

City of Anna

Fiscal Year 2015-2016

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$561,973, which is a 16.89 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$279,418.

The members of the governing body voted on the budget as follows:

FOR: Justin Burr, Lauren Lovato, John Beazley, Chad Barnes, Nathan Bryan, Dick Dowd, Mayor Mike Crist

AGAINST:

PRESENT and not voting:

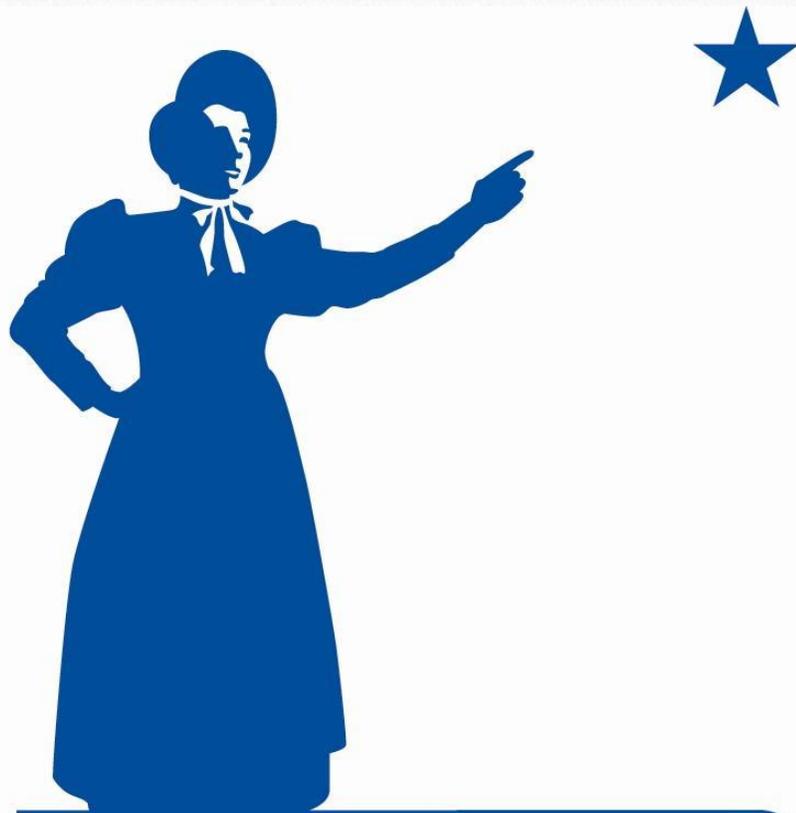
ABSENT:

Property Tax Rate Comparison

	2015-2016	2014-2015
Property Tax Rate:	\$0.639000/100	\$0.649000/100
Effective Tax Rate:	\$0.586703/100	\$0.587582/100
Effective M&O Tax Rate:	\$0.492909/100	\$0.505395/100
Rollback Tax Rate:	\$0.639000/100	\$0.649000/100
Debt Rate:	\$0.106659/100	\$0.103174/100

Total debt obligation for City of Anna secured by property taxes: \$30,021,000

- \$3,780,000 is directly secured by property taxes through the I&S rate
- \$12,566,000 has a tax pledge and is supported by water & sewer revenues and the I&S rate
- \$13,675,000 in revenue and contractual debt obligations to the Greater Texoma Utility Authority is also secured by water & sewer revenues



Anna

CITY OF ANNA, TEXAS

CITY OF ANNA, TEXAS

ANNA

Y{our} Hometown

FY16 Adopted Budget



Table of Contents

INTRODUCTION

Budget Letter	4
City Organization	11
Commitment and Vision	13
Statistics	19
Budget Process	20
Fund Structure	24

GENERAL FUND SUMMARY

Revenue	29
Expenditures	33
Departmental Summaries	34
Restricted Revenue Trusts	59

DEBT SERVICE FUND SUMMARY

Revenue	65
Debt Service Obligations	66
Debt Schedule	67

UTILITY FUND SUMMARY

Revenue	70
Expense	72
Departmental Summaries	73
Utility Fund Debt	82

CAPITAL IMPROVEMENTS

Project Summaries	86
Five Year Summary	88

COMPONENT UNITS

Summary of Units	90
Community Development Corporation	91
Economic Development Corporation	93

SUPPLEMENTAL INFORMATION

Capital Improvements Plan	96
Debt Management Plan	149
Bond Ratings	155
Financial and Investment Policies	164
Budget Information from City Charter	190
Budget Ordinance	197



Budget Letter

September 8, 2015

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 2015-16 budget. The Annual Budget 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 the City's strategic goals.

STRATEGIC GOALS AND OBJECTIVES

The City Council has identified seven (7) strategic goals that help frame the City's financial and operational work plans. The strategic plan is a working document that provides guidance to City Staff when making budgetary and operational decisions.

Fiscal Year 2016 Strategic Goals	
Goal 1	Attract Professional Jobs
Goal 2	Improve the Curb/Aesthetic Appeal of our Community
Goal 3	Promote Downtown Development
Goal 4	Promote Retail Development
Goal 5	Develop a Brand Identity for the City of Anna
Goal 6	Diversify Housing and Neighborhood Options
Goal 7	Upgrade City Facilities and Infrastructure

The *FY 2016 Strategic Plan Implementation Strategy* included in this budget outlines the city's plan of action for implementing the strategic goals during the 2015-16 fiscal year.

VALUE OF TAXABLE PROPERTY AND GROWTH

After four years of declining property values between 2009 and 2012, property values eventually stabilized in 2013 when the total taxable value exceeded for the first time the previous peak for taxable value set in 2008. Strong growth and new construction in 2013 resulted in a substantial increase in total taxable value for the 2014 tax year. Continued strong growth and new construction in 2014 has contributed to a significant increase in total taxable value for the 2015 tax year. We remain guardedly optimistic that a trend of market appreciation and modest growth will continue in the coming years.

The growth in taxable value corresponds to a significant increase in population over the past year. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2015 was 10,980. In 2014 the City's population increased 7.1% placing Anna in the top 12 cities for percent population growth in the Dallas/Ft. Worth region.



Budget Letter

So far in 2015, the City has received 176 building permit applications for single family homes. As the inventory of existing finished lots has declined, we have also observed modest drop in building activity. We anticipate that new home construction will increase when subdivisions that are under construction or in various stages of the development process are complete and become available in the market.

TAX RATE

For the 2014-15 fiscal year budget, the City Council reduced the tax rate to \$0.649 cents per \$100 of taxable assessed valuation. The proposed 2015-16 budget further reduces the property tax rate to \$0.639 cents per \$100 of taxable assessed valuation. The total tax rate is divided between General Fund maintenance and operations and the Debt Service Fund. Of the total tax rate, \$0.532341 cents is dedicated to General Fund maintenance and operations, and \$0.106659 cents is dedicated to general obligation debt service. The portion of the tax rate dedicated to debt service is about 17% of the overall City tax rate.

The average taxable single-family home value for the 2015 tax year is \$144,750, an increase of \$16,150 from the previous year. At the proposed tax rate of \$0.639 the municipal tax paid on the average single family home will be \$925.

EMPLOYEE PAY AND BENEFITS

In 2014 the City updated its pay classification plan based on a comparison of similar positions in this market area. The salary and classification plan survey revealed that 58% of the City's employees fell below the average survey minimum for their respective positions. The study provided recommendations for revising the City's pay classification plan, and for implementing market adjustments based on the new pay plan and the tenure of each employee in his or her position. The cost of implementing the recommended market adjustments for all affected employees was approximately \$150,000.

In lieu of a single year implementation, the City has implemented the market adjustments over two fiscal years beginning in the 2014-15 fiscal year. Funding for the 2nd half of the market adjustments is included in the 2015-16 fiscal year budget. If warranted, employee's not receiving market adjustments may be considered for discretionary merit based pay adjustments.

The City currently pays for health insurance for all City employees through a plan provided by the Texas Municipal League Intergovernmental Employee Benefit Pool (TMLIEBP). As part of the budget process, the City reviewed the health plans and benefits offered to full-time employees, and issued a Request for Proposal (RFP) to determine if more cost effective plans are available. The purpose of the RFP process was to solicit competitive bids for the insurance programs for the City, and to obtain quality benefits for City employees at the best pricing available in the marketplace. Upon receipt and review of the proposals, staff found that TMLIEBP provided the greatest benefit for the least cost, as a result the City will continue with TMLIEBP for health benefits. The fiscal year 2015-16 budget includes a 5% increase in the City's contribution towards the cost of health benefits provided to full-time employees.

PROGRAMS AND STAFFING LEVELS

The City currently supports a staff of 54 full-time equivalent (FTE) employees allocated among the various operating departments. The proposed budget recommends an increase of 2 full-time positions. One position would be added to the Parks department and one to the Police department. Staffing levels have been increased to maintain quality service delivery as our population and demand for services continues to grow.



Budget Letter

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. This fund finances the operations of the Administration, City Council, City Manager, City Secretary, City Attorney, Finance, Development, EMS, Fire, Animal Control, Police, Municipal Court, Parks, and Street departments.

For the 2015-16 fiscal year, General Fund revenues are expected to total \$5,249,228 which is an increase of 16.2% over the previous year's budget. Property tax revenue to the General Fund is anticipated at \$3,238,907 (an increase of 16.15%), and sales tax revenue is projected at \$700,000 (an increase of 11.1%). The growth of this fund is largely the result of continuing residential and commercial development and population growth in Anna.

General Fund operating expenditures for the 2015-16 fiscal year total \$5,249,228 reflecting a 16.4% increase over the previous year's budget. In order to maintain quality service delivery as our population continues to grow, the General Fund budget proposes the addition of the following new positions:

- A Parks Superintendent will be added in the Parks department to oversee day-to-day operations and to provide strategic leadership for the department.
- A School Resource Officer will be added to the Police department. The salary and benefits for this new position will be paid for by the Anna Independent School District.

In 2015, the Public Works department implemented a specific departmental focus on maintenance of streets and rights-of-way by assigning three existing employees to proactively focus on the maintenance of our streets, regulatory signs, and drainage infrastructure. Those three positions that were previously funded out of the Water and Sewer fund will now be assigned to and funded out of the Street department budget. These are not new positions, but rather existing positions that are now budgeted for in the General Fund.

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.

The City of Anna currently holds just over \$16.3 million in outstanding tax supported debt. \$12.5 million of that amount was issued for water and sewer infrastructure projects and can be payable from water and sewer revenues; however, to obtain more favorable financing terms, the debt has a tax pledge. The balance of tax supported debt, just under \$3.8 million, was issued for general fund purposes. In April of 2015, the City's general obligation debt rating was reaffirmed at A1 by Moody's, citing "strong financial performance with large reserves".

Total revenue in the Debt Service Fund is budgeted at \$649,228. Expenditures in the Debt Service Fund total \$649,228. Approximately \$219,228 in I&S revenue will be transferred to the Utility Fund to support debt service on tax pledged debt issued for water & sewer infrastructure. Excess revenue generated from Water & Sewer Fund operations will be transferred to a Building Capital Fund and reserved for future facility projects.



Budget Letter

In order to keep the Debt Service tax rate stable, the City of Anna and First Southwest, our financial advisor, developed a series of planned refundings of existing debt 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. The next refunding and restructuring of debt is scheduled for 2017.

WATER AND SEWER FUND

The Water and Sewer Fund is an enterprise fund that accounts for the water, sewer and solid waste services that are provided to city residents and customers located outside the city limits. All activities to maintain these services are accounted for in this fund, including operations, maintenance, billing and collections, administration, financing, and related debt service. The Water & Sewer Fund includes a newly created Administration department as well as the Water, Sewer, Solid Waste, and Utility Billing departments. The Administration department was created to more accurately report the cost of providing water, sewer, solid waste, and utility billing services. Previously all administrative costs were budgeted in the water department.

The Water & Sewer Fund's principle source of revenues are charges to customers for water consumption, wastewater collection, refuse collection, and fees related to providing consumers with new water and wastewater services. Total fund revenues for the 2015-16 fiscal year are estimated at \$6,345,848 (an increase of 15.03%) and total expenditures are budgeted at \$6,281,882 (an increase of 14.56 %).

Organization and Personnel

The 2015-16 budget includes a new Administration department within the Water and Sewer Fund. This new department provides general administrative support to the Water, Sewer, and Street departments and includes personnel and other costs that are not readily assignable to one department within the fund. Personnel in the Administration department includes the Director of Public Works, the Administrative Assistant, the Public Works Operations Superintendent, and the Construction Inspector.

As discussed earlier, three positions that were previously funded out of the Water and Sewer fund will now be assigned to and funded out of the Street department budget in the General Fund.

Debt Management

Currently the Utility Fund holds just over \$26.2 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. Looking to the future, the City anticipates a spike in debt service obligations in 2019.

In order to appropriately manage Utility Fund debt, the City and First Southwest developed a plan to take advantage of call dates and pursue advance refundings of the City's outstanding Utility Fund debt. Every 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 utility rate study to evaluate the current water and sewer rates. Depending on market conditions and the City's growth, two refundings are slated for mid-summer and late fall of 2017. These refundings will also free up cash and reduce pressure on utility rates.

Wastewater Inflow and Infiltration

The City's existing wastewater treatment plant currently operates at permitted capacity. The Slayter Creek Wastewater Interceptor (SCWI), completed in 2014, allows the City to divert wastewater from the existing wastewater treatment plant into the North Texas Municipal Water District (NTMWD) wastewater system. As the City grows, wastewater flowing through the SCWI into the NTMWD system will increase with our growth.



Budget Letter

Since the SCWI became operational last fall, the City has begun to divert flow into the NTMWD system when the amount of wastewater flowing into the plant exceeds the plant's permitted capacity. This typically happens when it rains and rainwater penetrates the sewer system increasing the amount of water flowing to the plant. With the unprecedented amount of rain received this year, we have frequently opened the SCWI to relieve the plant. As a result, the amount of wastewater water being diverted into the NTMWD system is significantly greater than what we previously estimated.

The penetration of rainwater into the wastewater system is a phenomenon commonly referred to as "inflow & infiltration" or I&I. The heavy rains this year have revealed a very significant I&I problem in our wastewater collection system. To address our I&I problem, the Public Works department has implemented an aggressive program to identify and repair I&I problems in the system including funding for specific I&I remediation projects in the FY 16 budget. In addition, the City has studied the capacity of our existing wastewater treatment plant. Based on the study, we will be asking the Texas Commission on Environmental Quality (TCEQ) to amend our permit to allow an increase the amount of wastewater we can process through our existing plant.

The City pays a transport and treatment charge to NTMWD for all the wastewater that we pass into their system. Since the amount of wastewater water being diverted into the NTMWD system is significantly greater than what we previously estimated, we have had to more than double the budgeted amount for NTMWD wastewater charges. The increase in wastewater charges is one of the significant factors contributing to an increase in utility rates.

Utility Rates

In order to ensure that our utility rates will continue to support our operating costs and debt service obligations, Staff hires a rate consultant to evaluate our utility system's operation costs and debt payments, and recommend any rate adjustments that would be necessary fully fund the cost of operating our system while maintaining an adequate financial reserve. Last year's 2014-15 budget did not include any increase in water and sewer rates; however, it will be necessary to increase utility rates in the 2015-16 budget. Based on the most recent rate study, we are recommending that water and sewer rates increase by 9% percent on October 1, 2015. The typical residential water customer uses about 5,100 gallons of water in an average month. The proposed rate adjustment would increase the average monthly utility bill (combined water and sewer) by \$6.94.

The primary factors contributing to this rate increase include: 1) water conservation programs leading to a 23.2% decline over the past few years in the average amount of water sold on a per customer basis; 2) a significant increase in the amount budgeted for NTMWD wastewater transport and treatment charges; and 3) an increase in the amount budgeted to purchase treated surface water from NTMWD through a contract with the Greater Texoma Utility Authority (GTUA).

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.

CAPTIAL IMPROVEMENT FUND

The Capital Improvement Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The budget for these projects are independent of the operating budget and are typically funded with bonds, grants, fund balance, special restricted revenue or other sources of capital from developers or other private investment.



Budget Letter

Project	FY 2016 Budget	Funding Source
Foster Crossing Water Line Project	\$721,504	2012 & 2014 Certificates of Obligation
Throckmorton Creek Wastewater Interceptor	\$1,600,000	Wastewater Impact Fee and Capital Improvement Fee Trust Funds
Hackberry Elevated Storage Tank	\$1,399,093	2012 & 2014 Certificates of Obligation
Hackberry Elevated Storage Tank Water Line Improvements	\$616,395	2012 & 2014 Certificates of Obligation
Water Disinfection System Improvements	\$445,489	2012 & 2014 Certificates of Obligation
Architectural Services for new City Hall construction	TBD	Future Bond Sales

RESTRICTED REVENUE 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 2015-16 PROJECTED REVENUE
WEST CROSSING WATER TRUST	\$60,000
WEST CROSSING SEWER TRUST	\$60,000
WEST CROSSING PARK TRUST	\$22,500
WATER & SEWER IMPACT FEE TRUST	\$70,000
NORTHPOINTE WATER TRUST	\$30,000
NORTHPOINTE SEWER TRUST	\$30,000
NORTHPOINTE PARK TRUST	\$11,250
ANNA CROSSING WATER	\$70,000
ANNA CROSSING SEWER	\$70,000
ANNA CROSSING ROADWAY FEES	\$47,250
LAKEVIEW WATER	\$20,000
LAKEVIEW SEWER	\$20,000
LAKEVIEW PARK	\$7,500
AVERY POINT WATER	\$40,000
AVERY POINT SEWER	\$40,000
CAMDEN PARC WATER	\$40,000
CAMDEN PARC SEWER	\$40,000
PARK TRUST	\$63,250
STREET DEVELOPER FEES	\$35,000
ROADWAY IMPACT FEES SERVICE AREA 1	\$50,000
ROADWAY IMPACT FEES SERVICE AREA 2	\$35,000
FIRE DEPARTMENT TRUST	\$7,000
COURT BUILDING SECURITY FUND	\$1,700
COURT TECHNOLOGY FUND	\$2,250
CHILD SAFETY FUND	\$10,000



Expenditures

DEPARTMENT	FY 2015-16 EXPENDITURES	DESCRIPTION
COURT BUILDING SECURITY FUND	\$3,780	Police overtime for court security
COURT TECHNOLOGY FUND	\$5,500	One new ticket writer and annual software licensing and support
CHILD SAFETY FUND	\$7,500	Dues for the Child Advocacy Center
PARK TRUST	\$150,000	Improvements to Natural Springs Park
FIRE TRUST	\$67,500	Brush Truck 901 Remount
PD SEISURE TRUST	\$15,500	Police Body Cameras
RYLAND, W&S IMPRMNT, WESTFIELD, WEST CROSSING, NORTHPOINTE, & TARAFARMS SEWER IMPROVEMENT TRUSTS	\$1,600,000	Throckmorton Creek Wastewater Interceptor Project (<i>see Capital Improvements Fund</i>)

CLOSING

While budgets are always a challenge, we have worked diligently to propose a budget that is both balanced and sufficient to meet the needs of the coming fiscal year. 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. We express our 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 2015-16 fiscal year 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

Michael Crist

Mayor

Justin Burr

Place 1

Chad Barnes

Place 4, Mayor Pro Tem

Lauren Lovato

Place 2

Nathan Bryan

Place 5

John Beazley

Place 3, Deputy Mayor Pro Tem

Dick Dowd

Place 6

Philip Sanders

City Manager

Kenneth Jenks

Chief of Police/Deputy City Manager

Maurice Schwanke

Director of Planning and Development

Clayton Fulton

Director of Finance

Joseph Johnson

Director of Public Works

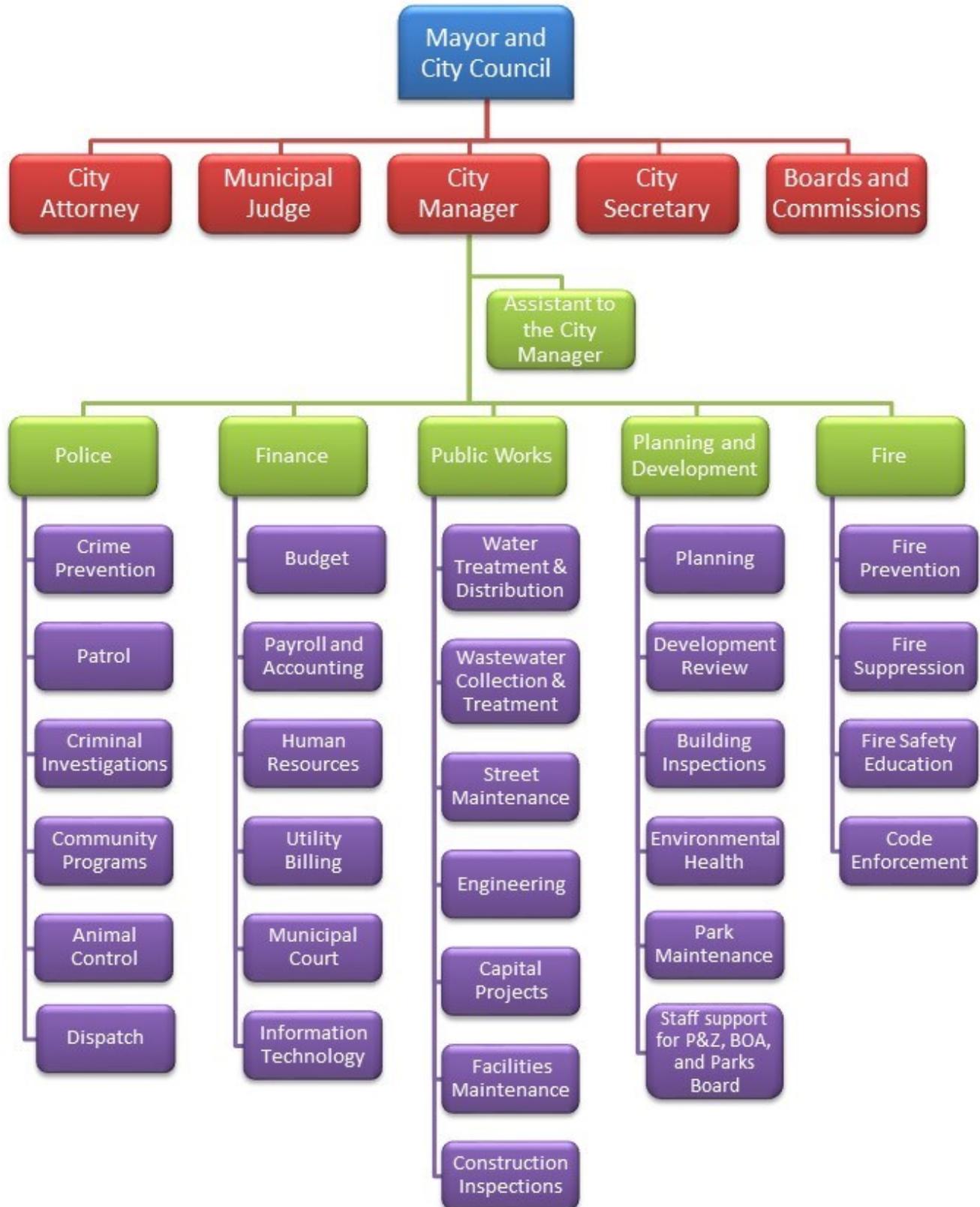
Carrie Smith

City Secretary

Tim Gothard

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



Commitment and Vision

STRATEGIC GOALS AND OBJECTIVES

- ★ Attract Professional Jobs

- ★ Improve Curb/Aesthetic Appeal of our Community

- ★ Promote Downtown Development

- ★ Promote Retail Development

- ★ Develop a Brand Identity for the City of Anna

- ★ Diversify Housing and Neighborhood Options

- ★ Upgrade City Facilities and Infrastructure



Strategic Implementation Strategy

FY 2016 Strategic Plan Implementation Strategy

Attract Professional Jobs

1. Develop and implement strategies for providing access to broadband fiber that will support the needs of residents and technology based businesses.
 - *Continue to facilitate opportunities to extend fiber to serve commercial areas and new residential developments*
2. Develop and implement strategies for attracting jobs in the medical industry (medical plaza, minor emergency care).
 - *Cultivate relationships with medical groups and hospitals that could potentially locate in Anna as we grow*
3. Explore opportunities to build the professional workforce in Anna through partnerships with businesses and educational Institutions.
4. Develop a technology business park in Anna.
 - *Identify land to purchase land for a future technology business park*
 - *Develop plan to construct infrastructure that will be required to serve the park*

Improve Curb/Aesthetic Appeal of our Community

1. Focus on improvements to major transportation corridors emphasizing functionality, aesthetics, efficiency, and impact on adjacent development.
 - *Continue coordination and cooperation with TxDOT on the reconstruction of US 75 from Throckmorton creek to the Collin County Line*
 - *Make application for the TxDOT “green ribbon program” for FM 455*
 - *Work with TxDOT to develop community signage program at major interchanges on US 75*
2. Improve and expand the City’s parks and open spaces.
 - *Substantially improve the maintenance and operation of existing parks and facilities in order to create an excellent “customer experience” for patrons of our existing parks*
 - *Work with Bloomfield Homes to construct phase 1 of Lakeview Park*
 - *Develop options for parks office and restroom at Natural Springs Park*
3. Promote community functions that foster civic pride through partnerships with GACC, Anna ISD, and other community organizations.
 - *Continue to partner with the GACC to support and sponsor community events*



Strategic Implementation Strategy

Promote Downtown Development

1. Adopt development regulations for the downtown district consistent with the updated master plan.
2. Develop an incentive program for development/redevelopment in the Downtown District.
 - *Explore potential Public Private Partnership (P3) opportunities*
3. Promote a “park and play” atmosphere in the Downtown District.
 - *Develop concept/strategy for a local farmers market*
 - *Implement downtown signage program consistent with our community brand*
4. Improve the SH 5 and 4th Street streetscapes in the Downtown District.
 - *Develop schematic design for 4th Street streetscape improvements*
 - *Work with governmental partners to identify potential funding sources for improvements to 4th Street*

Promote Retail Development

1. Develop and adopt development regulations for “small area plans” for the major retail and commercial districts.
 - *Develop small area plan for US 75 corridor*
2. Review and refine strategies and partnerships for recruiting retail development.

Develop a Brand Identity for the City of Anna

1. Create comprehensive brand and brand implementation plan for the City.
2. Develop an organizational mission statement that supports the community brand & vision.

Diversify Housing and Neighborhood Options

1. Review community housing plan to identify target density and lot size mix for single family development; and the optimal unit percentage mix of the various residential housing types (single family, multifamily, etc.).
 - *Initiate an update to the 2010 Comprehensive Plan*
2. Explore opportunities to renegotiate or revise existing residential entitlements in order to promote construction of higher value residential neighborhoods.



Strategic Implementation Strategy

Upgrade City Facilities and Infrastructure

1. Develop options for the construction of a new City Hall and remodel or expansion of Fire Station facilities .
 - *Develop financing plan and schedule to construct the City Hall project*

2. Make improvements to City infrastructure that are necessary to accommodate the growth of our community.
 - *Complete design and construction of the Construct the Foster Crossing Water Line Project, the Throckmorton Creek Wastewater Interceptor Project, the Water Disinfection Upgrade Project, the Hackberry Elevated Storage Tank Project, the Hackberry Waterline Improvement Project, and the TxCDBG Sewer Improvement Project*
 - *Development construction plans to rehabilitate the Sherley Pump Station Ground Storage Tanks*
 - *Develop plan to activate south pump station and ground storage tank*
 - *Develop plans for US 75 Utility Relocation Project*
 - *Continue to coordinate with TxDOT on the FM 455 Reconstruction Project*
 - *Continue to coordinate with TxDOT on the development of engineering and construction plans for the reconstruction of US 75 from Throckmorton Creek to the Collin County Line*
 - *Develop construction plans for reconstruction of Hackberry Drive (SH 5 to Slayter Creek)*



Statistics

Date of Incorporation	1913
Date of Home Rule Charter Adoption	May 7, 2005
Form of Government	Council/Manager
Estimated Population as of January 1, 2015	10,980
Area in Square Miles	15
Planning Area in Square Miles (including ETJ)	62
Fire Protection	
Number of Full Time Equivalents	6
Number of Volunteers	23
Calls for Service (entire Fire District 2014 Calendar Year)	1134
Fire Inspections (2014 Calendar Year)	210
Police Protection	
Sworn Police Officers	13
Civilian Employees	1
Calls for Service (2014 Calendar Year)	9,258
Adult Arrests (2014 Calendar Year)	290
Water and Sewer Utility	
Active Residential Accounts	4,262
Active Non-Residential Accounts	161
Average Daily Water Consumption (2014)	1,061,013
Ground Storage Capacity (gallons)	1,000,000
Elevated Storage Capacity (gallons)	500,000
Ground Water Production Capacity (gallons per day)	2,390,400
Pump Capacity (gallons per minute)	3,925
Waste Water Treatment Capacity (gallons per day)	500,000
Building Permits	
Residential Building Permits (2014 Calendar Year)	295
Residential Market Value (2015 Certified Tax Roll)	\$509,719,967
Non-residential Building Permits	8
Non-residential Market Value (2015 Certified Tax Roll)	\$330,800,047
Parkland Acreage	
Acres of Developed Parkland	112
Acres of Undeveloped Parkland	88



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 by 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 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 of revenue and expenditures will be presented for the actual amounts from the previous fiscal year (FY), the current FY budget, the current FY estimate, and the proposed budget for the upcoming FY.

General Budget process, practice, and administration:

The budget follows a FY beginning on October 1 and ending on September 30. Each year the budget is adopted by the Council, which 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 expenditures 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 staff, and the public are all involved; however, the primary responsibility to assemble and create the document falls upon the City Manager and Finance Director. The City follows a schedule to ensure the budget progresses in a timely manner. 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 and expenditures. In this way, department heads are able to control their expenditures, maintain their budgets, and project future expenditures throughout 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 continually 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 at the end of the 2nd quarter of each fiscal year. Beginning in April, department directors update their five year capital improvements plan including up-



Budget Process

dating the estimated cost for all projects currently in the capital plan and developing plans for any newly proposed projects. By the end of April all projected revenues and expenditures for the subsequent fiscal year are due. Throughout the first 2 weeks of May, the City Manager and Finance Director will meet jointly with each department head to review the department's budget proposal, including the line item details. In connection with staff meetings on departmental budgets, the City Council will begin to meet for workshop sessions throughout April, May, June, and July to discuss departmental budgets, review supplemental requests, and review priorities. The meetings with the Council are public meeting where citizens can come to participate and hear each a review on each department's current accomplishments and discuss priorities and goals for the subsequent year's budget.

During the time workshops are scheduled, staff will continue to refine the budget as more information becomes available. Budget requests and priorities are carefully weighed to ensure that city functions and services will be maintained while allowing for increased services where necessary. Upon conclusion of all department budget workshops and in consideration of priorities established in the City's Strategic Implementation Plan, staff will present a preliminary draft of a balanced budget to the City Council. Once the Council has reviewed the preliminary draft, a final workshop will be held in late July before the proposed budget is produced and made available for public review. Once the budget is made available, a public hearing will be held on the budget where citizens can express their views on particular budget items.

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 of properties within the City of Anna. Staff receives periodic reports from the CAD to evaluate trends in the taxable value in order to estimate property tax 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 financial obligations. The certified tax rolls are typically available no later than July 25th, the proposed budget present in late July will include the proposed tax rate to fund the budget.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Anna for its annual budget for the fiscal year beginning October 1, 2014. In order to receive this award the governmental unit must publish a budget document that meets the program criteria as a policy document, an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

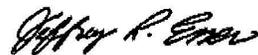
*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Anna
Texas**

For the Fiscal Year Beginning

October 1, 2014



Executive Director



Budget Calendar

FY 16 Budget Calendar

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

- 1 - Activate budgeting program
- 3 - Submit 5 year CIP to City Manager
- 14 - Review FY 16 goals
- 28 - Review Preliminary Revenue Estimates
- 30 - Complete FY 16 budget projections

- 1 - Read only status in budgeting program
- 8-22 City Manager and Finance Department to meet with Department Directors to discuss proposals
- 26 - Review Draft Admin Budgets
- 26-29 Update budget proposals based upon meetings and updated information

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

- 9 - Review Draft Public Safety & Court Budgets
- 23 - Review Draft Planning, Streets, & Park Budgets
- 1-30 Refine budget proposals and produce working draft of the budget

- 14 - Review Draft Water, Sewer, & UB Budgets
- 25 - Chief Appraiser deadline to certify appraisal rolls
- 28 - Review Draft Budget in workshop

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

- 6 - Publish Notice of Public Hearing on Budget
- 7 - Budget available for Public Review
- 11 - Review Proposed Budget/Vote on Max Tax Rate
- 13 - Publish Notice of Public Hearing on Budget
- 13 - Publish Notice of Proposed Tax Rate
- 21 - 72 hr. open meeting notice-Budget and Tax Rate
- 25 - Public Hearing on Tax Rate
- 28 - 72 hr. open meeting notice - Tax Rate

- 1 - 2nd Hearing on Tax Rate
- 1 - Schedule/announce mtg to adopt tax rate
- 4 - 72 hr. open meeting notice - Budget/Tax Rate
- 8 - Adopt Budget and Tax Rate
- 9 - Make all necessary website postings

* Dates are Subject to Change ** Holidays are in RED, Staff dates are in BLUE, Council dates are in GRAY, Publishing dates are in GREEN



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. 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 entities such as 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 and the contract for solid waste 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 are presented in the supplemental information section of the budget will discuss those measures in more detail. A consolidated schedule of revenues and expenditures by fund as well as a schedule of estimated and projected fund balance is below:



Fund Structure

FY 16 Consolidated Financial Schedule

As discussed above, City resources are accounted for by fund. The following sections will review each fund and subsequent department in detail. The following table illustrates sources and uses of funds by the entire City. With the exception of the Utility Fund, all fund units have sufficient revenue to cover expenditures. The Utility Fund includes capital projects related to our water and sewer infrastructure. In late 2012 and early 2014, the City issued bonds for water and sewer infrastructure projects. These bond funds are held in reserve to complete the proposed projects. The Utility Fund will not run a deficit in FY 16; bond proceeds held in reserve will fund the proposed infrastructure projects in the Utility Fund.

	General	Debt Service	Restricted	Capital Improvements	Utility	Component Units	Combined Totals
Revenues							
Property Tax	\$3,240,331	\$649,228					\$3,889,559
Other Taxes (Sales and other)	\$1,120,000					\$700,000	\$1,820,000
Development	\$424,000						\$424,000
Fines	\$100,000		\$4,500				\$104,500
Intergovernmental	\$196,595		\$10,000				\$206,595
Water Sales and Fees					\$3,164,871		\$3,164,871
Sewer Sales and Fees					\$2,037,287		\$2,037,287
Trash sales and Fees					\$799,500		\$799,500
Transfer In				\$34,190	\$219,190		\$254,804
Fund Balance Allocation							
Bond Proceeds							
Grant Revenue			\$28,572				\$28,572
Impact/Developer Fees			\$278,750		\$590,000		\$868,750
Contributed Capital							
Other	\$148,822				\$125,000	\$35,000	\$308,822
Total Revenues	\$5,229,748	\$649,228	\$321,822	\$34,190	\$6,937,272	\$735,000	\$13,907,260
Expenditure/Expense							
Payroll	\$3,338,390		\$3,780		\$940,136		\$4,282,306
Supplies	\$308,434				\$105,080	\$3,600	\$417,114
Maintenance	\$144,200				\$404,150	\$6,500	\$554,850
Services	\$1,250,724		\$9,550		\$4,696,676	\$514,600	\$6,471,550
Capital Expenditures	\$188,000		\$247,500		\$4,884,131	\$160,000	\$5,479,631
Other Uses of Funds							
Transfer Out		\$219,190			\$34,190		\$253,380
Debt Service		\$430,038					\$430,038
Total Expenditure/Expense	\$5,229,748	\$649,228	\$260,830	\$0	\$11,064,363	\$684,700	\$17,888,869





Fund Structure

Schedule of Fund Balance

	2014 Audited Fund Balance	2015 Projected Fund Balance	2016 Proposed Fund Balance	% CHANGE FY 15 to FY 16
Total Governmental Funds	\$3,586,482	\$2,852,438	\$2,925,601	3%
<i>Non-spendable</i>	\$35,642	\$0	\$0	N/A
<i>Restricted</i>	\$1,265,399	\$517,480	\$565,919	9%
<i>Committed—Contingency</i>	\$135,286	\$157,477	\$162,201	3%
<i>Committed—Other</i>	\$26,224	\$0	\$0	N/A
<i>Assigned</i>	\$144,175	\$80,000	\$100,000	25%
<i>Unassigned</i>	\$1,979,756	\$2,097,481	\$2,097,481	0%
Utility Fund	\$9,957,707	\$7,882,815	\$3,764,021	-52%
<i>Working Capital</i>	\$340,813	\$368,662	\$442,349	20%
<i>Restricted Cash for System Im- provements</i>	\$9,616,894	\$7,514,153	\$3,321,672	-56%

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 non-spendable, restricted, committed, assigned, and unassigned. The City currently has no fund balance classified as non-spendable. Amounts classified as non-spendable in FY 14 were for EDC/CDC loans receivable.

Restricted funds include those restricted to a specific purpose such as park trust fees. Committed funds are those committed by council action as contingency appropriation performed by ordinance. Assigned funds are those intended for specific projects and are not restricted or committed. The assigned fund balance is for future capital projects not yet determined.

The Utility Fund does not report fund balance; the focus in the Utility Fund is working capital, or the short term assets available after covering short term liabilities. For the purposes of this schedule, restricted cash for system improvements includes impact/developer fees and bond proceeds from the 2012 and 2014 bond issue to fund water and sewer system improvements.



Staffing Schedule by Fund

The schedule on the right includes the staffing levels for the entire City since FY 12. Each number represents a Full Time Equivalent (FTE) rather than an actual individual or person. For example, the seasonal laborer position is actually 2 people employed for only a portion of the year. The two individuals would equate to one full time equivalent. This budget would authorize 2 new positions for the City funded from the General Fund. However, certain positions have been transferred between funds.

The General Fund is adding an School Resource Office in the Police Department and a Parks Superintendent. Additionally, 3 FTE's are being transferred from the Utility Fund to the General Fund to focus on street maintenance and repair. This is a net gain of 5 FTE's in the General Fund; however, there is only 2 new FTE's.

The Utility Fund has a net loss of 3 FTE's as those positions are being transferred to the General Fund to focus on street maintenance and repair.

General Fund	FY 12	FY 13	FY 14	FY 15	FY 16
City Manager	1	1	1	1	1
EDC/CDC Director	0.5	0.5	0.5	0.5	0.5
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
City Secretary	1	1	1	1	1
Finance Director	1	1	1	1	1
Accountant II	0	0	0	1	1
Finance/Budget Analyst	0	0	0	1	1
HR Administrator	0	0	0	1	1
Finance/HR Supervisor	1	1	1	0	0
Payroll/Accounting Assistant	1	0	0	0	0
HR Coordinator/Finance Asst	0	1	1	0	0
Director of Planning	1	1	1	1	1
Planner II	0	0	1	1	1
Planner I	1	1	1	1	1
Code Enforcement Officer	1	0	0	0	0
Administrative Assistance	0	1	1	1	1
Fire Chief	1	1	1	1	1
Fire Marshal	1	1	1	1	1
Fire Captain	0	3	3	3	3
Fire Fighter	2	1	1	2	2
Police Chief	1	1	1	1	1
Crime Scene Technician	1	0	0	0	0
Records Administrator	1	1	1	1	1
Police Lieutenant	0	0	0	1	1
Police Sergeant	1	1	1	2	2
Police Officer	9	10	10	9	9
SRO	0	0	0	0	1
Court Administrator	0	0	0	1	1
Municipal Court Clerk	1	1	1	0	0
Park Superintendent	1	1	1	0	1
Crew Leader - Parks	0	0	0	1	1
Maintenance Worker I	0	0	1	1	3
Seasonal Laborer	0	0	1	0	1
Streets Supervisor	0	0	0	0	1
Total General Fund	28.5	30.5	33.5	36.5	41.5
Utility Fund					
Director of Public Works	1	1	1	1	1
PW Superintendent	0	0	0	1	1
Administrative Assistant	1	1	1	1	1
Construction Inspector	0	0	0	1	1
Field Supervisor - Public Works	1	1	1	1	1
Crew Leader - Public Works	1	1	1	1	1
Equipment Operator	1	0	0	0	0
Maintenance Worker I	4	5	8	7	3
Maintenance Worker II	0	0	0	1	1
Seasonal Laborer	1	1	0	0	0
Senior Wastewater Operator	0	0	1	1	1
Wastewater Operator	2	2	1	1	1
Customer Service Supervisor	1	1	1	1	1
Senior Customer Service Rep.	1	1	1	1	1
Customer Service Rep.	1	0	0	0	0
Receptionist	0.5	0.5	0.5	0.5	0.5
Total Utility Fund	15.5	14.5	16.5	17.5	14.5
Total City Operations	44	45	50	54	56

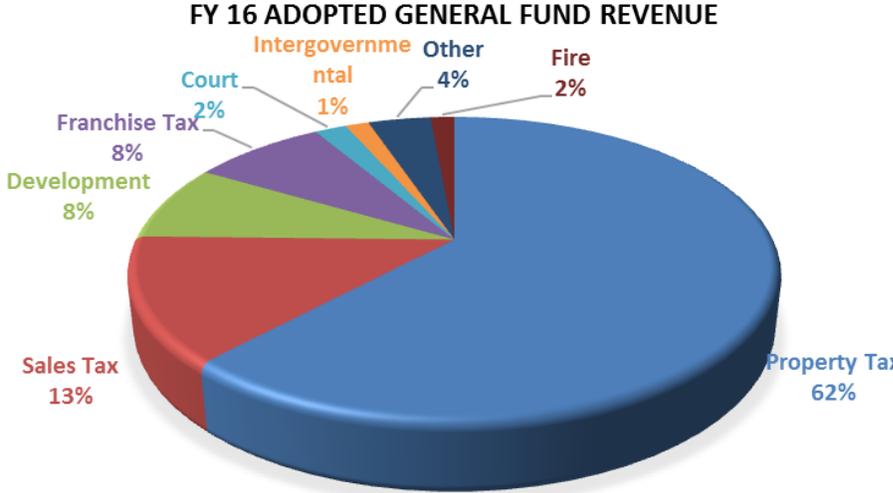


General Fund Revenue

The City of Anna finances its general fund activities from three types of revenue; taxes, fines & fees, and user charges. These include property and sales taxes, licenses & permits, and fines. Beneficiaries of General Fund Services are not generally required to pay a fee commensurate with the value of the services received. The top three revenue sources are (1) property taxes, (2) sales tax, and (3) development fees. The 3 sources comprise over 80% of FY 16 revenue.

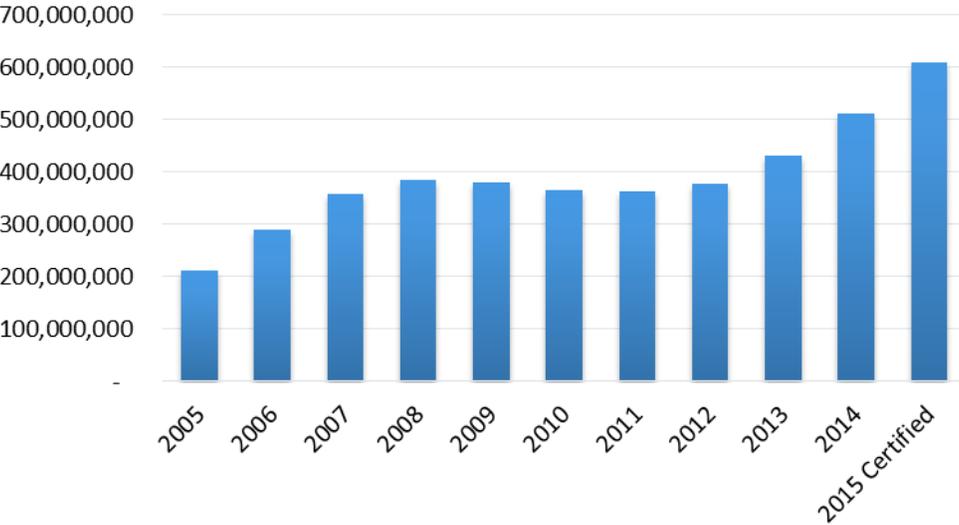
Property Tax:

The Ad Valorem Property Tax revenue(62%) 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 within the City of Anna and the City applies the maintenance and operations portion of the rate to the certified value provided by CCAD. The certified taxable assessed value is \$608,694,594. This represents an increase of 16.7% and is due, in part, to the addition of over \$42 million in new value and an increase of approximately 10% in the taxable assessed value of existing properties.



After four years of declining property values between 2009 and 2012, property values eventually stabilized in 2013 when the total taxable value exceeded for the first time the previous peak for taxable value set in 2008. Strong growth and new construction in 2013 resulted in a substantial increase in total taxable value for the

Taxable Value Over Time



2014 tax year. Continued strong growth and new construction in 2014 has contributed to a significant increase in total taxable value for the 2015 tax year. We remain guardedly optimistic that a trend of market appreciation and modest growth will continue in the coming years.

The growth in taxable value corresponds to a significant increase in population over the past year. According to the most recent population estimates

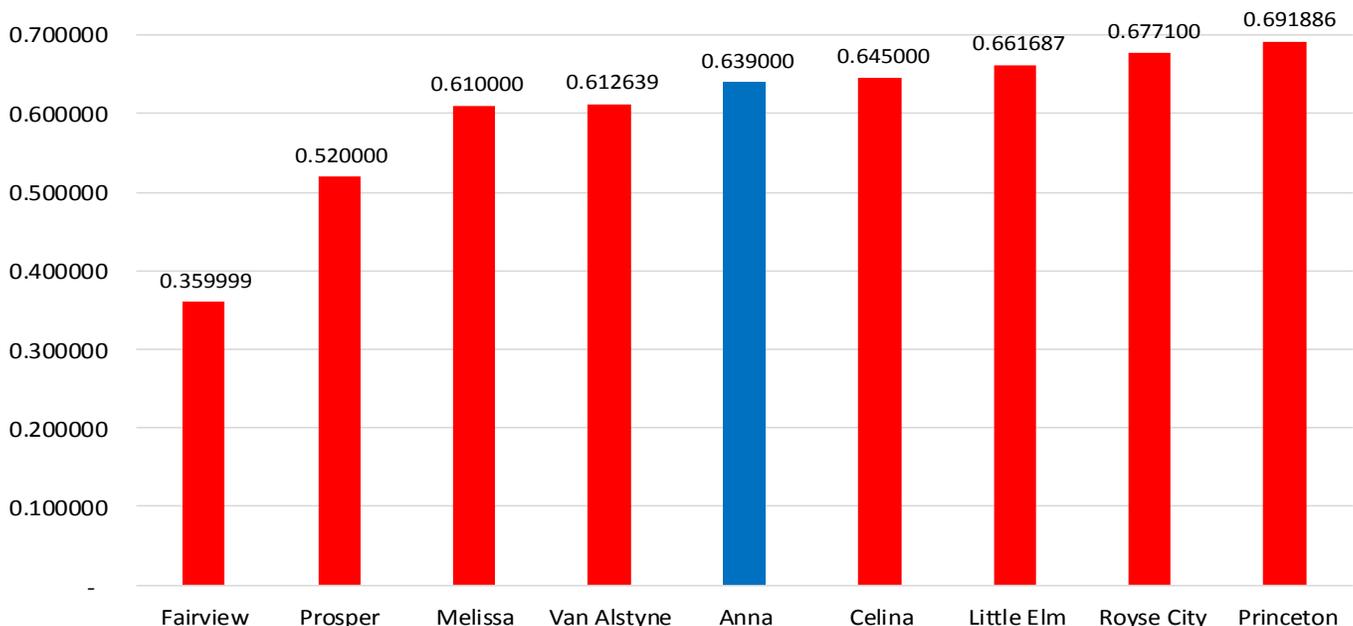


General Fund Revenue

published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2015 was 10,980. In 2014 the City's population increased 7.1% placing Anna in the top 12 cities for percent population growth in the Dallas/Ft. Worth region.

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	\$376,578,308	0.650332	0.559367	0.090965	\$2,449,009
2013	\$430,704,884	0.650332	0.559367	0.090965	\$2,801,012
2014	\$510,888,329	0.649	0.545826	0.103174	\$3,315,665
2015	\$608,694,594	0.639	0.532341	0.106659	\$3,889,558

The following table details the change in TAV, tax rate(s), and property tax revenue over time:
 Below is a summary of the 2015 tax year proposed tax rates of our comparison cities.:

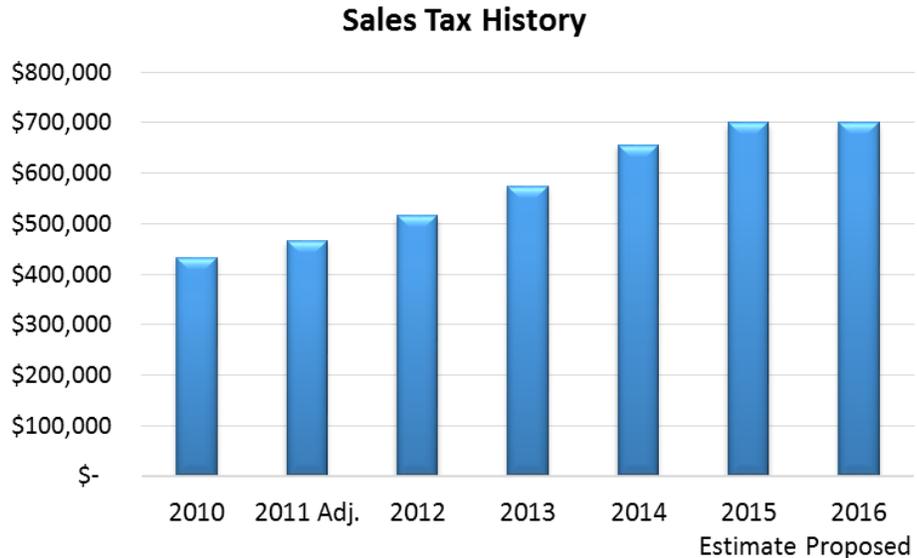




General Fund Revenue

Sales Tax:

Sales tax revenue accounts for 13% of General Fund Revenue. The City currently levies a 2% sales tax that is in addition to the 6.25% the state levies. Of the 2% City levy, 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 12%. In spite of the growth in commercial development, the forecast for FY 16 is conservative based upon the uncertainty in the national economy and a slowing trend in sales tax growth based upon the most recent years.



FY 2011 sales tax revenue was adjusted down to account for an economic development 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
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 Adjusted	\$466,420	7.62%
2012	\$516,025	10.64%
2013	\$574,679	11.37%
2014	\$655,821	14.12%
2015 Estimate	\$700,000	6.74%
2016 Proposed	\$700,000	0.00%

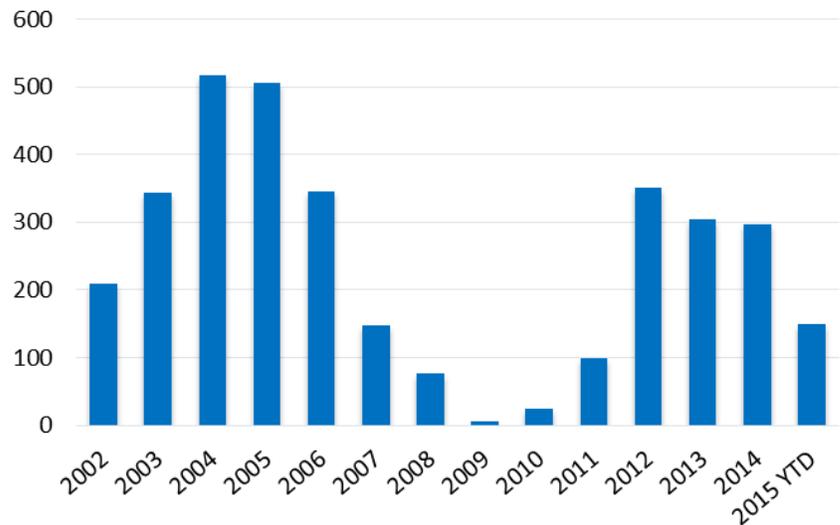


General Fund Revenue

Development:

Development revenue is driven by building activity in the City. Development revenue 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. The City experienced a sharp decline in building permits from 2006 through 2010 that coincided with the recession. However, as the economy has improved nationally and locally, we are seeing an increase in building activity. Much of the increase is attributable to a large inventory of available single family lots during 2012-2013. As that inventory diminished we have we have also observed modest drop in building activity. So far in 2015, the City has received 176 building permit applications for single family homes. We anticipate that new home construction will increase when subdivisions that are under construction or in various stages of the development process are complete and become available in the market.

Building Permits by Year



Illustrated below is a brief history of revenue sources for the City of Anna. Proposed revenue for FY 16 is up 16.2% over the budgeted amount for FY 15. The estimate for FY 15 is based upon performance over the first 3 quarters of the fiscal year including historical and seasonal trends. Property and Sales Tax revenues are both up over 10%. This increase is driven by growth in the housing market and associated growth in commercial development. The increase in intergovernmental revenue is related to the Anna ISD funding the SRO position.

General Fund Revenue Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PROPERTY TAX	\$2,412,337	\$2,788,561	\$2,785,800	\$3,238,907	16.15%
SALES TAX	\$675,516	\$630,000	\$700,000	\$700,000	11.11%
DEVELOPMENT	\$629,061	\$379,300	\$391,300	\$424,000	11.78%
FRANCHISE TAX	\$416,175	\$365,000	\$440,000	\$420,000	15.07%
COURT	\$73,824	\$100,000	\$114,000	\$100,000	0.00%
FIRE	\$80,642	\$69,406	\$157,649	\$85,906	23.77%
INTERGOVERNMENTAL	\$106,600	\$108,925	\$108,925	\$205,499	88.66%
OTHER	\$77,060	\$76,149	\$65,492	\$74,916	-1.62%
Total	\$4,471,215	\$4,517,341	\$4,763,166	\$5,249,228	16.20%

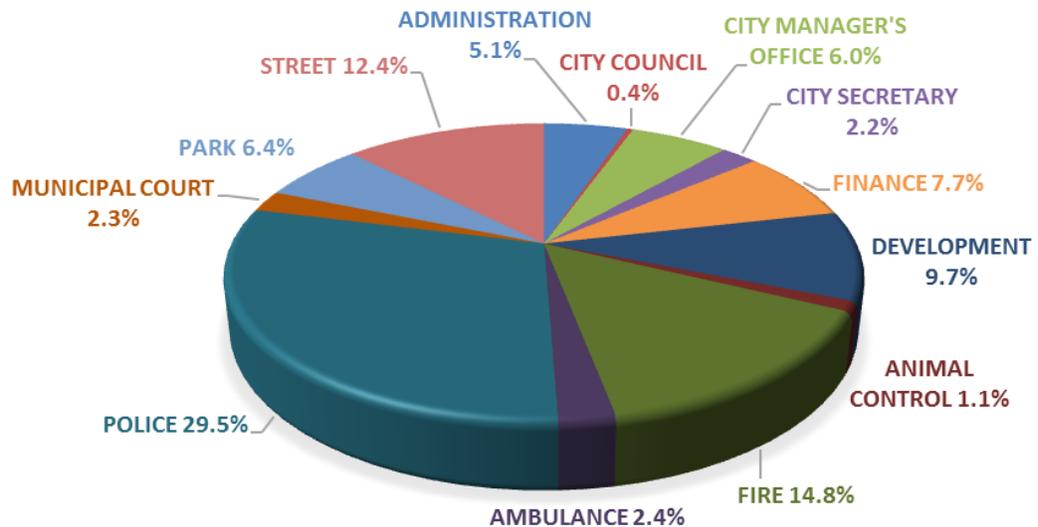


General Fund Expenditure Summary

The General Fund accounts for the expenditures associated with operating the general government services one typically expects from their municipal government and are funded in part or in whole with property taxes. 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 attributed to each department. For FY 16, public safety will account for 49% of the budget. This includes police, fire, ambulance services, and animal control.

FY 16 ADOPTED GENERAL FUND BUDGET



The table below illustrates a brief history for each department from FY 14 through FY 16. The table includes actual costs from FY 14, budgeted and estimated costs for FY 15, proposed budget for FY 16, and the percent change from the FY 15 budget.

General Fund Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
ADMINISTRATION	\$162,886	\$134,329	\$151,981	\$268,687	100.02%
CITY COUNCIL	\$13,812	\$28,095	\$28,270	\$18,745	-33.28%
CITY MANAGER	\$262,770	\$279,946	\$289,988	\$315,442	12.68%
CITY SECRETARY	\$111,163	\$114,906	\$115,542	\$117,914	2.62%
CITY ATTORNEY	\$98,610	\$95,500	\$95,500	\$0	-100.00%
FINANCE	\$256,409	\$359,353	\$337,446	\$402,449	11.99%
DEVELOPMENT	\$571,797	\$500,925	\$483,558	\$510,569	1.93%
ANIMAL CONTROL	\$56,163	\$57,263	\$56,236	\$56,799	-0.81%
FIRE	\$649,719	\$735,107	\$721,099	\$775,567	5.50%
AMBULANCE	\$123,683	\$123,683	\$123,683	\$127,594	3.16%
POLICE	\$1,286,236	\$1,441,776	\$1,364,069	\$1,550,850	7.57%
MUNICIPAL COURT	\$115,214	\$116,469	\$110,085	\$120,124	3.14%
PARK	\$233,192	\$229,989	\$230,889	\$335,275	45.78%
STREET	\$222,231	\$292,221	\$254,812	\$649,213	122.17%
TOTAL	\$4,163,884	\$4,509,562	\$4,363,157	\$5,249,228	16.40%



Departmental Summaries

Each departmental summary includes its purpose, FY 15 accomplishments, and FY 16 goals. A summary of expenditures are included as well as new programs or noteworthy changes from the FY 15 budget. Expenditures are summarized into the following categories:

Payroll:

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

Supplies:

Supply expenditures include office supplies, vehicle supplies, fuel, postage, medical supplies, clothing supplies, chemical supplies, protective gear and other consumable items.

Maintenance:

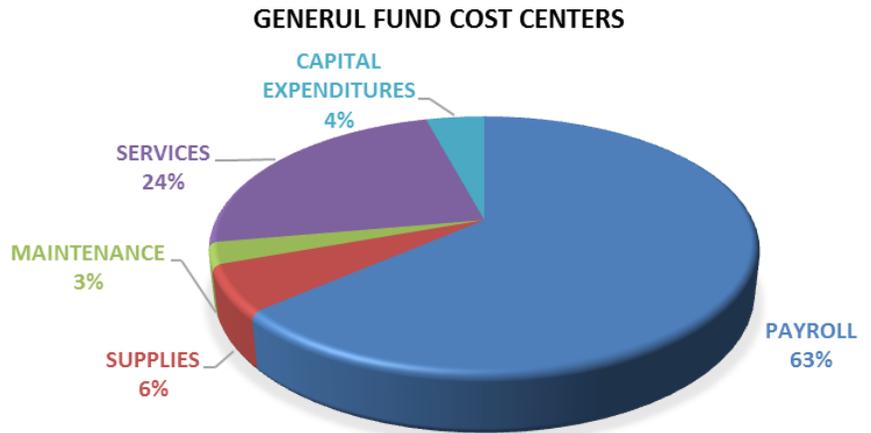
Maintenance expenditures include maintenance and repair costs for all city assets, equipment, and other city owned property, such as buildings, streets, parks, water and sewer system (in the Utility Fund), vehicles, equipment, etc.

Services:

Service expenditures include services which the City pays for. Items such as utility costs, telephones, liability & property insurance, employee travel & education, advertising for public notices, etc. This category also includes professional services such as engineering or auditing, and contracted services such as IT services, dispatch services, legal, animal control, etc.

Capital Expenditures:

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



The table below illustrates how departments will be summarized.

General Fund Expenditure Summary by Category

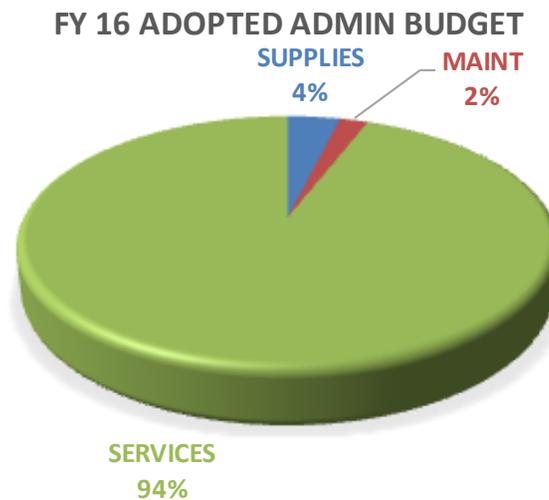
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$2,407,870	\$2,880,467	\$2,786,159	\$3,338,390	15.90%
SUPPLIES	\$196,643	\$234,252	\$177,390	\$308,434	31.67%
MAINTENANCE	\$132,725	\$131,400	\$129,400	\$144,200	9.74%
SERVICES	\$1,158,634	\$1,105,811	\$1,097,934	\$1,240,024	12.14%
CAPITAL EXPENDITURES	\$268,012	\$157,632	\$172,275	\$218,180	38.41%
TOTAL	\$4,163,884	\$4,509,562	\$4,363,157	\$5,249,228	16.40%



10-400 Administration

Purpose/Description

The administration department provides 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).



New and Noteworthy for FY 16

Community Branding Project

- Through a strategic partnership with the Community Development and Economic Development Corporations the City has engaged North Star Destination Strategies to complete a community branding project engaging key stakeholders to identify what brand and image for the City of Anna and the community

Website Redesign

- The City's website is not optimized for mobile devices and does not provide a consistent experience on tablets or other hand held devices. This project will upgrade our web platform to provide a richer experience for our citizens

Includes City Attorney's costs in services budget transferred from City Attorney department

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SUPPLIES	\$7,745	\$9,250	\$8,750	\$10,250	10.81%
MAINT	\$9,808	\$5,800	\$5,500	\$5,500	-5.17%
SERVICES	\$134,788	\$118,279	\$131,788	\$252,937	113.85%
CAP EX	\$10,544	\$1,000	\$5,943	\$0	-100.00%
TOTAL	\$162,886	\$134,329	\$151,981	\$268,687	100.02%

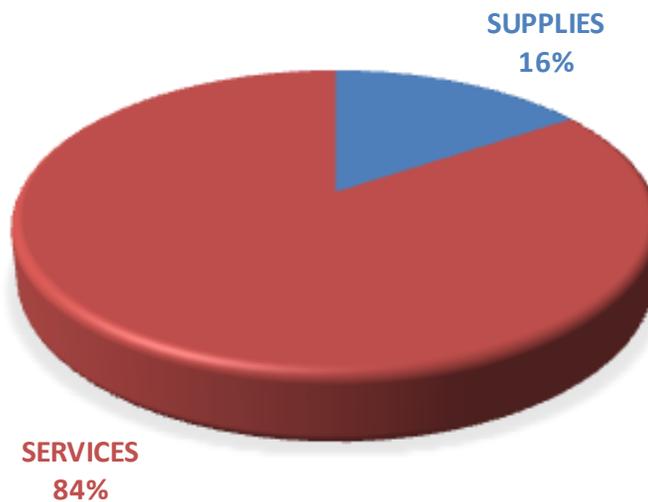


10-403 City Council

Purpose/Description

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.

FY 16 ADOPTED CITY COUNCIL BUDGET



New and Noteworthy for FY 16

- Strategic retreat funded in FY 15 not necessary for FY 16
- Supplies budgets increases for inclusion of IT supplies
- Capital budget decreased for transfer of IT supplies to supplies category

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SUPPLIES	\$1,973	\$1,500	\$1,920	\$2,920	94.67%
SERVICES	\$11,839	\$25,595	\$25,350	\$15,825	-38.17%
CAP EX	\$0	\$1,000	\$1,000	\$0	-100.00%
TOTAL	\$13,812	\$28,095	\$28,270	\$18,745	-33.28%



10-406 City Manager's Office

Purpose/Description

The City Manager oversees the implementation of City Council policies and directives, manages the day-to-day operations of the City, administers the annual operating budget, and promotes the overall interests 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 Assistant to the City Manager serves as the Chief Administrative Officer of the City Economic and Community Development Corporations and as the City's public relations manager.

FY 15 Accomplishments

- Managed the implementation of the FY 2014-15 Budget and Strategic Goals
- Worked with the City Council to update the City's Strategic Plan
- Initiated Community Branding Project.
- Developed a concept plan and cost estimates for new City Hall (project is ongoing)
- Worked with governmental partners on request for membership in the North Texas Municipal Water District Upper East Fork Regional Interceptor System (application & request are under review)
- Worked with TxDOT to commence construction on the FM 455 Reconstruction Project
- Partnered with TxDOT on the development of construction plans for the reconstruction of US 75 from Throckmorton Creek through the FM 455/US 75 interchange
- Acquired land for the future expansion of public works operations
- Negotiated Development Agreement for the construction of Lakeview Park
- Negotiated Development Agreement for the expansion of Ferguson Parkway south of FM 455.
- Re-negotiated the Villages of Hurricane Creek land use entitlement and Development Agreement
- Negotiated amendments to the Anna Town Square Development Agreement
- Negotiated Economic Development Agreement for a major new retail development at the NE corner of FM 455 and US 75
- Negotiated acquisition of land and easements for Hackberry Elevated Tower and Hackberry Water Line Projects



10-406 City Manager's Office

FY 16 Objectives

- Manage the implementation of the FY 2015-16 Budget and Strategic Goals
- Complete Community Branding Project
- Develop an organizational mission statement that supports the community brand & vision
- Develop financing plan and construction schedule for the new City Hall project
- Continue partnership with TxDOT on the reconstruction of FM 455 and the development of construction plans for the reconstruction of US 75 from Throckmorton Creek to the Collin County line
- Work with governmental partners to identify potential funding sources for improvement to the State Highway 5 corridor
- Negotiate acquisition of easements for the Foster Crossing water line project
- Negotiate acquisition of easements for the Throckmorton Wastewater Interceptor Project
- Continue to promote fiscally responsible practices in the management of city operations

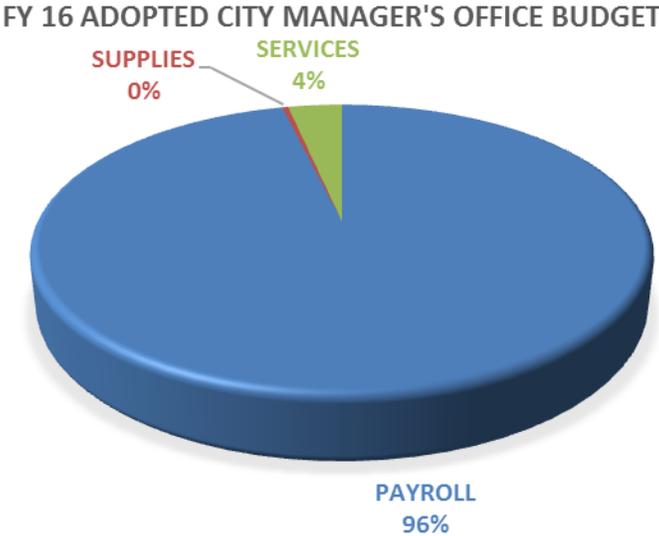
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$259,146	\$269,921	\$280,383	\$303,632	12.49%
SUPPLIES	\$0	\$0	\$0	\$1,150	#DIV/0!
MAINT	\$0	\$0	\$0	\$0	#DIV/0!
SERVICES	\$3,325	\$8,725	\$8,305	\$10,660	22.18%
CAP EX	\$300	\$1,300	\$1,300	\$0	-100.00%
TOTAL	\$262,770	\$279,946	\$289,988	\$315,442	12.68%



10-406 City Manager's Office

Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

Increased services for public information officer training for Assistant to City Manager

City Manager's Office FTE Schedule

Position	FY 12	FY 13	FY 14	FY 15	FY 16
City Manager	1	1	1	1	1
EDC/CDC Director	0.5	0.5	0.5	0.5	0.5
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
Total	2.5	2.5	2.5	2.5	2.5



10-409 City Secretary

Purpose/Description

The City Secretary provides administrative support to the City Council and City Manager; 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; responds to requests for public information; coordinates City elections; oversees the Records Management Program for the City; and serves as custodian of all official City records.

FY 15 Accomplishments

- Coordinated the May 2015 General Election
- Worked with staff and City Attorney’s Office on Public Information Requests
- Provided support to the City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings
- Provided support to City Staff by making sure official City documents are available to staff

FY 16 Objectives

- Coordinate the May 2016 General Election
- Work with staff and City Attorney’s Office on Public Information Requests
- Provide support to the City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings
- Provide support to City Staff by making sure official City documents are available to staff
- Develop and implement program to scan and digitize municipal records

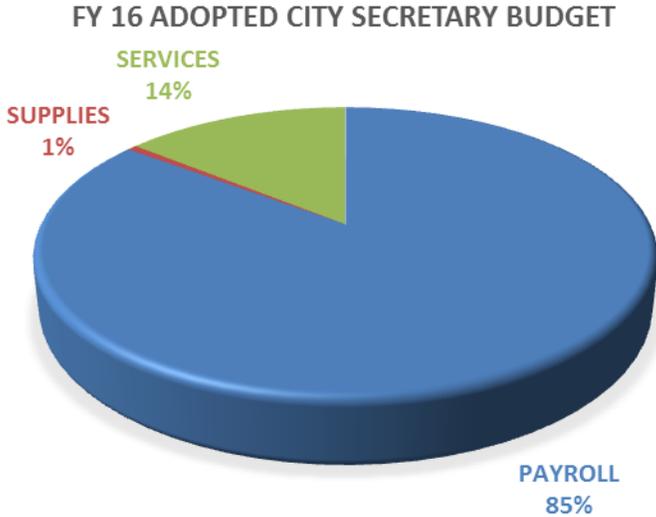
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$96,758	\$98,616	\$99,712	\$100,539	1.95%
SUPPLIES	\$0	\$0	\$0	\$700	#DIV/0!
SERVICES	\$12,544	\$16,290	\$15,830	\$16,675	2.36%
CAP EX	\$1,861	\$0	\$0	\$0	#DIV/0!
TOTAL	\$111,163	\$114,906	\$115,542	\$117,914	2.62%



10-409 City Secretary

Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*

City Secretary FTE Schedule

Position	FY 12	FY 13	FY 14	FY 15	FY 16
City Secretary	1	1	1	1	1
Total	1	1	1	1	1



10-411 City Attorney

Purpose/Description

The City Attorney provides professional legal assistance and advice to the City Council, City Manager, 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.

New and Noteworthy for FY 16

This expenditures in this department have been folded into the administration department (10-400) for FY 16 as part of the administrative costs.

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SERVICES	\$98,610	\$95,500	\$95,500	\$0	-100.00%
TOTAL	\$98,610	\$95,500	\$95,500	\$0	-100.00%



10-414 Finance

Purpose/Description

The Finance Department maintains the financial integrity of the city and provides comprehensive and integrated financial management of the day-to-day operations of the city. The Finance Department keeps and maintains financial records; provides accurate financial reporting; invests public funds in compliance with applicable laws, ordinances, and policies; oversees purchasing, accounts payable, and general human resource administration; and manages the City's information technology support operations.

FY 15 Accomplishments

- Maintained Anna's Platinum Leadership Circle award for financial transparency
- Maintained the City's A and A-1 bond ratings
- Managed the issuance of the 2014 Refunding Bonds to achieve savings on long term debt
- Managed the timely development of the FY 2014 audit report and the FY 2016 budget
- Received the GFOA Distinguished Budget Presentation Award
- Bid out employee health benefits to find potential cost savings
- Recruited and placed Accountant II position
- Revised staff assignments to create efficiency in financial and human resources operations
- Finance Director selected to participate in new and emerging leaders in municipal finance program
- Installed new battery backup for City Servers

FY 16 Objectives

- Maintain Anna's Platinum Leadership Circle award for financial transparency
- Receive the GFOA Distinguished Budget Presentation Award
- Improve internal controls
- Improve efficiency in financial reporting
- Develop a financial procedures manual
- Begin work on presentation of Annual CAFR
- Strengthen Human Resource operations
- Complete the capital asset inventory
- Develop financing plan and schedule to fund City Hall and Fire Station projects
- Oversee and establish HR management program
- Improve purchasing program
- Improve online presence

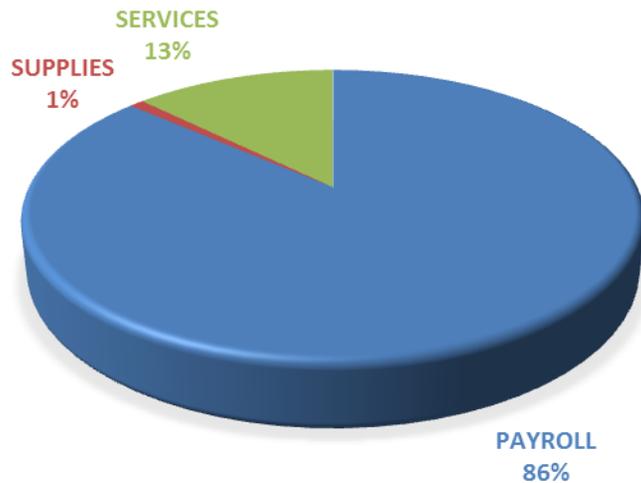
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$224,110	\$321,945	\$285,992	\$347,850	8.05%
SUPPLIES	\$0	\$0	\$0	\$3,650	#DIV/0!
SERVICES	\$30,518	\$34,508	\$48,554	\$50,949	47.64%
CAP EX	\$1,781	\$2,900	\$2,900	\$0	-100%
TOTAL	\$256,409	\$359,353	\$337,446	\$402,449	11.99%



Proposed Budget Breakdown

FY 16 ADOPTED FINANCE BUDGET



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

HR Management Program

- *Online HR management program to support performance evaluations and job applications*
- *Job applications will be done online and reduce paperwork*
- *Will create efficiencies in HR admin and create capacity in HR and Finance*

IT Supplies and postage now included in supplies budget, costs were previously budgeted in other departments or other categories.

Finance FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Finance Director	1	1	1	1	1
Finance/Budget Analyst	0	0	0	1	1
Accountant II	0	0	0	1	1
HR Administrator	0	0	0	1	1
Finance/HR Supervisor	1	1	1	0	0
HR Coordinator/Finance Assistant	0	0	1	0	0
Payroll/Accounting Assistant	1	1	0	0	0
Total	3	3	3	4	4



10-420 Development

Purpose/Description

The Development Department promotes sustainable development consistent with the City's Strategic Vision through 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 15 Accomplishments

- Oversaw the construction and inspection of an anticipated 200 single family homes
- Updated impact fee ordinance with land use assumptions
- Completion and adoption of the Anna Downtown Development Plan
- Managed the regulatory review of several residential development projects including; Anna Crossing Phase I, Camden Parc, Lakeview, Oak Hollow 6A and Avery Point
- Established roadway impact fees
- Provided continuing support for Planning & Zoning, Parks Board, and City Council
- Developed concept plan for community dog park

FY 16 Objectives

- Investigate downtown development/redevelopment incentives program study
- Develop a Downtown Signage Plan
- Develop a small area plan for the U.S. 75 commercial corridor
- Initiate update to the City's Comprehensive Plan
- Draft development regulations for the downtown district consistent with the updated master plan
- Develop concept/strategy for a local farmers market
- Develop schematic design for 4th Street streetscape improvements.
- Work with governmental partners to identify potential funding sources for improvements to 4th Street

Expenditure Summary

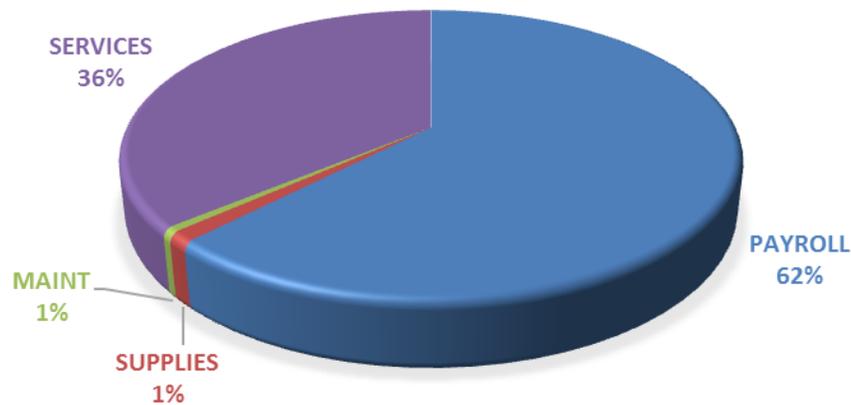
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$265,624	\$307,556	\$293,390	\$318,091	3.43%
SUPPLIES	\$3,214	\$6,150	\$4,600	\$5,800	-5.69%
MAINT	\$426	\$3,800	\$4,900	\$2,800	-26.32%
SERVICES	\$288,398	\$183,269	\$180,668	\$183,878	0.33%
CAP EX	\$14,134	\$150	\$0	\$0	-100.00%
TOTAL	\$571,797	\$500,925	\$483,558	\$510,569	1.93%



10-420 Development

Proposed Budget Breakdown

FY 16 ADOPTED DEVELOPMENT BUDGET



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

Maintenance decreases now that planning functions have been relocated to new facility

Planning FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Director of Planning	1	1	1	1	1
Planner II	0	0	1	1	1
Planner I	1	1	1	1	1
Code Enforcement Officer	1	1	0	0	0
Administrative Assistance	0	0	1	1	1
Total	3	3	4	4	4



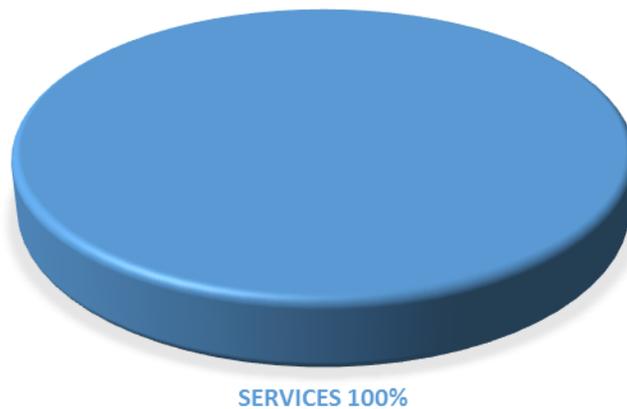
10-525 Animal Control

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.

FY 16 ADOPTED ANIMAL CONTROL BUDGET



New and Noteworthy for FY 16

No changes expected from FY 16

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SERVICES	\$56,163	\$57,263	\$56,236	\$56,799	-0.81%
TOTAL	\$56,163	\$57,263	\$56,236	\$56,799	-0.81%



10-543 Fire

Purpose/Description

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

FY 15 Accomplishments

- Continued the “Operation Santa” community outreach program
- Completed the fire hydrant testing , mapping & painting project
- Conducted an emergency management table top exercise with City Staff
- Coordinated with TEEEX to teach ten classes over firefighter safety, firefighting tactics & strategies, etc. at our facility.
- Attended the National Fire Academy and completed a class in Strategic Organizational Issues in Fire & E.M. S.
- Increase staffing during daytime hours to improve service quality and increase fire fighter safety
- Received Assistance for Firefighters Grant for exhaust removal system

FY 16 Objectives

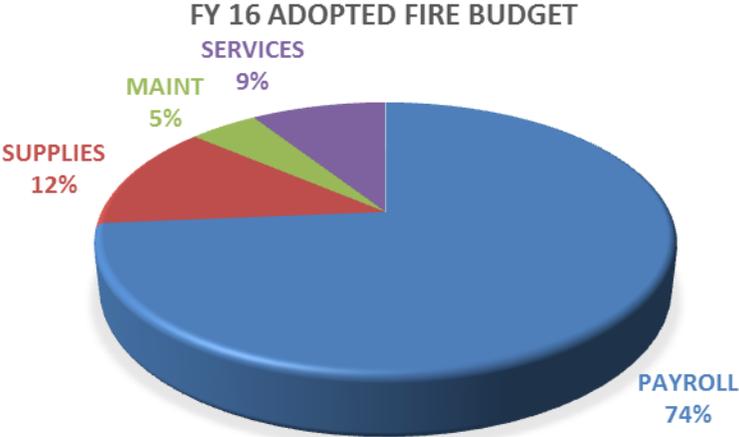
- Upgrade and increase fire prevention activities and programs
- Establish a Department Honor Guard Program
- Continue to research and apply for available grants and tuition funding through various agencies
- Establish a Jr. Firefighter program for Anna High School students interested in the fire service
- Continue to provide Emergency Management training to City staff
- Continue to assist Public Works with fire hydrant mapping & testing
- Complete grant funded exhaust removal system

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$427,317	\$534,840	\$512,295	\$557,289	4.20%
SUPPLIES	\$85,276	\$92,310	\$66,470	\$95,470	3.42%
MAINT	\$36,478	\$35,700	\$26,000	\$35,100	-1.68%
SERVICES	\$49,779	\$71,657	\$55,884	\$68,849	-3.92%
CAP EX	\$50,868	\$600	\$60,450	\$18,859	3043.17%
TOTAL	\$649,719	\$735,107	\$721,099	\$775,567	5.50%



Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

Increased supplies to support additional rope and other rescue supplies.

Fire FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Fire Chief	1	1	1	1	1
Fire Marshal	1	1	1	1	1
Fire Captain	0	3	3	3	3
Fire Fighter	2	1	1	2	2
Total	4	6	6	7	7

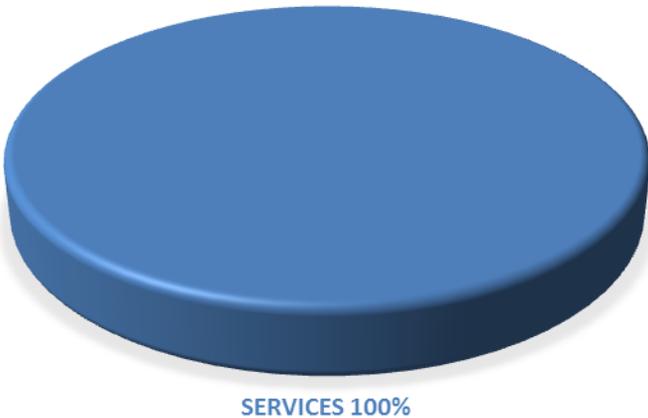


10-544 Ambulance

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.

FY 16 ADOPTED AMBULANCE BUDGET



New and Noteworthy for FY 16

No changes expected from FY 16

Expenditure Summary					
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SERVICES	\$123,683	\$123,683	\$123,683	\$135,967	9.93%
TOTAL	\$123,683	\$123,683	\$123,683	\$135,967	9.93%



10-550 Police

Purpose/Description

The Police Department strives to preserve order, reduce fear, and protect human life, property, and individual rights through the fair and ethical enforcement of laws adopted under the under the framework of the U.S. and Texas Constitutions and the Anna City Charter.

FY 15 Accomplishments

- Responded to over 6,000 calls for service and thru May 2015
- Hosted annual National Night Out event
- Hosted annual Child ID Fair
- Participate in the National Click-it or ticket campaign
- Participated in book reading events at both Rattan and Bryant elementary
- Conducted a seatbelt safety demonstration at the Early Childhood Learning Center
- Conducted bully prevention classes at JKB Elementary & ESR. Established new anti-bullying campaign “I am Anna, Not a Bully”.
- Provided logistical support to community events including the Anna Glow Fest, Christmas Parade, and Centennial Celebration
- Established a new neighborhood crime watch program in Creekside & The Falls.
- Enhanced officer accountability with the addition of an additional supervising Sergeant to the department’s patrol division..

FY 16 Objectives

- Continue to provide 24/7 police protection for the City
- Maintain call response time under five minutes
- Participate in the National Click-it or ticket campaign & Labor Day weekend DWI enforcement campaign.
- Continue department support of community festivals and events
- Continue to host and participate in public safety events
- Pursue the “Recognized Law Enforcement Agency” award from the Texas Police Chiefs Association Law Enforcement Recognition Program
- Host annual National Night Out event
- Host annual Child ID Fair
- Conduct bully prevention classes at local schools
- Continue to establish new neighborhood crime watch programs

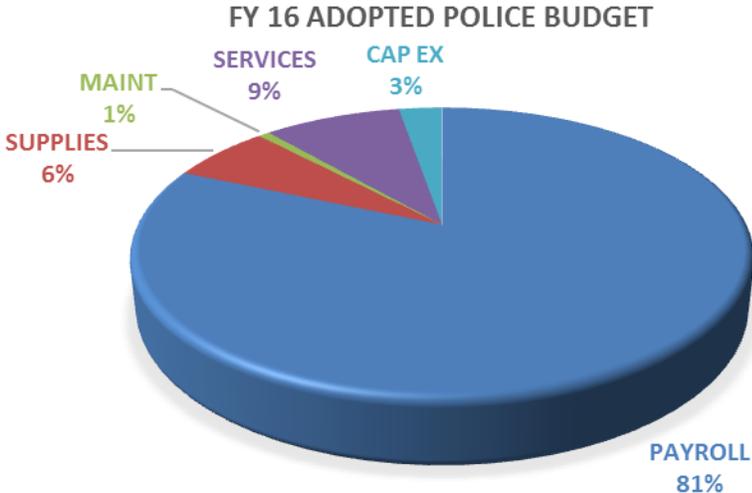
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$1,000,290	\$1,169,761	\$1,137,587	\$1,264,623	8.11%
SUPPLIES	\$75,344	\$94,842	\$63,200	\$98,984	4.37%
MAINT	\$19,400	\$14,300	\$10,000	\$11,000	-23.08%
SERVICES	\$104,531	\$122,191	\$112,600	\$134,103	9.75%
CAP EX	\$86,671	\$40,682	\$40,682	\$42,140	3.58%
TOTAL	\$1,286,236	\$1,441,776	\$1,364,069	\$1,550,850	7.57%



10-550 Police

Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*
- *Funds a School Resource Officer (SRO) through partnership with the Anna ISD*

Increased capital expenditures

- *Supports outfitting of new SRO*
- *Includes purchase of replacement video server*

Police FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Police Chief	1	1	1	1	1
Police Lieutenant	0	0	0	1	1
Police Sergeant	1	1	1	2	2
Police Officer	9	10	10	9	9
School Resource Officer	0	0	0	0	1
Crime Scene Technician	1	1	1	0	0
Records Administrator	1	1	1	1	1
Total	13	14	14	14	15



10-552 Municipal Court

Purpose/Description

The Municipal Court provides a fair, impartial and unbiased court system for persons charged with criminal offenses. The Anna Municipal Court has jurisdiction over all fine-only offenses that have been committed within the Anna city limits including Class C misdemeanors, traffic offenses and violations of City ordinances.

FY 15 Accomplishments

- Joined Texas Court Clerks Association
- Worked with PD to improve warrant collections
- Attended Texas Municipal Courts Education Center
- Maintain Level II Court Certification
- Installed Court Program on UB Clerks systems
- Finalize contract with new collections provider

FY 16 Objectives

- Develop cross training plan for greater redundancy between Court and Utility Billing operations
- Continue work towards Level III Court Certification
- Implement and plan to participate in the Texas Warrant Round-up
- Continue to work with Police Department to collect on warrants

Expenditure Summary

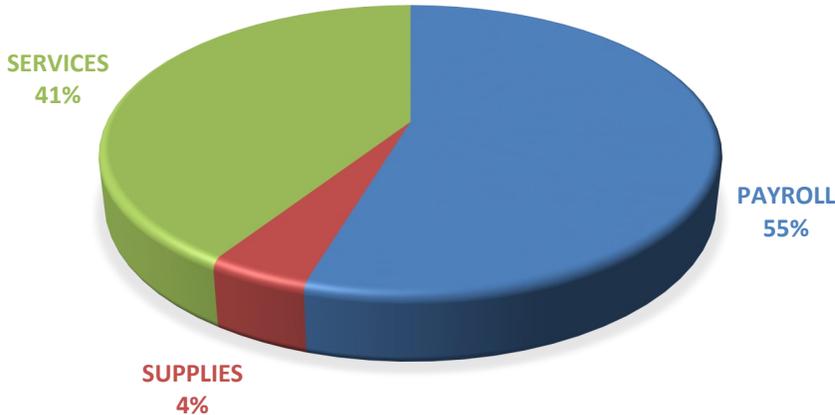
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$56,276	\$63,344	\$61,980	\$65,634	3.62%
SUPPLIES	\$2,354	\$4,850	\$4,100	\$5,450	12.37%
SERVICES	\$56,584	\$48,275	\$44,005	\$49,040	1.58%
TOTAL	\$115,214	\$116,469	\$110,085	\$120,124	3.14%



10-552 Municipal Court

Proposed Budget Breakdown

FY 16 ADOPTED COURT BUDGET



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

Service costs increase to cover judge and prosecutors time as a contracted service

Supplies costs increase to account for computer replacement

Municipal Court FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Municipal Court Clerk	1	1	1	0	0
Court Administrator	0	0	0	1	1
Total	1	1	1	1	1



10-555 Parks

Purpose/Description

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

FY 15 Accomplishments

- Constructed new Gazebo at Natural Springs Parks
- Repaired automated controls at Slayter Creek Splash Pad
- Installed two new scoreboards at Slayter Creek Park
- Acquired land for the expansion of Slayter Creek Trail west of Bronco Mfg. and north of the Outer Loop Road

FY 16 Objectives

- Substantially improve the maintenance and operation of existing parks and facilities in order to create an excellent "customer experience"
- Work with Bloomfield Homes to construct phase 1 of Lakeview Park
- Develop options for parks office and restroom at Natural Springs Park
- Continuing to improving the residents of Anna experiences in regard to Parks and Open Spaces

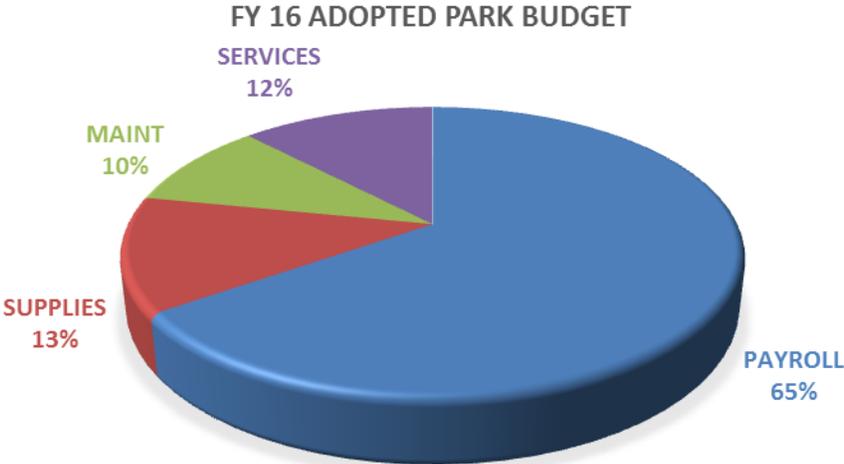
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$78,350	\$114,484	\$114,820	\$218,860	91.17%
SUPPLIES	\$20,062	\$24,150	\$24,150	\$43,150	78.67%
MAINT	\$20,398	\$25,000	\$29,000	\$32,500	30.00%
SERVICES	\$75,153	\$66,355	\$62,919	\$40,765	-38.57%
CAP EX	\$39,230	\$0	\$0	\$0	#DIV/0!
TOTAL	\$233,192	\$229,989	\$230,889	\$335,275	45.78%



10-555 Parks

Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*
- *Funds Park Superintendent position*
- *Provides for temp labor with costs transfer from services category*

Includes supplies and equipment for Park Superintendent

Increases chemical purchases for treatment of fields and turf through Anna's park system

Increased supply cost

Parks FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Park Superintendent	1	1	1	0	1
Crew Leader	0	0	0	1	1
Maintenance Laborer	0	0	1	1	1
Seasonal Laborer	0	0	1	1	1
Total	1	1	3	3	4



Purpose/Description

The Street Department is responsible for the maintenance of the City's roadway and storm water drainage systems. Services funded by this department include: cleaning streets, clearing and mowing public rights of way, routine maintenance and repair of street pavement and sidewalks, installation and maintenance of street signs, and maintenance of the storm drainage system. State highways and FM roads are maintained by the Texas Department of Transportation.

FY 15 Accomplishments

- Implemented a specific departmental focus on maintenance of streets and rights-of-way by assigning three existing employees to proactively focus on the maintenance of streets
- Joined the NCTCOG Public Works Emergency Response Team
- Completed preliminary street audit
- Completed street sign audit for TMUTCD compliance
- Established cooperative relationships with key external organizations
- Improved vehicle and equipment inventory
- Constructed Ferguson Parkway expansion project (still under construction)
- Completed Ferguson Parkway alignment study for future expansion between Taylor Blvd. and the Outer Loop Road

FY 16 Objectives

- Input street audit data into MicroPaver auditing software.
- Purchase asphalt hotbox for street repairs and milling rejuvenation
- Increase staff training
- Continue street sign replacement for TMUTCD compliance
- Develop an Adopt-a-Street program
- Implement watershed protection program
- Update storm drainage design and erosion control manual
- Assign staff to attend Certified Floodplain Manager training
- Pave East Fork Circle
- Develop engineering and construction plans for improvements to Hackberry Lane between SH 5 and Slayter Creek

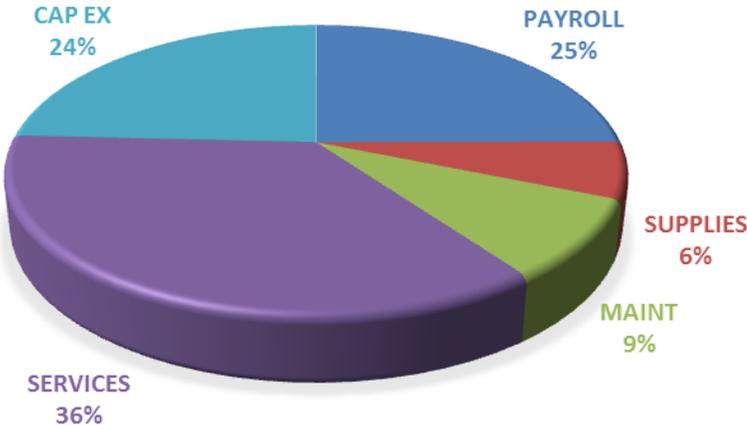
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$0	\$0	\$0	\$161,872	N/A
SUPPLIES	\$675	\$1,200	\$4,200	\$40,910	3,309.17%
MAINT	\$46,215	\$46,800	\$54,000	\$57,300	22.44%
SERVICES	\$112,719	\$134,221	\$136,612	\$231,950	72.81%
CAP EX	\$62,622	\$110,000	\$60,000	\$157,181	42.89%
TOTAL	\$222,231	\$292,221	\$254,812	\$649,213	122.17%



Proposed Budget Breakdown

FY 16 ADOPTED STREET BUDGET



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*
- *Addition of 3 positions transferred from Utility Fund*

Increased supplies costs for road maintenance supplies street sign program

Increased services for East Hackberry engineering

Increased capital expenditures

- *Purchase of air compressor and asphalt hotbox*
- *Increased annual street rehab by \$20,000*

Street FTE Schedule

	FY 12	FY 13	FY 14	FY 15	FY 16
Street Supervisor	0	0	0	0	1
Maintenance Worker I	0	0	0	0	2
Total	0	0	0	0	3



Restricted Revenue Trusts

Incorporated within the General Fund are sources of special revenue, restricted for a certain purposes. These restricted revenue trusts are a Governmental Fund type. Monies in the restricted revenue trusts are restricted based upon the circumstances of their receipt. Restrictions are placed on the use of these trusts funds for a number of reasons including, but not limited to laws, ordinances, grant contracts, donations, etc.

The City manages the following restricted revenue trusts:

- Park Trust
- Eastside Park Trust
- Fire Trust
- Court Technology Fund
- Court Building Security Fund
- Court Bonds in Trust
- Child Safety Fund
- Street Developer and Impact Fees
- Cable Public Education Government (PEG) Fees
- Police Seizure Funds and LEOSE Funds
- Sweetwater Crossing Funds
- Water & Sewer Impact Fees

Each trust will be explained in detail; however, PEG, Court Bonds in Trust, Police Seizure Funds, and Sweetwater Crossing Funds are not routinely budgeted. The City does not rely upon them for regular operating or capital needs. PEG Fees are a portion of fees assessed by a cable franchise provider. These fees are restricted by state code to support a municipality’s public access cable channel. There are no time restrictions to spend these funds and will be held in reserve until they can support an eligible expenditure. Court Bonds in Trust and bond payments by court defendants held until authorized for release or forfeited to the City. The Police Seizure Funds are revenue generated from property seized in connection with illegal activity. These funds can only be used to support the Police Department. Funds are held in reserve until a sufficient balance can support a specific need in the Police Department and council has approved the expenditure. Sweetwater Crossing Funds are moneys held in trust until repaid to a developer in accordance with a court settlement. Details on the other trusts will be explained below.

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 fund the City’s master parks plan through development, improvement, or maintenance of the City’s parks. Park Trust revenues and expenditures are illustrated below. Estimated and proposed revenues are the result of building activity in the City. In FY 16 the proposed expenditures in the parks trust include improvements to Natural Springs Park that are yet to be determined.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
DEVELOPER FEES	\$166,500	\$75,250	\$47,400	\$104,500	38.87%
INTEREST REVENUE	\$1,093	\$0	\$1,200	\$0	#DIV/0!
TOTAL REVENUES	\$167,593	\$75,250	\$48,600	\$104,500	38.87%
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
LAND & IMPROVEMENTS	\$268,103	\$0	\$0	\$0	#DIV/0!
OTHER CAPITAL EXPENDITURES	\$70,587	\$125,900	\$72,970	\$150,000	19.14%
TOTAL EXPENSE	\$338,690	\$125,900	\$72,970	\$150,000	19.14%



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 trust has a just over \$12,600 in fund balance; no additional resources are dedicated to grow the fund balance at this time. The available funds will be held in reserve until a project is selected for funding that will improve meet the restrictions of the donation. All interest earnings from the donation are held in the same trust for the same purpose.

Fire Trust

The Fire Trust accounts for voluntary 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 (FEMA), and other grantors are accounted for in the Fire Trust. No funds were budgeted in FY 15 out of the Fire Trust.; however, the Fire Department sold Rescue 901 in FY 15 with proceeds being a transferred to the Fire Trust to support a brush truck remount project in FY 16. The brush truck remount project includes purchasing a new 1 ton cab and chassis to mount with the existing equipment from Brush 901. The remaining cab and chassis will be mounted with a utility bed to serve as a multi purpose support vehicle

Fire Trust revenues and expenditures are illustrated below. You can see that developer fee revenue has dropped in FY 15. The City is working on negotiating future agreements with developers to include Fire Trust payments as evidenced by the proposed revenue increase in FY 16. Developer fees will continue to be reserved for grants and other capital needs that may arise.

Toward the end of FY 15, the Fire Department was awarded a FEMA Assistance to Firefighters grant. The grant will fund an exhaust removal system for \$30,000. The City has a matching requirement of 5% or \$1,428, resulting in \$28,572 in grant revenue for FY 16. The project will begin in the fall of 2015 and will be completed in FY 16. Should other grant applications be awarded, staff will present those grants to the council in the form of a budget amendment.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
DEVELOPER FEES	\$6,500	\$2,500	\$2,450	\$7,000	180.00%
SALE OF ASSETS	\$3,174	\$0	\$0	\$0	#DIV/0!
GRANT REVENUE	\$475	\$0	\$7,805	\$28,572	#DIV/0!
TRANSFERS IN	\$0	\$0	\$60,450	\$0	#DIV/0!
INTEREST REVENUE	\$75	\$0	\$40	\$0	#DIV/0!
TOTAL REVENUES	\$10,224	\$2,500	\$70,745	\$35,572	1,322.88%
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PROTECTIVE GEAR	\$0	\$0	\$0	\$0	#DIV/0!
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	#DIV/0!
OTHER CAPITAL EXPENDITURES	\$50,587	\$0	\$0	\$97,500	#DIV/0!
TOTAL EXPENSE	\$50,587	\$0	\$0	\$97,500	#DIV/0!



Restricted Revenue Trusts

Municipal Court Technology Fund

The Court Technology Fund accounts for a portion of court fines to support the use of technology in the court room. In FY 15 this fund began to support the annual software costs of electronic ticket writers that interface with existing court software. The ticket writers provide an efficient means of transferring citation data between the Court and the Police Department. The FY 16 budget includes the use of modest reserves to purchase a new ticket writer and continue to support the annual software licensing of the ticket writers.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
TECHNOLOGY FUND	\$1,941	\$2,250	\$2,250	\$2,500	11.11%
INTEREST REVENUE	\$11	\$0	\$10	\$0	#DIV/0!
TOTAL REVENUES	\$1,952	\$2,250	\$2,260	\$2,500	11.11%

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
CONTRACT SERVICES	\$0	\$2,050	\$1,400	\$2,050	0.00%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$3,500	#DIV/0!
TOTAL EXPENSE	\$0	\$2,050	\$1,400	\$5,550	170.73%

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 acting as a bailiff for the court when necessary.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
BLDG SECURITY FUND	\$1,461	\$1,700	\$1,700	\$2,000	17.65%
INTEREST REVENUE	\$60	\$0	\$20	\$0	#DIV/0!
TOTAL REVENUES	\$1,521	\$1,700	\$1,720	\$2,000	17.65%

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
OTHER SERVICES - MISC.	\$0	\$3,000	\$3,000	\$3,780	67.00%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	N/A
TOTAL EXPENSE	\$0	\$3,000	\$3,000	\$3,780	67.00%



Restricted Revenue Trusts

Child Safety Fund

The Child Safety Fund accounts for a portion of Collin County court fees that can be used to fund various programs designed to enhance child safety as outlined in State Code. As the City does not operate a school crossing guard program the funds will be used on other public safety programs in accordance with State Code.

In FY 14 the City began making the annual membership payments to the Children’s Advocacy Center of Collin County. This expense will continue as long as Child Safety funds can support it. In FY 15 there was a proposed one-time expenditure for the purchase of additional school zone signs to help keep children safe around local school campuses. The FY 16 budget returns to Child Safety Funds being used for CAC membership only.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
CHILD SAFETY FUND	\$10,151	\$10,000	\$10,000	\$10,000	0.00%
INTEREST REVENUE	\$35	\$0	\$10	\$0	#DIV/0!
TOTAL REVENUES	\$10,186	\$10,000	\$10,010	\$10,000	0.00%

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
CONTRACT SERVICES	\$5,631	\$7,500	\$7,500	\$7,500	0.00%
MACHINERY & EQUIPMENT	\$465	\$9,500	\$9,500	\$0	-100.00%
TOTAL EXPENSE	\$6,096	\$17,000	\$17,000	\$7,500	-55.88%

Street Capital Improvement Fund

The Street Capital Improvement Fund accounts for fees negotiated with developers for the improvements of streets and roadway impact fees that will be assessed beginning in FY 16. No expenditures are planned for FY 16; however, in FY 15 a Ferguson Parkway alignment study was completed at a cost of \$15,000 with additional study costs being born by private development along Ferguson Parkway.

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
ROAD DEVELOPER FEES	\$30,000	\$57,500	\$40,000	\$35,000	-64.29%
ROADWAY IMPACT FEES	\$0	\$0	\$0	\$132,250	100.00%
INTEREST REVENUE	\$120	\$0	\$150	\$0	#DIV/0!
TOTAL REVENUE	\$30,120	\$57,500	\$40,150	\$167,250	65.62%

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
CONTRACT SERVICES	\$0	\$15,000	\$15,000	\$0	-100.00%
OTHER CAPITAL EXPENDITURES	\$28,856	\$0	\$0	\$0	#DIV/0!
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	#DIV/0!
TOTAL EXPENSE	\$28,856	\$15,000	\$15,000	\$0	-100.00%



Restricted Revenue Trusts

LEOSE Training Funds

Law Enforcement Officer Standards and Education (LEOSE) funds are administered by the Texas Comptroller of Public Accounts, Services Division. Funds are determined by a formula allocation and can only be used in accordance with all applicable laws and regulations. All funds received by the City of Anna will only be used for acceptable training programs. It is anticipated the City will receive \$1,466 in LEOSE training funds.

Police Seizure Funds

Police Seizure Funds are funds recognized from the sale of assets forfeited after prosecution resulting from drug interdiction activities performed by the Anna Police Department. Funds can only be used in accordance with applicable state and federal laws. Typically the City has used these funds only for capital purchases in the Police Department. not to supplement operations.

In FY 16 there are available funds to support the purchase of body cameras for the Police Department. The cameras are expected to cost \$15,500.

Water & Sewer Improvement Funds (Impact and Developer fees)

The city maintains accounts for water and sewer impact and developer fees to be used in accordance with applicable laws, regulations, and ordinances. Funds are typically held in reserve for the use of one time expenditures and not to supplement operations.

As part of the City's long term capital plans, there is a need for a significant sewer line in the Throckmorton Creek Sewer Basin. This sewer line will eliminate the need to a lift station south of the Oak Hollow Development and will open up additional development along the west side of Highway 75.

Costs for the sewer line are estimated at \$1.6 million. Funds are available from a combination of sewer impact fees and negotiated developer fees for sewer capital improvements. This project will be funded from Ryland, W&S Improvements Fees, Westfield, West Crossing, Northpointe, and the Tara Farms Sewer Improvements Trusts. Additional details on this project will be shown in the capital improvements section of the budget. Details on water and sewer impact and developer fees are highlighted in the Utility Fund section of the budget.



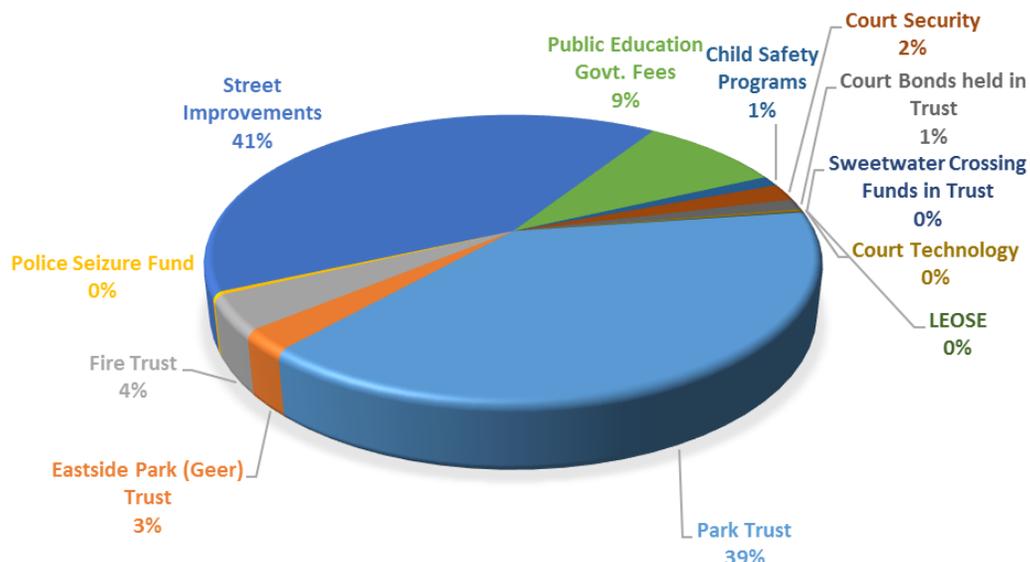
Restricted Revenue Trusts

Restricted Revenue Trust Fund Balance

As stated above, the use of each restricted revenue trust will be stipulated by a number of restrictions such as laws, ordinances, grants, etc. The table and chart below illustrates the fund balance for each trust at the close of FY 14, the projected fund balance at the close of FY 15, and the fund balance of the close of FY 16 under the proposed budget. As illustrated in the table, no funds will have negative fund balance through the end of FY 16. Staff monitors each trust to maintain compliance with any and all restrictions and also monitors to ensure expenditures do not exceed available resources.

	Fund Balance at Year End		
	2014 Audited	2015 Projected	2016 ADOPTED
Park Trust	\$275,179	\$250,809	\$205,309
Eastside Park (Geer) Trust	\$12,576	\$12,645	\$12,716
Fire Trust	\$3,840	\$82,785	\$20,857
Police Seizure Fund	\$1,333	\$17,300	\$1,800
Street Improvements	\$23,319	\$48,469	\$215,719
Public Education Govt. Fees	\$32,593	\$39,993	\$47,493
Child Safety Programs	\$10,623	\$3,633	\$6,133
Court Security	\$13,250	\$11,970	\$10,190
Court Bonds held in Trust	\$6,387	\$6,600	\$6,500
Court Technology	\$3,610	\$4,470	\$1,420
Sweetwater Crossing Funds in Trust	\$9,916	\$500	\$500
LEOSE	\$1,375	\$2,664	\$212
Total Restricted	\$394,001	\$481,838	\$528,849

FY 16 PROJECTED ENDING FUND BALANCE





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 revenue exclusively reserved for 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.

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

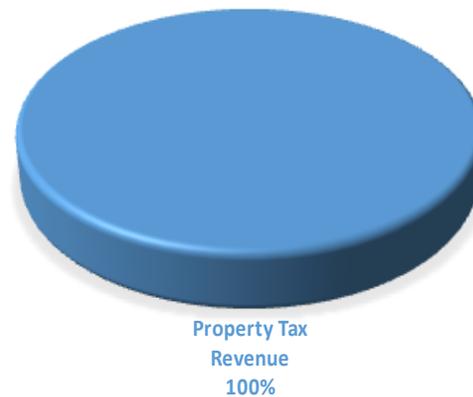
Revenues generated from the City's Interest and Sinking (I&S) portion of the tax rate are deposited into the Debt Service Fund and are dedicated to pay the principal and interest of outstanding debt secured by property taxes.

All debt issued for general government purposes is accounted for in the Debt Service Fund. However, from time to time, the City has also issued combination tax and revenue certificates of obligation to support water and sewer infrastructure projects. These bonds are accounted for in the Utility Fund. Under these Bond Covenants, there remains a tax pledge to support the debt if surplus revenues from the water and sewer operations are not sufficient to make the debt payments.

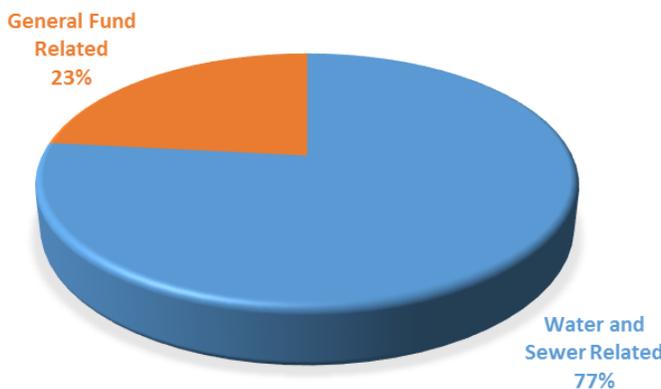
There are three certificates of obligation issued in 2009, 2012, and 2014 and a general obligation bond issued in 1976 that all have a tax pledge even though the debt was issued for water and sewer improvements. Of the outstanding Debt Service Obligations for FY 16, 77% is related to tax secured debt issued for water and sewer projects.

The total debt service on tax secured debt for FY 16 is \$1,017,769. While the I&S revenue is only 649,228, the remaining \$367,118 will be generated from water and sewer revenues.

FY 16 ADOPTED DEBT SERVICE REVENUE



FY 16 OUTSTANDING TAX SECURED DEBT



Debt Service Revenue Detail

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
Property Tax Revenue	\$392,482	\$527,104	\$524,573	\$649,228	23.17%
Other Sources	\$315	\$0	\$7,784	\$0	N/A
Total	\$392,798	\$527,104	\$532,357	\$649,228	23.17%



Debt Service Fund Obligations

The City of Anna currently holds just over \$16.3 million in outstanding tax supported debt. \$12.5 million of that amount was issued for water and sewer infrastructure projects and can be payable from water and sewer revenues; however, to obtain more favorable financing terms, the debt has a tax pledge. The balance of tax supported debt, just under \$3.8 million, was issued for general fund purposes. In April of 2015, the City’s general obligation debt rating was reaffirmed at A1 by Moody’s, citing “strong financial performance with large reserves.

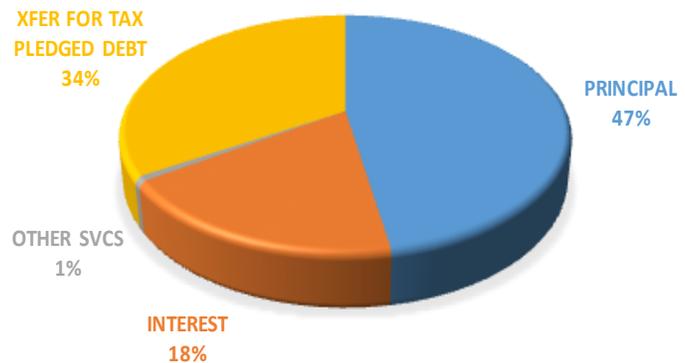
The debt service obligations since FY 14 are detailed below; however, FY 15 and FY 16 includes expenditures for Utility Fund Debt that has a tax pledge. The transfer to the Utility Fund to support debt service on tax pledged water and sewer debt accounts for the increase in Debt Service Fund expenditures.

The transfer to support tax pledge debt will be used solely to support debt service on combination tax and revenue certificates (Bonds) issued for water and sewer infrastructure and accounted for in the Utility Fund.

Of particular note is an overall decline in interest expense in FY 16. The City realized savings from a strategic refunding that occurred in FY 15, the refundings occurred for cost savings and strategic purposes. The results include savings in interest costs and more modest increases in principal.

Details of the debt service obligations are below:

FY 16 ADOPTED DEBT SERVICE BUDGET



Debt Service Expenditure Details

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
Principal	\$270,125	\$273,000	\$317,000	\$307,000	12.45%
Interest	\$175,773	\$166,552	\$122,017	\$118,788	-28.68%
Other Services	\$1,887	\$2,750	\$4,238	\$4,250	54.55%
Xfer for Tax Pledged Debt	\$0	\$84,802	\$83,849	\$219,228	128.47%
Total	\$447,784	\$527,104	\$527,104	\$649,228	23.17%



Debt Service Fund Obligations

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 2018 and 2019. Left un-addressed, this could lead to a spike in I&S tax rates as well.

The table below illustrates the total annual debt service for tax pledged debt supported by the I&S tax rate and water & sewer revenues through FY 2029.

In order to keep the Debt Service tax rate stable, the City of Anna and First Southwest, our financial advisor, developed a series of planned refundings of existing debt 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. The next refunding and restructuring of debt is scheduled for 2017.

Outstanding Tax Pledged Debt Schedule

YEAR ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/2016	\$514,000	\$503,769	\$1,017,769	0.90%
9/30/2017	\$482,000	\$533,989	\$1,015,989	-0.17%
9/30/2018	\$445,000	\$686,539	\$1,131,539	11.37%
9/30/2019	\$705,000	\$787,422	\$1,492,422	31.89%
9/30/2020	\$1,040,000	\$734,215	\$1,774,215	18.88%
9/30/2021	\$956,000	\$664,549	\$1,620,549	-8.66%
9/30/2022	\$1,001,000	\$600,426	\$1,601,426	-1.18%
9/30/2023	\$1,026,000	\$531,371	\$1,557,371	-2.75%
9/30/2024	\$1,112,000	\$456,595	\$1,568,595	0.72%
9/30/2025	\$1,179,000	\$375,426	\$1,554,426	-0.90%
9/30/2026	\$1,406,000	\$285,201	\$1,691,201	8.80%
9/30/2027	\$940,000	\$210,625	\$1,150,625	-31.96%
9/30/2028	\$830,000	\$168,275	\$998,275	-13.24%
9/30/2029	\$855,000	\$135,613	\$990,613	-36.39%
9/30/2030	\$815,000	\$106,801	\$921,801	-41.23%
9/30/2031	\$840,000	\$81,830	\$921,830	-40.70%
9/30/2032	\$870,000	\$55,999	\$925,999	-45.25%
9/30/2033	\$905,000	\$29,183	\$934,183	-18.81%
9/30/2034	\$425,000	\$7,756	\$432,756	-56.65%
TOTAL	\$16,346,000	\$6,955,584	\$23,301,584	



Debt Service Fund Obligations

The following chart illustrates the outstanding general fund related debt through FY 2029. The amounts included here represent a just the portion of all tax secured debt that was issued for general fund purposes.

The amounts reflected do not include any projected savings from planned refundings.

Outstanding General Fund Related Debt Schedule

YEAR ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/2016	\$307,000	\$118,788	\$425,788	-3.01%
9/30/2017	\$267,000	\$152,618	\$419,618	-1.45%
9/30/2018	\$238,000	\$217,698	\$455,698	8.60%
9/30/2019	\$275,000	\$233,472	\$508,472	11.58%
9/30/2020	\$285,000	\$213,397	\$498,397	-1.98%
9/30/2021	\$299,000	\$193,573	\$492,573	-1.17%
9/30/2022	\$321,000	\$173,139	\$494,139	0.32%
9/30/2023	\$327,000	\$150,734	\$477,734	-3.32%
9/30/2024	\$358,000	\$125,642	\$483,642	1.24%
9/30/2025	\$369,000	\$97,586	\$466,586	-3.53%
9/30/2026	\$399,000	\$66,688	\$465,688	-0.19%
9/30/2027	\$205,000	\$34,875	\$239,875	-48.49%
9/30/2028	\$65,000	\$14,625	\$79,625	-66.81%
9/30/2029	\$65,000	\$4,875	\$69,875	-12.24%
TOTAL	\$3,780,000	\$1,797,709	\$5,577,709	

Debt Limits

The City does not currently have any debt limit in terms of a dollar amount. However, municipal debt limits in Texas are established by state code. All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance.

The proposed budget has an ad valorem tax rate of \$0.639 per \$100 Taxable Assessed Value. Of that amount, \$0.106659 is dedicated to I&S, or Debt Service.



Debt Service Fund Obligations

The following are planned steps to manage the City's I&S Fund tax rate:

1. The City has levied an Interest and Sinking Fund tax rate of \$0.106659 in Tax Year 2015.
2. The City's tax base is now at \$610,146,057 which means the City is not dependent on future refundings and restructurings to manage its I&S tax rate.
3. Assuming 0% growth, no debt refundings/restructurings and no new debt; the City could cover all of its I&S tax-supported obligations through maturity in 2029 at current revenue levels.
4. The City still plans to implement the following refundings if there's economic benefit:
 - a. Refunding of Series 2007 Certificates and Bonds on or before February 15, 2017 to avoid interest rate reset to 15%. NO EXTENTION OF ORIGINAL MATURITY.
 - b. Refunding of Series 2009 Certificates on or before February 15, 2018 to avoid interest rate reset to 15%. NO EXTENTION OF ORIGINAL MATURITY.

If completed, the refundings referenced in time number would support capacity for future general fund bond issues for needs that arise as the City continues to grow and develop. All refundings will be carefully analyzed by staff, our financial advisors, and the City Council. The City's debt management plan is a joint effort with our financial advisors. The items presented here have been developed with our advisors and are only for planning purposes. Actual results and actions will be dependent upon the economic conditions at the time refundings are considered.



Utility Fund Revenue

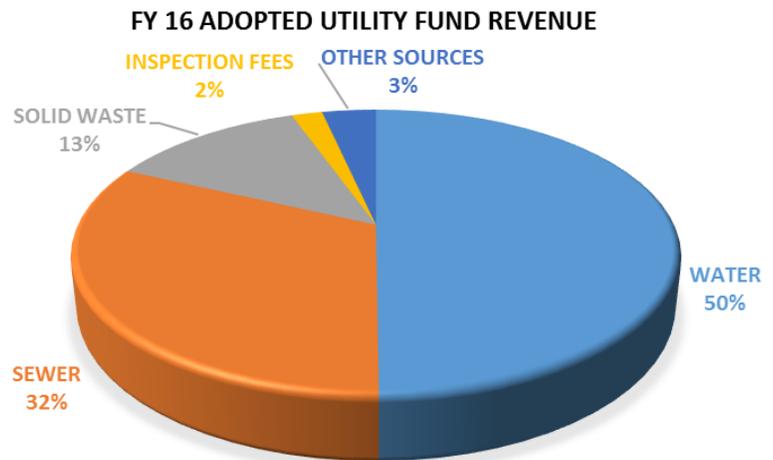
The Utility Fund is an enterprise fund that accounts for the water, sewer, inspection fees, and solid waste collection services that are provided to the City’s residents including some customers outside the City. Enterprise Funds are used to account for operations that are financed and operated in a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

The Utility Fund accounts for all costs associated with operating the City’s Utility Services; this includes operations, maintenance, billing & collections, administration, financing, and related debt service.

The Utility Fund’s principle source of revenue is charges to customers for water consumption, wastewater collection, solid waste collection, and fees related to providing consumers with utility services. The FY 16 proposed revenue also includes inspection fees for public infrastructure inspections. Rather than contract for

this service, the construction inspector hired in FY 15 is responsible to inspect public infrastructure projects funded through public and/or private development. Additionally, the Utility Fund includes a transfer from the Debt Service Fund to support debt service on debts issued for water & sewer infrastructure that also includes a tax pledge.

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 provides stability in our revenue as water sales are more volatile than other revenue sources and change based upon the climate and precipitation. The increase in water revenue for FY 16 is based upon a proposed rate increase of approximately 9%. The primary factors contributing to this rate increase include: 1) water conservation programs leading to a 23.2% decline over the past few years in the average amount of water sold on a per customer basis; 2) a significant increase in the amount budgeted for NTMWD wastewater transport and treatment charges; and 3) an increase in the amount budgeted to purchase treated surface water from NTMWD through a contract with the Greater Texoma Utility Authority (GTUA). The typical residential water customer uses about 5,100 gallons of water in an average month. The proposed rate adjustment would increase the average monthly utility bill (combined water and sewer) by \$6.94.



Utility Fund Revenue Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
WATER	\$3,033,243	\$2,961,699	\$2,805,027	\$3,164,871	6.86%
SEWER	\$2,324,861	\$1,691,490	\$1,784,153	\$2,037,287	20.44%
SOLID WASTE	\$0	\$710,000	\$769,000	\$799,500	12.61%
INSPECTION FEES	\$0	\$0	\$0	\$125,000	#DIV/0!
OTHER SOURCES	\$0	\$153,302	\$153,302	\$219,190	42.98%
TOTAL	\$5,358,104	\$5,516,491	\$5,511,482	\$6,345,848	15.03%



Utility Fund Revenue

In addition to regular operating revenue, the Utility Fund collects impact and developer fees. These fees are collected in connection with new development. Impact fees are charges or assessments imposed by the city on new development in order to recoup the costs of capital improvements or infrastructure and facility expansions necessitated by the new development. Chapter 395 of the Texas Local Government Code regulates local government application of impact fee standards and requirements.

Prior to the City adopting impact fees, certain developer fees were negotiated with land developers to accomplish the same purpose as impact fees.

The following impact and developer fees are expected to be collected throughout FY 16 in connection with development in various additions.

DEPARTMENT	FY 20156PROJECTED REVENUE
WEST CROSSING WATER TRUST	\$60,000
WEST CROSSING SEWER TRUST	\$60,000
WATER & SEWER IMPACT FEE TRUST	\$70,000
NORTHPOINTE WATER TRUST	\$30,000
NORTHPOINTE SEWER TRUST	\$30,000
ANNA CROSSING WATER	\$70,000
ANNA CROSSING SEWER	\$70,000
LAKEVIEW WATER	\$20,000
LAKEVIEW SEWER	\$20,000
AVERY POINT WATER	\$40,000
AVERY POINT SEWER	\$40,000
CAMDEN PARC WATER	\$40,000
CAMDEN PARC SEWER	\$40,000
TOTAL	\$590,000

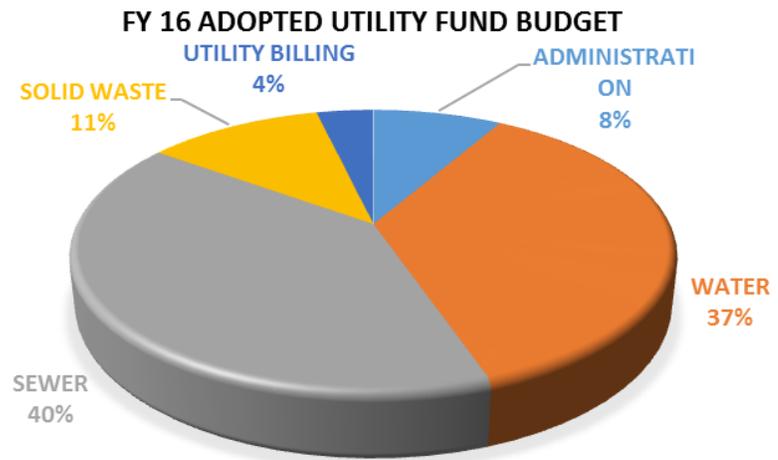
The fees collected are restricted based upon developer agreements or the City's Impact Fee Ordinance and are only to be used in accordance with the specified restrictions in the agreement/ordinance.



Utility Fund Expenditures

The Utility Fund accounts for all the costs associated with providing and maintaining utility services. These services are provided by the Admin (new for FY 16), Water, Sewer, Solid Waste, and Utility Billing departments. Departmental summaries are provided with expenditures categorized by type. These types are payroll, supplies, maintenance, capital expenditures and transfers to the capital project fund to support future facility needs.

The chart on the right illustrates the percentage of costs associated with each department. The tables below illustrates a brief history from FY 14 through FY 16. The table includes actual costs from FY 14, budgeted and estimated costs for FY 15, proposed budget for FY 16, and the percent change from the FY 15 budget.



The departmental summaries provide greater detail on increased expenditures; however, the bulk of the increase is due to an increase in services for NTMWD sewer fees and GTUA water purchases.

Utility Fund Expenditure Summary by Department

	2014		2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE	
ADMINISTRATION	\$0	\$0	\$0	\$523,120	#DIV/0!	
WATER	\$3,094,167	\$2,970,098	\$2,649,299	\$2,286,445	-23.02%	
SEWER	\$2,277,795	\$1,656,681	\$1,946,347	\$2,527,002	52.53%	
SOLID WASTE	\$0	\$636,000	\$662,000	\$715,000	12.42%	
UTILITY BILLING	\$208,677	\$220,588	\$220,667	\$230,315	4.41%	
TOTAL	\$5,580,639	\$5,483,367	\$5,478,313	\$6,281,882	14.56%	

The table below illustrates cost centers in the Utility Fund.

Utility Fund Expenditure Summary by Type

	2014		2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE	
PAYROLL	\$858,486	\$1,052,014	\$895,216	\$940,136	-10.63%	
SUPPLIES	\$108,052	\$110,550	\$88,950	\$105,080	-4.95%	
MAINT	\$258,086	\$349,100	\$300,250	\$404,150	15.77%	
SERVICES	\$2,732,238	\$3,882,353	\$4,097,293	\$4,696,676	20.97%	
CAP EX	\$1,266,082	\$5,350	\$12,604	\$101,650	1,800.00%	
XFER OUT	\$0	\$84,000	\$84,000	\$34,190	-59.30%	
TOTAL	\$5,222,943	\$5,483,367	\$5,478,313	\$6,281,882	14.56%	



60-400 Admin

Purpose/Description

The Administrative Department provides general administrative support to all the functions, programs, activities, and projects in Public Works and the Utility Fund. These activities have costs not readily assignable to any specific department. Administration covers a number of shared expenses at Public Works headquarters (utilities, supplies, etc.) as well as other Utility Fund expenses (i.e. IT, Legal, and Audit services).

FY 15 Accomplishments

- Completed department reorganization and filled all vacant positions within the Public Works department
- Initiated in-house construction inspection program
- Increased training for maintenance staff
- Initiated National Public Works Week observance
- Initiated engineering design of the Foster Crossing Water Line Project, the Throckmorton Creek Wastewater Interceptor Project, the Water Disinfection Upgrade Project, and the TxCDBG Sewer Improvement Project
- Completed design of the Hackberry Elevated Storage Tank Project, the Hackberry Waterline Improvement Project, and the Wastewater Treatment Plant Influent Lift Station Project
- Completed construction of the Slayter Creek Wastewater Interceptor Project, the Wastewater Treatment Plant Influent Lift Station Project, and the Well #3 Rehabilitation Project

FY 16 Objectives

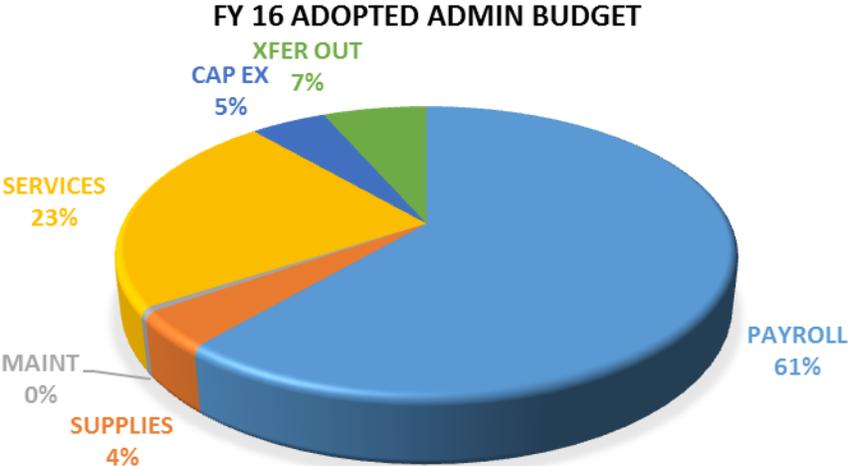
- Complete design and construction of the Construct the Foster Crossing Water Line Project, the Throckmorton Creek Wastewater Interceptor Project, the Water Disinfection Upgrade Project, the Hackberry Elevated Storage Tank Project, the Hackberry Waterline Improvement Project, and the TxCDBG Sewer Improvement Project
- Develop plans for the US 75 Utility Relocation Project
- Continue to coordinate with TxDOT on the development of engineering and construction plans for the reconstruction of US 75 from Throckmorton Creek to the Collin County Line.
- Continue to coordinate with TxDOT on the FM 455 Reconstruction Project
- Continue observance of National Public Works Week with community outreach programs

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$0	\$0	\$0	\$320,578	N/A
SUPPLIES	\$0	\$0	\$0	\$20,930	N/A
MAINT	\$0	\$0	\$0	\$2,700	N/A
SERVICES	\$0	\$0	\$0	\$119,722	N/A
CAP EX	\$0	\$0	\$0	\$25,000	N/A
XFER OUT	\$0	\$0	\$0	\$34,190	N/A
TOTAL	\$0	\$0	\$0	\$523,120	N/A



Proposed Budget Breakdown



New and Noteworthy for FY 16

Department created to more accurately reflect true costs of water, sewer, and solid waste services provide by the City of Anna. Amounts were previously reflected only in the Water Department, thus overstating water services and understating sewer and solid waste services.

Includes the assignment of positions listed below and purchase of new vehicle for construction inspector.

Admin FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Director of Public Works	0	0	0	0	1
Administrative Assistant	0	0	0	0	1
PW Superintendent	0	0	0	0	1
Construction Inspector	0	0	0	0	1
Total	0	0	0	0	4



60-701 Water

Purpose/Description

The Water Department is responsible for the operation and maintenance of the City's water production and distribution system that includes the operation of seven groundwater production wells and connections to treated surface water purchased from the Greater Texoma Utility Authority through a contract with the North Texas Municipal Water District.

FY 15 Accomplishments

- Applied for membership in the Texas Water Development Board Water IQ program
- Department is fully staffed. Increased training for maintenance staff. One newly licensed employee
- Surface water supply line for West Crossing and Powell Pump Stations now in service
- Multiple CIP projects started including: Hackberry Elevated Storage Tank, Hackberry Water Line, Foster Crossing Water Line and Disinfection Upgrades
- West Crossing Pump Station now has a backup power generator installed and operational
- SCADA upgrades

FY 16 Objectives

- Valve installation program
- Water loss reduction through meter audit, improved record keeping and field monitoring
- Increase public outreach related to water conservation (Water IQ)
- Complete radio read meter installation
- Increase staff training and certification

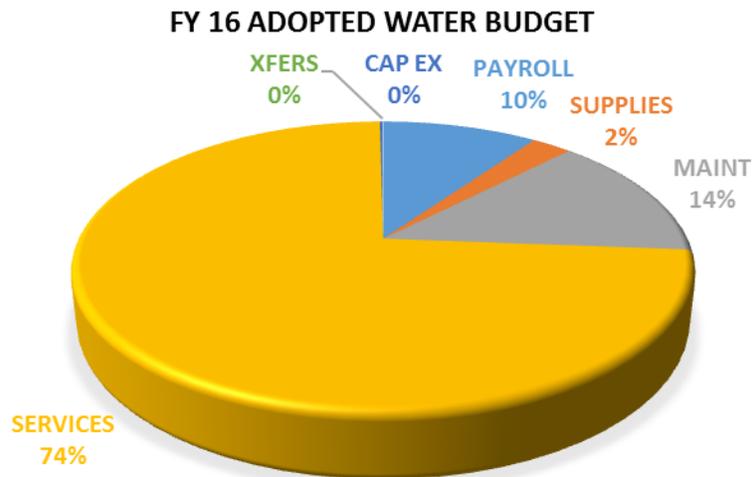
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$618,815	\$779,310	\$620,670	\$223,057	-71.38%
SUPPLIES	\$83,432	\$86,950	\$67,150	\$57,665	-33.68%
MAINT	\$167,148	\$283,000	\$238,200	\$318,850	12.67%
SERVICES	\$1,026,844	\$1,751,188	\$1,646,375	\$1,682,223	-3.94%
CAP EX	\$840,232	\$4,650	\$11,904	\$4,650	0.00%
XFERS	\$357,696	\$65,000	\$65,000	\$0	-100.00%
TOTAL	\$3,094,167	\$2,970,098	\$2,649,299	\$2,286,445	-23.02%



60-701 Water

Proposed Budget Breakdown



New and Noteworthy for FY 16

Decreased payroll costs

- *Positions moved to UF admin department*
- *Positions moved to GF streets department*

Maintenance costs increase to complete water meter change outs to install radio read meters across the City

All other cost centers showing decrease are the result of costs moved to other departments

Water FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Director of Public Works	1	1	1	1	0
Administrative Assistant	1	1	1	1	0
PW Superintendent	0	0	0	1	0
Construction Inspector	0	0	0	1	0
Field Supervisor	1	1	1	1	0
Crew Leader	1	1	1	1	1
Maintenance Worker I	4	5	8	7	2
Maintenance Worker II	0	0	0	1	1
Seasonal Laborer	1	1	0	0	0
Total	10	11	12	13	4



60-705 Sewer

Purpose/Description

The Sewer Department is responsible for the operation and maintenance of the City's wastewater collection and treatment system that includes the operation of a 500 mgd wastewater treatment plant and connections to the North Texas Municipal Water District Upper East Fork Regional Interceptor System.

FY 15 Accomplishments

- Increased training for maintenance staff
- Initiated inflow and infiltration location and repair program
- Developed standard operating procedure for sanitary sewer overflow reporting
- Implemented proactive wastewater collection system maintenance program
- Activated the Slayter Creek Wastewater Interceptor line, and the new Slayter Creek Wastewater Treatment Plant Influent Lift Station

FY 16 Objectives

- Continue inflow and infiltration location and repair program
- Start "Cease the Grease" public education program
- Initiate staff training and purchase equipment to facilitate in-house maintenance and repair of lift stations.
- Develop CIP program for improvements to the Slayter Creek Wastewater Treatment Plant
- Apply for renewal and upgrade of the Slayter Creek Wastewater Treatment Plant discharge permit

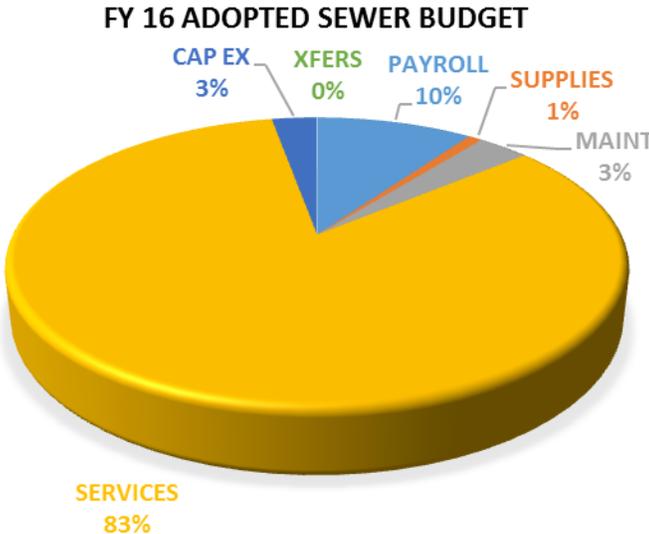
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$115,571	\$131,251	\$135,271	\$248,387	89.25%
SUPPLIES	\$21,337	\$18,500	\$19,300	\$22,135	19.65%
MAINT	\$87,271	\$65,500	\$61,800	\$82,000	25.19%
SERVICES	\$1,628,388	\$1,422,430	\$1,710,976	\$2,102,480	47.81%
CAP EX	\$425,229	\$0	\$0	\$72,000	#DIV/0!
XFERS	\$0	\$19,000	\$19,000	\$0	-100.00%
TOTAL	\$2,277,795	\$1,656,681	\$1,946,347	\$2,527,002	52.53%



60-705 Sewer

Proposed Budget Breakdown



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*
- *Position transferred from water department*

Increased supplies costs previously paid from water department

Increased service costs

- *Increased debt service*
- *Increased costs for wastewater transportation and treatment by the NTMWD*

Sewer FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Field Supervisor	0	0	0	0	1
Senior Wastewater Operator	0	0	1	1	1
Wastewater Operator	2	2	1	1	1
Maintenance Worker I	0	0	0	0	1
Total	2	2	2	2	4

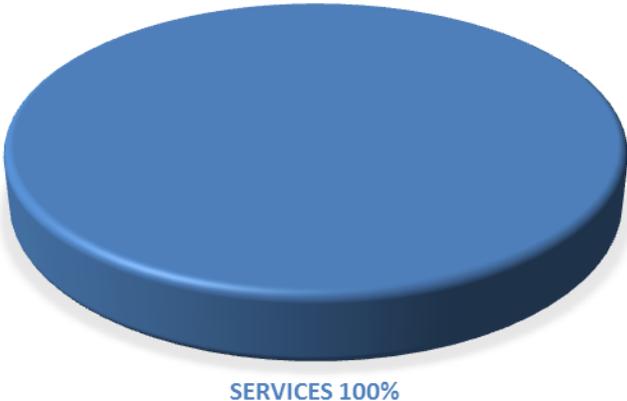


60-708 Solid Waste

Purpose/Description

Solid Waste service is currently provided by Bradshaw & Sons on a contract with the City. The Solid Waste Department does not have any personnel costs as it is a contracted service.

FY 16 ADOPTED SOLID WASTE BUDGET



New and Noteworthy for FY 16

Increase in costs driven by increase in solid waste customers

Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
SERVICES	\$0	\$636,000	\$662,000	\$715,000	12.42%
TOTAL	\$0	\$636,000	\$662,000	\$715,000	12.42%



60-710 Utility Billing

Purpose/Description

Utility billing is responsible for the billing of water, sewer, and trash collection services provided to the citizens of Anna and other customers of the City's utility system.

FY 15 Accomplishments

- Worked with Civic Plus to get a separate payment option on our City website
- Established electronic bill payments through Vanco Services
- Improved online forms
- Finalized contract for new collection agency
- Installed court program on UB clerk systems

FY 16 Objectives

- Further cross training with court
- Increase collections on delinquent accounts
- Support water meter audit
- Further increase web presence

Expenditure Summary

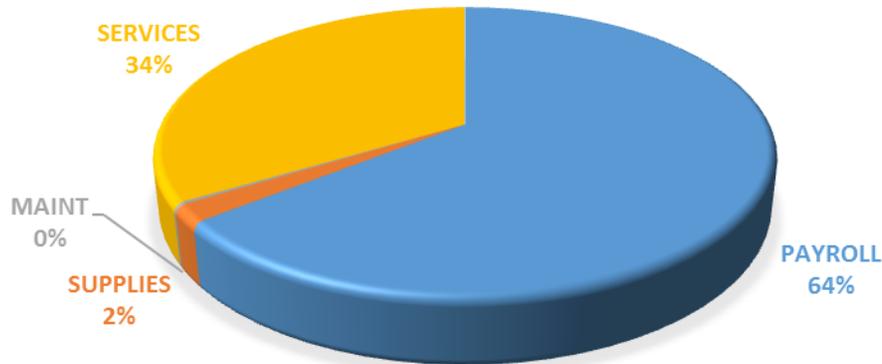
	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	ADOPTED	% CHANGE
PAYROLL	\$124,100	\$141,453	\$139,275	\$148,115	4.71%
SUPPLIES	\$3,283	\$5,100	\$2,500	\$4,350	-14.71%
MAINT	\$3,667	\$600	\$250	\$600	0.00%
SERVICES	\$77,006	\$72,735	\$77,942	\$77,250	6.21%
CAP EX	\$621	\$700	\$700	\$0	-100.00%
TOTAL	\$208,677	\$220,588	\$220,667	\$230,315	4.41%



60-710 Utility Billing

Proposed Budget Breakdown

FY 16 ADOPTED UTILITY BILLING BUDGET



New and Noteworthy for FY 16

Increased payroll costs

- *The City's costs for insurance benefits increased*
- *Final phase of market based wage adjustments*

Increase in services for printing and mailing costs that are expected as the number of water customers continues to grow

Utility Billing FTE Schedule

Description	FY 12	FY 13	FY 14	FY 15	FY 16
Customer Service Supervisor	1	1	1	1	1
Senior Customer Service Rep.	1	1	1	1	1
Customer Service Rep.	1	0	0	0	0
Receptionist	0.5	0.5	0.5	0.5	0.5
Total	3.5	2.5	2.5	2.5	2.5

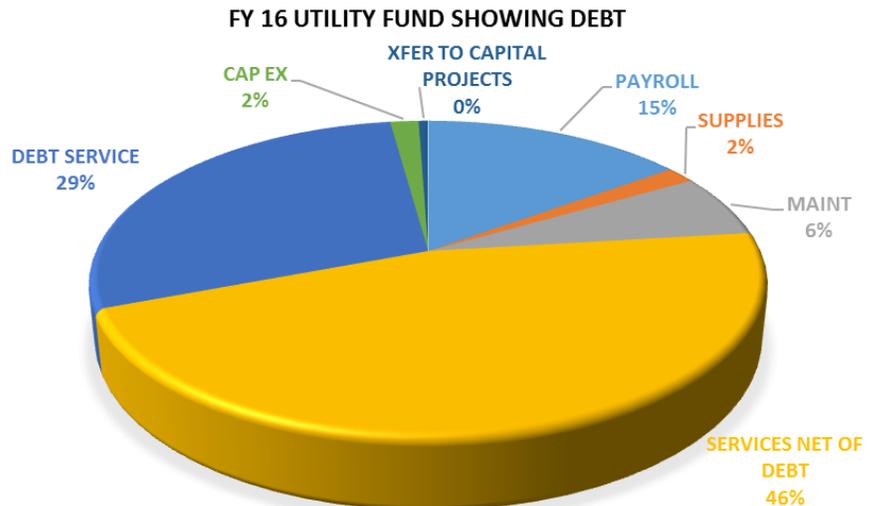


Utility Fund Debt

Unlike the General Fund, there is no special fund to account for Utility Fund Debt; 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 to provide utility services to our customers, including the cost of 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, utility revenues are generally sufficient to support all Utility Fund debt; however the FY 16 budget includes a transfer of \$220,614 from Debt Service Fund revenues to support tax pledged debt in the Utility Fund.

In FY 16, debt service accounts for 29% of the Utility Fund budget. In the department summaries, debt is split between the water and sewer departments and is grouped with "services" for purposes of categorizing expense types. However, Utility Fund debt it is highlighted here to illustrates its specific share of the budget.



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 \$26.2 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 2019. Left unaddressed, this could lead to increases 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 pursue advance refundings of the City's outstanding Utility Fund debt. Every 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 utility rate study to evaluate the current water and sewer rates. Depending on market conditions and the City's growth, two refunding are slated for mid-summer and late fall of 2017. These refundings will also free up cash and reduce pressure on utility rates.

The following table outlines the current and future debt payments. The table along with the subsequent chart details the debt payments through 2040.



Utility Fund Debt

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

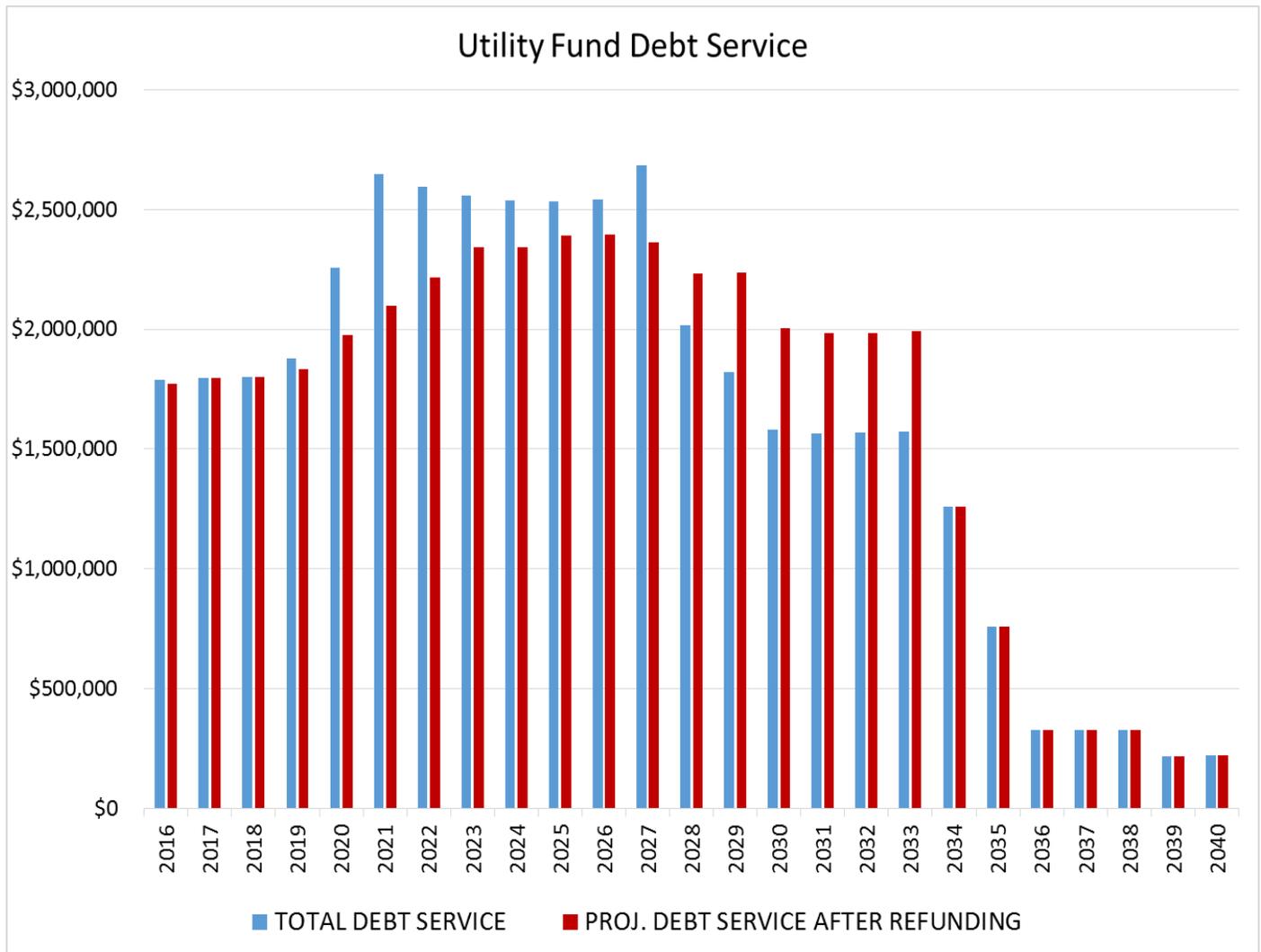
Utility Fund Outstanding Debt Schedule

YEAR ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	DEBT SERVICE AFTER REFUNDING	% CHANGE
9/30/2016	\$742,000	\$1,056,647	\$1,798,647	\$1,798,647	2%
9/30/2017	\$768,750	\$1,030,681	\$1,799,431	\$1,799,431	0%
9/30/2018	\$784,500	\$1,094,606	\$1,879,106	\$1,831,907	2%
9/30/2019	\$996,250	\$1,259,624	\$2,255,874	\$1,976,314	8%
9/30/2020	\$1,443,750	\$1,201,869	\$2,645,619	\$2,096,663	6%
9/30/2021	\$1,473,250	\$1,121,249	\$2,594,499	\$2,217,058	6%
9/30/2022	\$1,518,750	\$1,040,604	\$2,559,354	\$2,342,510	6%
9/30/2023	\$1,580,250	\$955,513	\$2,535,763	\$2,342,755	0%
9/30/2024	\$1,669,000	\$865,098	\$2,534,098	\$2,390,403	2%
9/30/2025	\$1,772,500	\$769,240	\$2,541,740	\$2,393,180	0%
9/30/2026	\$2,122,000	\$560,456	\$2,682,456	\$2,360,460	-1%
9/30/2027	\$1,553,750	\$463,695	\$2,017,445	\$2,232,152	-5%
9/30/2028	\$1,423,750	\$398,991	\$1,822,741	\$2,238,259	0%
9/30/2029	\$1,240,000	\$342,055	\$1,582,055	\$2,002,366	-11%
9/30/2030	\$1,273,750	\$293,051	\$1,566,801	\$1,986,043	-1%
9/30/2031	\$1,325,000	\$242,044	\$1,567,044	\$1,984,636	0%
9/30/2032	\$1,382,500	\$188,713	\$1,571,213	\$1,991,453	0%
9/30/2033	\$1,127,500	\$132,842	\$1,260,342	\$1,260,342	-37%
9/30/2034	\$661,250	\$98,546	\$759,796	\$759,796	-40%
9/30/2035	\$248,750	\$77,134	\$325,884	\$325,884	-57%
9/30/2036	\$263,750	\$62,764	\$326,514	\$326,514	0%
9/30/2037	\$280,000	\$47,500	\$327,500	\$327,500	0%
9/30/2038	\$185,000	\$34,397	\$219,397	\$219,397	-33%
9/30/2039	\$197,500	\$23,612	\$221,112	\$221,112	1%
9/30/2040	\$207,500	\$12,097	\$219,597	\$219,597	-1%
TOTAL	\$26,241,000	\$13,373,025	\$39,614,025	\$39,644,378	



Utility Fund Debt

The following chart illustrated before and after the planned refundings.



*This was developed by the City of Anna using data provide by our financial advisors, First Southwest and assumptions developed jointly. It is for planning and discussion purposes only. Actual results may vary based upon future economic conditions.

The following steps have been developed by the City and First Southwest to address the Utility Fund Debt:

1. The City’s budgeted rates and charges are sufficient to cover both the contract revenue obligations as well as the general obligations issued for water and sewer system improvements.
2. The City will continue to move the Greater Texoma Utility Authority (“GTUA”) contract bonds into the City’s balance sheet through the issuance of Combination Tax and Revenue Refunding Bonds.
 - a. The next refunding could occur as early as calendar year 2016 or as late as July/August 2017.
 - i. City expects to take out the Anna Project contract bonds and get access to the debt service reserve funds currently held by GTUA.



- ii. Refunding of GTUA contract bonds in coordination with the City of Melissa to take out the Anna/Melissa Project contract bonds and get access to 50% of the debt service reserve funds held by GTUA.
3. Refunding of the Series 2009 Combination Tax and Revenue Refunding Bonds on or before February 15, 2018 to avoid interest rate reset to 15%.
4. It is the City's current intent to maintain water and sewer system annual debt service at a maximum level of \$1.9 - \$2 million per year.
5. Upcoming refundings would have the goal of reducing debt service payments in fiscal years 2019 – 2027.



Capital Improvements

The Capital Improvements section include improvements that benefit both the General and Utility Funds. However, General Fund Capital Improvements are set aside in a dedicated fund to account for financial resources to be used for the acquisition or construction of major capital facilities. Utility Fund Capital Improvements are included in the Utility Fund. The separation of capital improvements into separate distinct funds is related to governmental accounting standards.

The budgets for capital improvement projects are typically independent of the operating budget and are funded with bonds, grants, fund balance, special restricted revenue or other sources of capital including private investment. Capital Improvements 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 16, the Capital Improvements Fund will either begin or continue to work on the following projects:

- Foster Crossing Water Line Project
- Throckmorton Creek Wastewater Interceptor
- Hackberry Elevated Storage Tank
- Hackberry Elevated Storage Tank Water Line Improvements
- Water Disinfection System Improvements
- Improvements to Natural Springs Park
- Design Services for City Hall

Additional projects included in the capital projects summary are funded in the regular operating budgets presented previously and are not included here. These projects include the following:

- Annual Street Repair Program is funded in the Street Department budget
- PD IT replacements are funded in the Police Department budget
- Personal Protective Gear (PPE) are funded in the Fire Department budget
- Vehicle Replacements
- Equipment Purchases

There are additional public infrastructure projects that will be completed by private developers and is subject to inspection and acceptance by the City of Anna. These projects are often referred to as contributed capital and typically include water, sewer, streets, and parks improvements and infrastructure. The projects are typically managed, carried out, and funded by private developers. These projects are not included in the annual budget as but are listed below as a reference

- Ferguson Roadway Expansion south of FM 455 and North of Taylor Blvd.
- Clemmons Creek Sewer Line
- Lakeview Park
- Internal water, sewer, and roadway development related to Avery Point, Lakeview Estates, Camden Parc, and additional phases of West Crossing

There are additional projects listed in the CIP summary for FY 16 that do not yet have funding secured. In each case these projects consist of 1 time expenditures for capital equipment and are contingent upon a variety of funding scenarios that include grant applications, inspection fee revenue, or other sources. Should revenue



Capital Improvements

come in greater than budgeted or grants are approved, staff will present funding scenarios for the proposed projects and receive council approval for the expenditures in the form of a budget amendment. The projects are included to serve as a reference of departmental need and assist in evaluating future capital expenditures under various funding scenarios.

The table below highlights all FY 16 projects with known funding sources and not already presented in the operating budget. The table highlights the project budget and funding source.

Project	FY 2016 Budget	Funding Source
Foster Crossing Water Line Project	\$721,504	2012 & 2014 Certificates of Obligation
Throckmorton Creek Wastewater Interceptor	\$1,600,000	Wastewater Impact Fee and Capital Improvement Fee Trust Funds
Hackberry Elevated Storage Tank	\$1,399,093	2012 & 2014 Certificates of Obligation
Hackberry Elevated Storage Tank Water Line Improvements	\$616,395	2012 & 2014 Certificates of Obligation
Water Disinfection System Improvements	\$445,489	2012 & 2014 Certificates of Obligation
Natural Springs Park Improvements	\$150,000	Park Trust Revenues
Architectural Services for new City Hall construction	TBD	Future Bond Sales
Total	\$4,932,481	



Summary of Capital Projects

CAPITAL IMPROVEMENTS PLAN*							
Capital Projects	FY16	FY17	FY18	FY 19	FY 20	Future	Total
BUILDINGS	-	10,450,000	-	360,000	3,472,000	13,825,173	28,107,173
<i>New City Hall</i>	TBD	10,450,000	-	-	-	-	10,450,000
<i>Fire Station #2</i>	-	-	-	360,000	3,472,000	-	3,832,000
<i>New Police Station</i>	-	-	-	-	-	7,598,173	7,598,173
<i>Fire Station #1</i>	-	-	-	-	-	6,227,000	6,227,000
WATER AND WASTEWATER	4,792,481	823,000	-	-	-	3,790,000	9,405,481
<i>Foster Crossing Waterline</i>	721,504	-	-	-	-	-	721,504
<i>Hackberry Elevated Storage Tank</i>	1,399,093	-	-	-	-	-	1,399,093
<i>Hackberry Waterlines</i>	616,395	-	-	-	-	-	616,395
<i>Disinfection Upgrades</i>	445,489	-	-	-	-	-	445,489
<i>Sherley Elevated Storage Tank Rehab</i>	10,000	135,000	-	-	-	-	145,000
<i>Sherley Tank Restor.</i>	-	246,000	-	-	-	-	246,000
<i>US 75 Utility Relocation</i>	-	TBD	-	-	-	-	-
<i>Collin Pump Station Activation</i>	-	442,000	-	-	-	-	442,000
<i>Grayson Pump Station</i>	-	-	-	-	-	3,075,000	3,075,000
<i>Throckmorton Creek Sewer</i>	1,600,000	-	-	-	-	-	1,600,000
<i>WWTP Upgrades</i>	-	-	-	-	-	715,000	715,000
STREETS	217,000	948,735	140,000	145,000	150,000	2,098,320	3,699,055
<i>Annual Rehab Program</i>	130,000	135,000	140,000	145,000	150,000	155,000	855,000
<i>E. Hackberry Reconstruction</i>	87,000	813,735	-	-	-	-	900,735
<i>Mantua Rd./CR 371</i>	-	-	-	-	-	1,943,320	1,943,320
PARKS	150,000	-	146,000	-	-	-	296,000
<i>NSP Improvements</i>	150,000	-	-	-	-	-	150,000
<i>NSP Dog Park</i>	-	-	146,000	-	-	-	146,000

*All projects are subject to the availability of funds. Projects listed in the CIP do not guarantee funding. Limitations on revenue projections, grant applications, and other budgeted revenues take precedence over project funding.



Summary of Capital Projects

CAPITAL IMPROVEMENTS PLAN							
Capital Projects	FY16	FY17	FY18	FY 19	FY 20	Future	Total
VEHICLES	213,500	107,500	181,950	117,118	144,000	2,188,000	2,952,068
<i>Police Vehicle Replacement</i>		82,500	121,950	92,118	94,000		390,568
<i>FD - Replace E-902</i>	-	-	-	-	-	600,000	600,000
<i>FD - Aerial Platform</i>	-	-	-	-	-	1,500,000	1,500,000
<i>FD - Brush 901 Re-mount</i>	67,500	-	-	-	-	-	67,500
<i>Streets Vehicles Replacement</i>	-	-	-	-	-	35,000	35,000
<i>Inspections Vehicle Replacement</i>	25,000	-	-	-	-	28,000	53,000
<i>PW Vehicle Replacement</i>	76,000	25,000	25,000	25,000	25,000	25,000	201,000
<i>WW Vehicle Replacement</i>	45,000	-	-	-	25,000	-	70,000
<i>Parks Pickup Replacement</i>	-	-	35,000	-	-	-	35,000
Machinery/Equip	326,795	412,478	281,190	406,360	39,170	38,715	1,504,708
<i>PD Computer Updates</i>	5,200	13,300	7,900	6,190	-	-	32,590
<i>PD In-Car Video Upgrade</i>	36,105	3,955	6,215	455	455	-	47,185
<i>FD Annual PPE</i>	30,000	30,000	30,000	30,000	30,000	30,000	180,000
<i>FD IT Replacements</i>	5,000	-	-	-	-	-	5,000
<i>FD Traffic Light Control System</i>	-	22,470	12,075	8,715	8,715	8,715	60,690
<i>FD SCBA's</i>	50,000	50,000	-	-	-	-	100,000
<i>PD & FD Radio Replacements</i>		75,000	65,000	60,000	-	-	200,000
<i>Parks Tractor and Grooming Mower</i>	-	-	-	91,000	-	-	91,000
<i>Mobile Air Compressor for Equipment</i>	16,181	-	-	-	-	-	16,181
<i>Asphalt Hotbox</i>	11,000	-	-	-	-	-	11,000
<i>FixedLinx Meter Reading System</i>	-	135,750	160,000	210,000	-	-	505,750
<i>Light Tower</i>	19,306	-	-	-	-	-	19,306
<i>Valve Program</i>	82,003	82,003	-	-	-	-	164,006
<i>Vac Trailer</i>	72,000						72,000
TOTAL	5,699,776	12,741,713	749,140	1,028,478	3,805,170	21,940,208	45,964,485

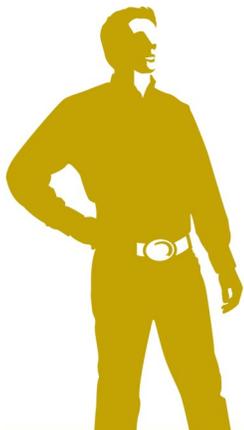


Component Units

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

Each corporation acts under the direction of a seven member board appointed by the City Council and has their own budget separate and distinct from the City of Anna budget. In addition to being managed by their boards, both the EDC and CDC budgets must be approved by the City Council. 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 has a revenue generating lease agreement on the old post office while the CDC now has a revolving loan fund that is beginning to generate revenue (the revolving loan fund is restricted revenue). The table below illustrates the revenue sources for the EDC and CDC.



Both corporations pursue projects that improve the quality of life in Anna through projects ranging from the creation of jobs to investments in park facilities. Improvements funded through each corporation have specific eligibility requirements that must be met in order to receive funding. Chapter 501 of the Local Government Code governs these corporations. Additionally, Chapter 504 specifically governs Type A corporations while Chapter 505 specifically governs Type B corporations.

EDC Revenue

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SALES TAX	\$337,690	\$315,000	\$350,000	\$350,000	11.11%
INTEREST	\$2,599	\$250	\$2,500	\$2,500	900.00%
RENTAL REVENUE	\$30,000	\$30,000	\$30,000	\$30,000	0.00%
TOTAL	\$370,289	\$345,250	\$382,500	\$382,500	10.79%

CDC Revenue

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SALES TAX	\$337,690	\$315,000	\$350,000	\$350,000	11.11%
INTEREST	\$2,594	\$250	\$2,500	\$2,500	900.00%
REVOLVING LOAN FUND	\$36,061	\$54,000	\$53,990	\$0	-100.00%
TOTAL	\$376,346	\$369,250	\$406,490	\$352,500	-4.54%



Community Development Corporation

Purpose/Description

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

FY 15 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 Mobile Ap for the City to help connect Anna residents to local businesses.
- Partnered with the Chamber and ISD to create a Resource Marketing Guide
- Supported the parks department with equipment and park amenity needs

FY 16 Objectives

- Promote community functions that foster civic pride through partnerships with GACC, Anna ISD, and other community organizations.
- Maintain appropriate cash flow and coverage ratios for sound fiscal health and ratings
- Support the City with the development of a Brand Identity for the City of Anna
- Improve and expand the City's parks and park amenities

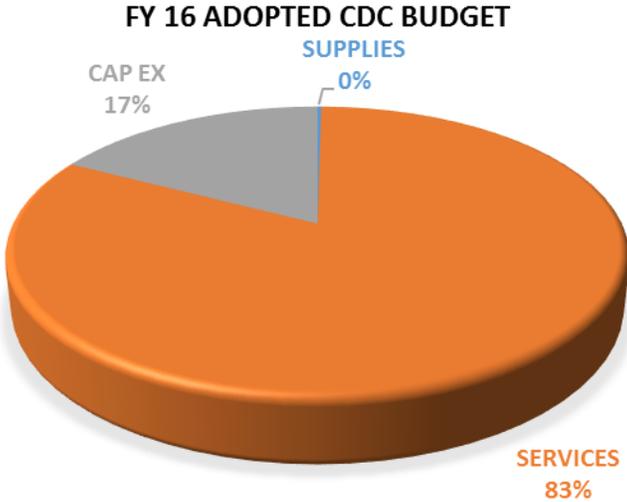
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SUPPLIES	\$150	\$850	\$360	\$800	-5.88%
SERVICES	\$234,433	\$254,160	\$283,310	\$285,600	12.37%
CAP EX	\$58,000	\$60,000	\$60,000	\$60,000	0.00%
TOTAL	\$292,583	\$315,010	\$343,670	\$346,400	9.96%



Community Development Corporation

Proposed Budget Breakdown



New and Noteworthy for FY 16

Participation with City and EDC for community brand/identity project with North Star Destination Strategies



Economic Development Corporation

Purpose/Description

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

FY 15 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 Mobile App for the City to help connect Anna residents to local businesses.
- Partnered with the Chamber and ISD to create a Resource Marketing Guide
- Sold the EDC's 48 acre land
- Executed and Economic Development Agreement for the development of a large retail tract at the NE corner of FM 455 and US 75

FY 16 Objectives

- Continue to support the Greater Anna Chamber of Commerce
- 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.
- Identify opportunities to build the professional workforce in Anna through partnerships with businesses and educational Institutions.
- Support the City with the development of a Brand Identity for the City of Anna
- Continue to facilitate opportunities to extend fiber to serve commercial areas and new residential developments.
- Cultivate relationships with medical groups and hospitals that could potentially locate in Anna as we grow.
- Identify land to purchase for a future technology business park, and develop a plan to construct infrastructure that will be required to serve the park.

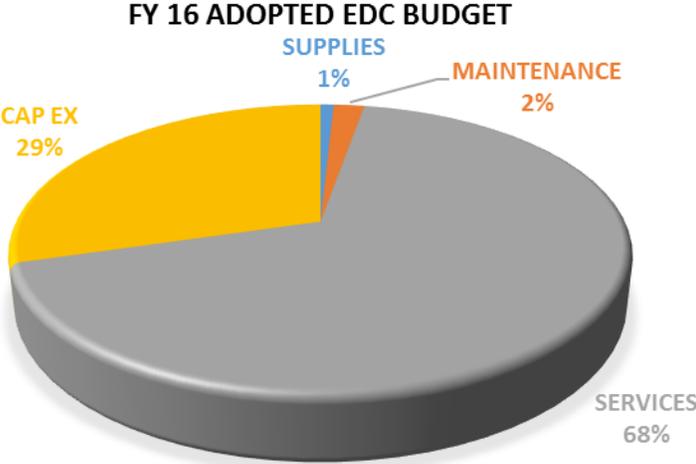
Expenditure Summary

	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SUPPLIES	\$4,122	\$4,750	\$2,600	\$2,800	-41.05%
MAINTENANCE	\$0	\$0	\$6,000	\$6,500	#DIV/0!
SERVICES	\$191,706	\$205,170	\$230,420	\$229,000	11.61%
CAP EX	\$122,840	\$105,000	\$0	\$100,000	-4.76%
TOTAL	\$318,669	\$314,920	\$239,020	\$338,300	7.42%



Economic Development Corporation

Proposed Budget Breakdown



New and Noteworthy for FY 16

Participation with City and CDC for community brand/identity project with North Star Destination Strategies

Includes funding to support an additional part time position. Operational details for this position will be worked out between the City and the Corporations with plans brought forth to the City Council for approval at a later date.



Supplemental Information

The Supplemental Information section contains the following information:

- Capital Improvements Plan
- Debt Management Plan
- Bond Ratings
- Financial and Investment Policies
- Budget Information from City Charter
- Budget Ordinance (included after adoption in September)



CITY OF ANNA

FY 2016 CAPITAL IMPROVEMENTS PLAN

The addition of a permanent structural improvement or the restoration of some aspect of property that will either enhance the property's overall value or increases its useful life



BUILDINGS

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 Detail Sheet

Budget Year (s)	Project Name	Department	
FY 17	City Hall	Admin	
Total Project Cost	\$ 10,450,000	FY 16 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>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 service except for public safety and public works</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>ADA requirements, competitive bids</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>With current and future growth projections for the city and the region, we are planning for future needs. We have outgrown our facilities and are in need of updated and permanent accommodations.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Modest amounts of fund balance if available and approved</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services		32,000					32,000
Design Costs		542,000					542,000
Const. Costs		8,730,000					8,730,000
Const. Mngmt.							-
Furn/Fixt/Equip		598,000					598,000
Engineering		98,000					98,000
Other Prof. Fees		140,000					140,000
Contingencies		310,000					310,000
Total	-	10,450,000	-	-	-	-	10,450,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
FY 19 - FY 20		Fire Station #2		Fire	
Total Project Cost	\$	3,832,000	FY 16 Budget	\$	-
<u>Project Description</u>					
<p>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 underserved.</p>					
<u>Regulatory or Legal Mandates</u>			<u>Operational Necessity/Justification</u>		
None			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, and there may be some opportunity for limited grant funding assistance but it is not anticipated that this would provide full funding, if any, for this project. Land will be provided as part of a development agreement.		

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services				14,000			14,000
Design Costs				275,000			275,000
Const. Costs					3,225,000		3,225,000
Const. Mngmt.							-
Furn/Fixt/Equip					136,000		136,000
Engineering				33,000			33,000
Other Prof. Fees				38,000			38,000
Contingencies					111,000		111,000
Total	-	-	-	360,000	3,472,000	-	3,832,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	New Police Department	Police
Total Project Cost	\$ 7,598,173	FY 16 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>As identified in our space need assessment conducted in FY 14, the City will need to build a new Police Station to accommodate the current and expected growth.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>ADA requirements, competitive bids</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>With current and future growth projections for the city and the region, we are planning for future needs. When the new City Hall is complete it will free up some space; however, a new facility will ultimately be necessary.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services						23,000	23,000
Design Costs						529,000	529,000
Cons. Costs						6,221,653	6,221,653
Const. Mngmt.							-
Furn/Fixt/Equip						427,000	427,000
Engineering						63,000	63,000
Other Prof. Fees						114,000	114,000
Contingencies						220,520	220,520
Total	-	-	-	-	-	7,598,173	7,598,173

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
Future	Fire Station #1	Fire	
Total Project Cost	\$ 6,227,000	FY 16 Budget	\$ -

Project Description

The current fire station, built in 1967 has had several additions and renovations. It has served the community well. However, it is currently not efficient or effective in serving the community for the long term. A new facility incorporating drive through apparatus bays, offices, storage, administrative & training areas, crew quarters and amenities is greatly needed. The facility would be designed to meet the needs of Anna for the next 30+ years and would provide a much greater level of enhanced customer service than the current facility. Additionally, the design would help anchor to future growth along highway 5.



Regulatory or Legal Mandates

None

Operational Necessity/Justification

The current fire station is somewhat limited in its ability to support the growing community for effective and efficient operations of the Fire Department

City Sources of Funding

Non-City Sources of Funding

Bonds, and there may be some opportunity for limited grant funding assistance but it is not anticipated that this would provide full funding, if any, for this project.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services						20,000	20,000
Design Costs						432,000	432,000
Const. Costs						5,073,000	5,073,000
Const. Mngmt.							-
Furn/Fixt/Equip						408,000	408,000
Engineering						51,000	51,000
Other Prof. Fees						62,000	62,000
Contingencies						181,000	181,000
Total	-	-	-	-	-	6,227,000	6,227,000



WATER AND SEWER

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 Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16	Foster Crossing Water Line	Water	
Total Project Cost	\$ 721,504	FY 16 Budget	\$ 721,504

<p style="text-align: center;"><u>Project Description</u></p> <p>Installation of 6,750 linear feet of twelve-inch water line generally along Foster Crossing between the existing 18" line along the DART rail and the Pecan Grove Subdivision.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
N/A	The Pecan Grove Water Line is necessary in order to provide a critical water line loop, serve future development and enable the City to fully utilize the Collin Pump Station located near the Collin County Outer Loop.

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
The project is fully funded by the 2012 Certificates of Obligation designated for water system improvements.	N/A

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition	10,000						10,000
Testing Services	33,882						33,882
Design Costs	-						-
Const. Costs	677,622						677,622
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	721,504	-	-	-	-	-	721,504

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 16	Hackberry EST	Water
Total Project Cost	\$ 2,695,263	FY 16 Budget
		\$ 1,399,093

<p style="text-align: center;"><u>Project Description</u></p> <p>Construction of a .75 MG to 1 MG elevated storage tank north of FM 455 near Hackberry Drive. The tank will be a composite tank and will expand the elevated storage capacity of the City's water system and allow for continued residential growth.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>In order to meet TCEQ mandated elevated storage capacity levels , the city will be required to build an additional elevated storage tank.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Our current system is reaching its maximum capacity. The Collin Pump Station project will add some capacity; however, an elevated storage tank will be required to keep pace with anticipated growth.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>2014 CO.</p>
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Proposed Project Budget

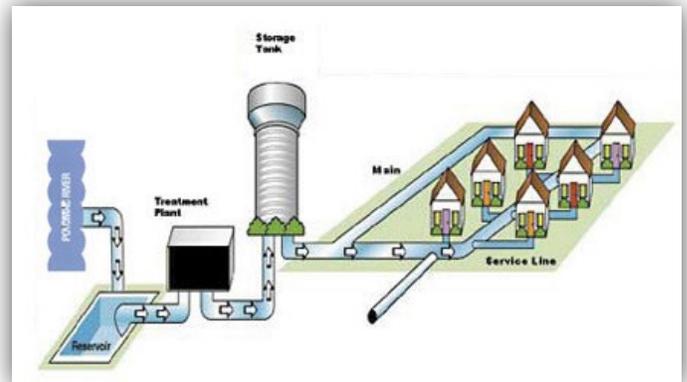
	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition	25,000						25,000
Testing Services	53,262						53,262
Design Costs							-
Const. Costs	1,183,600						1,183,600
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	137,231						137,231
Other Prof. Fees							-
Contingencies							-
Total	1,399,093	-	-	-	-	-	1,399,093

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 16	Hackberry WL	Water
Total Project Cost	\$ 1,392,852	FY 16 Budget
		\$ 616,395

Project Description

Install piping ranging from 12" up to 16" in diameter to interconnect wells and tanks. This project will also allow the overall water distribution system to be looped and create a more redundant system.



Regulatory or Legal Mandates

The additional looping will mitigate or diminish service outages and allow for additional capacity which does help avoid potential noncompliance with regulatory agencies.

Operational Necessity/Justification

The water main break in 2013 was an example of the need to provide greater redundancy in our water system. Additionally, the tower to be constructed will need to be interconnected with the overall water system.

City Sources of Funding

Non-City Sources of Funding

2014 CO.

Proposed Project Budget

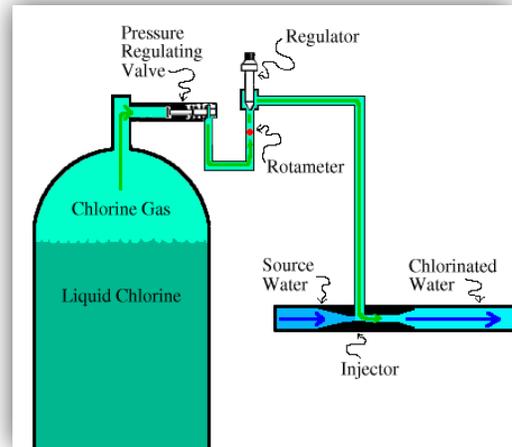
	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services	28,062						28,062
Design Costs	27,104						27,104
Const. Costs	561,229						561,229
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	616,395	-	-	-	-	-	616,395

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Disinfection Upgrades	Water
Total Project Cost	\$ 445,489	FY 16 Budget
		\$ 445,489

Project Description

Install an liquid ammonia (LAS) injection system, upgrade chlorine injection system, complete electrical upgrades, install upgrade yard piping for supply and solution, and install necessary SCADA monitoring and controls.



Regulatory or Legal Mandates

Blending water with dissimilar disinfection methods can cause chlorine levels to drop or spike when not controlled properly. Converting the water system to chloramines will provide a more stable and manageable residual reducing the likelihood of non-compliance with TCEQ regulations for system residuals.

Operational Necessity/Justification

The system is out of date and designed improperly. It must be updated to a more efficient system. Additionally, the system will allow for the treatment of surface water when introduced to our system.

City Sources of Funding

Non-City Sources of Funding

2014 CO.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	356,950						356,950
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	81,400						81,400
Other Prof. Fees	7,139						7,139
Contingencies							-
Total	445,489	-	-	-	-	-	445,489

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16 - FY 17	Sherley EST Restoration	Water	
Total Project Cost	\$ 145,000	FY 16 Budget	\$ 10,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Restoration of the Sherley Elevated Storage Tank including any potential metal work, potential lead mitigation, sandblasting, prime coat and repaint.</p>	
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<p><u>Regulatory or Legal Mandates</u></p>	<p><u>Operational Necessity/Justification</u></p> <p>The tank is a historic landmark, is located in our historic district, stands near a historic church and should be preserved. Tanks of this type were common in the 1920's and this tank is from that era.</p>
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<p><u>City Sources of Funding</u></p> <p>To be determined. The cost would be less if lead mitigation was performed prior to the last repaint. Cost to restore the tank with no lead mitigation is estimated at between \$30,000 and \$60,000.</p>	<p><u>Non-City Sources of Funding</u></p> <p>Possible grant funding from the Texas Historical Commission. We need to apply to have the tank included in the National Register of Historic Places in order to qualify for a Certified Local Government Grant. Grant funding is available for developing a preservation plan/ordinance as well.</p>
---	---

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services	5,000	5,000					10,000
Design Costs	5,000						5,000
Const. Costs		130,000					130,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	10,000	135,000	-	-	-	-	145,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17	Sherley Tank Rehabilitation	Water
Total Project Cost	\$ 246,000	FY 16 Budget \$ -
<u>Project Description</u>		
Rehabilitation of two above ground storage tanks at the Sherley Pump Station. One tank is a 300,000 gallon tank and the other is a 100,000 gallon tank.		
<u>Regulatory or Legal Mandates</u>		<u>Operational Necessity/Justification</u>
TCEQ requires annual inspections of potable water tanks. Any tanks not meeting regulatory requirements must be scheduled for cleaning/rehabilitation promptly.		A recent tank inspection showed multiple issues with the tanks including some interior degradation and sand accumulation. The tanks need to be rehabilitated and cleaned to avoid water quality issues.
<u>City Sources of Funding</u>		<u>Non-City Sources of Funding</u>
		Funds are available for the project through a Texas Water Development Board Loan administered through the Greater Texoma Utility Authority.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs		246,000					246,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	246,000	-	-	-	-	246,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department					
FY 17 - Future	US 75 Utility Relocation	Water					
Total Project Cost	TBD	FY 16 Budget	\$ -				
<p style="text-align: center;"><u>Project Description</u></p> <p>Relocation of water and sewer lines in conflict with improvements to US 75 as proposed by the Texas Department of Transportation.</p>							
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>TxDOT.</p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Water and wastewater lines must be relocated in order for the reconstruction of US 75 to be completed.</p>					
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>The project is still being evaluated in order to determine costs. One source of funding could be TxDOT reimbursements.</p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>TBD.</p>					
Proposed Project Budget							
	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	TBD	-	-	-	-	TBD

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17	Collin Pump Station Activation	Water
Total Project Cost	\$ 442,000	FY 16 Budget \$ -

Project Description

With the well and surface water blending projects complete, the next step is to activate the Collin Pump Station. Collin Pump Station is a surface water take point. The Foster Crossing Water Line along with the activation of this pump station will allow surface water to be pumped into newer sections of the system reducing potential water quality issues that could be caused by introducing unblended surface water in the older section of town.



Regulatory or Legal Mandates

The city is approaching and may exceed the TCEQ mandated maximum daily capacity our water system. Upgrades are necessary to keep pace with growth.

Operational Necessity/Justification

This project is necessary in order to accommodate future growth, activate an existing unused asset, and provide for redundancy within the water system.

City Sources of Funding

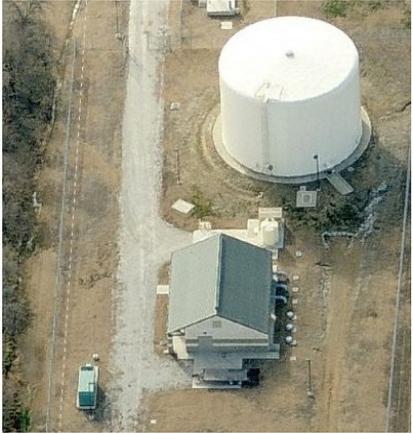
Non-City Sources of Funding

2012 CO, 2014 CO.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs		328,131					328,131
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering		72,090					72,090
Other Prof. Fees		9,011					9,011
Contingencies		32,768					32,768
Total		442,000	-	-	-	-	442,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Grayson Pump Station	Water
Total Project Cost	\$ 3,075,000	FY 16 Budget \$ -
<p style="text-align: center;"><u>Project Description</u></p> <p>Installation of pump station, pumps, back-up generator, and all piping and appurtenences. Construction of a 500,000 gallon ground storage reservoir.</p>		
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Requirement for pumping and storage capacity.</p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>While the Foster Crossing Water Line and Collin Pump Station activation will provide capacity for the short term, the Grayson Pump Station will eventually still need to be constructed to meet projected demand. For FY 16 we will complete the design and shelve the plans until needed.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined.</p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs						3,075,000	3,075,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	3,075,000	3,075,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16	Throckmorton Creek Line	Sewer	
Total Project Cost	\$ 1,600,000	FY 16 Budget	\$ 1,600,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Extend Throckmorton Creek Sewer Line as development occurs in the project area. This will eliminate the lift station on Taylor Blvd. and allow for a gravity flow regional line.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>The existing Throckmorton Lift Station is at capacity per TCEQ regulations.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Project is dictated by population growth and development in the project area and drainage basin.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Sewer Impact Fee Revenue.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Developer Funded.</p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition	62,500						62,500
Testing Services	31,986						31,986
Design Costs							-
Const. Costs	1,279,456						1,279,456
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	194,072						194,072
Other Prof. Fees	31,986						31,986
Contingencies							-
Total	1,600,000	-	-	-	-	-	1,600,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
Future	WWTP Upgrades	Sewer	
Total Project Cost	\$ 715,000	FY 16 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Upgrade existing equipment and appurtenances to meet TCEQ guidelines and allow for maximum useful life and efficient operations of the existing WWTP. Kasberg, Patrick and Associates is currently completing their evaluation of the plant. From that evaluation we will identify new projects at the WWTP to improve efficiency and mitigate compliance issues. Project costs will change based on that evaluation.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Texas Commission on Environmental Quality (TCEQ) requires certain standards be maintained in order to operate a WWTP. This project will allow the city to make the required upgrades to its WWTP.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>In order to keep pace with growth and avoid costly and unnecessary TCEQ violations, the plant needs to be updated to meet TCEQ requirements.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>2012 CO. Identify additional funding.</p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services						2,500	2,500
Design Costs							-
Const. Costs						650,000	650,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering						62,500	62,500
Other Prof. Fees							-
Contingencies							-
Total		-	-	-	-	715,000	715,000



STREETS

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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Annually	Street Rehab Program	Streets
Total Project Cost	\$ 855,000	FY 16 Budget \$ 130,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Each year the city will reserve \$100,000+ of general fund revenues to repair a street. The particular street project each year will be determined based upon the level of wear found upon city streets.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Competitive bids, safety of citizens.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>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.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund revenues.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	130,000	135,000	140,000	145,000	150,000	155,000	855,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	130,000	135,000	140,000	145,000	150,000	155,000	855,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16 - FY 17	Hackberry - Slayter Creek	Streets
Total Project Cost	\$ 900,735	FY 16 Budget
		\$ 87,000

<p style="text-align: center;"><u>Project Description</u></p> <p>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 at Highway 5.</p>	
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<u>Regulatory or Legal Mandates</u>	<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>	<u>Non-City Sources of Funding</u>
General Fund Revenue.	Bonds

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	87,000	813,735					900,735
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	87,000	813,735	-	-	-	-	900,735

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Matua Rd/CR 371	Streets
Total Project Cost	\$ 1,943,320	FY 16 Budget \$ -
<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>		<u>Non-City Sources of Funding</u>
General Fund Revenue.		Bonds.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs						1,943,320	1,943,320
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	1,943,320	1,943,320



PARKS

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 Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16	NSP Improvements	Parks	
Total Project Cost	\$ 150,000	FY 16 Budget	\$ 150,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Make improvements to Natural Springs Park for the benefit of park patrons. Official projects will be determined throughout FY 16 but may include building rehab a parking lot and other park improvements.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
None	The City of Anna parks master plan is a comprehensive plan for an interconnected top notch park system. Anna is known for its park system and these improvements will enhance Natural Springs Park

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
Parks Trust Fund Revenues, CDC Contributions	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	150,000						150,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	150,000	-	-	-	-	-	150,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	Dog Park	Parks
Total Project Cost	\$ 146,000	FY 16 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>The Park would include a concrete parking lot and access to White Street and the cross access (\$141,000), a steel fence (\$84,000), new trail (\$25,000), pergola shade structure (\$10,000) and equipment (\$22,000). Equipment would be benches, Water Fountains, Trash Cans, Obstacle, and Misc.).</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
None	The City of Anna parks master plan is a comprehensive plan for an interconnected top notch park system. Anna is known for its park system and these improvements will enhance the City's park system

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
Parks Trust Fund Revenues, General Fund Revenues, CDC Contributions	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs			119,000				119,000
Const. Mngmt.							-
Furn/Fixt/Equip			22,000				22,000
Engineering			5,000				5,000
Other Prof. Fees							-
Contingencies							-
Total	-		146,000	-	-	-	146,000



VEHICLES

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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17 - FY 20	PD Vehicle Replacement	Police
Total Project Cost	\$ 390,568	FY 16 Budget
		\$ -

Project Description

Vehicle replacement schedule based on mileage and years of service. Police Equipment up-fits included for the appropriate patrol vehicles. This project also phases out original lighting equipment purchased in 2005. Schedule includes 2 vehicles in FY 17, 3 vehicles in FY 18, 2 vehicles in FY 19, and 2 vehicles in FY 20.



Regulatory or Legal Mandates

All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.

Operational Necessity/Justification

All vehicles have a service life. Patrol vehicles endure harsh driving conditions and their lifespan is reduced accordingly. Light bars are in need of replacement due to weathering and age.

City Sources of Funding

General Fund Revenues

Non-City Sources of Funding

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		82,500	121,950	92,118	94,000		390,568
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	82,500	121,950	92,118	94,000	-	390,568

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Replace E-902	Fire
Total Project Cost	\$ 600,000	FY 16 Budget
		\$ -

Project Description

The design and purchase of a rescue pumper will be needed to replace E-902. E-902 is a 2001 model and still operates well as a reserve engine. However, it will need to be replaced in the next few years. At that time E-901 will be placed into reserve status and the new Engine will serve as the first out unit. The unit should be designed with at least a 1500 gpm pump, 1000 gallon water tank, a compliment of ground ladders, hose, tools and various other tools for extrication and EMS duties.



Regulatory or Legal Mandates

NFPA

Operational Necessity/Justification

E-902 is a 2001 year model and is beginning to show wear and tear. E-902 would be placed into reserve status and kept equipped to serve as a reserve engine if needed.

City Sources of Funding

General Fund Revenues

Non-City Sources of Funding

Grant funding from various sources will be researched and applied for accordingly.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Cons. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						600,000	600,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	600,000	600,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
Future	Aerial Platform	Fire	
Total Project Cost	\$ 1,500,000	FY 16 Budget	\$ -

Project Description

The design and purchase of a aerial device will be needed as development and growth continues. The device will allow for an elevated master stream for firefighting needs and also increase rescue capabilities of the Department. The unit should be designed with at least a 1500 gpm pump, 100 ft. ladder with platform, 300 gallon water tank, a compliment of ground ladders, hose, tools and various other tools for extrication and EMS duties.



Regulatory or Legal Mandates

The device is required to meet current NFPA standards. ISO dictates that any 3+ story structure requires an elevated device responding on the first alarm.

Operational Necessity/Justification

An aerial platform is needed to provide adequate & required fire flow capabilities on large commercial structures and multi family residence complexes. Mutual Aid resources are 20+ minutes away.

City Sources of Funding

Non-City Sources of Funding

Bonds; FEMA Grants. This item was applied for in the 2014 grant application period. No awards have been announced as of 3-24-15.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						1,500,000	1,500,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	1,500,000	1,500,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16	Brush 901 Remount	Fire	
Total Project Cost	\$ 67,500	FY 16 Budget	\$ 67,500

Project Description

This project would consist of two different areas: (1) - Purchase a new cab & chassis to replace the current chassis & cab on Brush 901. The current chassis is a 2003 year model. The replacement would be a 2015 F-450 super cab 4x4. The second phase (2) would be to take the current 2003 cab & chassis and purchase a utility bed to mount on this chassis. This unit would serve as a multi use unit for the Dept. and allow us to sale two other pieces of equipment.



Regulatory or Legal Mandates

NFPA

Operational Necessity/Justification

Although Brush 901 is 11 years old the bed, tank & pump are still serviceable. This project would allow for the sale of Rehab 901 & Rescue 901.

City Sources of Funding

General Fund Revenues; gain in sale of Rehab 901 and Rescue 901.

Non-City Sources of Funding

Grant funding from the TFS is available at a 90/10 match for the new chassis. This amount would be an estimated \$40,000 from TFS & \$5,000 from general fund.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	67,500						67,500
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	67,500	-	-	-	-	-	67,500

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Vehicle Replacement	Streets
Total Project Cost	\$ 35,000	FY 16 Budget \$ -
<u>Project Description</u>		
Purchase of a 1 ton truck with a dump bed for Streets		
<u>Regulatory or Legal Mandates</u>		<u>Operational Necessity/Justification</u>
		The Street Department will need to replace a 1 ton truck for trailering equipment and a dump bed for small asphalt repairs.
<u>City Sources of Funding</u>		<u>Non-City Sources of Funding</u>
General Fund Revenue.		

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						35,000	35,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	35,000	35,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16 - Future	PW Vehicle Replacement	Water
Total Project Cost	\$ 53,000	FY 16 Budget
		\$ 25,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Purchase a 1/2 ton 4WD extended cab pick up for the construction inspector.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
	<p>Inspection vehicles should re be replaced on a five year schedule. The current vehicle is a retired Police Tahoe. The 4WD vehicle would allow greater access to and safety in construction zones.</p>

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
Inspection fee revenue.	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	25,000					28,000	53,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	25,000	-	-	-	-	28,000	53,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16 - Future	PW Vehicle Replacement	Water
Total Project Cost	\$ 201,000	FY 16 Budget \$ 76,000
<u>Project Description</u>		
Replace 3 fleet trucks that are more than 5 years old. Vehicles to be purchased would be a crew cab 1/2 ton, single cab 1/2 ton, and a 3/4 ton with dump/flat bed.		
<u>Regulatory or Legal Mandates</u>		<u>Operational Necessity/Justification</u>
		Public Works vehicles should be on a five-year replacement schedule. The purchase of the vehicles for 2016 would replace vehicles that are more than 5 years old. The vehicles to be replaced are a 2008 Dodge Ram 1500, a 2008 Dodge 2500, and a 2004 F-150 XL.
<u>City Sources of Funding</u>		<u>Non-City Sources of Funding</u>
General Fund Revenue.		

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	76,000	25,000	25,000	25,000	25,000	25,000	201,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	76,000	25,000	25,000	25,000	25,000	25,000	201,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16 - Future	Vehicle Replacement	Sewer	
Total Project Cost	\$ 70,000	FY 16 Budget	\$ 45,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Replace a 2003 1/2 ton truck with a 1 ton truck with a crane. This would allow staff in the Sewer Department to perform lift station repairs rather than contract for this service. Replace 2014 1/2 ton truck in future as existing truck reaches end of its useful lie.</p>	
--	--

<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>DOT rules for trailering weight limits.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>5 year replacement schedule. The existing truck is a 2003, is experiencing mechanical issues and does not have a utility bed. Additionally, there are no trucks in the Wastewater Department that are large enough to pull the jet trailer or vac trailer legally.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenue.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	45,000				25,000		70,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	45,000	-	-	-	25,000	-	70,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	Replacement Pickup	Parks
Total Project Cost	\$ 35,000	FY 16 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replacement Vehicle for aging existing pickup.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>None</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Reliable transportation to and from job site and the pulling of landscape trailer.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, CDC Contributions</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			35,000				35,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	35,000	-	-	-	35,000



MACHINERY AND EQUIPMENT

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 Detail Sheet

Budget Year (s)	Project Name	Department
FY 16 - FY 19	PD IT Replacement	Police
Total Project Cost	\$ 32,590	FY 16 Budget
		\$ 5,200
<u>Project Description</u>		
<p>Computer replacement based on the extensive everyday use and costs associated with upgrading exceed the value of the units. FY 16 includes ticket writers and tablets, FY 17 includes computers and a server, FY 18 includes additional computers and tablets, and FY 19 includes peripherals and ticket writers.</p>		
<u>Regulatory or Legal Mandates</u>		<u>Operational Necessity/Justification</u>
<p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p>		<p>Computers in the office are used 24/7 causing quick wear. Computers are limited to 1 or 2 upgrades before the costs outweigh functionality. As the department continues to grow, the PD anticipates adding personnel requiring additional terminals, ticket writers, and peripherals such as printers, keyboards, and monitors.</p>
<u>City Sources of Funding</u>		<u>Non-City Sources of Funding</u>
General Fund		

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	5,200	13,300	7,900	6,190	-	-	32,590
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	5,200	13,300	7,900	6,190	-	-	32,590

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16 - FY 20	PD Video Upgrade	Police
Total Project Cost	\$ 47,185	FY 15 Budget
		\$ 36,105

Project Description

This project upgrades the current in-car video system and back office components. In addition, it adds body cameras to the system.



Regulatory or Legal Mandates

All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.

Operational Necessity/Justification

The current systems were upgraded in 2008 and have reached the end of their service life. As technology advances, it becomes difficult to find replacements. We have already experienced this with the current system. Video quality is beginning to diminish and the server, back up PC and DVD publisher is outdated.

City Sources of Funding

General Fund Revenue, PD Seizure Funds

Non-City Sources of Funding

Grants are available for this type of technology; however, they are extremely competitive.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	36,105	3,955	6,215	455	455		47,185
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	36,105	3,955	6,215	455	455	-	47,185

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
Annual		PPE		Fire	
Total Project Cost	\$	180,000	FY 16 Budget	\$	30,000

Project Description

This project would consist of replacing aging PPE (personal protective equipment). This is a priority in providing our firefighters with state of the art protection. Replacement of PPE that no longer meets safety requirements as well as having available PPE for new members is a necessity. A replacement plan of five sets each year will keep the Department in compliance with State & National standards.



Regulatory or Legal Mandates

NFPA, OSHA, TCFP

Operational Necessity/Justification

Required to provide safety for firefighters. This replacement plan provides PPE for new members and works as a retention tool encouraging members to stay active and participate in Department training and shift rotations

City Sources of Funding

General Fund, Fire Trust

Non-City Sources of Funding

Grant funding from various sources will be researched and applied for accordingly

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	30,000	30,000	30,000	30,000	30,000	30,000	180,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	30,000	30,000	30,000	30,000	30,000	30,000	180,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	FD IT Replacements	Fire
Total Project Cost	\$ 5,000	FY 16 Budget
		\$ 5,000

Project Description

In FY 15 the project would focus on the purchase of a computer for the Fire Marshal's vehicle and E-902. The Fire Marshal would be able to utilize his system with on-site fire inspections and code compliance inspections. The ability to be able to access crucial dispatch information in both vehicles would also increase firefighter and employee safety. FY 16 includes two new tablets for E-902 & C-902 along with two laptops to utilize in the EOC / training room. Monthly internet fees will be added to line item budget.



Regulatory or Legal Mandates

None

Operational Necessity/Justification

To reflect industry best practices, increase firefighter safety and operational effectiveness also increase effective operations and reporting.

City Sources of Funding

General Fund, Fire Trust

Non-City Sources of Funding

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	5,000				-		5,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	5,000	-	-	-	-	-	5,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 17 - Future	Traffic Light Controls	Fire	
Total Project Cost	\$ 60,690	FY 16 Budget	\$ -

Project Description

This purchase would equip traffic control systems with a system that would allow for safe entry into and away from a intersection. Emergency vehicles would be equipped with a signaling device that would activate the system located in the traffic signals and turn the intersection to red in all directions. As traffic counts increase this will be method to allow emergency vehicles safe access through controlled intersections to emergency scenes.



Regulatory or Legal Mandates

None

Operational Necessity/Justification

This device allows vehicles equipped with signaling devices to control intersections by turning the signal to red. Devices can also be used at gated communities, increases firefighter safety and decreases the chances of intersection accidents involving fleet vehicles.

City Sources of Funding

General Fund

Non-City Sources of Funding

Grant funding from various sources will be researched and applied for accordingly. Some cost may also be diverted to developers through agreements and possible road impact fees.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs		5,670	3,150	1,890	1,890	1,890	14,490
Const. Mngmt.							-
Furn/Fixt/Equip		16,800	8,925	6,825	6,825	6,825	46,200
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	22,470	12,075	8,715	8,715	8,715	60,690

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16-17	SCBA's	Fire
Total Project Cost	\$ 100,000	FY 16 Budget
		\$ 50,000
<u>Project Description</u>		
<p>The purchase of 12 self contained breathing apparatus (SCBA) will allow for members involved in IDLH atmospheres and operations to be equipped with state of the art respiratory protection. Keeping our SCBA's up to date with the current NFPA standard is critical. While current units are still passing test, each year more repairs are needed to keep them in compliance. The proposed plan would fund replacements over 2 years.</p>		
<u>Regulatory or Legal Mandates</u>		<u>Operational Necessity/Justification</u>
None		<p>The 12 SCBA's currently in use were purchased under the 2002 NFPA standard. These standards outdated and over 12 years old. Current SCBA's are beginning to require expensive repairs to remain in service. These new SCBA's would meet the current NFPA standard.</p>
<u>City Sources of Funding</u>		<u>Non-City Sources of Funding</u>
Pending Grant Application, Fire Trust		<p>Grant opportunities will be sought and applied for when available. An AFG grant was submitted for this replacement program in November 2014, however no awards have been announced as of March 24, 2015.</p>

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	50,000	50,000					100,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	50,000	50,000	-	-	-	-	100,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17 - 19	Radio Replacements	Police & Fire
Total Project Cost	\$ 200,000	FY 16 Budget \$ -

Project Description

This project would consist of replacing current radios with digital radios that will meet federal inter operable regulations. Radios and communication devices are critical to firefighter safety and efficient and effective emergency operations.



Regulatory or Legal Mandates

Federal interoperable P25 regulations.

Operational Necessity/Justification

The departments have some radios that are no longer supported by Motorola with limited repair options and parts available. These units will be replaced with the newest digital compliant radios. Current radios could be utilized for other city departments if needed.

City Sources of Funding

General Fund, Fire Trust, PD Seizure

Non-City Sources of Funding

Grant funding from various sources will be researched and applied for accordingly.

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		75,000	65,000	60,000			200,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	75,000	65,000	60,000	-	-	200,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 19	Tractor and Groom Mower	Parks	
Total Project Cost	\$ 91,000	FY 16 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>The Flex-Wing Grooming Mower piece of Equipment (FM2120R) and a 50-HP Tractor with a 20' wide mowing surface for grooming new parks. It would be used for grooming non irrigated fields and open spaces.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
None	Existing tractor is showing signs of age and use, a replacement tractor is expected to be needed in FY 19.

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
Parks Trust Fund Revenues, General Fund Revenues, CDC Contributions	None

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip				91,000			91,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	91,000	-	-	91,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Air Compressor	Streets
Total Project Cost	\$ 16,181	FY 16 Budget
		\$ 16,181

<p style="text-align: center;"><u>Project Description</u></p> <p>Trailer mounted air compressor for running jackhammers and other equipment.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
	Equipment would be used for running a jackhammer for concrete removal. Would speed access for excavation and street removal as well as run other equipment like a torpedo bore for water service replacement.

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
General Fund Revenue.	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	16,181						16,181
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	16,181	-	-	-	-	-	16,181

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Asphalt Hotbox	Streets
Total Project Cost	\$ 11,000	FY 16 Budget
		\$ 11,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Asphalt reclaimer and asphalt patch trailer. Keeps hot mix hot and reactivates old asphalt for use.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
	<p>Because of the long distance to asphalt plants, small quantities of hot mix will cool and harden before it is installed. This machine will keep the mix hot and reactivate cool asphalt resulting in workable asphalt and a quality repair.</p>

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
General Fund Revenue.	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	11,000						11,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	11,000	-	-	-	-	-	11,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 17 - FY 19	FixedLinx Meter Reader	Water	
Total Project Cost	\$ 505,750	FY 16 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>The City currently uses technology for our radio read meters from Master Meter. Each meter can be read remotely via radio signal. This is currently done via drive-by in a PW vehicle. This project will enable all water meters to be read remotely without the need for drive-by or manual reads.</p> <p>This project will be completed in phases based upon site surveys and determination of highest initial return on placement of the equipment.</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
None	Improve operational efficiency in the department/fund. Enable the more efficient use of personnel and delays any needs for new personnel.

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
Utility Fund Revenues	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		135,750	160,000	210,000			505,750
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	135,750	160,000	210,000	-	-	505,750

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Mobile Light Tower	Water
Total Project Cost	\$ 19,306	FY 16 Budget
		\$ 19,306

<p style="text-align: center;"><u>Project Description</u></p> <p>Vertical light tower and 20kW generator in one. L20-60HZ-T4I Portable Light Tower, 20kW output, Isuzu 4LE, 34.3 bhp, 1800 rpm, 57 hr. run time (100% load)</p>	
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<u>Regulatory or Legal Mandates</u>	<u>Operational Necessity/Justification</u>
	The light tower would be used for night work and to run power tools. The light tower could also be used for events and emergency operations.

<u>City Sources of Funding</u>	<u>Non-City Sources of Funding</u>
General Fund Revenue.	

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	19,306						19,306
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	19,306	-	-	-	-	-	19,306

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16 - FY 17	Valve Program	Water	
Total Project Cost	\$ 164,006	FY 16 Budget	\$ 82,003

<p style="text-align: center;"><u>Project Description</u></p> <p>Project would provide for the installation of 24 valves within the older area of town. The type of valve used will not cause service interruptions.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>When a water leak cannot be isolated the water system could be drained which would result in compliance violations.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project will allow the City to install isolation valves without causing service interruptions as is typical of standard valve installations. Additionally, the project will result in the ability to isolate leaks locally without draining the system.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	82,003	82,003					164,006
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	82,003	82,003	-	-	-	-	164,006

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Vac-trailer	Sewer
Total Project Cost	\$ 72,000	FY 16 Budget
		\$ 72,000

Project Description

Purchase of a hydro excavation and vacuum trailer. The equipment would be used to locate missing valves, uncover high risk utilities (gas, electric, and fiber), and clean grease and debris from lift stations and manholes.



Regulatory or Legal Mandates

The equipment could help to avoid noncompliance due to overflows caused by grease in lift stations and manholes.

Operational Necessity/Justification

The equipment would be used to locate missing water valves, uncover high risk utilities (gas, electric, and fiber), and clean grease and debris from lift stations and manholes. The equipment would save money by damage avoidance and reducing wear and tear on lift station pumps.

City Sources of Funding

To be determined.

Non-City Sources of Funding

Proposed Project Budget

	FY 16	FY 17	FY 18	FY 19	FY 20	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	72,000						72,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	72,000	-	-	-	-	-	72,000



TOTAL CAPITAL IMPROVEMENT PLAN

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

CAPITAL IMPROVEMENTS PLAN*							
Capital Projects	FY16	FY17	FY18	FY 19	FY 20	Future	Total
BUILDINGS	-	10,450,000	-	360,000	3,472,000	13,825,173	28,107,173
<i>New City Hall</i>	<i>TBD</i>	<i>10,450,000</i>	-	-	-	-	<i>10,450,000</i>
<i>Fire Station #2</i>	-	-	-	<i>360,000</i>	<i>3,472,000</i>	-	<i>3,832,000</i>
<i>New Police Station</i>	-	-	-	-	-	<i>7,598,173</i>	<i>7,598,173</i>
<i>Fire Station #1</i>	-	-	-	-	-	<i>6,227,000</i>	<i>6,227,000</i>
WATER AND WASTEWATER	4,792,481	823,000	-	-	-	3,790,000	9,405,481
<i>Foster Crossing Water-line</i>	<i>721,504</i>	-	-	-	-	-	<i>721,504</i>
<i>Hackberry Elevated Storage Tank</i>	<i>1,399,093</i>	-	-	-	-	-	<i>1,399,093</i>
<i>Hackberry Waterlines</i>	<i>616,395</i>	-	-	-	-	-	<i>616,395</i>
<i>Disinfection Upgrades</i>	<i>445,489</i>	-	-	-	-	-	<i>445,489</i>
<i>Sherley Elevated Storage Tank Rehab</i>	<i>10,000</i>	<i>135,000</i>	-	-	-	-	<i>145,000</i>
<i>Sherley Tank Restor.</i>	-	<i>246,000</i>	-	-	-	-	<i>246,000</i>
<i>US 75 Utility Relocation</i>	-	<i>TBD</i>	-	-	-	-	-
<i>Collin Pump Station Activation</i>	-	<i>442,000</i>	-	-	-	-	<i>442,000</i>
<i>Grayson Pump Station</i>	-	-	-	-	-	<i>3,075,000</i>	<i>3,075,000</i>
<i>Throckmorton Creek Sewer</i>	<i>1,600,000</i>	-	-	-	-	-	<i>1,600,000</i>
<i>WWTP Upgrades</i>	-	-	-	-	-	<i>715,000</i>	<i>715,000</i>
STREETS	217,000	948,735	140,000	145,000	150,000	2,098,320	3,699,055
<i>Annual Rehab Program</i>	<i>130,000</i>	<i>135,000</i>	<i>140,000</i>	<i>145,000</i>	<i>150,000</i>	<i>155,000</i>	<i>855,000</i>
<i>E. Hackberry Reconstruction</i>	<i>87,000</i>	<i>813,735</i>	-	-	-	-	<i>900,735</i>
<i>Mantua Rd./CR 371</i>	-	-	-	-	-	<i>1,943,320</i>	<i>1,943,320</i>
PARKS	150,000	-	146,000	-	-	-	296,000
<i>NSP Improvements</i>	<i>150,000</i>	-	-	-	-	-	<i>150,000</i>
<i>NSP Dog Park</i>	-	-	<i>146,000</i>	-	-	-	<i>146,000</i>

*All projects are subject to the availability of funds. Projects listed in the CIP do not guarantee funding. Limitations on revenue projections, grant applications, and other budgeted revenues take precedence over project funding.

CAPITAL IMPROVEMENTS PLAN							
Capital Projects	FY16	FY17	FY18	FY 19	FY 20	Future	Total
VEHICLES	213,500	107,500	181,950	117,118	144,000	2,188,000	2,952,068
<i>Police Vehicle Replace-</i>		82,500	121,950	92,118	94,000		390,568
<i>FD - Replace E-902</i>	-	-	-	-	-	600,000	600,000
<i>FD - Aerial Platform</i>	-	-	-	-	-	1,500,000	1,500,000
<i>FD - Brush 901 Re-</i>	67,500	-	-	-	-	-	67,500
<i>Streets Vehicles Re-</i>	-	-	-	-	-	35,000	35,000
<i>Inspections Vehicle Replacement</i>	25,000	-	-	-	-	28,000	53,000
<i>PW Vehicle Replace-</i>	76,000	25,000	25,000	25,000	25,000	25,000	201,000
<i>WW Vehicle Replace-</i>	45,000	-	-	-	25,000	-	70,000
<i>Parks Pickup Replace-</i>	-	-	35,000	-	-	-	35,000
Machinery/Equip	326,795	412,478	281,190	406,360	39,170	38,715	1,504,708
<i>PD Computer Updates</i>	5,200	13,300	7,900	6,190	-	-	32,590
<i>PD In-Car Video Up-</i>	36,105	3,955	6,215	455	455	-	47,185
<i>FD Annual PPE</i>	30,000	30,000	30,000	30,000	30,000	30,000	180,000
<i>FD IT Replacements</i>	5,000	-	-	-	-	-	5,000
<i>FD Traffic Light Con-</i>	-	22,470	12,075	8,715	8,715	8,715	60,690
<i>FD SCBA's</i>	50,000	50,000	-	-	-	-	100,000
<i>PD & FD Radio Re-</i>		75,000	65,000	60,000	-	-	200,000
<i>Parks Tractor and</i>	-	-	-	91,000	-	-	91,000
<i>Mobile Air Compressor for Equipment</i>	16,181	-	-	-	-	-	16,181
<i>Asphalt Hotbox</i>	11,000	-	-	-	-	-	11,000
<i>FixedLinx Meter Read-</i>	-	135,750	160,000	210,000	-	-	505,750
<i>Light Tower</i>	19,306	-	-	-	-	-	19,306
<i>Valve Program</i>	82,003	82,003	-	-	-	-	164,006
<i>Vac Trailer</i>	72,000						72,000
TOTAL	5,699,776	12,741,713	749,140	1,028,478	3,805,170	21,940,208	45,964,485

CITY OF ANNA

DEBT MANAGEMENT PLAN

The City of Anna is situated in a high growth area in Collin County along highway 75. During the high growth the City experiences in the early part of 2000, the City issues debt for significant water and sewer infrastructure projects. As the growth in the City has picked up over the past 3-4 years, the City has again found the need to issue additional debt for water and sewer improvements.

Staff has worked diligently with our First Southwest to develop and implement a debt management plan that will take advantage of call dates, rate resets, and market conditions in order to maximize the City's economic position as it relates current and future debt issues.

The following will detail current debt held by the City of Anna with the anticipated steps to ensure our financial goals are met.

City's Outstanding General Obligation Debt as of Fiscal Year Ending September 30, 2015

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
1976	GO Water Bonds	\$5,000	5.00%	n/a	1/1/16	W&S Revs
2006	Comb Tax & Ltd Surplus Rev C/O	\$650,00	4.00%	2/15/16	2/15/20	I&S Taxes
2007	Comb Tax & Rev C/O	\$795,000	3.95% thru 2/15/2017 15% thereafter	2/15/17	2/15/27	I&S Taxes
2007	GO Ref Bonds	\$205,000	3.95% thru 2/15/2017 15% thereafter	2/15/17	2/15/27	I&S Taxes
2009	Comb Tax & Rev C/O	\$720,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/29	I&S Taxes
2009	Comb Tax & Rev Ref Bonds	\$1,705,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/26	W&S Revs
2012	Comb Tax & Rev C/O	\$4,130,000	1.50% to 2.50%	2/15/19	2/15/33	W&S Revs
2014	Comb Tax & Rev C/O	\$4,180,000	2.00% to 3.65%	2/15/24	2/15/34	W&S Revs
2014A	Comb Tax & Rev Ref Bonds	\$2,546,000	0.95% to 3.60%	n/a	2/15/26	W&S Revs
2014B	GO Ref Bonds	\$1,410,000	0.30% to 2.40%	n/a	2/15/26	I&S Taxes
	TOTAL	\$16,346,000				

Breakdown of General Obligation Debt as of Fiscal Year Ending September 30, 2015

I&S Tax Supported General Obligation Debt:

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
2006	Comb Tax & Ltd Surplus Rev C/O	\$650,00	4.00%	2/15/16	2/15/20	I&S Taxes
2007	Comb Tax & Rev C/O	\$795,000	3.95% thru 2/15/2017 15% thereafter	2/15/17	2/15/27	I&S Taxes
2007	GO Ref Bonds	\$205,000	3.95% thru 2/15/2017 15% thereafter	2/15/17	2/15/27	I&S Taxes
2009	Comb Tax & Rev C/O	\$720,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/29	I&S Taxes
2014B	GO Ref Bonds	\$1,410,000	0.30% to 2.40%	n/a	2/15/26	I&S Taxes
	TOTAL	\$3,780,000				

Water & Sewer System Supported General Obligation Debt with Tax Pledge

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
1976	GO Water Bonds	\$5,000	5.00%	n/a	1/1/16	W&S Revs
2009	Comb Tax & Rev Ref Bonds	\$1,705,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/26	W&S Revs
2012	Comb Tax & Rev C/O	\$4,130,000	1.50% to 2.50%	2/15/19	2/15/33	W&S Revs
2014	Comb Tax & Rev C/O	\$4,180,000	2.00% to 3.65%	2/15/24	2/15/34	W&S Revs
2014A	Comb Tax & Rev Ref Bonds	\$2,546,000	0.95% to 3.60%	n/a	2/15/26	W&S Revs
	TOTAL	\$12,566,000				

(continued on next page)

Other Obligations as of Fiscal Year Ending September 30, 2015

Contract Debt (Greater Texoma Utility Authority) Supported by Water & Sewer System Revenue

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	GTUA Contract
2005	Contract Rev Ref Bonds	\$1,990,000	4.42%	n/a	5/1/28	Anna Project
2005	Contract Rev Bonds	\$513,750	4.79% to 5.74%	4/1/15	10/1/28	Collin/Grayson Project
2006	Contract Rev Bonds	\$1,355,000	3.40% to 3.75%	12/1/16	6/1/26	Anna/Melissa Project
2006	TWDB State Participation Loan	\$2,168,750	5.68% to 5.83%	n/a	8/1/40	Collin/Grayson Project
2007	Contract Rev Bonds	\$1,710,000	3.40% to 4.10%	12/1/17	6/1/28	Anna/Melissa Project
2007-A	Contract Rev Bonds	\$555,000	4.67% to 5.57%	5/1/17	5/1/27	Anna Project
2007-B	Contract Rev Bonds	\$820,000	4.67% to 5.57%	11/1/17	5/1/27	Anna Project
2007-C	Contract Rev Bonds	\$3,110,000	4.67% to 5.62%	11/1/17	5/1/32	Anna Project
2007	Contract Rev Bonds	\$1,057,500	4.52% to 5.62%	4/1/17	10/1/36	Collin/Grayson Project
2008	Contract Rev Bonds	\$395,000	5.14%	Any Date at 101%	5/1/27	Anna Project
	TOTAL	\$13,675,000				

The Contract Debt is included in the operating expenses of the Water and Sewer System, therefore senior to the "Water & Sewer System Supported General Obligation Debt with a Tax Pledge."

Interest and Sinking Fund Tax Debt Management

1. The City has levied an Interest and Sinking Fund rate of \$0.106659 in Tax Year 2015
2. The City's tax base is now at \$610,146,057 which means the is not dependent on future refundings and restructuring to manage it's I&S rate
3. Assuming 0% growth, no debt refundings/restructures an no new debt; the City could cover all of it's I&S tax-support obligations through maturity in 2029 at current revenue levels
4. The City still plans to implement the following refundings is there is economic benefit and to create capacity for new debt for future facility needs:
 - a. Refunding of Series 2007 Certificates and Bonds on or before February 25, 2017 to avoid interest rate reset to 15%. NO EXTENSION OF ORIGINAL MATURITY.
 - b. Refunding of Series 2009 Certificate on or before February 15, 2018 to avoid interest rate reset to 15%. NO EXTENSION OF ORIGINAL MATURITY.

The table below illustrates the planned debt service obligations specifically related to general fund debt.

Fiscal Year Ending 9/30	Existing General Obligation Debt Service	Budgeted Paying Agent Fees	Less: Self-Supporting Debt Service	Existing Net General Obligation Debt Service	Less: I&S Fund Drawdown & Transfers	Net General Obligation Debt Service
2016	\$ 1,017,769	\$ 2,500	\$ 591,982	\$ 428,288	\$ -	\$ 428,288
2017	1,015,989	2,500	596,371	422,118	-	422,118
2018	1,131,539	2,500	675,841	458,198	-	458,198
2019	1,492,422	2,500	983,950	510,972	-	510,972
2020	1,774,215	2,500	1,275,819	500,897	-	500,897
2021	1,620,549	2,500	1,127,976	495,073	-	495,073
2022	1,601,426	2,500	1,107,287	496,639	-	496,639
2023	1,557,371	2,500	1,079,638	480,234	-	480,234
2024	1,568,595	2,500	1,084,953	486,142	-	486,142
2025	1,554,426	2,500	1,087,840	469,086	-	469,086
2026	1,691,201	2,500	1,225,514	468,188	-	468,188
2027	1,150,625	2,500	910,750	242,375	-	242,375
2028	998,275	2,500	918,650	82,125	-	82,125
2029	990,613	2,500	920,738	72,375	-	72,375
2030	921,801	-	921,801	-	-	-
2031	921,830	-	921,830	-	-	-
2032	925,999	-	925,999	-	-	-
2033	934,183	-	934,183	-	-	-
2034	432,756	-	432,756	-	-	-
	\$ 23,301,584	\$ 35,000	\$ 17,723,875	\$ 5,612,709	\$ -	\$ 5,612,709

Water and Sewer System Fund Debt Management

1. The City’s budgeted rates and charges are sufficient to cover both the contract revenue obligations as well as the general obligations issued for water and sewer system improvements.
2. The City will continue to move the Greater Texoma Utility Authority (“GTUA”) contract bonds into the City’s balance sheet through the issuance of Combination Tax and Revenue Refunding Bonds.
 - a. The next refunding could occur as early as calendar year 2016 or as late as July/ August 2017.
 - i. City expects to take out the Anna Project contract bonds and get access to the debt service reserve funds currently held by GTUA
 - ii. Refunding of GTUA contract bonds in coordination with the City of Melissa to take out the Anna/Melissa Project contract bonds and get access to 50% (City of Anna share) of the debt service reserve funds held by GTUA
3. Refunding of the Series 2009 Combination Tax and Revenue Refunding Bonds on or before February 15, 2018 to avoid interest rate reset to 15%.
4. It is the City’s current intent to maintain water and sewer system annual debt service at a maximum level of \$1.9 - \$2 million per year.
5. Upcoming refundings would have the goal of reducing debt service payments in fiscal years 2019 – 2027.

The following table illustrates the planned debt service for Utility Fund debt including those debt instruments with a tax pledge.

Fiscal Year Ending 30-Sep	GTUA			City of Anna GO (W&S) Debt Service	Existing W&S Fund Debt Service
	GTUA Anna Project Debt Service	GTUA Anna/Melissa Project Debt Service	GTUA Collin/Grayson Project Debt Service		
2016	\$ 603,443	\$ 319,710	\$ 283,513	\$ 591,982	\$ 1,798,647
2017	601,655	317,740	283,666	596,371	1,799,431
2018	599,272	320,443	283,551	675,841	1,879,106
2019	606,284	322,633	343,007	983,950	2,255,874
2020	702,149	324,295	343,356	1,275,819	2,645,619
2021	797,442	325,535	343,546	1,127,976	2,594,499
2022	787,282	321,223	343,562	1,107,287	2,559,354
2023	791,063	321,655	343,408	1,079,638	2,535,763
2024	783,203	321,645	344,297	1,084,953	2,534,098
2025	789,054	321,120	343,726	1,087,840	2,541,740
2026	782,912	330,070	343,961	1,225,514	2,682,456
2027	590,155	173,245	343,295	910,750	2,017,445
2028	389,024	171,765	343,302	918,650	1,822,741
2029	317,382	-	343,935	920,738	1,582,055
2030	318,051	-	326,948	921,801	1,566,801
2031	317,877	-	327,337	921,830	1,567,044
2032	316,860	-	328,354	925,999	1,571,213
2033	-	-	326,159	934,183	1,260,342
2034	-	-	327,040	432,756	759,796
2035	-	-	325,884	-	325,884
2036	-	-	326,514	-	326,514
2037	-	-	327,500	-	327,500
2038	-	-	219,397	-	219,397
2039	-	-	221,112	-	221,112
2040	-	-	219,597	-	219,597
	\$10,093,107	\$ 3,891,078	\$ 7,905,966	\$17,723,875	\$ 39,614,025

The last refunding of water and sewer system supported debt executed at the end of calendar year 2014, allowed the City to restructure payments and maintain debt service under \$2 million through fiscal year 2018.

Debt Management Plan considerations

1. The City is currently rated “A1” by Moody’s and “A” by Fitch. It is assumed the City will be able to maintain it’s “A” category ratings to achieve the goals set forth in the debt management plan.
2. The City may undertake new debt in the future; however, new debt is expected to fall within the guidelines of the City’s debt management plan and do not have unplanned and negative budgetary impact on the City’s finances, tax rates and utility rates.

3. The City's current practice of no growth assumptions (tax base and utility fund revenues) are incorporated into the City's debt management plan and any future borrowings.
4. The City may extend the original maturity of refunded obligations if it is necessary to achieve cash flow goals. At this time, the City does not expect to extend original maturity of I&S tax supported debt, but it could extend original maturity of water and sewer system revenue supported bonds evaluated on a case-by-case basis.



Tagging Info

Fitch Affirms Anna, TX's LTGOs and COs at 'A'; Outlook Stable RatingsEndorsement Policy
23 Mar 2015 5:05 PM (EDT)

Fitch Ratings-New York-23 March 2015: Fitch Ratings has affirmed the 'A' rating on the following city of Anna, Texas (the city) obligations:

--\$650,000 combination tax and limited surplus revenue certificates of obligation (COs), series 2006;
--\$5,000 limited tax general obligation (LTGO) water bonds, series 1976.

The Rating Outlook is Stable.

SECURITY

The GO bonds and COs are secured by a pledge of ad valorem taxes levied annually within the limits prescribed by law against all taxable property in the city. The COs are further secured and payable from a limited pledge (not to exceed \$1,000) of surplus net waterworks and sewer system revenues.

KEY RATING DRIVERS

SOLID FINANCIAL POSITION: Despite growth pressures and related capital spending, the city has maintained a sound financial position through conservative budgeting practices, as evidenced by regular operating surpluses and healthy fund balance levels.

DEVELOPMENT RESUMES: After a recessionary drop, development activity is accelerating. Aggressive population growth has resumed following modest increases during the trough of the recession. Return to the rapid expansion of past years would bolster the local tax base but also present new service and infrastructure challenges.

HIGH OVERALL DEBT BURDEN: The city's overall debt burden is high, due primarily to the overlapping debt of the local school district. Fitch believes the current debt load is manageable due to the reasonable prospects for continued population and tax base expansion.

RATING SENSITIVITIES

STABLE RESERVES: Maintenance of solid financial reserves, given Anna's sales tax exposure, is a key to maintaining credit quality.

IMPROVED DEBT PROFILE: A meaningful reduction in debt levels due to continued population and tax base growth could lead to positive rating action in the future.

CREDIT PROFILE

The city is located 40 miles north of Dallas in relatively affluent Collin County (the county). Easy access to Dallas and affordable land spurred rapid population growth of 21% per year during the last decade. Despite this growth, the city's 2013 population remained modest at 9,515.

GROWTH RESUMES FOLLOWING RECESSION

Taxable assessed values (TAV) have grown substantially in recent years following moderate recessionary declines of approximately 10% from peak to trough. TAV increased by 14.5% in fiscal 2014, with further growth of 18.7% reflected in fiscal 2015 certified values. Recent growth has been driven by renewed housing market expansion, which is expected to continue in the near term.

The city's top 10 taxpayers represent a modest 7.3% of total TAV and include a mix of retail and commercial establishments. Property tax rates are above average relative to other cities in the county. The city's current rate of \$0.65 per \$100 of TAV represents a 12% hike since fiscal 2009.

Rapid population growth has resumed, with an increase of 12% in 2013 following several years of more modest increases of approximately 1% to 2% during the recession. Management expects growth to continue, pointing to increased demand for local housing and the construction of new single-family homes currently underway.

Wealth levels are mixed. Fiscal 2015 market value per capita grew considerably to \$71,000 from \$56,000 the prior year due to a combination of new residential construction and increased market demand. Per capita money income approximates the state average but is 90% of the national average. Favorably, median household income is roughly 130% of the state and national averages. No employment information is available for the city, but the unemployment rate in the county remained below state and national averages throughout the recession and has trended downward after spiking in 2010. The county's December 2014 rate of 3.7% was well below both the Texas (4.1%) and U.S. averages (5.4%) for the month.

STABLE FINANCIAL PROFILE; HIGH RESERVE LEVELS

The city has managed to meet the service demands of a growing population while maintaining a sound financial profile. The city continues to maintain very high levels of general fund reserves, well above the council-adopted policy of maintaining 90 days operating reserves.

The city's revenue sources are diverse, with property taxes comprising 54% and economically sensitive sales taxes comprising a reasonable 15% of total general fund revenues. Public safety constitutes the largest and fastest growing spending item. The city's 1% sales tax experienced rapid growth during the period of dramatic population growth, even showing double-digit annual growth throughout most of the recent recession. Sales tax revenues exhibit average annual growth of 11.6% over the last six years.

Fiscal 2013 ended with a modest draw on fund balance for capital spending, and fiscal 2014 (based on draft audit) resulted in a \$429,000 net operating surplus (after transfers), increasing the general fund balance to an ample \$3.1 million or 71% of general fund spending. The fiscal 2015 adopted budget is balanced with plans for a modest operating surplus, but unbudgeted capital spending and the purchase of land are now projected to cause another modest deficit. Fitch believes management will continue its proactive financial planning practices and budgetary oversight in order to maintain its sound financial position.

HIGH OVERALL DEBT LEVELS; LOW PENSION FUNDING

While the city's direct debt levels are modest, fiscal 2014 overall debt levels are very high at approximately \$7,800 per capita and 13.9% of fiscal 2014 market value (MV). The high debt burden is mainly driven by substantial overlapping borrowing by the Anna Independent School District (not rated by Fitch). The pace of city debt retirement is moderate at 50% in 10 years.

Most of the city's outstanding debt consists of obligations issued for its waterworks and sewer system. The city plans to restructure both its tax-supported and water and sewer debt within the next few years in order to smooth out debt service requirements, which are scheduled to rise significantly in 2018. Additional tax-supported debt is expected in the near term to fund the construction of a new city hall and roadway improvements. Though the new borrowing is not expected to significantly increase the city's debt burden, recurring borrowing for growth-related capital needs may pressure the city's liability profile in future years.

Anna's employees participate in an agent multiple-employer defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). The city routinely funds 100% of its annual required contributions. However, funding levels are low at 67% assuming a 7% investment rate of return as of Dec. 31, 2012, up moderately from 59% the prior year. Other post-employment benefits (OPEB) are also provided by the city through TMRS but are limited to group-term life insurance benefits, which may be terminated by city council and results in no unfunded liability. Carrying costs related to long-term debt, pension and OPEB liabilities were manageable at 16% of fiscal 2014 governmental fund spending.

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Additional information is available at 'www.fitchratings.com'.

In addition to the sources of information identified in Fitch's Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates.

Applicable Criteria and Related Research:

--'Tax-Supported Rating Criteria' (Aug. 14, 2012);

--'U.S. Local Government Tax-Supported Rating Criteria' (Aug. 14, 2012).

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

U.S. Local Government Tax-Supported Rating Criteria

Additional Disclosure

Solicitation Status

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Rating Update: Moody's affirms Anna, TX A1 GO rating

Global Credit Research - 08 Apr 2015

Affects \$8.4M of GO debt

ANNA (CITY OF) TX
Cities (including Towns, Villages and Townships)
TX

NEW YORK, April 08, 2015 --Moody's Investors Service has affirmed the A1 underlying rating on the City of Anna, TX. Rating affects \$8.39 million of outstanding Moody's rated bonds and certificates. Bonds and certificates are secured by a continuing and direct annual ad valorem tax levied on all taxable property in the city, within the limits prescribed by law. The certificates are additionally secured by surplus revenues of the city's waterworks and sewer system.

SUMMARY RATING RATIONALE

The A1 rating reflects the moderately sized, but growing tax base with favorable location in Collin County (Aaa/stable). The rating is also indicative of the strong recent financial performance with large reserves. The rating also reflects the elevated debt burden, mostly attributed to Anna Independent School District (A1/negative).

OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- Continued tax base expansion
- Maintenance of strong financial position

WHAT COULD MAKE THE RATING GO DOWN

- Significant trend of declining reserves
- Large increases in debt burden

STRENGTHS

- Growing tax base north of the Dallas/Fort Worth Metroplex
- Substantial fund balance

CHALLENGES

- High debt burden with additional capital needs in the future
- Limited operating size

RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

ECONOMY AND TAX BASE: RAPIDLY GROWING TAX BASE WITH FAVORABLE LOCATION

We anticipate the city's primarily residential tax located in Collin County, approximately 40 miles north of the City of Dallas (Aa1/stable). The city's tax base is growing quickly, with a five-year average growth of 6%. The fiscal 2015

full value equals \$512 million, an increase of 19% from fiscal 2014. City management further reports residential housing permits through the current year are on track to meet the prior three-year average with expected population growth of 1,000 per year. We anticipate the tax base to continue demonstrating strong growth with continued issuance of residential housing permits. Preliminary conservative projections anticipate a 7% increase in tax base for fiscal 2016. Residential wealth levels are slightly above average at 108% of US median, and 115% of the state median.

FINANCIAL OPERATIONS AND RESERVES: STABLE FINANCIAL PERFORMANCE WITH STRONG RESERVES

Over the previous five fiscal years, the operating funds experienced only one deficit, as the city utilized existing reserves for a large park purchase. Financial operations are steady, and the fund balance equals a very strong \$3.1 million, or 64.7% of fiscal 2014 operations. The city maintains a formal fund balance policy of maintaining 25% expected expenses in unassigned fund balance. The city anticipates utilizing some of the reserves for one-time expenses, but does not anticipate any major draw down on existing fund balance. The majority of operating fund revenues are driven by property taxes (55%), followed by sales tax (13.2%), and building permits (10.6%). The FY 2015 budget was passed assuming conservative property tax growth and flat sales tax. Through March 2015, sales tax collections were 15% higher than the previous year-to-date, and city officials indicate there have been no unanticipated expenses. We anticipate the city's financial performance to remain strong in the near future as the city experiences rapid growth and demand for city services.

Liquidity

The city's combined General Fund and Debt Service Fund net cash position was a very strong \$2.6 million, or 52% of operating fund revenues.

DEBT AND PENSIONS: HIGH OVERALL DEBT BURDEN SUPPORTED BY ENTERPRISE REVENUES; MANAGEABLE DEBT SCHEDULE

The city's overall debt burden is an elevated 17.6% of fiscal 2015 assessed value, the majority represents debt issued by Anna Independent School District. The majority of city issued debt is supported by the city's wastewater and sewer system, leaving the city's net direct burden a very manageable 1.24% of fiscal 2015 valuation. The fiscal 2014 debt payment equaled 9.4% of all operating expenses. Amortization is below average, with only 52.5% of principal retired in 10 years.

Debt Structure

All of the City's debt is fixed rate and is structured to be amortized out of annual revenues.

Debt-Related Derivatives

The city is not party to any derivative transactions.

Pensions and OPEB

The city contributes to the Texas Municipal Retirement System (TMRS), a multiple-employer agent pension plan administered by the state. Budgetary pressures due to the city's participation in the plan are expected to remain minimal in the near term. Moody's adjusted net pension liability (ANPL) for the city, under our methodology for adjusting reported pension data, is \$2.1 million, or 0.47 times of fiscal 2014 operating revenues including the General and Debt Service Funds. The three year average of the city's ANPL to Operating Revenues is 0.47 times. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported contribution information, or the reported liability information of the state-wide cost-sharing plans, but to improve comparability with other rated entities.

MANAGEMENT AND GOVERNANCE: CONSERVATIVE BUDGETING ESSENTIAL FOR MODESTLY SIZED OPERATIONS

Texas cities have an institutional framework score of "Aa" or strong. Cities rely on moderately stable property taxes (30% - 40%) as well as economically sensitive sales taxes (25% -35%) for their operating revenues; however cities maintain ample flexibility under the state mandated cap to raise property taxes. Expenditures are largely predictable and cities do have great flexibility in reducing expenditures given no union presence.

The City of Anna budgets conservatively, using the prior year's actual sales tax collection as the future budget.

The city also reserves a portion of developer fees for future park development and maintenance.

KEY STATISTICS

- FY 2015 Full Value: \$512 million
- FY 2015 Full Value Per Capita: \$57,685
- 2012 ACS Median Family Income as a % of the US: 107.7%
- FY 2014 Operating Fund Balance as a % of Operating Revenues: 52.0%
- 5 Year Dollar Change in Fund Balance as a % of Operating Revenues: 15.6%
- FY 2014 Operating Cash Balance as a % of Operating Revenues: 51.5%
- 5 year Dollar Change in Cash Balance as a % of Operating Revenues: 16.86%
- Institutional Framework: Aa
- Operating History: 5 Year Average of Operating Revenues/Operating Expenditures: 1.04x
- Net Direct Debt/Full Value: 1.24%
- Net Direct Debt/Operating Revenues: 1.24x
- 3 year Average of Moody's Adjusted Net Pension Liability/Full Value: 0.47%
- 3 year Average of Moody's Adjusted Net Pension Liability/Operating Revenues: 0.47x

OBLIGOR PROFILE

The City of Anna is located in north Collin County, approximately 40 miles north of Dallas, TX. The City's population was 8,249 as of the 2010 US Census, an increase of 573% from the prior census periods. City managements indicate the population is increasing by 1,000 people per year.

LEGAL SECURITY

The bonds and certificates constitute direct obligations of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, levied within the limits prescribed by law, against all taxable property within the city. The certificates are additionally secured by a pledge of surplus net revenues of the city's waterworks system, not to exceed \$1,000.

USE OF PROCEEDS

Not applicable

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

REGULATORY DISCLOSURES

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City of Anna, Texas
Financial Policies

February 10, 2015

BUDGET POLICY

Introduction:

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

Operating Budget Policies:

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

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

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

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

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

Anna's budget is coordinated to identify major policy issues for the City Council to consider several months prior to the budget approval date. In this way, the Council has adequate time to evaluate decisions and ensure proper decisions are made. The budget review process will include City Council, City staff, and citizen participation through public hearings.

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

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

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

Fund Balance:

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

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

- 1. Nonspendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds (i.e. endowment funds).
- 2. Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and child safety fees.

3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
 - a. The City Council is the City’s highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City’s Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

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

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

Minimum Unassigned Fund Balance

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

Minimum Unrestricted Net Assets

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

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

If minimum fund balance falls below the goals stated above, the City Manager will develop a strategy to initially evaluate current government wide spending to determine areas where cost

efficiencies may be realized and implement those efficiencies. Should the analysis prove insufficient to attain the goal, a multi-year strategy will be put in place to meet the goals through a combination of cost cutting, cost recovery, and revenue enhancing strategies.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restrictive category and spend those funds first before moving down to the next category with available funds.

Financial Policies:

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

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

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

Quarterly Reports:

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

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

General Obligation Bonds/ Debt:

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

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

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

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

- Ensure that the purpose of the debt is consistent with type of debt instrument
- Where possible, match the useful life of the asset with the maturity of the debt
- Review the maintenance & operations property tax rate against the debt service tax rate and ensure that no more than 35% of the total tax rate is used for debt obligations.

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

Revenues:

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

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

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

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

Types of City Funds:

- General Fund is the government's primary operating fund.

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

Fire Trust:

As part of the General Fund, the City operates a Fire Trust Account. This account is used to support the following activities in the Fire Department:

- Purchase of equipment
- Purchase of fire apparatus
- Support of Fire Department Grants, including use as matching funds

Funds in the Fire Trust and held in a special account and maintained in the City's financial software. Interest earned on Fire Trust deposits are maintained in the Fire Trust. Donations to the Fire Department, including funds voluntarily contributed by developers to support the Fire Department, are deposited into the Fire Trust.

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.

PURCHASING POLICY

Section 1. Purpose

The purpose of the Purchasing Policy and Procedures is to provide a means for the acquisition of supplies and services that are required for the operation of the City of Anna.

Section 2. Authorization and Procedures

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. The City Manager is also authorized to make Emergency Purchases consistent with this Purchasing Policy. Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy; except for Emergency Purchases authorized under this 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.

- a) Expenditures for Goods or Services \$.01 - \$999: *Department Directors are allowed to make and authorize purchases for goods or services up to \$999 without seeking quotes or bids. Expenditures in this category do not require a purchase order.*
- b) Expenditures for Goods or Services \$1,000 - \$2,999: Expenditures for good or services equal to or greater than \$1,000 but not exceeding \$2,999 may be approved at the department level by the Department Director. Department Directors should request and review at least three different quotes or bids unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. This is an informal bid process and quotes or bids may be obtained via mail, e-mail, delivery service, telephone, facsimile, catalogues, internet websites, in-store price comparison, verbal quotes, or any other reasonable method of comparing vendor pricing.
 1. Upon receipt and evaluation of the quotes or bids, the Department Director shall submit to the Finance Department a purchase order and purchasing memo summarizing the bids received and the recommended or selected vendor.
 2. In lieu of requesting 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 is eligible to participate, and

where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute.

- c) **Expenditures for Goods or Services \$3,000 - \$49,999:** Expenditures for good or services equal to or greater than \$3,000 but not exceeding \$49,999 are also bid on an informal basis with at least three written bids or quotes 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.
1. All purchases in this category must be approved in advance by the City Manager and the Finance Department. Upon receipt and evaluation of the quotes or bids, the Department Direct shall submit to the City Manager a purchase order and purchasing memorandum summarizing the responses and recommending a vendor. The memorandum shall include supporting documentation for all quotes or bids and evidence the department contacted Historically Underutilized Businesses as outlined above. After authorization has been received from the City Manager, the purchase order can be submitted to the Finance Department for final approval and processing.
 2. 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 is eligible to participate, and where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute.
- d) **Expenditures for Goods or Services \$50,000 and over:** Except for Emergency Purchases authorized under this Policy, all purchases above \$50,000 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.
- e) **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 (PSPA) shall be in accordance with the requirements outlined in the PSPA as amended.
- f) **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, to preserve or protect the public health or safety of the municipality's residents, or because of unforeseen damage to public machinery, equipment, or other property; 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 is authorized to declare or determine an emergency that necessitates an emergency purchase, and shall advise the City Council of any such emergency purchase in excess of \$50,000. When an emergency occurs during regular business hours and the expense exceeds the normal department approval amount, the department director shall contact the City Manager or his designee, to receive authorization for the emergency purchase.

g) **Responsibilities:**

1. The City Manager administers this Purchasing Policy, approves purchases between \$3,000 and \$49,999, and oversees the competitive bidding process for all purchases in excess of \$50,000 requiring approval of the City Council.
2. Department Directors prepare and review solicitations for the purchase of goods and services as outlined in this Purchasing Policy. Directors sign off on and approve all department purchases and ensure that all purchasing requirements are met. Department Directors ensure that reasonable and prudent steps are taken to assure that the best value is obtained for the goods or services to be procured.
3. The Finance Department reviews budgets to determine availability of funds for purchases.
4. Accounts Payable receives, reviews, and processes all purchase orders and payment requests.
5. Each city employee authorized to purchase supplies, equipment, or services shall be familiar with and follow this Purchasing Policy and related purchasing procedures.

Section 3. Petty Cash

Petty Cash is deemed appropriate when it allows for more efficient procurement of minor goods and services. Petty Cash may only be used for minor purchases of goods or services up to \$50.00. An employee requesting the Petty Cash must have approval from their Department Director. Documentation for the use of Petty Cash is required at time of reimbursement, and must include an invoice or receipt for the purchase. The employee requesting reimbursement will be required to sign for receipt of the cash.

Section 4. Purchase Orders

Purchase orders are required for all purchases in excess of \$999, unless otherwise indicated below. Purchase orders may be submitted for purchases less than \$999 but are not required. Purchase orders shall be submitted to Accounts Payable for processing after obtaining the appropriate approval signatures and with all supporting documentation attached. Purchase orders submitted without appropriate approval or required documentation will be returned to the originating department.

Subject the limits on the City Manager's authority to make purchases and enter into contracts on behalf of the City as outlined in the Section 2 of this Policy, purchase of the following items do not require the solicitation of bids or a purchase order and can be paid by completing a check request or payment authorization:

- Insurance Premium Payments
- Retirement System Payments (TMRS)
- Debt Service Payments
- Utility Service Payments
- Operating Leases/Maintenance Agreements
- Contracted Services (if contract was entered in accordance with this policy)
- Travel and Lodging
- Registration fees
- Membership/Professional Association dues and fees
- Postage
- Subscription Services
- Other similar routine purchases authorized by the City Manager

PURCHASING CARD POLICY

Purpose:

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

Use:

The card will be used for the following:

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

Transaction/Card Limits:

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

Cardholder Class	*Per Transaction	*Per Month
Management City Manager, Department Directors	\$ 2,500	\$ 5,000
Supervisory Division Heads, Supervisors	\$ 1,500	\$ 3,000
Intermediate Level Users	\$ 500	\$ 2,000

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

Restrictions:

Employees may NOT use the card for the following:

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

Receipts:

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

Audit review:

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

ETHICS POLICY

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

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

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

General Ethical Standards:

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

rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal thereof, pending before this government.

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

BANK DEPOSITORY

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

City of Anna, Texas
Investment Policy

February 20, 2015

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 pension and other deferred compensation plans that are separately managed. Bond funds, in addition to this Policy, shall be managed in accordance with their issuing documentation and all applicable state and federal law.

This Policy 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. A written document shall attest to the annual review and amendment adoption.

Investment Objectives:

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

1. Preservation and Safety of Principal

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 issuer defaults, erosion of market value, or other risks.

2. Liquidity

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. Public Trust

All employees involved in the City's investment program shall seek to act responsibly as custodians of the public trust. All employees involved in the investment process shall avoid any transaction which might impair public confidence in the City's ability to govern effectively.

4. Yield

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 PFIA allows a wide range of eligible investments, the City has chosen to allow only the following, which are more restrictive than the PFIA:

1. Obligations of the United States government or its agencies and instrumentalities.
2. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
3. Direct obligations of this State or its agencies and instrumentalities.
4. Certificates of Deposit, and other forms of deposit, issued in compliance with the PFIA and insured by the FDIC, or when applicable, collateralized in accordance with this Policy and the Public Funds Collateral Act.
5. Repurchase agreements placed and secured in compliance with the PFIA and, collateralized with a minimum market value of 102 percent of the dollar value of the transaction plus accumulated accrued interest.
6. SEC-registered, AAAM, or its equivalent, (as rated by Fitch, Moody's or Standard & Poor's), no-load money market mutual funds. The investment objective of the fund must be to maintain a stable dollar net asset value of \$1.00. 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. A fund prospectus shall be reviewed for compliance with this Policy prior to depositing monies.

7. State or local investment pools organized under the Interlocal Cooperation Act, operating in compliance with the PFIA and authorized by the City Council. The investment pool must be rated AAAM, or its equivalent, (as rated by Fitch, Moody's or Standard & Poor's). The investment objective of the pool must be to maintain a stable dollar net asset value.

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 an issuer or grantor. Such default risk shall be controlled by investing only in the safest types of issuers as defined in the Policy and by collateralization as required by law.

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.

Diversification by Investment Type:

When appropriate and applicable, 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 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 Strategy:

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

Construction and Capital Improvement Funds Strategy:

Suitability - Any investment eligible in the Investment Policy is suitable for Construction and Capital Improvement Funds.

Safety of Principal – All investments will be of high quality with no perceived default risk. Market fluctuations may occur. However, by restricting the maximum maturity to the lesser of the anticipated cash flow requirements or the IRS defined temporary period, the market risk of the portfolio will be minimized.

Marketability - The balancing of short-term and long-term cash flow needs requires the Construction and Capital Improvement Funds portfolio to have securities with active and efficient secondary markets.

Liquidity - Construction and Capital Improvement Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However, unanticipated needs or emergencies may arise. Maintaining minimum cash equivalent investment amounts will reduce the liquidity risk of unanticipated expenditures. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any required expenditures. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity, yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

Debt Service Funds Strategy:

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule, the market risk of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

Ensuring Liquidity:

Liquidity shall be achieved by analyzing and anticipating cash flow requirements, by investing in securities with active secondary markets and by maintaining minimum cash equivalent investment balances. An investment may be liquidated or redeemed prior to maturity for the following reasons:

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

Depository Agreements:

The City will select and designate a qualified primary bank depository in compliance with State law and the City’s purchasing policy.

All depository balances shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Depositories will be required to sign a Depository Agreement with the City. The Agreement shall address any concerns in relation to acceptable collateral, levels of collateral, substitution and addition of collateral, and reporting

and monitoring of collateral. The collateralized deposit portion of 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, including:

- The Agreement must be in writing;
- The Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- The Agreement must be approved by the Board of Directors or Designated Committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The Agreement must be part of the Depository's "official record" continuously since its execution.

Safekeeping and Custody:

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure financial institution deposits and repurchase agreements.

Securities owned by the City shall be held in the City's account as evidenced by safekeeping receipts of the institution holding the securities. Safekeeping institutions shall be independent from the parties involved in the investment transaction.

Collateral will be held by a third party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the City and eligible under State law.

Competitive Environment:

It is the policy of the City to provide a competitive environment for all individual investment purchases and sales, and financial institution, money market mutual fund, and local government investment pool selections.

Authority to Invest:

The City Manager and Finance Director shall be the Investment Officers. The Investment Officers shall oversee and approve any deposit, withdrawal, investment, transfer, documentation, and otherwise manage City funds according to this Policy. 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.

In order ensure qualified and capable investment management, 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 that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. Training will be conducted by an independent source approved by the Investment Committee and must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Prudent Investment Management:

Each 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 person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The PFIA 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:

Each 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. An 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, an Investment Officer shall file with the Texas Ethics Commission and the City Council 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 City staff. Controls deemed most important would include, but not be limited to:

1. Control of collusion
2. Separation of duties
3. Separating transaction authority from accounting and record-keeping
4. Custodial safekeeping
5. Avoidance of bearer-form securities
6. Clear delegation of authority

7. Written confirmation of telephone transactions
8. Documentation of transactions

As part of the annual audit, the Investment Officers shall facilitate an independent review by the City's external auditor to assure compliance with policies and procedures.

Monitoring Market Value:

Market value of all collateral, mutual funds, pools, and securities will be monitored periodically and obtained from a reputable and independent source.

Effect of Loss of Rating:

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. At least quarterly, the City shall monitor the rating of all investments, as applicable.

Exemption for Existing Investments:

The City is not required to liquidate investments authorized at the time of purchase.

Performance:

The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and expected cash flow of the City. Weighted average yield to maturity shall be the performance measurement standard.

Authorized Broker/Dealers:

The Investment Committee shall, at least annually, review, revise, and adopt a list of qualified broker/dealers authorized to engage in securities transactions with the City. Authorized firms include primary dealers or secondary dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).

Investment Policy Certification:

All investment providers, including financial institutions, broker/dealers, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the City's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy.

Investment Committee:

An Investment Committee comprised of the City Manager, City Finance Director and the Finance/**Budget Analyst** will meet on a periodic basis. The Committee shall monitor the investment activities; assist in the development of investment policies, strategies and procedures; and annually review and approve the City's broker/dealers and independent training sources.

Reporting:

The Investment Officers shall prepare an investment report at least quarterly in compliance with the PFIA. This report will be prepared in a manner that will allow the City to ascertain whether

investment activities during the reporting period have conformed to this Policy. The report will be provided to the City Council.

In conjunction with the annual audit, the external auditor will perform a formal review of the quarterly reports with the results reported to the City Council.

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. 695-2015
(FY 2015-2016 Budget)

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF ANNA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; APPROPRIATING MONEY TO AN INTEREST AND SINKING FUND TO PAY INTEREST AND PRINCIPAL ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF ANNA FOR THE 2015 – 2016 FISCAL YEAR.

WHEREAS, the budget, appended here as Exhibit A, for the fiscal year beginning October 1, 2015 and ending September 30, 2016, 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, 2015, and ending September 30, 2016 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 2015 – 2016 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, 2015, and ending September 30, 2016.

SECTION 3. That there is hereby appropriated the amount shown in said budget necessary to provide for an interest and sinking fund for the payment of principal and interest and the retirement of the bonded debt requirements of fiscal year 2015 - 2016 of the City of Anna.

SECTION 4. 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 \$157,476. All expenditures from this contingency appropriation shall be in accordance with Section 7.08 of the Anna City Charter.

PASSED AND ADOPTED this, the 8th day of September, 2015.

Ayes 7

Nays

Abstained

ATTEST:

Carrie L. Smith

City Secretary Carrie L. Smith

APPROVED:

Mike Crist

Mayor Mike Crist

