makes very conservative assumptions regarding interest rates and was reviewed and analyzed in conjunction with a water rate study to evaluate the current water rates. No water rate increases are expected for FY 13.

This plan also includes new debt issues the City will need to make in order for the water and sewer system capacity to keep pace with growth. These projects are discussed in the Capital Projects Section of the budget. However, the projects include the following:

- Waste water relief line to divert peak flows directly into the North Texas Municipal Water District's waste water treatment system
- Infrastructure and improvements necessary for the City accept surface water and gradually blend with our ground water supply



# Utility Fund Debt

- Improvements to the current waste water treatment facility
- Construction of a new water tower

The table below summarizes the outstanding debt service obligations for the Utility Fund through 2040

## Utility Fund Outstanding Debt Schedule

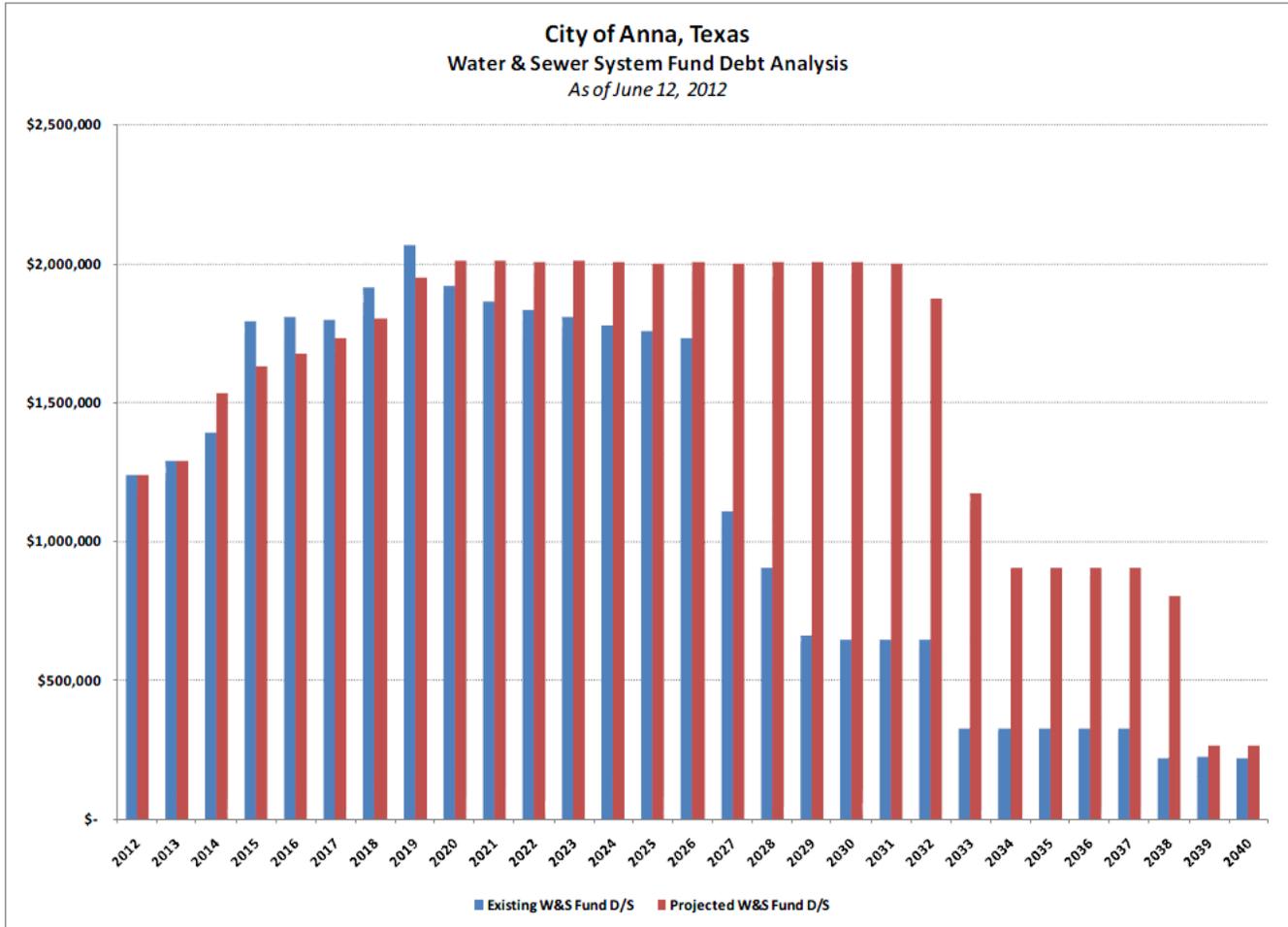
PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/2013	\$422,500	\$847,743	\$1,270,243	4%
9/30/2014	\$532,500	\$850,041	\$1,382,541	9%
9/30/2015	\$956,250	\$838,692	\$1,794,942	30%
9/30/2016	\$990,000	\$816,883	\$1,806,883	1%
9/30/2017	\$1,023,750	\$774,715	\$1,798,465	0%
9/30/2018	\$1,067,500	\$848,813	\$1,916,313	7%
9/30/2019	\$1,066,250	\$998,924	\$2,065,174	8%
9/30/2020	\$1,008,750	\$912,800	\$1,921,550	-7%
9/30/2021	\$1,021,250	\$842,648	\$1,863,898	-3%
9/30/2022	\$1,058,750	\$773,817	\$1,832,567	-2%
9/30/2023	\$1,106,250	\$702,001	\$1,808,251	-1%
9/30/2024	\$1,150,000	\$626,770	\$1,776,770	-2%
9/30/2025	\$1,207,500	\$548,025	\$1,755,525	-1%
9/30/2026	\$1,370,000	\$361,068	\$1,731,068	-1%
9/30/2027	\$818,750	\$287,945	\$1,106,695	-36%
9/30/2028	\$658,750	\$245,341	\$904,091	-18%
9/30/2029	\$450,000	\$211,317	\$661,317	-27%
9/30/2030	\$458,750	\$186,249	\$644,999	-2%
9/30/2031	\$485,000	\$160,214	\$645,214	0%
9/30/2032	\$512,500	\$132,714	\$645,214	0%
9/30/2033	\$222,500	\$103,659	\$326,159	-49%
9/30/2034	\$236,250	\$90,790	\$327,040	0%
9/30/2035	\$248,750	\$77,134	\$325,884	0%
9/30/2036	\$263,750	\$62,764	\$326,514	0%
9/30/2037	\$280,000	\$47,500	\$327,500	0%
9/30/2038	\$185,000	\$34,397	\$219,397	-33%
9/30/2039	\$197,500	\$23,612	\$221,112	1%
9/30/2040	\$207,500	\$12,097	\$219,597	-1%
<b>TOTAL</b>	<b>\$19,206,250</b>	<b>\$12,418,670</b>	<b>\$31,624,920</b>	



# Debt Service Fund Expense

## Water and Sewer Debt Management Program

City of Anna, Texas



\*This chart is provided by First Southwest and is for discussion purposes only. Actual results may vary based upon future economic conditions.



# Component Units

The City of Anna is also closely involved with the Anna Economic Development Corporation (EDC) and the Anna Community Development Corporation (CDC). The corporations are sometimes referred to as 4A and 4B corporations. These corporations are presented in the annual budget as they are a component unit of the City of Anna.

Each corporation acts under the direction of a seven member board and has their own budget separate and distinct from the City of Anna budget. However, the creation of these corporations was the result of an election as they are funded by city sales tax revenue. In addition to being managed by their boards, both the EDC and CDC must obtain approval from the City Council for all expenditures. As discussed previously in this budget, the city sales tax rate is 8.25%. The state takes 6.5% leaving 2% in the city. Of the remaining 2% the City of Anna receives 1%, the EDC and CDC each received .5%. Both corporations rely almost exclusively on sales tax for their revenue; however, the EDC also has an agreement for lease revenue of \$30,000. Each corporation has projected \$250,000 in sales tax revenue and interest revenue of less than \$230 per corporation.



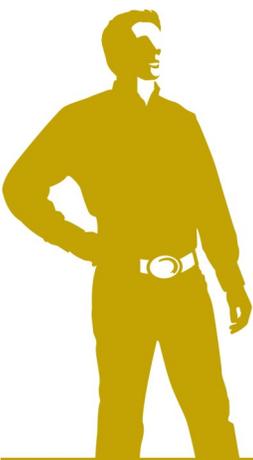
EDC:

The EDC is charged to provide land, buildings, equipment, facilities, targeted infrastructure, and improvements that are for the creation/retention of primary jobs; and that are found by the board of directors to be required/suitable for the development, retention, or expansion of: Manufacturing and industrial facilities; Research and development facilities; Military facilities, including closed/realigned military bases; Recycling facilities; Distribution centers; Small warehouse facilities capable of serving as decentralized storage/distribution centers; Primary job training facilities for use by of higher education; and Regional or national corporate headquarters facilities.



CDC:

The CDC has a charge similar to the EDC. Additionally, the CDC can develop: water supply facilities; projects that improve a community's quality of life, including parks, professional and amateur sport/athletic facilities, tourism/entertainment facilities, affordable housing, and other improvements or expenditures that promote new or expanded business activity that create or retain primary jobs; projects designed to attract new military missions, prevent the closure of existing missions, and redevelop a closed or realigned military base; direct incentives for retail in communities with fewer than 20,000 residents and certain land-locked cities; hangers, airport maintenance and repair facilities, air cargo facilities, related infrastructure located on or adjacent to an airport facility, airport facilities provided that the eligible municipality enter into an approved development agreement with an entity that acquires a leasehold/possessory interest from the economic development corporation; and rail ports, rail switching facilities, marine ports, and inland ports.





# Community Development Corporation

## Purpose/Description

The Anna Community Development Corporation works to identify and fund community facilities and related projects to maintain and enhance the quality of life in Anna .

## FY 12 Accomplishments

- Partnered with the EDC to support the Greater Anna Chamber of Commerce and their 5 annual community events.
- Partnered with the EDC to launch a Shop Local, Shop Anna program which offers an online listing of Anna Businesses and helps connect Anna residents to local businesses
- Issued bonds for park improvements and Phase II of Slayter Creek Park
- Purchased a large canopy to cover playground at Slayter Creek Park
- Purchased irrigation system for both Bryant and Geer Parks

## FY 13 Objectives

- Continue to support the Greater Anna Chamber of Commerce
- Continue to push the Shop Local Shop Anna Program
- Collect and maintain payments to the Revolving Loan Fund (starting June 2013)
- Maintain debt payments
- Maintain appropriate cash flow and coverage ratios for sound fiscal health and ratings

## Expense Summary

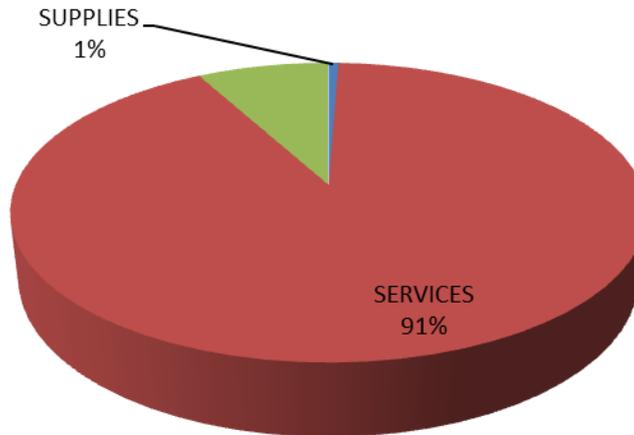
	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
SUPPLIES	\$3,820	\$1,250	\$1,050	\$1,500	20%
SERVICES	\$208,042	\$166,607	\$150,882	\$228,374	37%
CAPITAL EXPENDITURES	\$175,859	\$50,000	\$50,000	\$20,000	-60%
<b>TOTAL 89-825E</b>	<b>\$387,722</b>	<b>\$217,857</b>	<b>\$201,932</b>	<b>\$249,874</b>	<b>15%</b>



# Community Development Corporation

## Proposed Budget Breakdown

### CDC Expense Breakdown



### New and Noteworthy for FY 13

- Budgeted for increased debt payments for debt issues for the completion of Slayter Creek Park Phase II
- Agreement with Buxton for consumer analytics related to community development

### CDC FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Parks Superintendent			.5	.5	.5
Chief Administrative Officer	.25	.25			
<b>Total</b>	<b>.25</b>	<b>.25</b>	<b>.5</b>	<b>.5</b>	<b>.5</b>



# Economic Development Corporation

## Purpose/Description

*The Anna Economic Development Corporation works to coordinate efforts to expand the city's business tax base with a focus on creating primary jobs within the City of Anna.*

## FY 12 Accomplishments

- Partnered with the CDC to support the Greater Anna Chamber of Commerce and their 5 annual community events
- Partnered with the CDC to launch a Shop Local, Shop Anna program which offers an online listing of Anna Businesses and helps connect Anna residents to local businesses
- Purchased and renovated the Old Post Office to create an incubator like space within the City to attract new professional businesses
- Attended the ICSC local and national conferences to advance the Anna name and build relationships with retailers and developers

## FY 13 Objectives

- Continue to support the Greater Anna Chamber of Commerce
- Continue to push the Shop Local Shop Anna Program
- Collect and maintain payments for the Old Post Office
- Maintain the Old Post Office Property
- Maintain appropriate cash flow and coverage ratios for sound fiscal health and ratings
- Attend the ICSC local and national conferences to advance the Anna Name and build relationships with retailers and developers

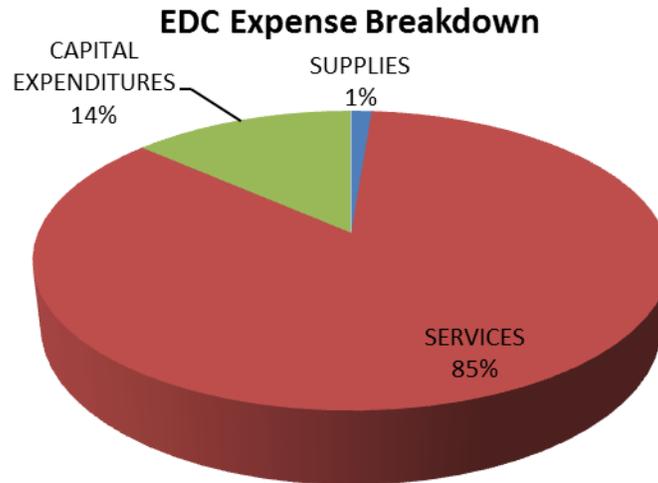
## Expense Summary

	ACTUAL 2010-2011	BUDGET 2011-2012	ESTIMATE 2011-2012	PROPOSED 2012-2013	% Change
SUPPLIES	\$1,511	\$5,375	\$5,375	\$3,125	-42%
SERVICES	\$129,276	\$149,164	\$174,527	\$214,537	44%
CAPITAL EXPENDITURES	\$70,690	\$65,500	\$225,500	\$34,000	-48%
<b>TOTAL 89-825E</b>	<b>\$201,477</b>	<b>\$220,039</b>	<b>\$405,402</b>	<b>\$251,662</b>	<b>14%</b>



# Economic Development Corporation

## Proposed Budget Breakdown



### New and Noteworthy for FY 13

- Lease revenue from incentive agreement on EDC property
- Debt payments on rehabilitation of old post office
- Agreement with Buxton for consumer analytics related to economic development

### EDC FTE Schedule

Description	FY 09	FY 10	FY 11	FY 12	FY 13
Chief Administrative Office	.25	.25	.5	.5	.5
<b>Total</b>	<b>.25</b>	<b>.25</b>	<b>.5</b>	<b>.5</b>	<b>.5</b>



## Supplemental Information

The Supplemental section contains the following information:

- Fiscal Policies
- Full Capital Improvements Plan
- Full report on debt management plan as presented by First Southwest to the City Council on June 12, 2012
- Bond rating from Fitch Ratings
- Budget information from the City of Anna Charter
- Budget ordinance (after budget adoption)



## 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



# Fiscal Policies

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 con-



# Fiscal Policies

tained 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 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.



# Fiscal Policies

## **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



## Fiscal Policies

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.



# Fiscal Policies

## **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
  - a. 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
  - a. 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 rated 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



## Fiscal Policies

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.



## Fiscal Policies

### **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 or 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:

To meet unanticipated cash requirements

To re-deploy cash into other investments expected to outperform current holdings

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;



## Fiscal Policies

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



## Fiscal Policies

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



## Fiscal Policies

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 otherwise 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.



# Fiscal Policies

## 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:
5. 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.
6. 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



## Fiscal Policies

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;



## Fiscal Policies

- 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.



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## Debt Management Analysis

**For discussion purposes only, actual results may vary**

# City of Anna, Texas

June 12, 2012

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# Outstanding General Obligation Debt as of June 12, 2012

City of Anna, Texas

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
1976	GO Water Bonds	\$20,000	5.00%	Currently Callable	1/1/2016	Water & Sewer Revenues
2006	Comb Tax & Ltd Surplus Rev C/O	\$1,975,000	3.50 – 5.25%	2/15/2016	2/15/2026	I&S Taxes
2007	Comb Tax & Rev C/O	\$1,055,000	3.95% through 2/15/2017 15% thereafter	2/15/2017	2/15/2027	I&S Taxes
2007	GO Ref Bonds	\$270,000	3.95% through 2/15/2017 15% thereafter	2/15/2017	2/15/2027	I&S Taxes
2009	Comb Tax & Rev C/O	\$825,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2029	I&S Taxes
2009	Comb Tax & Rev Ref Bonds	\$4,090,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2026	Water & Sewer Revenues
2011	PPFCOs	\$360,000	3.34% through 2/15/2014 Variable thereafter	2/15/2014	2/15/2026	I&S Taxes
	<b>TOTAL</b>	<b>\$8,595,000</b>				

CITY OF ANNA, TEXAS

# Outstanding Notes Payable as of June 12, 2012

City of Anna, Texas

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
2009A	Finance Contract (Backhoe)	\$37,571.48	5.00%	n/a	2/2/2014	W&S Revs
2009C	Finance Contract (Fire Truck)	\$23,641.37	5.00%	n/a	2/3/2014	I&S Taxes
	<b>TOTAL</b>	<b>\$61,212.85</b>				

# Breakdown of General Obligation Debt and Notes as of June 12, 2012

City of Anna, Texas

I&S Tax Supported Debt		
Series	Name	Amount Outstanding
2006	Comb Tax & Ltd Surplus Rev C/O	\$1,975,000
2007	Comb Tax & Rev C/O	\$1,055,000
2007	GO Ref Bonds	\$270,000
2009	Comb Tax & Rev C/O	\$825,000
2009C	Finance Contract (Fire Truck)	\$23,641
2011	PPFCOs	\$360,000
	<b>TOTAL</b>	<b>\$4,508,641</b>

Water & Sewer Supported Debt		
Series	Name	Amount Outstanding
1976	GO Water Bonds	\$20,000
2009	Comb Tax & Rev Ref Bonds	\$4,090,000
2009A	Finance Contract (Backhoe)	\$37,571
	<b>TOTAL</b>	<b>\$4,147,571</b>

CITY OF ANNA, TEXAS

# Analysis of Existing General Obligation Debt (I&S Fund)

City of Anna, Texas

A	B	C	D	E	F	G	H	I	J	K	L	M
Fiscal Year Ending 9/30	Estimated Growth Factor <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Existing General Obligation Debt Service	Existing I&S Tax-Supp. Notes Debt Service <sup>(3)</sup>	Budgeted Paying Agent Fees <sup>(3)</sup>	Less: Self-Supporting Debt Service	Existing Net General Obligation Debt Service	Less: I&S Fund Drawdown <sup>(4)</sup>	Net General Obligation Debt Service	Projected I&S Tax Rate <sup>(5)</sup>	I&S Tax Rate Variance from Fiscal '12	Variance from Fiscal '12 in Dollars
2012		\$ 362,969,678	\$ 644,526	\$ 26,696	\$ 1,900	\$ 206,200	\$ 466,923	\$ 136,750	\$ 330,173	\$ 0.0910		
2013	1.01%	366,631,486	646,957	12,729	1,900	205,392	456,194	132,500	323,694	0.0910	0.0001	(6,479)
2014	0.00%	366,631,486	655,380	12,729	1,900	204,072	465,936	59,206	406,730	0.1144	0.0234	76,557
2015	0.00%	366,631,486	1,069,478	-	1,900	594,192	477,186	-	477,186	0.1342	0.0432	147,013
2016	0.00%	366,631,486	1,079,282	-	1,900	600,217	480,965	-	480,965	0.1352	0.0443	150,792
2017	0.00%	366,631,486	1,067,132	-	1,900	595,404	473,628	-	473,628	0.1332	0.0422	143,455
2018	0.00%	366,631,486	1,219,694	-	1,900	713,048	508,546	-	508,546	0.1430	0.0520	178,373
2019	0.00%	366,631,486	1,350,925	-	1,900	793,250	559,575	-	559,575	0.1573	0.0664	229,402
2020	0.00%	366,631,486	1,096,025	-	1,900	551,750	546,175	-	546,175	0.1536	0.0626	216,002
2021	0.00%	366,631,486	932,156	-	1,900	397,375	536,681	-	536,681	0.1509	0.0600	206,508
2022	0.00%	366,631,486	912,731	-	1,900	380,500	534,131	-	534,131	0.1502	0.0592	203,958
2023	0.00%	366,631,486	863,525	-	1,900	352,125	513,300	-	513,300	0.1443	0.0534	183,127
2024	0.00%	366,631,486	841,150	-	1,900	327,625	515,425	-	515,425	0.1449	0.0540	185,252
2025	0.00%	366,631,486	793,756	-	1,900	301,625	494,031	-	494,031	0.1389	0.0480	163,858
2026	0.00%	366,631,486	760,406	-	1,900	274,125	488,181	-	488,181	0.1373	0.0463	158,008
2027	0.00%	366,631,486	239,875	-	1,900	-	241,775	-	241,775	0.0680	(0.0230)	(88,398)
2028	0.00%	366,631,486	79,625	-	1,900	-	81,525	-	81,525	0.0229	(0.0680)	(248,648)
2029	0.00%	366,631,486	69,875	-	1,900	-	71,775	-	71,775	0.0202	(0.0708)	(258,398)
2030	0.00%	366,631,486	-	-	-	-	-	-	-	-	(0.0910)	(330,173)
2031	0.00%	366,631,486	-	-	-	-	-	-	-	-	(0.0910)	(330,173)
2032	0.00%	366,631,486	-	-	-	-	-	-	-	-	(0.0910)	(330,173)
			\$ 14,322,499	\$ 52,154	\$ 34,200	\$ 6,496,900	\$ 7,911,953	\$ 328,456	\$ 7,583,497			

(1) For illustration purposes only.

(2) Fiscal Year 2012 value is as reported by the Collin Central Appraisal District. Fiscal Year 2013 Value is preliminary as reported by the Appraisal District.

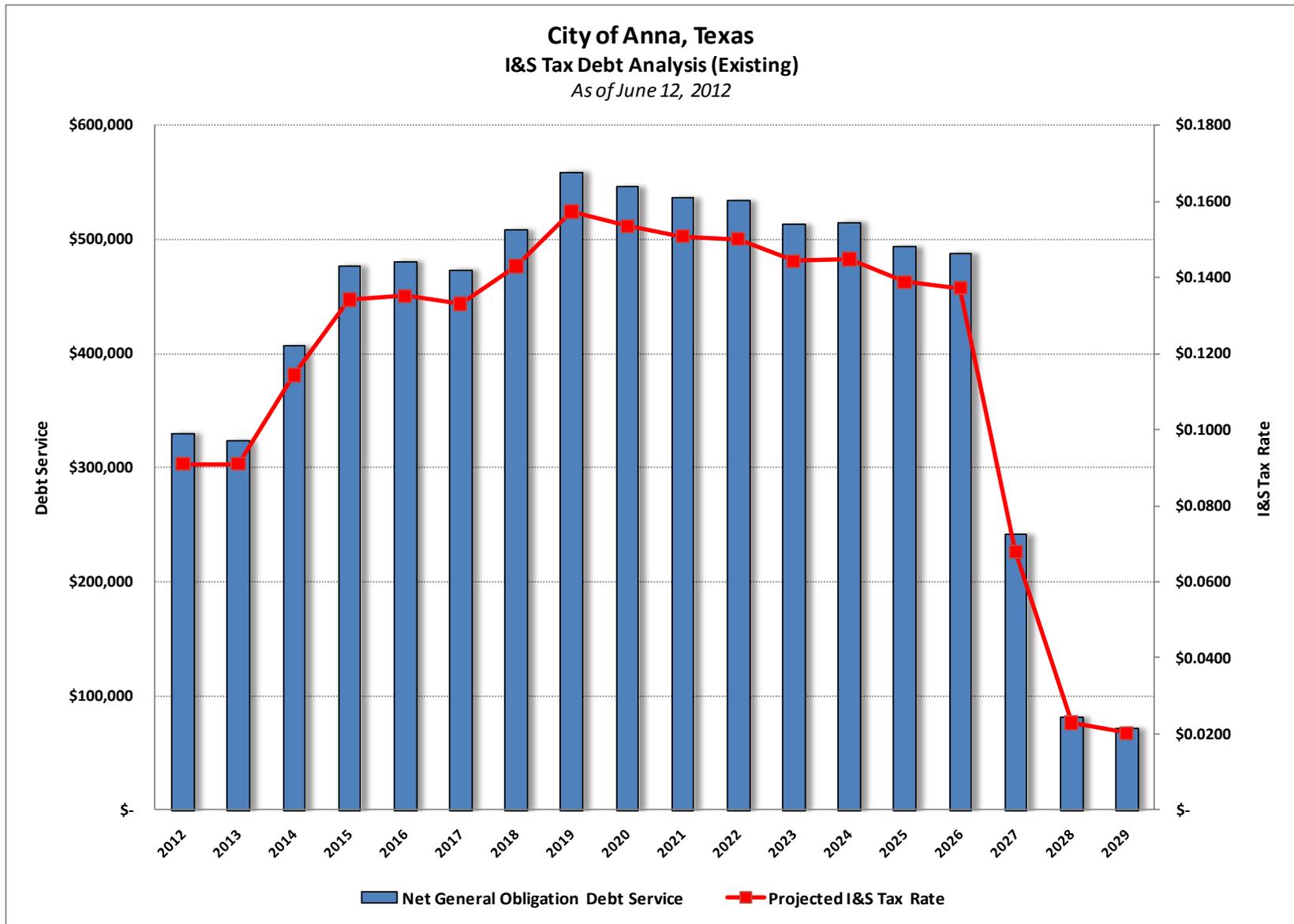
(3) As reported by the City.

(4) As reported by the City of Anna. Represents remaining balance of Series 2006 Certificates of Obligation and other receivables. Amount shown for 2012 represents current budget.

(5) Tax Rate for 2012 is actual. Subsequent rates calculated at 97% tax collections.

# Analysis of Existing General Obligation Debt (I&S Fund)

City of Anna, Texas



CITY OF ANNA, TEXAS

# Interest and Sinking Fund Debt Management Program (Part 1 of 6)

City of Anna, Texas

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- The City is currently subsidizing the Interest and Sinking (“I&S”) Fund Tax Rate by utilizing excess bond proceeds from the Series 2006 Certificates of Obligation.
- It is expected the excess funds in the I&S Fund (currently approx. \$285,000 ) will run out after the Fiscal 2013 tax rate mitigation drawdown.
- The objective of this analysis is to refund debt for savings (when possible) and restructure principal payments in order to maintain the existing I&S Tax Rate.
- The assumed Taxable Assessed Valuation of \$362,969,678 (Tax Year 2011 / Fiscal Year 2012 as reported by the appraisal district) is not inflated over time.
- Extension of maturity may be required under this stress scenario of no growth and no tax increase for as long as possible.
- This proposed I&S Fund Debt Management program is expected to be implemented in 3 phases, the first one being in Fiscal Year 2014, when excess funds in the I&S Fund run out.

# Interest and Sinking Fund Debt Management Program (Part 2 of 6)

City of Anna, Texas

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- PHASE 1 – December 2013 (subject to change)
  - Escrowing of maturities 2014 – 2016 (\$290,000) of the Series 2006 Certificates of Obligation
  - Refunding of Series 2011 PPFCOs before interest rate reset in 2/15/2014
  - Present Value Cost of Phase 1 is estimated at approx. \$0 – *Possible PV benefit*
  - Interest Rate of Refunding Bonds assumed at 3.25% for 12 years
  - No extension of original bond issues' maturity, but rearranging of Series 2006 Certificates maturities

# Interest and Sinking Fund Debt Management Program (Part 3 of 6)

City of Anna, Texas

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- PHASE 2 – December 2016 (subject to change)
  - Refunding of all outstanding Series 2006 Certificates of Obligation; maturities 2017 – 2026 (\$1,520,000)
  - Refunding of all outstanding Series 2007 Certificates of Obligation; maturities 2018 – 2027 (\$640,000)
  - Refunding of all outstanding Series 2007 GO Refunding Bonds; maturities 2018 – 2027 (\$165,000)
  - Present Value Cost of Phase 2 is estimated at approx. \$0 – *Possible PV benefit*
  - Interest Rate of Refunding Bonds assumed at 4.50% for 15 years
  - 4 year extension of maturity for all refunded issues through 2031
  
- PHASE 3 – December 2017 (subject to change)
  - Refunding of all outstanding Series 2009 Certificates of Obligation; maturities 2019 – 2029 (\$600,000)
  - Present Value Cost of Phase 3 is estimated at approx. \$0 – *Possible PV benefit*
  - Interest Rate of Refunding Bonds assumed at 4.75% for 15 years
  - 3 year extension of maturity through 2032

# Interest and Sinking Fund Debt Management Program (Part 4 of 6)

City of Anna, Texas

A	B	C	D	E	F	G	H	I	J	K	L	M
Fiscal Year Ending 9/30	Estimated Growth Factor <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Existing Net General Obligation Debt Service <sup>(3)</sup>	Less: I&S Fund Drawdown <sup>(4)</sup>	Net General Obligation Debt Service	Series 2013 Refunding / Restructuring Savings	Series 2016 Refunding / Restructuring Savings	Series 2017 Refunding / Restructuring Savings	NET NEW General Obligation Debt Service	Projected I&S Tax Rate <sup>(5)</sup>	I&S Tax Rate Variance from Fiscal '12	Variance from Fiscal '12 in Dollars
2012		\$ 362,969,678	\$ 466,923	\$ 136,750	\$ 330,173	\$ -	\$ -	\$ -	\$ 330,173	\$ 0.0910		
2013	1.01%	366,631,486	456,194	132,500	323,694	-	-	-	323,694	0.0910	0.0001	(6,479)
2014	0.00%	366,631,486	465,936	59,206	406,730	80,764	-	-	325,966	0.0917	0.0007	(4,207)
2015	0.00%	366,631,486	477,186	-	477,186	153,106	-	-	324,080	0.0911	0.0002	(6,093)
2016	0.00%	366,631,486	480,965	-	480,965	158,213	-	-	322,753	0.0908	(0.0002)	(7,420)
2017	0.00%	366,631,486	473,628	-	473,628	(24,563)	172,280	-	325,911	0.0916	0.0007	(4,262)
2018	0.00%	366,631,486	508,546	-	508,546	(27,956)	167,213	45,781	323,509	0.0910	0.0000	(6,664)
2019	0.00%	366,631,486	559,575	-	559,575	(6,069)	173,800	65,394	326,450	0.0918	0.0008	(3,723)
2020	0.00%	366,631,486	546,175	-	546,175	(7,981)	169,438	60,306	324,413	0.0912	0.0003	(5,760)
2021	0.00%	366,631,486	536,681	-	536,681	(14,038)	173,581	54,963	322,175	0.0906	(0.0004)	(7,998)
2022	0.00%	366,631,486	534,131	-	534,131	(15,313)	175,456	49,363	324,625	0.0913	0.0003	(5,548)
2023	0.00%	366,631,486	513,300	-	513,300	(22,731)	170,500	43,763	321,769	0.0905	(0.0005)	(8,404)
2024	0.00%	366,631,486	515,425	-	515,425	(24,294)	178,213	37,906	323,600	0.0910	0.0000	(6,573)
2025	0.00%	366,631,486	494,031	-	494,031	(31,075)	168,306	31,794	325,006	0.0914	0.0004	(5,167)
2026	0.00%	366,631,486	488,181	-	488,181	(34,000)	175,656	25,425	321,100	0.0903	(0.0007)	(9,073)
2027	0.00%	366,631,486	241,775	-	241,775	-	(235,225)	52,969	424,031	0.1192	0.0283	93,858
2028	0.00%	366,631,486	81,525	-	81,525	-	(386,475)	49,306	418,694	0.1177	0.0268	88,521
2029	0.00%	366,631,486	71,775	-	71,775	-	(386,288)	40,269	417,794	0.1175	0.0265	87,621
2030	0.00%	366,631,486	-	-	-	-	(390,313)	(28,894)	419,206	0.1179	0.0269	89,033
2031	0.00%	366,631,486	-	-	-	-	(388,550)	(28,181)	416,731	0.1172	0.0262	86,558
2032	0.00%	366,631,486	-	-	-	-	-	(276,413)	276,413	0.0777	(0.0132)	(53,760)
			\$ 7,911,953	\$ 328,456	\$ 7,583,497	\$ 184,064	\$ (62,408)	\$ 223,750	\$ 7,238,091			

(1) For illustration purposes only.

(2) Fiscal Year 2012 value is as reported by the Collin Central Appraisal District. Fiscal Year 2013 Value is preliminary as reported by the Appraisal District.

(3) Includes the Notes payable from I&S tax revenue and the budgeted paying agent fees, but excludes GO debt supported by the water and sewer fund.

(4) Total Balance as reported by the City of Anna, Texas. Represents remaining balance of Series 2006 Certificates of Obligation and other receivables.

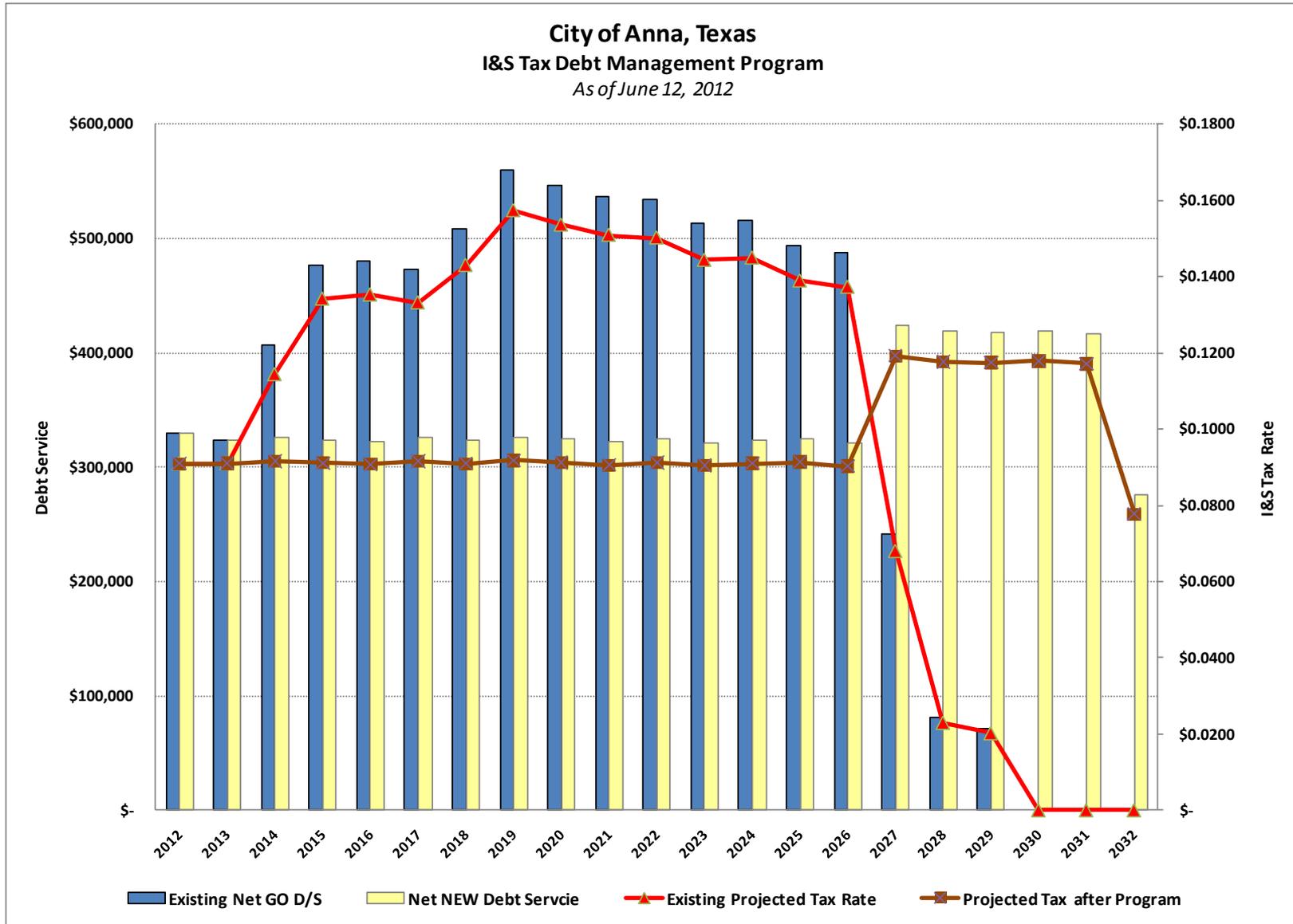
Amount shown for 2012 represents current budget.

(5) Tax Rate for 2012 is actual. Subsequent rates calculated at 97% tax collections.

CITY OF ANNA, TEXAS

# Interest and Sinking Fund Debt Management Program (Part 5 of 6)

City of Anna, Texas



CITY OF ANNA, TEXAS

# Interest and Sinking Fund Debt Management Program (Part 6 of 6)

City of Anna, Texas

- Sustainability and feasibility of Proposed Debt Management Program
  - If the tax base growth is 0% and the City does not issue additional tax supported debt, the 9 cent I&S tax rate can be maintained until Fiscal Year 2026.
  - A reduction of the current I&S tax rate will compromise the program.
  - This is a stress scenario of 0% growth, therefore the 9 cent tax rate would increase to 11.80 cents in Fiscal Year 2027. An average annual growth of 1.85% is necessary to avoid such increase in taxes assuming no additional debt is incurred between now and Fiscal Year 2026.
  
- Additional Debt Capacity - Driven by 3 factors:
  - City's willingness to pay
  - Growth in the tax base
  - City's willingness to increase the I&S property tax rate
  
- Credit Rating considerations
  - The City is currently rated "A" by Fitch Ratings, the outlook is stable.
  - "The rating reflects the City's consistently strong financial performance and prudent management of spending pressures associated with a rapidly growing population and revenue enhancements to offset declines in taxable value."
  - "Overall levels are quite high as is the fixed cost burden on the budget associated with direct debt levels, making the maintenance of high reserve levels even more important for financial flexibility."
  - The economy remains relatively limited, despite the robust population growth over the last decade.
  - KEY RATING DRIVERS: "Maintenance of substantial financial reserves and continued stabilization of the City's tax base."

# Outstanding Water & Sewer System Debt as of June 12, 2012

City of Anna, Texas

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Repayment Pledge
1976	WW&SS Rev Bonds	\$15,000	5.00%	Currently Callable	9/1/2014	W&S Revenues
1976	GO Water Bonds	\$20,000	5.00%	Currently Callable	1/1/2016	General Obligation
2005	Contract Rev Ref Bonds	\$2,180,000	4.42%	Non Callable	5/1/2028	GTUA Contract
2005	Contract Rev Bonds	\$581,250	4.39 – 5.74%	4/1/2015	10/1/2028	GTUA Contract
2006	Contract Rev Bonds	\$1,640,000	3.20 – 3.75%	12/1/2016	6/1/2026	GTUA Contract
2006	Contract Rev Bonds	\$2,168,750	5.68 – 5.83%	N/A	2/1/2040	GTUA Contract
2007	Contract Rev Bonds	\$1,995,000	3.20 – 4.10%	12/1/2017	6/1/2028	GTUA Contract
2007-A	Contract Rev Bonds	\$650,000	4.27 – 5.57%	5/1/2017	5/1/2027	GTUA Contract
2007-B	Contract Rev Bonds	\$960,000	4.27 – 5.57%	11/1/2017	5/1/2027	GTUA Contract
2007-C	Contract Rev Bonds	\$3,260,000	4.27 – 5.62%	11/1/2017	5/1/2032	GTUA Contract
2007	Contract Rev Bonds	\$1,191,250	4.12 – 5.62%	4/1/2017	10/1/2036	GTUA Contract
2008	Contract Rev Bonds	\$460,000	5.14%	Any date @ 101%	5/1/2027	GTUA Contract
2009A	Finance Contract (Backhoe)	\$37,571	5.00%	N/A	2/2/2014	General Obligation
2009	Comb Tax & Rev Ref Bonds	\$4,090,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2026	General Obligation
	<b>TOTAL</b>	<b>\$19,248,821</b>				

CITY OF ANNA, TEXAS

# Water and Sewer Debt Management Program (Part 1 of 7)

City of Anna, Texas

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- The City's water and sewer system debt obligations are mostly obligations to the Greater Texoma Utility Authority ("GTUA") (78% of the total debt).
- The GTUA issues debt at higher interest rates and requires a debt service reserve fund.
- The City has previously refunded GTUA obligations (Series 2009 Bonds) by issuing City general obligation bonds, thus allowing for lower borrowing costs and avoidance of debt service reserves.
- The debt burden on the water and sewer fund is above average in comparison to similar cities.
- This proposed Debt Management program is expected to be implemented in several phases, and also includes the capital improvement program available at this time.
- The model conservatively assumes refunding of City and GTUA obligations to achieve the debt management program goal of a gradual escalation/stabilization of debt payments.
- Extension of maturity is required under this stress scenario if the City wants to avoid sudden rate increases to pay debt.

# Water and Sewer Debt Management Program (Part 2 of 7)

City of Anna, Texas

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- PHASE 1 – Year 2013
  - Funding of new Water and Wastewater Projects through state or federal programs offered by the Texas Water Development Board and the United States Department of Agriculture
  - Approx. \$2.25 million of Water Projects assumed to be funded through the Texas water Development Board
  - Approx. \$800k Wastewater Projects financed with debt through the USDA. Remainder of the project (\$500k) to be funded with cash reserves
  
- PHASE 2 – Year 2014
  - Escrowing of maturities 2015 – 2018 (\$1,835,000) of the Series 2009 Tax & Revenue Refunding Bonds
  - Taxable transaction for maximum structuring and term flexibility
  - Present Value Cost of Phase 2 is estimated at approx. \$190,000
  - Interest Rate of Refunding Bonds assumed at 5.50% for 12 years
  - No extension of Bonds maturity, but rearrangement of principal payments toward the latter years 2019-2026.
  
- PHASE 3A – Year 2017
  - Refunding of all outstanding GTUA Anna/Melissa Project Bonds (\$1,150,000 Series 2006 and \$1,500,000 Series 2007 Anna/Melissa GTUA Contract Revenue Bonds)
  - Collapse of reserves currently held by GTUA for such bonds (approx. \$300,000)
  - Present Value Cost of Phase 3A is estimated at approx. \$215,000
  - Interest Rate of Refunding Bonds assumed at 4.825% for 14 years
  - 3-year extension of maturity through 2031

# Water and Sewer Debt Management Program (Part 3 of 7)

City of Anna, Texas

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- PHASE 3B – Year 2017
  - Refunding of all outstanding GTUA Anna Project Bonds except the Series 2005 which is Non Callable (\$485,000 Series 2007-A; \$715,000 Series 2007-B; \$3,010,000 Series 2007-C and \$345,000 Series 2008 Anna GTUA Contract Revenue Bonds)
  - Assumes the reserves associated with the Anna Project cannot be released since the 2005 series would remain outstanding
  - Present Value Cost of Phase 3B is estimated at approx. \$50,000
  - Interest Rate of Refunding Bonds assumed at 5% for 15 years
  - 5-year extension of maturity through 2032 for all the Series 2007A,B&C bonds and no extension of maturity for the Series 2008 bonds
  
- PHASE 3C – Year 2017
  - Refunding of all outstanding Series 2009 bonds (\$2,205,000) before the interest rate reset on February 15, 2018
  - Present Value Benefit of Phase 3C is estimated at approx. \$670,000
  - Interest Rate of Refunding Bonds assumed at 5% for 14 years
  - 5-year extension of maturity through 2031

# Water and Sewer Debt Management Program (Part 4 of 7)

City of Anna, Texas

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- PHASE 4 – Year 2018
  - Funding of new Water and Wastewater Projects through state or federal programs offered by the Texas Water Development Board
  - Tranche 1 - Approx. \$2.8 million of Projects assumed to be funded through the Texas water Development Board
  - Tranche 2 - Approx. \$1 million of Projects assumed to be funded through the Texas water Development Board
  - Assumes 4.125% interest rate

# Water and Sewer Debt Management Program (Part 5 of 7)

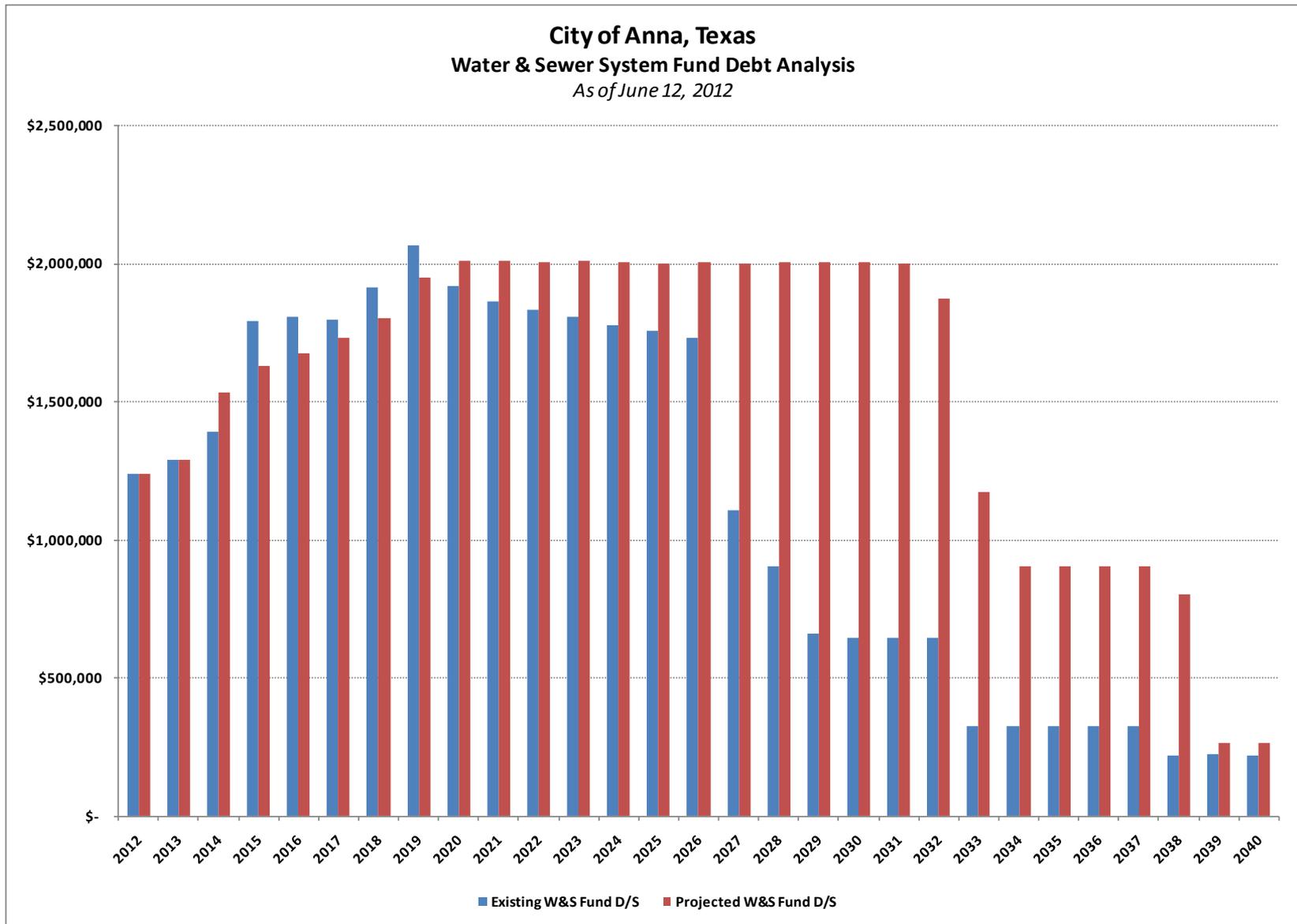
City of Anna, Texas

A	B	C		D	E	F	G	H	I	J	K	L	M	N
Fiscal Year Ending 30-Sep	Existing W&S Fund Debt Service	Plus:		Debt Service after Series 2013	Less: Series 2014 Refunding Savings	Debt Service after Series 2014	Series 2017A Refunding Savings	Series 2017B Refunding Savings	Series 2017C Refunding Savings	Debt Service after Series 2017	Plus:		Projected NET NEW W&S Fund Debt Service	
		Series 2013									Series 2018			
		TWDB C/Os \$2.25mm Proj.	USDA \$800k Proj.								TWDB C/Os \$2.8mm Proj.	\$1mm Proj.		
2012	\$ 1,240,250	\$ -	\$ -	\$ 1,240,250	\$ -	\$ 1,240,250	\$ -	\$ -	\$ -	\$ 1,240,250	\$ -	\$ -	\$ 1,240,250	
2013	1,290,235	-	-	1,290,235	-	1,290,235	-	-	-	1,290,235	-	-	1,290,235	
2014	1,392,537	94,250	45,667	1,532,453	-	1,532,453	-	-	-	1,532,453	-	-	1,532,453	
2015	1,794,942	117,394	45,738	1,958,074	326,785	1,631,289	-	-	-	1,631,289	-	-	1,631,289	
2016	1,806,883	115,931	45,138	1,967,951	289,981	1,677,971	-	-	-	1,677,971	-	-	1,677,971	
2017	1,798,465	114,469	45,538	1,958,471	227,993	1,730,478	-	-	-	1,730,478	-	-	1,730,478	
2018	1,916,313	113,006	44,900	2,074,219	261,386	1,812,833	(607)	(1,568)	12,130	1,802,877	-	-	1,802,877	
2019	2,065,174	111,544	45,263	2,221,980	(240,575)	2,462,555	162,864	53,211	495,750	1,750,730	148,867	53,167	1,952,763	
2020	1,921,550	110,081	45,588	2,077,219	(236,638)	2,313,856	166,939	19,467	346,625	1,780,825	169,366	60,838	2,011,029	
2021	1,863,898	108,619	44,875	2,017,391	(237,288)	2,254,679	170,591	14,372	285,250	1,784,466	167,097	60,013	2,011,575	
2022	1,832,567	107,156	45,163	1,984,886	(237,388)	2,222,273	168,691	14,119	254,500	1,784,963	164,828	59,188	2,008,979	
2023	1,808,251	105,694	45,413	1,959,357	(236,938)	2,196,294	171,536	23,432	213,000	1,788,326	162,559	58,363	2,009,248	
2024	1,776,770	104,231	45,625	1,926,626	(240,800)	2,167,426	173,939	12,296	190,750	1,790,442	160,291	57,538	2,008,270	
2025	1,755,525	102,769	45,800	1,904,094	(238,975)	2,143,069	175,826	11,563	167,000	1,788,680	158,022	56,713	2,003,414	
2026	1,731,068	101,306	44,938	1,877,311	(241,463)	2,118,774	187,189	(4,442)	141,750	1,794,277	155,753	55,888	2,005,918	
2027	1,106,695	272,000	45,075	1,423,770	-	1,423,770	(255,107)	9,380	(125,250)	1,794,746	153,484	55,063	2,003,293	
2028	904,091	274,688	45,175	1,223,954	-	1,223,954	(254,579)	2,401	(323,125)	1,799,256	151,216	54,238	2,004,710	
2029	661,317	272,131	45,238	978,686	-	978,686	(428,491)	117,882	(515,625)	1,804,920	148,947	53,413	2,007,280	
2030	644,999	274,331	45,263	964,593	-	964,593	(429,674)	105,551	(517,250)	1,805,966	146,678	52,588	2,005,231	
2031	645,214	271,288	45,250	961,751	-	961,751	(425,012)	98,252	(517,625)	1,806,136	144,409	51,763	2,002,308	
2032	645,214	273,000	45,200	963,414	-	963,414	-	(718,390)	-	1,681,804	142,141	50,938	1,874,882	
2033	326,159	274,388	45,113	645,659	-	645,659	-	-	-	645,659	389,613	138,256	1,173,528	
2034	327,040	-	44,988	372,028	-	372,028	-	-	-	372,028	391,516	138,616	902,159	
2035	325,884	-	45,825	371,709	-	371,709	-	-	-	371,709	392,800	138,769	903,278	
2036	326,514	-	45,588	372,102	-	372,102	-	-	-	372,102	393,466	138,716	904,283	
2037	327,500	-	45,313	372,812	-	372,812	-	-	-	372,812	393,513	138,456	904,781	
2038	219,397	-	45,000	264,397	-	264,397	-	-	-	264,397	392,941	142,888	800,225	
2039	221,112	-	45,650	266,762	-	266,762	-	-	-	266,762	-	-	266,762	
2040	219,597	-	45,225	264,822	-	264,822	-	-	-	264,822	-	-	264,822	
2041	-	-	45,763	45,763	-	45,763	-	-	-	45,763	-	-	45,763	
2042	-	-	45,225	45,225	-	45,225	-	-	-	45,225	-	-	45,225	
2043	-	-	45,650	45,650	-	45,650	-	-	-	45,650	-	-	45,650	
	\$ 32,895,158	\$ 3,318,275	\$ 1,360,179	\$ 37,573,612	\$ (803,919)	\$ 38,377,531	\$ (415,895)	\$ (242,474)	\$ 107,880	\$ 38,928,019	\$ 4,527,504	\$ 1,615,404	\$ 45,070,927	

CITY OF ANNA, TEXAS

# Water and Sewer Debt Management Program (Part 6 of 7)

City of Anna, Texas



CITY OF ANNA, TEXAS

# Water and Sewer Debt Management Program (Part 7 of 7)

City of Anna, Texas

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- Sustainability and feasibility of Proposed Water & Sewer Fund Debt Management Program
  - Assumes additional capital needs (\$7.35 million) are met using conservative assumptions of financed projects in 2013 and 2018.
  - The debt service will escalate to \$2 million per year in Fiscal 2020 gradually versus a sudden increase of \$500k in 2015.
  - This is a stress scenario therefore assumed rates and terms of refundings are conservative.
  
- Additional Debt Capacity - Driven by 3 factors:
  - City's willingness to pay
  - Growth in water sales and water customers
  - Water/Sewer rates the City is willing to charge
  
- Credit Rating considerations
  - The City's GO rating applies to this Program.
  - The City would not issue publicly traded Water & Sewer Revenue Bonds under this Program.



City of Anna  
FY 2013

Capital Improvements Plan

**Anna**

**CITY OF ANNA, TEXAS**

\*All projects are subject to available funding resources in any given Fiscal Year; therefore, this document does not represent a funding guarantee for any given project



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## BUILDINGS

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*A relatively permanent enclosed construction over a plot of land, having a roof and usually windows and often more than one level, used for any of a wide variety of activities*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> City Hall Addition	<u>Department:</u> Administration
<u>Project Description:</u> Addition to City Hall to allow for all Finance, Planning and Development, and Administrative staff to work in a centralized location. This will create a better image of the city and allow for needed upgrades and consolidation of IT equipment.		
<u>Regulatory or Legal Mandates:</u> ADA requirements, competitive bids		<u>Operational Necessity/Justification:</u> Current Planning and Development building is outdated, dangerous, and needs to be replaced.
<u>City Sources of Funding:</u>		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$500,000	<u>Project Year(s):</u> 2014-2015	<u>FY 13 Budget Commitment:</u> \$500,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs		\$450,000					\$450,000
Const. Mgmt.							
Furn./Fixt./Equip.		\$10,000					\$10,000
Professional Fees		\$40,000					\$40,000
Contingencies							
<b>Total</b>		<b>\$500,000</b>					<b>\$500,000</b>

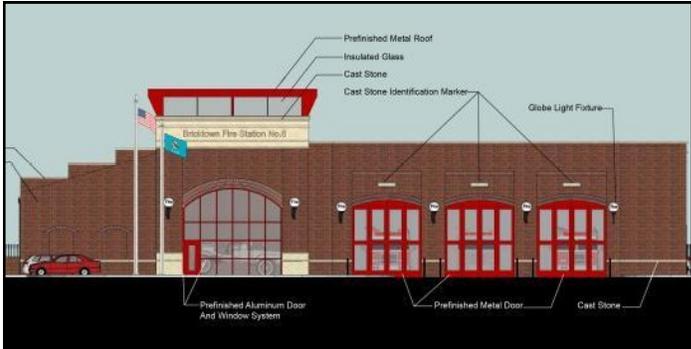
## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> New Central Fire Station	<u>Department:</u> Fire
<p><u>Project Description:</u>                  The current fire station was built in 1967. Since this time, it has had several additions and renovations added. It has served the community well. However, it is currently not efficient or effective in serving the community beyond 2014. A new facility that incorporates drive through apparatus bays, offices, storage and administrative areas as well as training and crew quarters and amenities is greatly needed. This facility would be designed to meet the needs of a growing city for the next thirty years or more and would provide a much greater level of enhanced customer service than the current facility. Additionally, it is expected that the design of this facility would serve as an anchor to future growth along the highway 5 corridor.</p>		
<p><u>Regulatory or Legal Mandates:</u> None</p>		<p><u>Operational Necessity/Justification:</u> The current fire station is no longer able to support the effective and efficient operations of a growing Fire Department.</p>
<p><u>City Sources of Funding:</u></p>		<p><u>Non-City Sources of Funding:</u> Bonds; Limited grant opportunities</p>
<p><u>Total Project Cost:</u> \$2,700,000</p>	<p><u>Project Year(s):</u> Future</p>	<p><u>FY 13 Budget Commitment:</u> \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$2,700,000	\$2,700,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Fire Station # 2	<u>Department:</u> Fire
<u>Project Description:</u> As the city of Anna grows and population densities, sub-divisions and commercial development increases so does the need to provide timely service to those portions of our community that exceed benchmark response times. A second station will facilitate efficient and effective response to areas that may be under-served.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> To maintain effective response capabilities in new growth areas of the city.
<u>City Sources of Funding:</u>		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$1,500,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition						\$450,000	\$450,000
Design Costs						\$95,000	\$95,000
Construction Costs						\$955,000	\$955,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						<b>\$1,500,000</b>	<b>\$1,500,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> New City Hall	<u>Department:</u> Administration
<p><u>Project Description:</u>                  Consistent with the Downtown Revitalization Plan the City plans to build a new city hall. While conceptual at this point, the new space will provide a centralized location to interact with all city services.</p>		
<p><u>Regulatory or Legal Mandates:</u>                  ADA requirements, competitive bids</p>		<p><u>Operational Necessity/Justification:</u>                  With current and future growth projections for the city and the region, we will outgrow our facilities. We will need new and updated facilities to accommodate the corresponding growth in staff</p>
<p><u>City Sources of Funding:</u></p>		<p><u>Non-City Sources of Funding:</u>                  Bonds</p>
<p><u>Total Project Cost:</u>                  \$10,000,000</p>	<p><u>Project Year(s):</u>                  Future</p>	<p><u>FY 13 Budget Commitment:</u>                  \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$10,000,000	\$10,000,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Natural Springs Park Community Center	<u>Department:</u> Parks
<u>Project Description:</u> Using the property adjacent to Natural Springs Park the city would rehab the existing structure to create a 5,400 square foot community center. The plan includes office space, commercial kitchen, reading room, conference room, restrooms, and a 160 seat banquet hall. The banquet hall would serve as a multi-purpose space allowing for multiple types of activities.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> Consistent with our master parks plan and the city's goal to attract more residents, the community center is a vital component to accomplish our goals.
<u>City Sources of Funding:</u>		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$1,500,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs						\$1,350,000	\$1,350,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies						\$150,000	\$150,000
Total						\$1,500,000	\$1,500,000



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## WATER AND SEWER

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*A transparent, odorless, tasteless liquid, a compound of hydrogen and oxygen; Liquid and solid waste carried off in sewers or drains*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Highway 5 Storage Tank Repairs	<u>Department:</u> Water
<u>Project Description:</u> Rehab the 300,000 gallon tank on highway 5. Sandblast tank exterior, new paint, and bring the tank into compliance with current TCEQ code		
<u>Regulatory or Legal Mandates:</u> Ensure tank is compliant with TCEQ requirements		<u>Operational Necessity/Justification:</u> Repairs need to be made to keep this tank operational as it is a vital component to the city's current and future water distribution plans.
<u>City Sources of Funding:</u> Excess GTUA Bond Funds held from previous projects		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$100,000	<u>Project Year(s):</u> 2013	<u>FY 13 Budget Commitment:</u> \$100,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs	\$100,000						\$100,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>	<b>\$100,000</b>						<b>\$100,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Water System Improvements - Blended System	<u>Department:</u> Water
<p><u>Project Description:</u>                  Due to current system demands and expected growth over the next 10-years, the city has an immediate need to develop additional treated water sources. Through our existing contract with the Greater Texoma Utility Authority (GTUA), we can immediately receive as much as 0.1625 MGD of treated surface water. However, to mitigate problems with mixing ground water source with a treated surface water source within the distribution system, we propose to receive GTUA treated surface water at each of our 4 well sites, and blend the surface and ground water in existing and proposed ground storage reservoirs before delivery to the water distribution system.</p>		
<p><u>Regulatory or Legal Mandates:</u>                  The city is approaching and may exceed the TCEQ mandated maximum daily capacity our water system. Upgrades are necessary to keep pace with growth</p>		<p><u>Operational Necessity/Justification:</u>                  The city is prepared to accommodate future growth with our south take point and other potential GTUA take points. With out taking water from these other supplies we cannot continue to adequately serve out</p>
<p><u>City Sources of Funding:</u>                  Water Impact Fee Revenue</p>		<p><u>Non-City Sources of Funding:</u>                  Bonds; Texas Water Development Board</p>
<p><u>Total Project Cost:</u>                  \$2,250,000</p>	<p><u>Project Year(s):</u>                  2014</p>	<p><u>FY 13 Budget Commitment:</u>                  \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition		\$58,240					\$58,240
Design Costs							
Construction Costs		\$1,377,278					\$1,377,278
Const. Mgmt.							
Furn./Fixt./Equip.		\$200,000					\$200,000
Professional Fees		\$367,779					\$367,779
Contingencies		\$246,403					\$246,403
<b>Total</b>		<b>\$2,250,000</b>					<b>\$2,250,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Slayter Creek WWTP Regulatory Upgrades	<u>Department:</u> Sewer
<u>Project Description:</u> Permit parameters upgrading equipment treat better, improve quality of effluent		
<u>Regulatory or Legal Mandates:</u> Texas Commission on Environmental Quality (TCEQ) requires certain standards be maintained in order to operate a WWTP. This project will allow to city to make the required upgrades to its WWTP		<u>Operational Necessity/Justification:</u> In order to keep pace with growth and avoid costly and unnecessary TCEQ violations, the plant needs to be updated to meet TCEQ requirements
<u>City Sources of Funding:</u> Sewer Impact Fee Revenue		<u>Non-City Sources of Funding:</u> Bonds; USDA Loans
<u>Total Project Cost:</u> \$800,000	<u>Project Year(s):</u> 2013	<u>FY 13 Budget Commitment:</u> \$800,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs	\$500,000						\$500,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees	\$250,000						\$250,000
Contingencies	\$50,000						\$50,000
<b>Total</b>	<b>\$800,000</b>						<b>\$800,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Slayter Creek Sewer Relief Line	<u>Department:</u> Sewer
<u>Project Description:</u> Construct a relief line to enable our sewer flows to be directly diverted to the existing North Texas Municipal Water District's existing sewer lines at the Throckmorton Creek sewer meter. This allow the city to maintain compliance with TCEQ rules and regulations during periods of heavy waste water flow.		
<u>Regulatory or Legal Mandates:</u> In order to avoid costly TCEQ violations the city can build a relief line that will connect to the North Texas Municipal Water District's treatment facility		<u>Operational Necessity/Justification:</u> The relief line will allow the city to continue to use the WWTP without undergoing an extremely expensive expansion to plant and more efficiently utilize regional resources.
<u>City Sources of Funding:</u> Sewer Impact Fee Revenue		<u>Non-City Sources of Funding:</u> Bonds; USDA Loans
<u>Total Project Cost:</u> \$950,000	<u>Project Year(s):</u> 2013	<u>FY 13 Budget Commitment:</u> \$950,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition	\$126,000						\$126,000
Design Costs							
Construction Costs	\$600,000						\$600,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees	\$136,000						\$136,000
Contingencies	\$88,000						\$88,000
<b>Total</b>	<b>\$950,000</b>						<b>\$950,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2015/Future	<u>Project Name:</u> Sewer Line Projects	<u>Department:</u> Sewer
<u>Project Description:</u> Extend Clemens Creek Sewer Line as a Future Project as development occurs in the project area.		
<u>Regulatory or Legal Mandates:</u> None	<u>Operational Necessity/Justification:</u> Projects will be dictated by population growth overall in the city as well as by population growth in certain areas.	
<u>City Sources of Funding:</u> Sewer Impact Fee Revenue	<u>Non-City Sources of Funding:</u> Bonds	
<u>Total Project Cost:</u> \$700,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs						\$700,000	\$700,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$700,000	\$700,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future/2018	<u>Project Name:</u> Elevated Storage Tank	<u>Department:</u> Water
<u>Project Description:</u> The city's growth patterns suggest that we will need an additional .75 million gallon elevated storage tank. It is anticipated this project will need to be done in 2018.		
<u>Regulatory or Legal Mandates:</u> In order to meet TCEQ mandated storage capacity levels , the city will be required to build another elevated storage tank		<u>Operational Necessity/Justification:</u> Our current system is reaching its maximum capacity. The blended system project will add some capacity; however, an elevated storage tank will be required to keep pace with growth
<u>City Sources of Funding:</u> Water Impact Fee Revenue		<u>Non-City Sources of Funding:</u> Bonds; Texas Water Development Board
<u>Total Project Cost:</u> \$2,800,000	<u>Project Year(s):</u> Future/2018	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$2,800,000	\$2,800,000



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# STREETS

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*A public thoroughfare, usually paved, in a village, town, or city*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013-2017	<u>Project Name:</u> Annual Street Repair Program	<u>Department:</u> Streets
<u>Project Description:</u> Each year the city will reserve \$100,000 of general fund revenues to repair a street. The particular street project each year will determined based upon the level of wear found upon city streets.		
<u>Regulatory or Legal Mandates:</u> Competitive bids, safety of citizens		<u>Operational Necessity/Justification:</u> City streets have an anticipated life expectancy. As the city grows and the streets experience wear and tear roads will need to be repaired/replaced
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$500,000 (\$100,000 annually)	<u>Project Year(s):</u> Annually FY 13-17	<u>FY 13 Budget Commitment:</u> \$100,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$500,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>		<b>\$500,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Fergusson Parkway Bypass	<u>Department:</u> Streets
<u>Project Description:</u> Create a bypass lane to avoid school related traffic at Ratton Elementary.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> Relieve traffic issues due to school drop off and pick up times. This project can be incorporated into the Fergusson Parkway reconstruction project.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$50,000	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs		\$50,000					\$50,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
Total		\$50,000					\$50,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Ferguson Parkway—FM 455 to Foster Crossing	<u>Department:</u> Streets
<p><u>Project Description:</u>                  Obtain right of way and engineering costs to run Ferguson Parkway from FM 455 south to Ferguson Parkway. Ferguson Parkway currently terminates at CR 367. Estimated costs of \$594,000</p> <p>Reconstruct and improve the road from F.M. 455 to CR 367. The costs to reconstruct the road have not yet been determined. Estimated Costs of \$1,000,000</p>		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$1,594,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition						\$434,000	\$434,000
Design Costs							
Construction Costs						\$1,000,000	\$1,000,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees						\$160,000	\$160,000
Contingencies							
<b>Total</b>						<b>\$1,594,000</b>	<b>\$1,594,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> FM 455—U.S. 75 to East Fork Creek	<u>Department:</u> Streets
<u>Project Description:</u> Engineering costs to expand FM 455 west of highway 75 to East Fork Creek.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$520,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$520,000	\$520,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Rosamond Parkway— Hwy 5 to U.S. 75	<u>Department:</u> Streets
<u>Project Description:</u> Engineering costs to run Rosamond Parkway from Highway 5 to U.S. 75. Rosamond Parkway currently terminates at the Anna High School.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$520,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$520,000	\$520,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Hackberry Lane—Hwy 5 to Slayter Creek	<u>Department:</u> Streets
<u>Project Description:</u> Reconstruct Hackberry Lane from Highway 5 to Slayter Creek. Hackberry Lane transitions from a four lane divided road to a narrow two lane road. Project will improve the transition, install curb and gutter, and possibly create a turn lane.		
<u>Regulatory or Legal Mandates:</u> Safety of citizens		<u>Operational Necessity/Justification:</u> With the growth in the West Crossing development, Hackberry lane is experiencing increased traffic. This particular section needs to be improved for safety reasons as well as road capacity.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u> Bonds
<u>Total Project Cost:</u> \$423,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$423,000	\$423,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Mantua Rd./CR 371	<u>Department:</u> Streets
<u>Project Description:</u> Reconstruct Mantua Rd./CR 371 from Highway 5 to U.S. 75		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$6,6000,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs						\$6,6000,000	\$6,6000,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$6,6000,000	\$6,6000,000



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## PARKS

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*An area of land, usually in a largely natural state, for the enjoyment of the public, having facilities for rest and recreation, often owned, set apart, and managed by a city, state, or nation*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> Slayter Creek Park Phase II	<u>Department:</u> Parks/Planning & Development
<u>Project Description:</u> Complete Slayter Creek Park with the following amenities:  Splash Pad Ball Fields Soccer Fields Frisbee Golf Tennis Courts Parking Athletic Lighting Trail Extensions Score Board et. al.		
<u>Regulatory or Legal Mandates:</u> The park has an outstanding \$500,000 grant commitment by the state		<u>Operational Necessity/Justification:</u> While construction is occurring we can maximize our investment and make other improvements. Furthermore, the park fits with our master parks plan, creates more open space, and fits with the demographic profile
<u>City Sources of Funding:</u>		<u>Non-City Sources of Funding:</u> Texas Parks and Wildlife grant (\$500,000 project commitment); CDC Bond (sales tax pledge)
<u>Total Project Cost:</u> \$2,100,000	<u>Project Year(s):</u> 2013-2014	<u>FY 13 Budget Commitment:</u> \$2,100,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs	\$1,877,700						\$1,877,700
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies	\$222,300						\$222,300
<b>Total</b>	<b>\$2,100,000</b>						<b>\$2,100,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013-2016	<u>Project Name:</u> Trail System Extensions	<u>Department:</u> Parks
<u>Project Description:</u> The City has received matching grants for trail construction and land acquisition for the development of Anna's core north/south trail system which will be the backbone for our walk way system throughout Anna.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> In order to keep Anna sustainable a fully linked integrated trail system needs to be implemented. These trail extensions will allow our parks to be integrated and serve as the backbone of our trail system.
<u>City Sources of Funding:</u> Existing land resources as match for grants		<u>Non-City Sources of Funding:</u> Collin County Parks Grant
<u>Total Project Cost:</u> \$1,201,560	<u>Project Year(s):</u> 2013-2016	<u>FY 13 Budget Commitment:</u> \$301,560

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs	\$301,560	\$300,000	\$300,000	\$300,000			\$1,201,560
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>	<b>\$301,560</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>			<b>\$1,201,560</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Geer Park Phase I	<u>Department:</u> Parks
<u>Project Description:</u> Geer park has been designed as a park geared towards middle school and younger. Fields for soccer, baseball, and other long muscle sports and planned as well as lights, parking, and other amenities.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> Geer park is part of the City's master park plan. In order to provide the quality of life residents expect this park is a priority for expansion.
<u>City Sources of Funding:</u> Sewer Impact Fee Revenue		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$1,500,000	<u>Project Year(s):</u> Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs						\$1,500,000	\$1,500,000
Const. Mgmt.							
Furn./Fixt./Equip.							
Professional Fees							
Contingencies							
<b>Total</b>						\$1,500,000	\$1,500,000



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## VEHICLES

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*Any means in or by which someone travels or something is carried or conveyed*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013-2017	<u>Project Name:</u> Police Vehicle Replacement Program	<u>Department:</u> Police
<u>Project Description:</u> Vehicle replacement schedule based on mileage and years of service. Police Equipment up-fits included for the appropriate patrol vehicles.  FY 13: Patrol and admin vehicle FY 14: Two patrol vehicles FY 15: One patrol vehicle FY 16: One patrol vehicle FY 17: One patrol vehicle		
<u>Regulatory or Legal Mandates:</u> If over \$50k, bid proposals will be obtained. If not, three (3) quotes will be obtained		<u>Operational Necessity/Justification:</u> All vehicles have a life expectancy. Patrol vehicles have a rough life and their lifespan is reduced accordingly.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$227,050	<u>Project Year(s):</u> Annually FY 14-Future	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$65,550	\$64,000	\$32,500	\$32,500	\$32,500	\$227,050
Professional Fees							
Contingencies							
<b>Total</b>		\$65,550	\$64,000	\$32,500	\$32,500	\$32,500	\$227,050

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Replace Command Vehi-	<u>Department:</u> Fire
<p><u>Project Description:</u>                  The current Command Vehicle (C901) is a 2003 Chevy Suburban approaching 161,000 miles. This vehicle was donated to the AFD. It is beginning to experience maintenance issues (transmission slip, ,etc.) and it is reasonable to expect it will have increasing operational costs into the future. Additionally, the gas efficiency of the vehicle is not at what a similar vehicle would perform at. Request is for a replacement vehicle such as a Chevy Tahoe Police Package model.</p>		
<p><u>Regulatory or Legal Mandates:</u> None</p>		<p><u>Operational Necessity/Justification:</u> increased fuel efficiency and operating costs of a new vehicle compared to a vehicle that is in excess of nine years old.</p>
<p><u>City Sources of Funding:</u> General Fund Revenues</p>		<p><u>Non-City Sources of Funding:</u></p>
<p><u>Total Project Cost:</u> \$36,000</p>	<p><u>Project Year(s):</u> 2014</p>	<p><u>FY 13 Budget Commitment:</u> \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$36,000					\$36,000
Professional Fees							
Contingencies							
<b>Total</b>		\$36,000					\$36,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Replace R901	<u>Department:</u> Fire
<p><u>Project Description:</u>                  Replacement unit for Rescue 901 which is currently 16 years old. This vehicle will continue to see increased operating expenses as well as frequent breakdowns due to age and extended service life. A replacement unit would be smaller and more efficient while providing an equal or greater level of service to the community.</p>		
<p><u>Regulatory or Legal Mandates:</u> None</p>		<p><u>Operational Necessity/Justification:</u> Required to provide air, light and heavy rescue services.</p>
<p><u>City Sources of Funding:</u> General Fund Revenues</p>		<p><u>Non-City Sources of Funding:</u> Bonds</p>
<p><u>Total Project Cost:</u> \$450,000</p>	<p><u>Project Year(s):</u> Future</p>	<p><u>FY 13 Budget Commitment:</u> \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.						\$450,000	\$450,000
Professional Fees							
Contingencies							
<b>Total</b>						\$450,000	\$450,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> Future	<u>Project Name:</u> Quint Fire Engine	<u>Department:</u> Fire
<p><u>Project Description:</u>                  The design and purchase of a Quint fire apparatus to better be able to serve the City of Anna with a multi role piece of fire apparatus. This unit would have an aerial ladder of t least 75', a pump of a capacity of at least 1500 gpm and a water tank of at least 300 gallon capacity in addition to carrying a compliment of ground ladders, hose , tolls and various other items of extrication and EMS equipment.</p>		
<p><u>Regulatory or Legal Mandates:</u> None</p>		<p><u>Operational Necessity/Justification:</u> Will allow for an aerial device to better provide service to the community as well as receive ISO credit.</p>
<p><u>City Sources of Funding:</u></p>		<p><u>Non-City Sources of Funding:</u> Bonds</p>
<p><u>Total Project Cost:</u> \$1,000,000</p>	<p><u>Project Year(s):</u> Future</p>	<p><u>FY 13 Budget Commitment:</u> \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.						\$1,000,000	\$1,000,000
Professional Fees							
Contingencies							
<b>Total</b>						\$1,000,000	\$1,000,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014 & 2015	<u>Project Name:</u> PW Vehicle Replacements	<u>Department:</u> Public Works
<u>Project Description:</u> Vehicle replacement based upon mileage and years of service. Public Works plans to purchase a single cab and crew cab work trucks in 2014 and 2015 respectively.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> Existing fleet of work trucks is aging with high repair bills.
<u>City Sources of Funding:</u> Utility Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$55,000	<u>Project Year(s):</u> 2014 & 2015	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$25,000	\$30,000				\$55,000
Professional Fees							
Contingencies							
<b>Total</b>		\$25,000	\$30,000				\$55,000



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## MACHINERY AND EQUIPMENT

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*An apparatus consisting of interrelated parts with separate functions, used in the performance of some kind of work; anything kept, furnished, or provided for a specific purpose*

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Customer Kiosk	<u>Department:</u> Utility Billing/Court
<p><u>Project Description:</u> Use the current drive through window at the UB/Court offices to install an automated payment collection kiosk. This will allow customers to pay their bill at any time and will interface with our UB and Court programs.</p>		
<p><u>Regulatory or Legal Mandates:</u> None</p>		<p><u>Operational Necessity/Justification:</u> Increase in customer service by providing an additional avenue for payment of court fines and utility bills. For the less than the price of one FTE, the city can add the capacity of one additional staff to process payments 24/7</p>
<p><u>City Sources of Funding:</u> Utility Fund Revenues/Unrestricted net assets</p>		<p><u>Non-City Sources of Funding:</u></p>
<p><u>Total Project Cost:</u> \$40,000</p>	<p><u>Project Year(s):</u> 2013</p>	<p><u>FY 13 Budget Commitment:</u> \$40,000</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design/IT Costs	\$3,000						\$3,000
Construction Costs	\$3,500						\$3,500
Const. Mgmt.							
Furn./Fixt./Equip.	\$32,430						\$32,430
Professional Fees							
Contingencies	\$1,070						\$1,070
<b>Total</b>	<b>\$40,000</b>						<b>\$40,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Excavator	<u>Department:</u> Public Works
<u>Project Description:</u> Mini Excavator		
<u>Regulatory or Legal Mandates:</u> None	<u>Operational Necessity/Justification:</u> This is a track vehicle with 180 degree swing capability that would allow access to ponds, mud or rough terrain. This equipment would make repairs in neighborhoods with less damage to private property, streets & side-	
<u>City Sources of Funding:</u> Utility fund/CDC/proceeds from sale of Gradeall	<u>Non-City Sources of Funding:</u>	
<u>Total Project Cost:</u> \$50,000	<u>Project Year(s):</u> 2013	<u>FY 13 Budget Commitment:</u> \$50,000

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.	\$50,000						\$50,000
Professional Fees							
Contingencies							
<b>Total</b>	<b>\$50,000</b>						<b>\$50,000</b>

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> New Parks Mower	<u>Department:</u> Parks
<u>Project Description:</u> Zero turn mower		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> Replace 2005 model mower
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Cost:</u> \$12,000	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$12,000					\$12,000
Professional Fees							
Contingencies							
<b>Total</b>		\$12,000					\$12,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> Backhoe Trailer	<u>Department:</u> Public Works
<u>Project Description:</u> Acquire a trailer to transport the Public Works' backhoe		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> The City currently does not have a means to transport the backhoe other than simply driving the machine. This is expensive and dangerous. The trailer would provide a more efficient means of transport around the city.
<u>City Sources of Funding:</u> General and Utility Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$15,000	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$15,000					\$15,000
Professional Fees							
Contingencies							
<b>Total</b>		\$15,000					\$15,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2015	<u>Project Name:</u> Portable Generator	<u>Department:</u> Public Works
<u>Project Description:</u> Purchase a portable generator with enough capacity to supply power to our critical water and wastewater operations in the event of mass power outage or other catastrophic event.		
<u>Regulatory or Legal Mandates:</u>		<u>Operational Necessity/Justification:</u> Serve as an emergency power supply to provide for continuity of utility service in emergency situations.
<u>City Sources of Funding:</u> Utility Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$85,000	<u>Project Year(s):</u> 2015	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.			\$85,000				\$85,000
Professional Fees							
Contingencies							
<b>Total</b>			\$85,000				\$85,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013	<u>Project Name:</u> Thermal Imaging Camera/TIC	<u>Department:</u> Fire
<u>Project Description:</u> A hand held TIC allows for the ability of the user to “see” through smoke and darkness to be able to identify areas of high heat ,or differences in temperature relative to the ambient atmosphere. Theses cameras facilitate the early location of both victims that may be trapped in a building as well as the location of a fire. Additionally, they provide for a higher level of firefighter safety . The use and deployment of thermal imaging cameras reflects a “best practice” in the fire service and should be carried on each piece of apparatus that might respond to structure fires.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> Enhance Firefighter safety and help in the reduction of injury to members of community and reduce property damage.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$10,000	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$10,000					\$10,000
Professional Fees							
Contingencies							
<b>Total</b>		\$10,000					\$10,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2013,2014	<u>Project Name:</u> Mobile Data Computer for Fire Apparatus	<u>Department:</u> Fire
<u>Project Description:</u> The addition of fully functioning Mobile Data Computers in E901 and E902 will allow for a greater availability of initial dispatch information as well as facilitate the ability to complete run reports . Firefighter safety is enhanced through the ability to access pre plan information and data as well as a variety of information on hazardous materials and other hazards and risks.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> To reflect industry best practices , increase firefighter safety and operational effectiveness as well as increase effective operations and reports management.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$7,500	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$7,500.00					\$7,500.00
Professional Fees							
Contingencies							
<b>Total</b>		\$7,500.00					\$7,500.00

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> Pump Overhaul E902	<u>Department:</u> Fire
<u>Project Description:</u> E902 (Mfg. 2002) will require significant maintenance on the pump to maintain it in a first response capability.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> required to maintain E902 in a first response capacity due to age and previous use.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$35,000	<u>Project Year(s):</u> 2014	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$35,000					\$35,000
Professional Fees							
Contingencies							
<b>Total</b>		\$35,000					\$35,000

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> Multi Gas Detector	<u>Department:</u> Fire
<u>Project Description:</u> A Multi Gas Detector will allow for the safe and effective detection and monitoring of incidents involving the suspected or actual release or leaks of natural gas and other combustible and or toxic gases.		
<u>Regulatory or Legal Mandates:</u> None		<u>Operational Necessity/Justification:</u> Needed to effectively detect or monitor leaks or releases of various combustible and or toxic gases.
<u>City Sources of Funding:</u> General Fund Revenues		<u>Non-City Sources of Funding:</u>
<u>Total Project Cost:</u> \$6,500	<u>Project Year(s):</u> 2015	<u>FY 13 Budget Commitment:</u> \$0.00

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.			\$6,500				\$6,500
Professional Fees							
Contingencies							
<b>Total</b>			\$6,500				\$6,500

## City of Anna—Capital Projects Plan Detail Sheet

<u>Budget Year:</u> 2014	<u>Project Name:</u> Scott Air-Pacs	<u>Department:</u> Fire
<p><u>Project Description:</u>                  The purchase of ten new Scott Air-Pacs will allow for members involved in IDLH atmospheres and operations to have state of the art respiratory protection. Self contained Breathing Apparatus are one of the most critical elements in personal protective equipment utilized by our firefighters and keeping our SCBA at the state of the art of the industry is a critical standard.</p>		
<p><u>Regulatory or Legal Mandates:</u>                  Required by OSHA and NFPA</p>		<p><u>Operational Necessity/Justification:</u>                  SCBA are CRITICAL to the safe operation and health of the members of the Anna Fire Department.</p>
<p><u>City Sources of Funding:</u>                  General Fund Revenues</p>		<p><u>Non-City Sources of Funding:</u></p>
<p><u>Total Project Cost:</u>                  \$20,000</p>	<p><u>Project Year(s):</u>                  2014</p>	<p><u>FY 13 Budget Commitment:</u>                  \$0.00</p>

### Proposed Budget Schedule

	FY 13	FY 14	FY 15	FY 16	FY 17	Future	Total
Land Acquisition							
Design Costs							
Construction Costs							
Const. Mgmt.							
Furn./Fixt./Equip.		\$20,000					\$20,000
Professional Fees							
Contingencies							
<b>Total</b>		\$20,000					\$20,000



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## TOTAL CAPITAL IMPROVEMENT PLAN

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*Total summary of economic costs of capital expenditures planned for the next 5 years and beyond*

FIVE YEAR CAPITAL IMPORVEMENTS PLAN							
Capital Projects	Department	FY13	FY14	FY15	FY16	FY17	Future
<b>BUILDINGS</b>							
City Hall Addition	Admin		\$500,000				
Central Fire Station	Fire						\$2,700,000
Fire Station #2	Fire						\$1,500,000
New City Hall	Admin						\$10,000,000
NSP Community Center	Parks						\$1,500,000
<b>WATER AND SEWER</b>							
Hwy 5 Ground Storage Tank Repair	Water	\$100,000					
Blended Water System	Water		\$2,250,000				
WWTP Upgrades	Sewer	\$800,000					
WWTP Relief Line	Sewer	\$950,000					
Clemens Creek Sewer Extension	Sewer						\$700,000
Elevated Storage Tank	Water						\$2,800,000
<b>STREETS</b>							
Annual Street Repair	Streets	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Ferguson Pkwy. Bypass	Streets		\$50,000				
Ferguson Pkwy. (FM 455 to Foster Crossing Rd. – Engineering)	Streets						\$594,000
Construct Ferguson Pkwy. (FM 455 to CR 367)	Streets						\$1,000,000
FM 455 (U.S. 75 to East Fork Creek – Engineering)	Streets						\$520,000
Rosamond Pkwy. (Hwy 5 to U.S. 75 – Engineering)	Streets						\$520,000
Reconstruct Hackberry (Hwy. 5 to Slayter Creek)	Streets						\$423,000
Mantua Rd/CR 371 (Hwy. 5 to U.S. 75 – reconstruction)	Streets						\$6,600,000
<b>PARKS</b>							
Slayter Creek Park Ph. II	Parks	\$2,100,000					
Trail Extensions	Parks	\$301,560	\$300,000	\$300,000	\$300,000		
Geer Park Phase I	Parks						\$1,500,000
<b>VEHICLES</b>							
Vehicle Replacement	Police		\$65,550	\$64,000	\$32,500	\$32,500	\$32,500
New Command Vehicle	Fire		\$36,000				
Replace R901	Fire						\$450,000
Quint Fire Engine	Fire						\$1,000,000
Replace/Purchase Trucks	Public Works		\$25,000	\$30,000			

<b>FIVE YEAR CAPITAL IMPORVEMENTS PLAN</b>							
<b>Capital Projects</b>	<b>Department</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>Future</b>
<b>Machinery &amp; Equipment</b>							
Payment Kiosk	Utility Billing	\$40,000					
Mini Excavator	Public Works	\$50,000					
Mower	Parks		\$12,000				
Backhoe Trailer	Public Works		\$15,000				
Portable Generator	Public Works			\$85,000			
Purchase New Thermal Imaging Camera (TIC)	Fire		\$10,000				
Mobile Data Computers for Fire Apparatus	Fire		\$7,500				
Pump overhaul for E902	Fire		\$35,000				
Purchase Gas Detector	Fire			\$6,500			
Purchase 10 Scott Air-Pacs	Fire		\$20,000				
<b>TOTAL</b>		<b>\$4,441,560</b>	<b>\$3,426,050</b>	<b>\$585,500</b>	<b>\$432,500</b>	<b>\$132,500</b>	<b>\$31,839,500</b>
<b>GRAND TOTAL \$40,857,610</b>							

## FITCH UPGRADES ANNA, TX LT BONDS TO 'A'; OUTLOOK STABLE

Fitch Ratings-Austin-15 April 2011: In the course of routine surveillance, Fitch Ratings has taken the following action on Anna, Texas' limited tax bonds:

--\$2.18 million combination tax and limited surplus revenue certificates of obligation, series 2006 upgraded to 'A' from 'A-';

--\$29,000 1976 general obligation water bonds upgraded to 'A' from 'A-'.

The Rating Outlook is Stable.

### RATING RATIONALE:

--The rating upgrade reflects the city's consistently strong financial performance and prudent management of spending pressures associated with a rapidly growing population and revenue enhancements to offset declines in taxable value.

--The credit also benefits from access to the diverse economy of the Dallas/Fort Worth metroplex.

--Overall debt levels are quite high as is the fixed cost burden on the budget associated with direct debt levels, making the maintenance of high reserve levels even more important for financial flexibility.

-- The city's population grew at a robust growth rate over the last decade reaching 8,249 but the economy remains relatively limited.

### KEY RATING DRIVERS:

--Maintenance of substantial financial reserves.

--Continued stabilization of the city's tax base.

### SECURITY:

The bonds secured by the levy of an ad valorem tax on all property within the limits of the city up to a maximum rate of \$2.50 per \$100 of taxable assessed value and by a pledge of limited surplus net revenues (not to exceed \$1,000 of the city's waterworks and sewer system).

### CREDIT SUMMARY:

The city is located 40 miles north of Dallas in Collin County. Easy access to Dallas from U.S. Highway 75 and affordable land made this former farm community an attractive location for many first time homebuyers. Officials estimate that 80% to 90% of residents commute outside the city for work. The city experienced dramatic growth in its population base during the early years of the last decade, which has continued into the present, albeit at a slower pace. Overall population increased at an average annual rate of 21% between 2000 and 2010 making it one of the fastest growing cities in the region. Significant commercial and retail development followed. With the onset of the recent recession, the city's expansion slowed down considerably. Single-family residential building permits, which annually exceeded 500 in 2003 and 2004, dropped precipitously to a low of seven in 2009. Recent signs of economic improvement include a nascent revival in building permits and boisterous growth in sales tax revenues. Collin County wealth indices are well above the state and national averages

Financial operations are well managed as evidenced by historically large general fund balances. Despite general fund operating deficits in fiscals 2007 through 2009, reserves remained at healthy levels at over 60% of expenditures. In fiscal 2010, a substantial operating surplus was reported as general fund revenues, spurred by swelling property tax and sales tax collections, increased 11% over the prior year. Management has also been successful in moderating spending despite the demands of a burgeoning residential base. General fund expenditures have increased at a manageable 3.8% average annual rate since fiscal 2006. Public safety constitutes the largest and fastest growing spending item. For the current fiscal year, the city expects general fund operations

to be balanced with little or no surplus.

From 2003 through 2008, the city's tax base soared, growing by 384% during this time. However, as building activity dried up, taxable values leveled off and then declined, dropping by 5% over the past two years. Although new properties continue to be added to the tax rolls, the value of existing properties declined by nearly 8.5% during this period. Another reduction of the tax base of 3% is expected in fiscal 2012. There are no concentration issues as the top 10 taxpayers represent only 8.2% of total assessed values. Property tax rates are above average when compared with other cities in Collin County. The city's current rate of \$.65 per \$100 of assessed value represents a 13% rate hike since fiscal 2009, more than offsetting the decline in the tax base. Property tax collection rates are historically strong.

Tax-supported debt consists of approximately \$4.9 million of bonds, notes and leases. Direct debt levels are modest with direct debt to full value and direct debt per capita of 1.1% and \$584, respectively. Overall debt levels are much higher due to recent bonding by the local school district. Total debt to full value rises to over 15%, 10% net of state funding of the school district's bond payments, and overall debt per capita is over \$8,000. Amortization of tax-supported debt is above average with 60% of principal retired within 10 years. Most of the city's outstanding debt consists of obligations of its waterworks and sewer system. The city plans to restructure both its tax-supported and water and sewer debt within the next year in order to smooth out debt service requirements, which are scheduled to rise significantly in 2018. No additional tax-supported bonds are planned for the foreseeable future.

The city's pension liabilities are limited to its participation in the Texas Municipal Retirement System (TMRS), the state pension plan. The city's annual contribution to TMRS, which is determined by state law, was \$203,000 in fiscal 2010, or a manageable 6.55% of total spending. Using Fitch's more conservative 7% discount rate (0.5% below the actual assumed rate), the city's contribution would increase to \$243,000 or 7.8% of expenditures.

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Additional information is available at '[www.fitchratings.com](http://www.fitchratings.com)'

In addition to the sources of information identified in the Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates, LoanPerformance, Inc., IHS Global Insight,

Applicable Criteria and Related Research:

--'Tax-Supported Rating Criteria', Aug. 16, 2010.

--'U.S. Local Government Tax-Supported Rating Criteria', Oct. 8, 2010.

For information on Build America Bonds, visit [www.fitchratings.com/BABs](http://www.fitchratings.com/BABs).

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=548605](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=548605)

U.S. Local Government Tax-Supported Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=564566](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=564566)

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**CITY OF ANNA, TEXAS**

**HOME-RULE CHARTER**

**Originally adopted by vote of the people of the City of Anna, Texas on  
May 7, 2005**

**Amended on  
November 4, 2008 and May 12, 2012**

**Codified as:  
PART I of The Anna City Code of Ordinances**

## **ARTICLE 7—FINANCIAL PROCEDURES**

### **SECTION 7.01 Fiscal Year**

The fiscal year of the City begins on the first day of October and ends on the last day of September on the next succeeding year. Such fiscal year also constitutes the budget and accounting year.

### **SECTION 7.02 Submission of Budget and Budget Message**

On or before the 15th day of August of the fiscal year, the City Manager must submit to the City Council a budget for the ensuing fiscal year and an accompanying budget message.

### **SECTION 7.03 Budget Message**

The City Manager's message must explain the budget both in fiscal terms and in terms of the work programs. It must outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the City Manager deems desirable.

### **SECTION 7.04 Budget a Public Record**

The budget and all supporting schedules must be filed with the person performing the duties of City Secretary when submitted to the City Council and must be open to public inspection by anyone interested.

### **SECTION 7.05 Public Hearing on Budget**

At the City Council meeting when the budget is submitted, the City Council must name the date and place of a public hearing and have published in the official newspaper of the City, at least twice, the time and place, which will be not less than ten days nor more than 30 days after the date of notice. At this hearing, interested citizens may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense.

### **SECTION 7.06 Proceeding on Adoption of Budget**

After public hearing, the City Council must analyze the budget, making any additions or deletions which they feel appropriate, and must, at least ten days before the beginning of the next fiscal year, adopt the budget by the affirmative vote of a majority of the full membership of the City Council. Should the City Council take no final action on or before such day, the current budget will continue to be in force on a month-to-month basis until a new budget is adopted.

### **SECTION 7.07 Budget, Appropriation and Amount to be Raised by Taxation**

On final adoption, the budget is in effect for the budget year. Final adoption of the budget by the City Council constitutes the official appropriations as proposed by expenditures for the current year and

constitutes the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. Estimated expenditures will in no case exceed proposed revenue plus cash on hand. Unused appropriations may be transferred to any item required for the same general purpose.

#### **SECTION 7.08 Contingent Appropriation**

Provision may be made in the annual budget and in the appropriation ordinance for a contingent appropriation in an amount not more than three percent of the total general fund expenditures, to be used in case of unforeseen items of expenditures. This contingent appropriation must apply to current operating expenses and must not include any reserve funds of the City. Such contingent appropriation is under the control of the City Manager and may be distributed by him only after prior approval by the City Council. 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.

#### **SECTION 7.09 Amending the Budget**

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Council may, by the affirmative vote of a majority of the full membership of the City Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments must be by ordinance, and must become an attachment to the annual budget.

#### **SECTION 7.10 Certification; Copies Made Available**

A copy of the budget, as finally adopted, must be filed with the person performing the duties of City Secretary and such other places required by state law or as the City Council may designate. The final budget must be printed or otherwise reproduced and sufficient copies made available upon request for the use of all offices, agencies, interested persons and civic organizations.

#### **SECTION 7.11 Capital Program**

The City Manager must submit a five-year capital program as an attachment to the annual budget. The program as submitted must include:

- (1) a clear summary of its contents;
- (2) a list of all capital improvements which are proposed to be undertaken during the five fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
- (3) cost estimates, method of financing, and recommended time schedules for each improvement; and
- (4) the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. The above information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition.

## **SECTION 7.12 Defect Does Not Invalidate the Tax Levy**

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements do not nullify the tax levy or the tax rate.

## **SECTION 7.13 Lapse of Appropriations**

Every appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure continues in force until the purpose for which it was made has been accomplished or abandoned. The purpose of any such appropriation is deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered will be deemed excess funds.

## **SECTION 7.14 Borrowing**

(a) The City has the right and power, except as prohibited by law or this Charter, to borrow money by whatever method it may deem to be in the public interest.

(b) General Obligation Bonds.

- 1 The City has the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or any other public purpose not prohibited by law and this Charter, and to issue refunding bonds to refund outstanding bonds previously issued. All such bonds must be issued in conformity with state and federal law and must be used only for purposes for which they were issued.
- 2 Any bonds issued under the provisions of this Section may not be issued without an election. The City Council must prescribe the procedure for calling and holding such elections, must define the voting precincts and must provide for the return and canvass of the ballots cast at such elections.
- 3 If at such elections a majority of the vote is in favor of creating such a debt or refunding outstanding valid bonds of the City, it will be lawful for the City Council to issue bonds as proposed in the ordinance submitting same. However, if a majority of the votes are against the creation of such debt or refunding such bonds, the City Council is without authority to issue the bonds. In all cases when the City Council orders an election for the issuance of bonds of the City, it must at the same time submit the question of whether or not a tax may be levied upon the property within the City for the purpose of paying the interest on the bonds and to create a sinking fund for their redemption.

(c) Revenue Bonds.

- 1 The City has the power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing of public utilities, or any other self-liquidating municipal function not prohibited by state or federal law.

- 2 With an affirmative vote of at least two-thirds of the Council Members present and having authority to vote, the City has the power to issue revenue bonds and to evidence the obligation created thereby.
  - 3 Such bonds are a charge upon and payable from all or any part of the properties pledged or from the income gained from the properties, or both. The holders of the revenue bonds are not entitled to demand payment on the bonds out of monies raised or to be raised by taxation.
  - 4 All such bonds must be issued in conformity with state and federal law and must be used only for the purpose for which they were issued.
- (d) Emergency Funding. In any budget year, the City Council may, by affirmative vote of at least two-thirds of the Council Members present and having authority to vote, authorize the borrowing of money. Notes may be issued which are repayable not later than the end of the current fiscal year.

#### **SECTION 7.15 Purchasing**

- (a) The City Council may by ordinance, give the City Manager general authority to contract for expenditure without further approval of the City Council for all budgeted items not exceeding limits set by the City Council within the ordinance.
- (b) All contracts for expenditures or purchases involving more than the limits must be expressly approved in advance by the City Council. All contracts or purchases involving more than the limits set by the City Council must be awarded by the City Council in accordance with state and federal law.
- (c) Emergency contracts as authorized by law and this Charter may be negotiated by the City Council or City Manager if given authority by the City Council, without competitive bidding, and in accordance with state and federal law. Such emergency may be declared by the City Manager if approved by the City Council, or may be declared by the City Council.

#### **SECTION 7.16 Administration of Budget**

- (a) No payment may be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made, unless the City Manager, or the City Manager's designee, first certifies that there is a sufficient unencumbered balance in the budget and that sufficient budget funds are or will be available to cover the claim or meet the obligation when it becomes due and payable.
- (b) Any authorization of payment or incurring of obligation in violation of Subsection (a) of this Section is void and any payment so made illegal.
- (c) This prohibition does not prevent the making or authorizing of payments, or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness, or certificates of obligation, or to prevent the making of

any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.

- (d) The City Manager must submit to the City Council each month a report covering the revenues and expenditures of the City in such form as requested by the City Council.

### **SECTION 7.17 Depository**

All monies received by any person, department or agency of the City for or in connection with the affairs of the City must be deposited promptly in the City depository or depositories. The City depositories must be designated by the City Council in accordance with such regulations and subject to the requirements as to security for deposits and interest thereon as may be established by ordinance and law. Procedures for withdrawal of money or the disbursement of funds from the City depositories may be prescribed by ordinance.

### **SECTION 7.18 Independent Audit**

When deemed necessary by the City Council, it may call—and at the close of each fiscal year—must call for an independent audit of all accounts of the City by a certified public accountant. No more than five consecutive annual audits may be completed by the same firm. The certified public accountant selected may have no personal interest, directly or indirectly, in the financial affairs of the City or any of its officers. The report of audit, with the auditor's recommendations, will be made to the City Council. Upon completion of the audit, the summary must be published immediately in the official newspaper of the City and copies of the audit placed on file in the office of the person performing the duties of City Secretary, as a public record.

### **SECTION 7.19 Power to Tax**

- (a) The City has the power to levy, assess and collect taxes of every character and type for any municipal purpose not prohibited by state or federal law.
- (b) The City has the power to grant tax exemptions in accordance with the laws of the State of Texas.

### **SECTION 7.20 Office of Tax Collector**

There must be an office of taxation to collect taxes, the head of which is the City Tax Collector. The City Council may contract for such services.

### **SECTION 7.21 Taxes; When Due and Payable**

- (a) All taxes due in the City are payable at the office of the City Tax Collector, or at such location or locations as may be designated by the City Council, and may be paid at any time after the tax rolls for the year have been completed and approved. Taxes for each year must be paid before February 1 of the next succeeding year, and all such taxes not paid before that date are delinquent, and subject to penalty and interest as the City Council may provide by ordinance. The City Council may provide discounts for the payment of taxes before January 1 in amounts not to exceed those established by state law.

- (b) Failure to levy and assess taxes through omission in preparing the appraisal rolls does not relieve the person, firm or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question, omitting penalty and interest.

**SECTION 7.22 Tax Liens, Liabilities and Suits**

- (a) All taxable property located in the City on January 1 of each year is charged from that date with a special lien in favor of the City for the taxes due. All persons purchasing any such property on or after January 1 in any year take the property subject to the liens provided above. In addition to these liens, on January 1 of any year, the owner of property subject to taxation by the City is personally liable for the taxes due for that year.
- (b) The City has the power to sue for and recover personal judgment for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgment and foreclosure. In any such suit where it appears that the description of any property in the City appraisal rolls is insufficient to identify such property, the City has the right to plead a good description of the property to be assessed, to prove the same, and to have its judgment foreclosing the tax lien or for personal judgment against the owners for such taxes.

CITY OF ANNA, TEXAS

Ordinance No. 592-2012

Ordinance Adopting the Budget For the 2012 - 2013 Fiscal Year

**AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF ANNA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013 AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF ANNA FOR THE 2012 - 2013 FISCAL YEAR.**

**WHEREAS**, the budget, appended here as Exhibit A, for the fiscal year beginning October 1, 2012 and ending September 30, 2013, was duly presented to the City Council by the City Manager and a public hearing was ordered by the City Council and a public notice of said hearing was caused to be given by the City Council and said notice was published in the Anna-Melissa Tribune and said public hearing was held according to said notice; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA THAT:**

**SECTION 1.** The appropriations for the fiscal year beginning October 1, 2012, and ending September 30, 2013 for the support of the general government of the City of Anna, Texas, be fixed and determined for said terms in accordance with the expenditures shown in the City's fiscal year 2012 - 2013 budget, a copy of which is appended hereto as Exhibit A;

**SECTION 2.** The budget, as shown in words and figures in Exhibit A, is hereby approved in all respects and adopted as the City's budget for the fiscal year beginning October 1, 2012 and ending September 30, 2013.

**SECTION 3.** In addition to Exhibit A, and in accordance with Section 7.08 of the Anna City Charter, the budget also includes a contingency appropriation of \$110,894. All expenditures from this contingency appropriation shall be in accordance with Section 7.08 of the Anna City Charter.

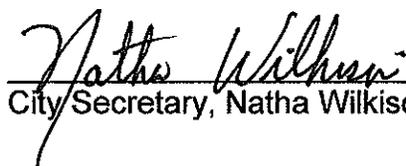
**PASSED AND APPROVED** this, the 4th day of September, 2012.

Ayes 6

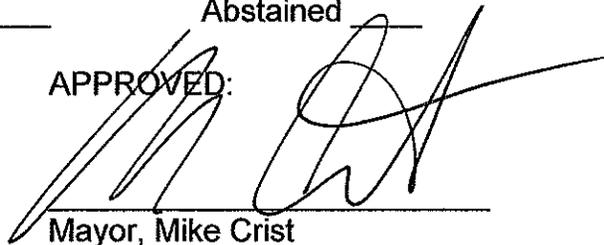
Nays     

Abstained     

ATTESTED:

  
\_\_\_\_\_  
City Secretary, Natha Wilkison

APPROVED:

  
\_\_\_\_\_  
Mayor, Mike Crist