

City of Anna

Fiscal Year 2016-2017

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$671,547, which is a 17.22 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 \$229,560.

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

FOR: Mayor Mike Crist, Justin Burr, Rene Martinez, John Beazley, Kenneth Pelham, Nathan Bryan, Lee Miller

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

| | 2016-2017 | 2015-2016 |
|----------------------------------------------|------------------|------------------|
| Property Tax Rate: | \$0.629000/100 | \$0.639000/100 |
| Effective Tax Rate: | \$0.563030/100 | \$0.586703/100 |
| Effective Maintenance & Operations Tax Rate: | \$0.469058/100 | \$0.492909/100 |
| Rollback Tax Rate: | \$0.629000/100 | \$0.639000/100 |
| Debt Rate: | \$0.122418/100 | \$0.106659/100 |

Total debt obligation for City of Anna secured by property taxes: \$28,972,000

- \$3,473,000 is directly secured by property taxes through the I&S rate
- \$12,359,000 is secured by a tax pledge and is supported by the I&S rate and water & sewer revenues
- \$13,140,000 in revenue and contractual debt obligations to the Greater Texoma Utility Authority is also secured by water & sewer revenues



CITY OF ANNA, TEXAS

CITY OF ANNA, TEXAS

ANNA

Y{our} Hometown

Adopted FY 17 Budget

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July 26, 2017

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 draft fiscal year 2016-17 budget. The Annual Budget is the most important document that is adopted by the City Council each year. In developing this document, 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 six (6) strategic goals that help frame the City's operational work plans. The strategic plan is a working document that provides guidance to City Staff when making budgetary and operational decisions.

| Fiscal Year 2017 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 | Diversify Housing and Neighborhood Options |
| Goal 6 | Upgrade City Facilities and Infrastructure |

Value of Taxable Property and Growth

Since property values stabilized in 2013 following the 2008-2011 housing recession, the City has continued to see healthy increases in the value of existing properties. In 2015, the City saw existing property values increase just over 10% and over \$43,000,000 in new value was added the tax roll. Again in 2016, the City saw existing property values increase just over 13% and over \$35,000,000 in new value was added the tax roll. We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and that additional value will be added to the tax roll as a result of new construction in the near term. New value added to the tax role will continue to be primarily from residential growth, however, a new Wal-Mart store is currently under construction with plans to open in the spring of 2017 marking a substantial contribution to the growth of our commercial tax base.

The growth in taxable value of real property corresponds to a significant increase in residential growth and population over the past 36 months. 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, 2016 was 11,320.

As the inventory of finished lots has declined, population growth has slowed down; however, we anticipate steady growth over the next few years and the inventory of available lots increases. The City has forecasted the construction of approximately 200 new single family homes during the 2017 fiscal year. There are currently several residential developments either in design or under construction that will add 1,435 single family lots to our inventory over the next 12 to 36 months.

Tax Rate

For the 2015-16 fiscal year budget, the City Council reduced the tax rate to \$0.639 cents per \$100 of taxable assessed valuation marking the second straight year of reducing the tax rate. The proposed 2016-17 budget is funded with a property tax rate of \$0.629 cents per \$100 of taxable assessed valuation. This marks the third straight year with a reduction in the tax rate. When compared with other cities in our area, the City of Anna still has one of lowest per-capita property tax levies.

The total tax rate is divided between General Fund maintenance and operations and the Debt Service Fund. Of the total tax rate, \$0.506138 cents is dedicated to General Fund maintenance and operations, and \$0.122862 cents is dedicated to general obligation debt service. The portion of the tax rate dedicated to debt service is about 19% of the overall City tax rate.

The average taxable single-family home value for the 2016 tax year is approximately \$161,000, an

increase of \$11,750 from the previous year. At the proposed tax rate of \$0.629 the municipal taxes paid on the average single family home will be \$1,013.

Employee Pay and Benefits

During FY 16 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 49% 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 is approximately \$115,000. 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). The fiscal year 2016-17 budget includes an estimated 10% increase in the cost of health benefits provided to full-time employees.

Programs and Staffing Levels

The City currently supports a staff of 58 full-time equivalent (FTE) employees allocated among the various operating departments. The proposed budget recommends an increase of five full-time positions, one of which will be grant funded. Two full-time firefighters will be added to ensure minimum staffing levels 24 hours a day in the Fire Department. The grant funded position is for one child and family violence investigator in the Police Department. One position would be added to the

Parks Department and one in the Utility Billing Office. Staffing levels have been increased to maintain quality service delivery as our population and demand for services continues to grow.

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 2016-17 fiscal year, General Fund revenues are expected to total \$6,012,565 which is an increase of 13.05% over the previous year's budget. Property tax revenue to the General Fund is anticipated at \$3,681,042 (an increase of 13.55%), and sales tax revenue is projected at \$750,000 (an increase of 7.14% over the FY 16 budget). 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 2016-17 fiscal year total \$6,012,565 reflecting an 12.30% 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:

- Two Fire Fighters will be added to the Fire department to ensure that a minimum crew of two full-time fire fighters is available to respond to emergencies at all times. The City will continue to rely on volunteer fire fighters to supplement staffing in the Fire department.

- A Parks Maintenance Worker will be added in the Parks department to assist park maintenance and to help improve the aesthetic appeal of our parks.

- A Child and Family Violence Investigator will be added in the Police department. The salary and benefits for this new position will be paid for by a grant for three years.

The City is also developing plans to increase funding available in the general fund for improvements to our transportation system. House Bill 157 passed in the 2015 legislative session enables cities to re-allocate the 2% local option sales tax provided the local option does not exceed 2%. The current allocation provides 1% to the general fund while the Community and Economic Development Corporations each receive 0.5%. Staff is recommending that the City Council seek voter approval during the November 2016 general election to reallocate the sales tax providing 1.25% to the General Fund (with 0.25% dedicated for streets) and 0.75% to the Community Development Corporation. The operations of the Economic Development Corporation would be merged with the Community Development Corporation. The Community Development Corporation has the ability to perform all functions and activities of an Economic Development Corporation so the functions of the Economic Development Corporation will continue. Should the election pass, staff will prepare a budget amendment for Council approval recognizing the additional sales tax revenue in the General.

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 \$15.8 million in outstanding tax supported debt. \$12.4 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 over \$3.4 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 \$889,542. Expenditures in the Debt Service Fund total \$889,542. Approximately \$467,424 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 and street projects.

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 early in FY 2016-17.

Water and Sewer Fund

The Water and Sewer Fund in 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 the Administration, Water, Sewer, Solid Waste, and Utility Billing departments.

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 FY 16-17 are estimated at \$7,163,532 (an increase of 11.48%) and total expenditures are budgeted at \$7,163,532 (an increase of 12.60 %).

Organization and Personnel

Throughout the FY 2015-16 fiscal year, the Public Works Administration has worked to organize staffing within each division or department of the Water and Sewer Fund. The Administration department was created in FY 2015-16 to provide 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.

In order to improve customer service and support the operations of the Utility Billing department, a Work Order Technician is funded in the proposed budget. This position will focus on completing customer driven work orders which will free up time for existing Water department employees to focus on maintenance and operation of the water system.

Automated Meter Infrastructure (AMI)

The proposed budget also includes funding for a fully automated meter infrastructure (AMI) program. The new AMI system will replace all existing meters with smart meters that will improve accuracy, increase efficiency, and offer better service to our utility customers.

We estimate that Water department employees spend an average of 164 man hours per month reading water meters and on other associated tasks. The total annual cost (\$36,471 labor plus \$7,872 in fuel) is estimated at \$44,384. This cost will increase as the number of utility customers increases. An entry level maintenance worker costs approximately \$46,000 per year and works an average of 155 hours per month in the field. The AMI system would cost an estimated \$1.3 million and would be financed over a ten-year period. The annual payments on the AMI system (\$144,681) are approximately \$54,000 more than the current annual cost (\$90,000) of our standard water meter replacement program.

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

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

Debt Management

Currently the Utility Fund holds just under \$25.5 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 annual debt service increasing steadily with a spike in FY 20 and again in FY 26.

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, refundings are slated for early FY 2016-17. These refundings will also free up cash and reduce pressure on utility rates.

Regional Water Charges

The City of Anna along with the cities of Melissa, Van Alstyne, and Howe belong to a strategic alliance called the Collin Grayson Municipal Alliance (CGMA). The alliance (CGMA) purchases treated surface water from the North Texas Municipal Water District (NTMWD) through a contract with the Greater Texoma Utility Authority (GTUA). The CMGA purchases a minimum take or pay (MT/P) allocation of water through GTUA from NTMWD. Currently each city is responsible for 25% of the total MT/P amount.

This treated surface water supplements the City's water supply especially during the summer months when water consumption is highest. As our population has grown and water demand has increased, we have been required to increasingly supplement our well water with treated surface water. As we have forecasted consumption and

production of our wells, it appears that the CGMA as a group will likely exceed the MT/P allocation in FY 2017. When this happens, the City of Anna will be responsible for the cost of all of the water we consume above the original MT/P amount. This increased water consumption coupled with a 10.3% increase in the price of water supplied from NTMWD has resulted in a 65.51% increase in the budgeted cost for treated surface water.

Regional Wastewater Charges

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

Since the SCWI became operational the City has diverted 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 in 2015 it became apparent that the City was experiencing a significant inflow and infiltration or I&I problem. The penetration of rainwater into the wastewater system is a phenomenon commonly referred to as "inflow & infiltration" or I&I. To address the I&I problem, the Public Works department implemented an aggressive program to identify and repair I&I problems in the system. Throughout FY 2015-16 Public Works staff has focused on identifying and repairing inflow problems at the surface. During the FY 2016-17 the City will focus on identifying the primary sources of infiltration underground.

The City pays a transport and treatment charge to NTMWD for all the wastewater that we pass into

their system. The FY 2015-16 budget included a significant increase in the budget for wastewater diverted into the regional NTMWD system. In FY 2016-17 this amount will increase only marginally corresponding to an increase in utility customers and a small increase in the rate charged by NTMWD.

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 to fully fund the cost of operating our system while maintaining an adequate financial reserve. Last year's 2015-16 budget included 9% increase in water and sewer rates effective on October 1, 2015. Based on preliminary results from the most recent rate study, we do not anticipate the need for any water and sewer rate increase this year. However, average consumption has been trending downward and is consistent with consumption patterns in 2014. Should consumption patterns change and result in decreased consumption, the City's water revenues may fall below the budget estimate. Staff will monitor revenues throughout FY 16-17 and recommend any action should actual revenue not meet budgeted projections.

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.

Capital Improvement Funds

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.

| Project | FY 17 Estimated* Budget | Funding Source |
|---------------------------------------------|-------------------------|--------------------------------------------------------------|
| Foster Crossing Water Line** | \$797,785 | 2012 & 2014 Certificates of Obligation |
| Throckmorton Creek Wastewater Interceptor** | \$1,354,406 | Wastewater Impact and Developer Fees |
| Hackberry Elevated Storage Tank** | \$349,773 | 2012 & 2014 Certificates of Obligation |
| Sherley Tank Rehab | \$113,954 | Reserve GTUA Bond Proceeds |
| US 75 Utility Relocation | \$1,812,000 | Water Impact and Developer Fees, TxDOT/County reimbursements |
| Collin Pump Station Activation | \$442,000 | 2012 & 2014 Certificates of Obligation |
| Disinfection System Upgrades | \$502,900 | 2012 & 2014 Certificates of Obligation |
| Natural Spring Park Improvements | \$329,000 | Collin County Grant and Park Trust |
| Automated Meter Infrastructure (AMI) | \$1,295,500 | Future Debt Issue |
| City Hall Design | TBD | Future Bond Issue |

Restricted Revenue Trust Funds

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

| DEPARTMENT | FY 2016-17 PROJ. REVENUE |
|------------------------------------|--------------------------|
| WEST CROSSING WATER TRUST | \$82,000 |
| WEST CROSSING SEWER TRUST | \$82,000 |
| WEST CROSSING PARK TRUST | \$30,750 |
| NORTHPOINTE WATER TRUST | \$56,000 |
| NORTHPOINTE SEWER TRUST | \$56,000 |
| NORTHPOINTE PARK TRUST | \$10,500 |
| ANNA CROSSING WATER | \$92,000 |
| ANNA CROSSING SEWER | \$92,000 |
| ANNA CROSSING ROADWAY FEES | \$62,100 |
| LAKEVIEW WATER | \$40,000 |
| LAKEVIEW SEWER | \$40,000 |
| LAKEVIEW PARK | \$15,000 |
| AVERY POINT WATER | \$70,000 |
| AVERY POINT SEWER | \$70,000 |
| CAMDEN PARC WATER | \$60,000 |
| CAMDEN PARC SEWER | \$60,000 |
| PARK TRUST | \$93,750 |
| ROADWAY IMPACT FEES SERVICE AREA 1 | \$76,000 |
| ROADWAY IMPACT FEES SERVICE AREA 2 | \$58,000 |
| FIRE DEPARTMENT TRUST | \$9,200 |
| COURT BUILDING SECURITY FUND | \$2,500 |
| COURT TECHNOLOGY FUND | \$3,000 |
| CHILD SAFETY FUND | \$10,500 |

Expenditures

| DEPARTMENT | FY 2016-17 EXPENDITURES |
|--------------------------------------|-------------------------|
| COURT BUILDING SECURITY FUND | \$3,780 |
| COURT TECHNOLOGY FUND | \$1,500 |
| CHILD SAFETY FUND | \$8,000 |
| PARK TRUST | \$369,000 |
| FIRE TRUST | \$16,000 |
| WASTEWATER IMPACT/ DEVELOPER FEES | \$1,354,406 |
| WEST CROSSING/LAKEVIEW PARK TRUSTS | \$43,500 |
| ANNA CROSSING WATER/SEWER | \$104,000 |
| ANNA CROSSING ROADWAY FEES | \$35,100 |

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 2016-17 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

Kenneth Pelham

Place 4

Rene Martinez

Place 2

Nathan Bryan

Place 5, Deputy Mayor Pro Tem

John Beazley

Place 3, Mayor Pro Tem

Lee Miller

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

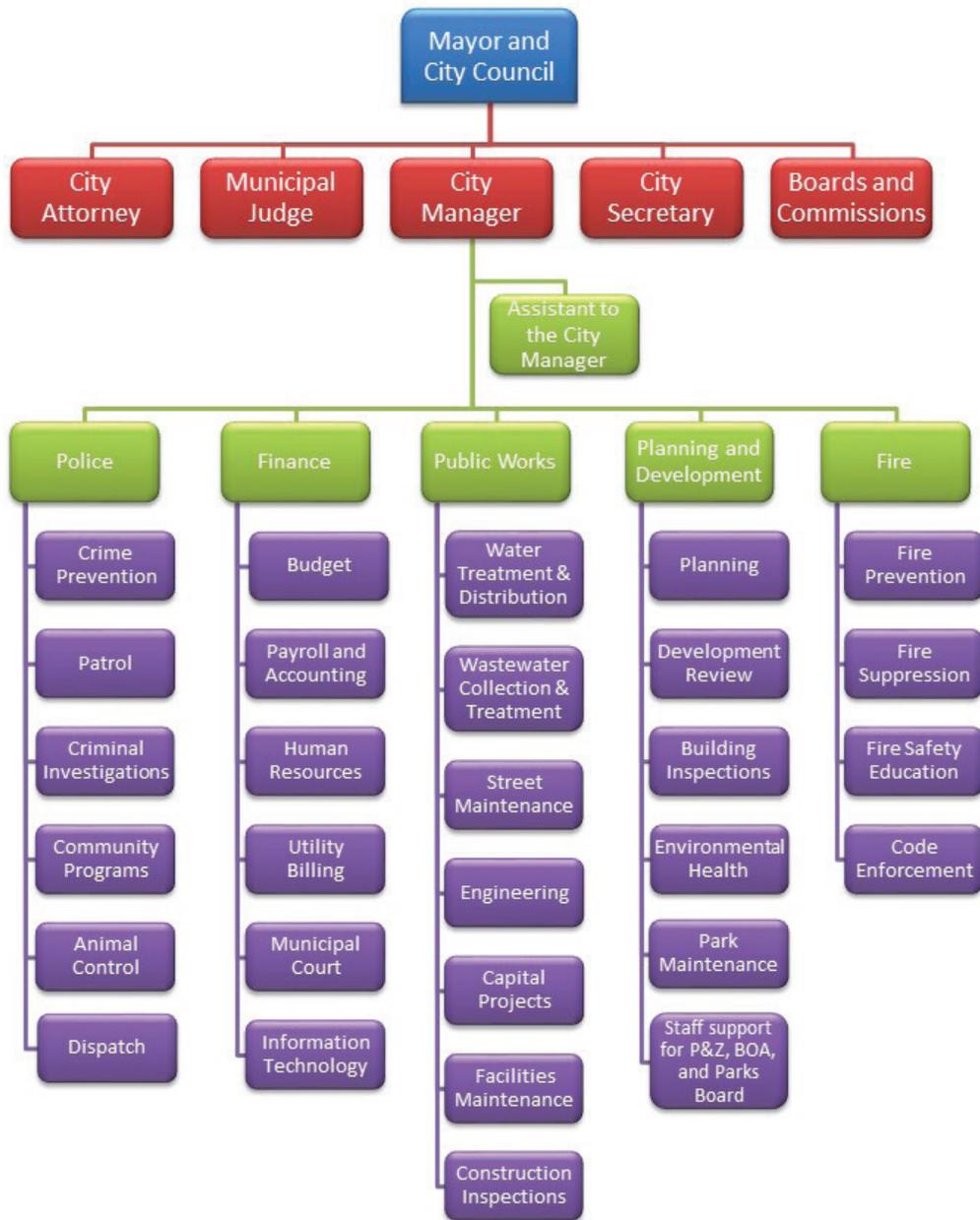
Carrie Smith

City Secretary

Tim Gothard

Fire Chief

City 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.

Commitment and Vision

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*

Strategic Goals and Objectives

- *Attract Professional Jobs*
- *Improve Curb/Aesthetic Appeal of our Community*
- *Promote Downtown Development*
- *Promote Retail Development*
- *Diversify Housing and Neighborhood Options*
- *Upgrade City Facilities and Infrastructure*

Strategic Implementation Strategy

FY 2017 Strategic Plan Implementation Strategy

Attract Professional Jobs

1. Develop a technology business park in Anna.
 - Purchase land for a future technology business park
 - Develop a plan for infrastructure that will be required to serve the park.
2. Focus on 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. Promote the City's Brand through targeted marketing efforts.

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.
 - Develop financing plan for the Hackberry Drive Reconstruction Project (SH 5 to Slayter Creek)
 - Explore funding opportunities for extension of Ferguson Parkway (Taylor to Outer Loop)
 - Work with governmental partners to secure funding for SH 5 improvements.
2. Improve and expand the City's parks and opens spaces.
 - Continue focus on maintenance and operation of existing parks and facilities in order to create an excellent "customer experience".
 - Focus on improvements to Natural Springs Park (ponds, restrooms, parking areas, office space)
 - Evaluate feasibility of City recreation programs (youth and adult)
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

Promote Downtown Development

1. Adopt development regulations for the downtown district consistent with the updated master plan.
2. Explore potential Public Private Partnerships (P3) opportunities.
3. Promote a "park and play" atmosphere in the Downtown District.
 - Implement downtown signage program consistent with our community brand
4. Improve the SH 5 and 4th Street streetscapes in the Downtown District.
 - Work with governmental partners to identify potential funding sources for improvements to SH 5 and 4th Street.

Promote Retail Development

1. Develop and adopt development regulations for “small area plans” for the major retail and commercial districts.
 - Complete small area plan for US 75 corridor
2. Review and refine current strategies and partnerships for recruiting retail development.
 - Continue to promote Anna through participation with ICSC
 - Focus on development opportunities at the US 75/FM 455 Intersection

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.).
 - Continue 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.

Upgrade City Facilities and Infrastructure

1. Commence development of full construction plans for a new City Hall.
2. Develop financing plan for the future construction of: Fire Station #2; remodel of the Central Fire Station #1; remodel and expansion of Police department facilities.
3. Make improvements to City infrastructure that are necessary to accommodate the growth of our community.
 - Complete the FM 455 Reconstruction Project
 - Continue to coordinate with TxDOT on the US 75 Reconstruction Project
 - Complete the Hackberry Elevated Storage Tank.
 - Construct the Foster Crossing Water Line Project, the Throckmorton Creek Wastewater Interceptor Project, the Sherley Pump Station Ground Storage Tank Rehabilitation Project, and the Collin Pump Station Activation Project and the Water Disinfection Upgrade Project
 - Commence Construction on the US 75 Utility Relocation Project.
 - Focus on I&I detection and repair.
 - Continue transition to a complete Automated Metering Infrastructure system.

City Statistics

| | |
|-------------------------------------------------------------|-----------------|
| Date of Incorporation | 1913 |
| Date of Home Rule Charter Adoption | 7-May-05 |
| Form of Government | Council/Manager |
| Estimated Population as of January 1, 2016 | 11,320 |
| Area in Square Miles | 15.6 |
| Planning Area in Square Miles (including ETJ) | 61.1 |
| Fire Protection | |
| Number of Full Time Equivalents | 6 |
| Number of Volunteers | 22 |
| Calls for Service (entire Fire District 2015 Calendar Year) | 1262 |
| Fire Inspections (2015 Calendar Year) | 215 |
| Police Protection | |
| Sworn Police Officers | 15 |
| Civilian Employees | 1 |
| Calls for Service (2015 Calendar Year) | 11,384 |
| Arrests (2015 Calendar Year) | 311 |
| Water and Sewer Utility | |
| Active Residential Accounts | 4,427 |
| Active Non-Residential Accounts | 169 |
| Average Daily Water Production (2015) | 1,115,682 |
| Ground Storage Capacity (gallons) | 1,000,000 |
| Elevated Storage Capacity (gallons) | 500,000 |
| Ground (Well) Water Production Capacity (gallons per day) | 1,656,000 |
| Water Distribution Capacity (gallons per day) | 2,520,000 |
| Waste Water Treatment Capacity (gallons per day) | 500,000 |
| Building Permits | |
| Residential Building Permits (2015 Calendar Year) | 277 |
| Residential Market Value (2016 Certified Tax Roll) | \$603,270,141 |
| Non-residential Building Permits | 4 |
| Non-residential Market Value (2016 Certified Tax Roll) | \$362,873,551 |
| Parkland Acreage | |
| Acres of Developed Parkland | 112 |
| Acres of Undeveloped Parkland | 85 |

Budget Process

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 and provides an executive summary highlighting 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 by line items 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 submit their five year capital improvements plan to the City Manager. This update includes 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 workshop meetings with the Council are public meetings where citizens can come to participate and hear 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 in late July. Once the Council has reviewed the preliminary draft, a final workshop will be held in early August when the budget has been 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. The hearing typically occurs in late August.

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 presented in late July will include the proposed tax rate to fund the budget.

Depending on the official tax rate calculation from the Collin County Tax Assessor-Collector, tax rate hearings typically occur in late August and/or early September. Formal adoption of the budget and tax rate is typically scheduled for mid-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, 2015. 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.

While the City of Anna this received this award for 3 consecutive years, it is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we intend to submit 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, 2015

A handwritten signature in black ink, which appears to read "Jeffrey R. Enos".

Executive Director

FY 17 Budget Calendar

APR

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

- 1 - Activate budgeting program
- 1 - Submit 5 year CIP to City Manager
- 12 - Discuss FY 17 goals
- 26 - Discuss FY 17 goals
- 29 - Complete FY 17 budget projections

MAY

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

- 2 - Read only status in budgeting program
- 9-20 City Manager and Finance Department to meet with Department Directors to discuss proposals
- 10 - Review Preliminary Revenue Estimates
- 24 - Review Draft Admin Budgets
- 23-27 Update budget proposals

JUN

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

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

JUL

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

- 12 - Review Draft Water, Sewer, & UB Budgets
- 25 - Chief Appraiser deadline to certify appraisal rolls
- 26 - Present Draft Budget in workshop
- 26 - Schedule date & time for budget hearing

AUG

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

- 4 - Publish Notice of Public Hearing on Budget
- 5 - Budget available for Public Review
- 9 - Review Proposed Budget/Vote on Max Tax Rate
- 11 - Publish Notice of Public Hearing on Budget
- 11 - Publish Notice of Proposed Tax Rate
- 19 - 72 hr. open meeting notice-Budget/TaxRate
- 23 - Public Hearing on Budget/Tax Rate

SEP

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

- 2 - 72 hr. open meeting notice - Tax Rate
- 6 - 2nd Hearing on Tax Rate
- 9 - 72 hr. open meeting notice - Budget/Tax Rate
- 13 - Adopt Budget and Tax Rate and ratify if needed
- 14 - 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

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 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:

FY 17 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 apparent deficit in the Utility Fund for FY 17 is funded through the use of bond proceeds held in reserve fund the proposed infrastructure projects in the Utility Fund.

FY 17 Consolidated Schedule

| | General | Debt Service | Restricted | Capital Improvements | Utility | Component Units | Combined Totals |
|----------------------------------|--------------------|------------------|------------------|-------------------------|--------------------|--------------------|---------------------|
| Revenues | | | | | | | |
| Property Tax | \$3,681,042 | \$889,542 | \$0 | \$0 | \$0 | \$0 | \$4,570,584 |
| Other Taxes (Sales and other) | \$1,200,000 | \$0 | \$0 | \$0 | \$0 | \$750,000 | \$1,950,000 |
| Development | \$440,100 | \$0 | \$0 | \$0 | \$0 | \$0 | \$440,100 |
| Fines | \$100,000 | \$0 | \$5,500 | \$0 | \$0 | \$0 | \$105,500 |
| Intergovernmental | \$195,670 | \$0 | \$10,500 | \$0 | \$0 | \$0 | \$206,170 |
| Water Sales and Fees | \$0 | \$0 | \$0 | \$0 | \$3,430,964 | \$0 | \$3,430,964 |
| Sewer Sales and Fees | \$0 | \$0 | \$0 | \$0 | \$2,274,144 | \$0 | \$2,274,144 |
| Trash sales and Fees | \$0 | \$0 | \$0 | \$0 | \$846,000 | \$0 | \$846,000 |
| Transfer In | \$0 | \$0 | \$0 | \$34,190 | \$467,424 | \$161,000 | \$662,614 |
| Fund Balance Allocation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Proceeds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grant Revenue | \$0 | \$0 | \$289,500 | \$0 | \$0 | \$0 | \$289,500 |
| Impact/Developer Fees | \$0 | \$0 | \$355,300 | \$0 | \$800,000 | \$0 | \$1,155,300 |
| Contributed Capital | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$395,753 | \$0 | \$0 | \$0 | \$145,000 | \$25,000 | \$565,753 |
| Total Revenues | \$6,012,565 | \$889,542 | \$660,800 | \$34,190 | \$7,963,532 | \$936,000 | \$16,496,629 |
| Expenditure/Expense | | | | | | | |
| Payroll | \$3,815,106 | \$0 | \$3,780 | \$0 | \$1,148,116 | \$0 | \$4,967,002 |
| Supplies | \$360,355 | \$0 | \$0 | \$0 | \$93,173 | \$4,650 | \$458,178 |
| Maintenance | \$185,750 | \$0 | \$0 | \$0 | \$352,900 | \$4,730 | \$543,380 |
| Services | \$1,328,566 | \$0 | \$9,500 | \$0 | \$5,137,808 | \$567,768 | \$7,043,642 |
| Capital Expenditures | \$322,788 | \$0 | \$385,000 | \$0 | \$0 | \$173,132 | \$880,920 |
| Other Uses of Funds | \$0 | \$0 | \$78,600 | \$0 | \$0 | \$0 | \$78,600 |
| Transfer Out | \$0 | \$467,424 | \$0 | \$0 | \$431,535 | \$161,000 | \$1,059,959 |
| Debt Service | \$0 | \$422,118 | \$0 | \$0 | \$0 | \$0 | \$422,118 |
| Total Expenditure/Expense | \$6,012,565 | \$889,542 | \$476,880 | \$0 | \$7,163,532 | \$911,280 | \$15,453,799 |

Three Year (FY 15 – FY 17) Consolidated Financial Schedule

The following schedule illustrates the total financial sources and uses for City of Anna since FY 15. The FY 15 amounts are actual financial results

while the FY 15 amounts represent the budgeted amounts. The FY 17 amounts are those proposed in this budget.



| | General | | | Debt Service | | | Restricted Revenue | | | Capital Improvements | | | Utility | | | Component Units | | | Combined Totals | | | | |
|----------------------------------|---------------|---------|---------|---------------|---------|-------|--------------------|---------|-------|----------------------|---------|-------|---------------|---------|---------|-----------------|---------|-------|-----------------|----------|----------|-----|--|
| | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | FY 15 | FY 16 | FY 17 | | |
| | Actual Budget | Adopted | | Actual Budget | Adopted | | Actual Budget | Adopted | | Actual Budget | Adopted | | Actual Budget | Adopted | | Actual Budget | Adopted | | Actual Budget | Adopted | | | |
| Revenues | | | | | | | | | | | | | | | | | | | | | | | |
| Property Tax | 2,791 | 3,242 | 3,681 | 528 | 649 | 890 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other Taxes* | 1,187 | 1,120 | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Development | 466 | 423 | 440 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fines | 100 | 100 | 100 | 0 | 0 | 0 | 4 | 5 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Intergovernmental | 114 | 188 | 196 | 0 | 0 | 0 | 10 | 10 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Water Sales and Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,928 | 3,165 | 3,431 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sewer Sales and Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,836 | 2,037 | 2,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Trash sales and Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 753 | 800 | 846 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transfer In | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 274 | 34 | 432 | 95 | 219 | 467 | 0 | 0 | 161 | 370 | 253 | 1,060 | 0 | |
| Fund Balance Allocation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Bond Proceeds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Grant Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 290 | 121 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 121 | 0 | 290 | 0 | |
| Impact/Developer Fees | 0 | 0 | 0 | 0 | 0 | 0 | 112 | 279 | 355 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 112 | 279 | 1,155 | 0 | |
| Contributed Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other | 296 | 246 | 396 | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 145 | 0 | 0 | 0 | 0 | 370 | 487 | 566 | 0 | |
| Total Revenues | 4,955 | 5,319 | 6,013 | 528 | 649 | 890 | 128 | 293 | 661 | 396 | 34 | 432 | 5,612 | 6,426 | 7,963 | 807 | 735 | 936 | 12,426 | 13,456 | 16,894 | 0 | |
| Expenditure/Expense | | | | | | | | | | | | | | | | | | | | | | | |
| Payroll | 2,778 | 3,419 | 3,815 | 0 | 0 | 0 | 0 | 4 | 4 | 0 | 0 | 0 | 910 | 1,013 | 1,148 | 0 | 0 | 0 | 3,687 | 4,436 | 4,967 | 0 | |
| Supplies | 176 | 314 | 360 | 0 | 0 | 0 | 2 | 4 | 0 | 0 | 0 | 0 | 87 | 110 | 93 | 4 | 6 | 5 | 269 | 433 | 458 | 0 | |
| Maintenance | 142 | 169 | 186 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 452 | 405 | 353 | 0 | 0 | 0 | 5 | 595 | 574 | 543 | 0 | |
| Services | 1,120 | 1,276 | 1,329 | 0 | 0 | 0 | 25 | 10 | 10 | 0 | 0 | 2,862 | 4,698 | 5,138 | 426 | 460 | 568 | 4,433 | 6,446 | 7,043 | 0 | | |
| Capital Expenditures | 347 | 180 | 323 | 0 | 0 | 0 | 69 | 248 | 385 | 240 | 702 | 0 | 1,324 | 102 | 0 | 181 | 165 | 173 | 2,161 | 1,396 | 881 | 0 | |
| Other Uses of Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79 | 0 | |
| Transfer Out | 0 | 0 | 0 | 85 | 219 | 467 | 0 | 0 | 0 | 0 | 0 | 84 | 34 | 432 | 0 | 0 | 161 | 169 | 253 | 1,060 | 0 | 0 | |
| Debt Service | 0 | 0 | 0 | 445 | 430 | 422 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 445 | 430 | 422 | 0 | |
| Total Expenditure/Expense | \$4,562 | \$5,362 | \$6,013 | \$530 | \$649 | \$890 | \$96 | \$264 | \$477 | \$240 | \$702 | \$0 | \$5,720 | \$6,362 | \$7,164 | \$611 | \$630 | \$911 | \$11,759 | \$13,969 | \$15,454 | \$0 | |

*Sales and Other Taxes

Schedule of Fund Balance

| | 2015 Audited Fund Balance | 2016 Projected Fund Balance | 2017 Proposed Fund Balance | % Change FY 16 to FY 17 |
|-----------------------------------------|------------------------------|--------------------------------|-------------------------------|----------------------------|
| Total Governmental Funds | \$4,196,102 | \$3,527,650 | \$4,182,531 | 19% |
| Non-spendable | \$0 | \$600,000 | \$0 | -100% |
| Restricted | \$1,623,825 | 932,472 | 1,150,407 | 23% |
| Committed | \$157,476 | \$180,377 | \$185,788 | 3% |
| Assigned | | | \$431,535 | N/A |
| Unassigned | \$2,414,801 | \$1,814,801 | \$2,414,801 | 33% |
| Utility Fund | \$9,630,368 | \$6,919,718 | \$4,080,545 | -41% |
| Working Capital | \$1,629,902 | \$1,693,837 | \$1,693,837 | 0% |
| Restricted Cash for System Improvements | \$8,000,466 | \$5,225,881 | \$2,386,708 | -54% |

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.

Non-spendable funds are amounts loaned to the Capital Projects Fund (a governmental fund) for land purchased for a new City Hall. It is expected that amount will be repaid when bonds are issued for the project. 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.

The overall increase in fund balance is driven by an increase in restricted funds related to commercial and residential development and an amount that will be transferred from the Utility Fund in FY 17 and assigned for future capital projects.

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. The steep decline in restricted cash is related to the use of bond funds for critical water and sewer infrastructure projects.

Staffing Schedule

The schedule on the right includes the staffing levels for the entire City since FY 13. 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 authorizes 4 new positions funded by the General Fund and 1 new position funded by the Water and Sewer Fund.

The General Fund is adding 2 full-time fire fighters, a child and family violence investigator, and a park maintenance position. The Water and Sewer Fund is adding one position in the Utility Billing office to focus on completing customer generated work orders.

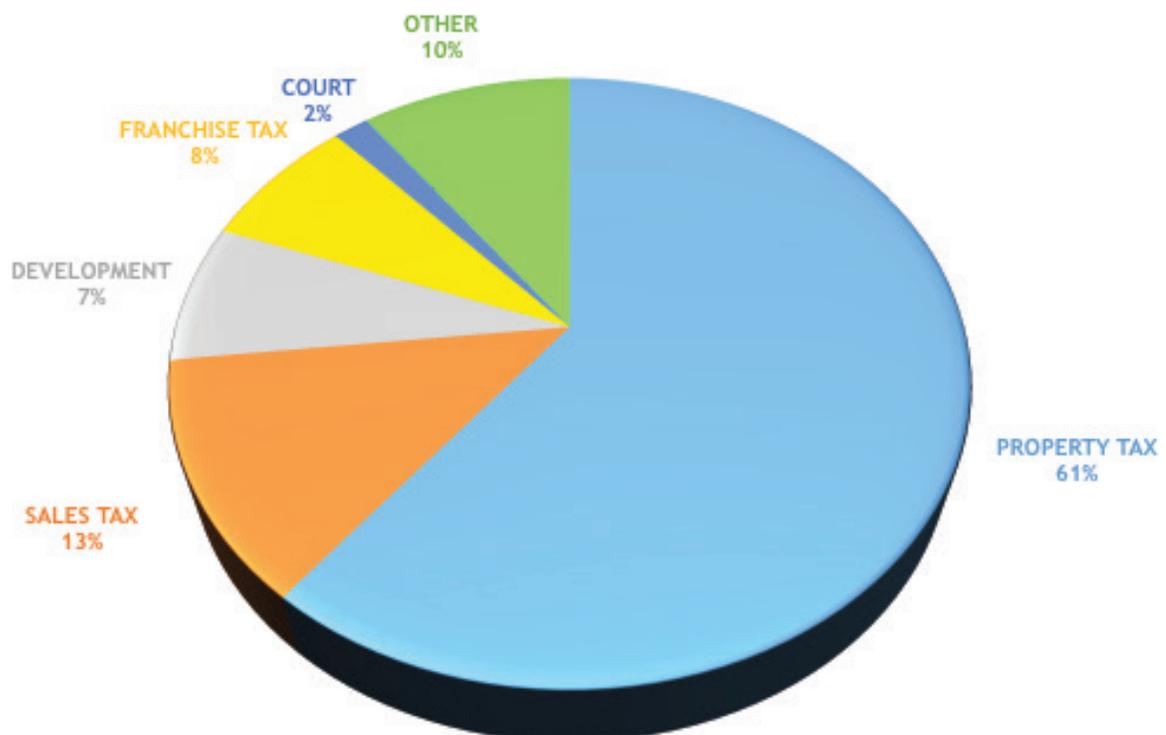
| General Fund | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| City Manager | 1 | 1 | 1 | 1 | 1 |
| EDC/CDC Director | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Assistant to the City Manager | 0.5 | 0.5 | 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 | 1 | 1 | 1 |
| Finance/Budget Analyst | 0 | 0 | 1 | 1 | 1 |
| HR Manager | 0 | 0 | 0 | 0 | 1 |
| HR Administrator | 0 | 0 | 1 | 1 | 0 |
| Finance/HR Supervisor | 1 | 1 | 0 | 0 | 0 |
| HR Coordinator/Finance Asst | 1 | 1 | 0 | 0 | 0 |
| Director of Planning | 1 | 1 | 1 | 1 | 1 |
| Planner II | 0 | 1 | 1 | 1 | 1 |
| Planner I | 1 | 1 | 1 | 1 | 1 |
| Administrative Assistance | 1 | 1 | 1 | 1 | 1 |
| Fire Chief | 1 | 1 | 1 | 1 | 1 |
| Fire Marshal/Code Enf Officer | 1 | 1 | 1 | 1 | 1 |
| Fire Shift Captain | 3 | 3 | 3 | 3 | 3 |
| Fire Fighter | 1 | 1 | 2 | 2 | 4 |
| Police Chief | 1 | 1 | 1 | 1 | 1 |
| Records Administrator | 1 | 1 | 1 | 1 | 1 |
| Police Lieutenant | 0 | 0 | 1 | 1 | 1 |
| Police Sergeant | 1 | 1 | 2 | 2 | 3 |
| Police Officer | 10 | 10 | 10 | 9 | 8 |
| Child & Family Violence Investigator | 0 | 0 | 0 | 0 | 1 |
| SRO | 0 | 0 | 0 | 2 | 2 |
| Court Administrator | 0 | 0 | 1 | 1 | 1 |
| Municipal Court Clerk | 1 | 1 | 0 | 0 | 0 |
| Park Superintendent | 1 | 1 | 0 | 1 | 1 |
| Crew Leader - Parks | 0 | 0 | 1 | 1 | 0 |
| Maintenance Worker II | 0 | 0 | 0 | 0 | 1 |
| Maintenance Worker I | 0 | 1 | 1 | 3 | 4 |
| Seasonal Laborer | 0 | 1 | 0 | 1 | 1 |
| Streets Supervisor | 0 | 0 | 0 | 1 | 1 |
| Total General Fund | 30.5 | 33.5 | 36.5 | 42.5 | 46.5 |
| Utility Fund | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
| Director of Public Works | 1 | 1 | 1 | 1 | 1 |
| PW Superintendent | 0 | 0 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 | 1 |
| Construction Inspector | 0 | 0 | 1 | 2 | 2 |
| Field Supervisor - Public Works | 1 | 1 | 1 | 0 | 0 |
| Crew Leader - Public Works | 1 | 1 | 1 | 0 | 0 |
| Water Supervisor | 0 | 0 | 0 | 1 | 1 |
| Maintenance Worker II | 0 | 0 | 1 | 1 | 1 |
| Maintenance Worker I | 5 | 8 | 7 | 3 | 4 |
| Wastewater Supervisor | 0 | 0 | 0 | 1 | 1 |
| Senior Wastewater Operator | 0 | 1 | 1 | 1 | 1 |
| Wastewater Operator | 2 | 1 | 1 | 1 | 0 |
| Customer Service Manager | 1 | 1 | 1 | 1 | 1 |
| Senior Utility Billing Clerk | 1 | 1 | 1 | 1 | 1 |
| Work Order Technician | 0 | 0 | 0 | 0 | 1 |
| Receptionist | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total Utility Fund | 14.5 | 16.5 | 17.5 | 15.5 | 16.5 |
| Total City Operations | 45 | 50 | 54 | 58 | 63 |

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 four revenue sources are (1) property taxes, (2) sales tax, (3) franchise tax, and (4) development fees. Most franchise taxes in the City of Anna are not locally controlled and are subject state law. The focus will be on the 3 locally controlled revenue sources, property taxes, sales tax, and development fee which constitute over 80% of FY 17 revenue.

FY 17 Proposed General Fund Revenue



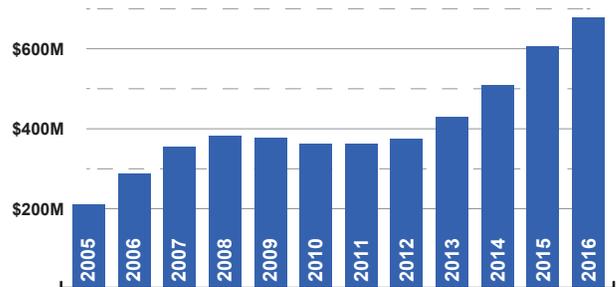
Property Tax

The Ad Valorem Property Tax revenue (61.2%) 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 \$726,642,896. This represents an increase of 19.19% and is due, in part, to the addition of over \$35 million in new value and an increase of approximately 13.2% 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. Beginning in 2013,

strong population growth and new construction has delivered increasing demand for new homes and led to growth in taxable value each year. Continued growth and new construction in 2015 has contributed to a significant increase in total taxable value for the 2016 tax year. We remain guardedly optimistic that a trend of market appreciation and modest growth will continue in the coming years.

Taxable Value Over Time



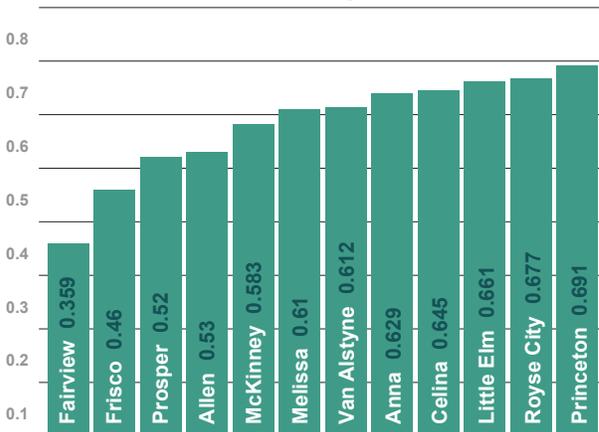
The growth in taxable value corresponds to a significant increase in population over the past year. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2016 was 11,320.

The following table details the change in TAV, tax rate(s), and property tax revenue over time:

| Tax Year | Assessed Value | Total Tax Rate | M&O Rate | Debt Service Rate | Total Property Tax Revenue |
|----------------|----------------|----------------|----------|-------------------|----------------------------|
| 2000 | 29,991,809 | 0.529900 | 0.256300 | 0.273500 | \$150,809 |
| 2001 | 35,320,292 | 0.579900 | 0.151100 | 0.428800 | \$182,838 |
| 2002 | 52,462,163 | 0.499700 | 0.499700 | 0.000000 | \$288,103 |
| 2003 | 79,351,888 | 0.499700 | 0.499700 | 0.000000 | \$407,430 |
| 2004 | 136,234,607 | 0.499700 | 0.499700 | 0.000000 | \$693,504 |
| 2005 | 211,508,957 | 0.525000 | 0.525000 | 0.000000 | \$1,148,140 |
| 2006 | 288,590,455 | 0.525000 | 0.438600 | 0.086300 | \$1,541,817 |
| 2007 | 356,238,071 | 0.575000 | 0.466700 | 0.108200 | \$2,015,950 |
| 2008 | 383,961,925 | 0.575000 | 0.479400 | 0.095500 | \$2,207,626 |
| 2009 | 378,153,710 | 0.622733 | 0.529939 | 0.092800 | \$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 | 0.649000 | 0.545826 | 0.103174 | \$3,315,665 |
| 2015 | 609,657,456 | 0.639000 | 0.532341 | 0.106659 | \$3,895,711 |
| 2016 Certified | \$726,642,896 | 0.629000 | 0.506582 | 0.122418 | \$4,570,584 |

Below is a summary of the 2015 tax year tax rates of our comparison cities to our proposed 2016 tax rate

Tax Rate Comparison



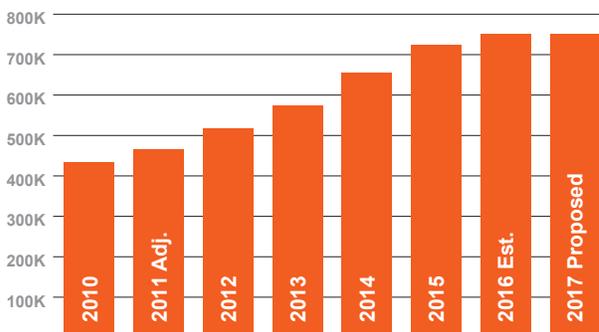
The City has historically taken a conservative approach to budgeting sales tax revenue. In years with declining values, sales tax was a bright spot in mitigating declining property tax revenue. As a result, the approach has been to project no growth in sales tax. This allows the City to fund supplemental requests and budget amendments later in the fiscal year if sales tax exceeds expectations. Wal-Mart is currently under construction and has indicated their intent to open in the early part of 2017, official opening and store performance is unknown. After Wal-Mart has been operational and sales tax is received, the City will analyze the potential revenue source and make recommendations to the council. Additionally, there is still uncertainty in the national economy and a slowing trend in sales tax growth based upon the most recent years indicating the prudence of a conservative approach to budgeting sales tax revenue.

Sales Tax

Sales tax revenue accounts for 12.5% 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 11%.

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.

Sales Tax History



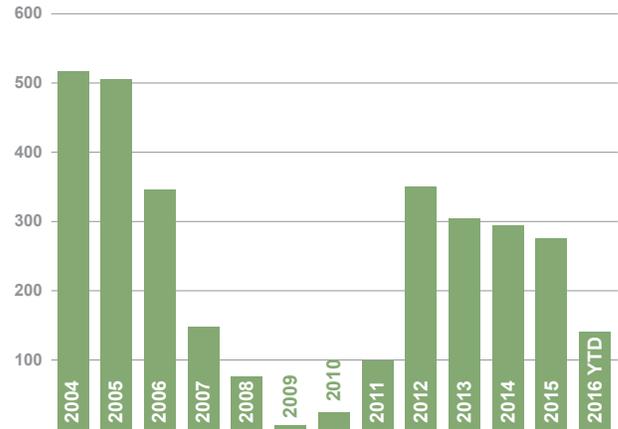
| General Fund Sales Tax Revenue | | |
|--------------------------------|-------------------|----------|
| Fiscal Year | Sales Tax Revenue | % Change |
| 2000 | \$37,586 | -12.06% |
| 2001 | \$43,827 | 16.60% |
| 2002 | \$61,160 | 39.55% |
| 2003 | \$79,132 | 29.38% |
| 2004 | \$115,843 | 46.39% |
| 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 | \$433,376 | 12.67% |
| 2011 | \$515,379 | 18.92% |
| 2011 Ad. | \$466,420 | 7.62% |
| 2012 | \$516,025 | 10.64% |
| 2013 | \$574,679 | 11.37% |
| 2014 | \$655,821 | 14.12% |
| 2015 | \$724,221 | 10.43% |
| 2016 Est. | \$750,000 | 3.56% |
| 2017 Proposed | \$750,000 | 0.00% |

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. As the economy improved we saw strong growth in single family permits through 2013; however, lot inventory has diminished as developers have not added inventory to keep up with demand. As that inventory diminished we have we have also observed modest drop in building activity. So far in 2016, the City has received 141 building permit applications for single family homes. The FY 17 budget assumes 200 building permits for purposes of budgeting revenue and expenditures.

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. There are currently seven residential developments under construction that will add over 1,000 single family lots to our inventory over the next 12 to 18 months.

Building Permits by Year



Illustrated below is a brief history of revenue sources for the City of Anna. Proposed revenue for FY 17 is up 12.13% over the budgeted amount for FY 16. The estimate for FY 16 is based upon performance over the first 3 quarters of the fiscal year including historical and seasonal trends. Property tax revenues are up over 11% with sales tax increasing just over 7%. This increase is driven by growth in the housing market and associated growth in commercial development. The increase in other revenue is related to grants for the funding of a Child and Family Violence Investigator and radio replacements in the Police Department.

General Fund Revenue Summary

| | FY 15 ACTUAL | FY 16 BUDGET | FY 16 ESTIMATE | FY 17 PROPOSED | % CHANGE |
|---------------|--------------------|--------------------|--------------------|--------------------|---------------|
| PROPERTY TAX | \$2,790,773 | \$3,241,913 | \$3,279,029 | \$3,619,919 | 11.66% |
| SALES TAX | \$736,481 | \$700,000 | \$750,000 | \$750,000 | 7.14% |
| DEVELOPMENT | \$466,265 | \$422,600 | \$499,600 | \$440,100 | 4.14% |
| FRANCHISE TAX | \$450,799 | \$420,000 | \$450,000 | \$450,000 | 7.14% |
| COURT | \$103,600 | \$100,000 | \$95,000 | \$100,000 | 0.00% |
| OTHER | \$406,646 | \$434,146 | \$434,295 | \$603,868 | 39.09% |
| Total | \$4,954,564 | \$5,318,659 | \$5,507,924 | \$5,963,887 | 12.13% |

General Fund

Expenditures

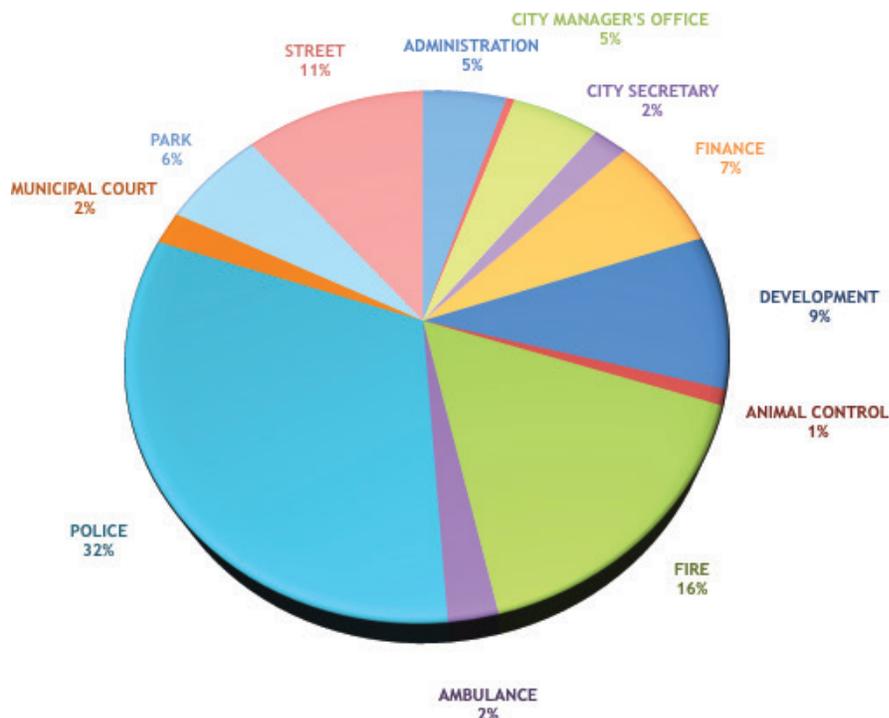
The General Fund accounts for the expenditures associated with operating the general government services one typically expects from their municipal government and are funded in part or in whole with property taxes. These services include public safety, parks, streets, planning, and the general administrative support for these services and the City Council.

The chart on the below illustrates the percentage of the budget attributed to each department. For FY 17, public safety will account for 51.22% of the budget. This includes police, fire, ambulance services, and animal control.

The proposed FY 17 budget has an increase of 12.14% over the FY 16 budget. Generally, the increase can be attributed to (1) new positions funded in the budget, (2) market adjustments for wages, (3) equipment replacement, and (4) increases in employee benefit costs. These changes are detailed in the departmental summaries that follow.

The following table illustrates a brief history for each department from FY 15 through FY 17. The table includes actual costs from FY 15, budgeted and estimated costs for FY 16, proposed budget for FY 17, and the percent change from the FY 16 budget.

FY 17 PROPOSED GENERAL FUND BUDGET



General Fund Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| ADMINISTRATION | \$154,566 | \$278,709 | \$270,332 | \$305,684 | 9.68% |
| CITY COUNCIL | \$21,430 | \$18,745 | \$16,965 | \$30,025 | 60.18% |
| CITY MANAGER'S OFFICE | \$290,818 | \$315,443 | \$316,555 | \$321,845 | 2.03% |
| CITY SECRETARY | \$86,207 | \$117,913 | \$107,987 | \$126,847 | 7.58% |
| CITY ATTORNEY | \$89,322 | \$0 | \$0 | \$0 | N/A |
| FINANCE | \$346,442 | \$402,448 | \$406,150 | \$432,876 | 7.56% |
| DEVELOPMENT | \$503,348 | \$510,569 | \$585,527 | \$557,637 | 9.22% |
| ANIMAL CONTROL | \$56,236 | \$56,799 | \$56,799 | \$56,799 | 0.00% |
| FIRE | \$686,570 | \$756,708 | \$736,813 | \$966,161 | 27.68% |
| AMBULANCE | \$124,155 | \$144,340 | \$144,340 | \$143,173 | -0.81% |
| POLICE | \$1,458,123 | \$1,656,301 | \$1,655,782 | \$1,916,122 | 15.69% |
| MUNICIPAL COURT | \$114,273 | \$120,124 | \$117,742 | \$122,226 | 1.75% |
| PARK | \$246,810 | \$335,275 | \$281,712 | \$378,141 | 12.79% |
| STREET | \$384,057 | \$648,463 | \$647,026 | \$664,268 | 2.44% |
| TOTAL | \$4,562,357 | \$5,361,837 | \$5,343,730 | \$6,021,804 | 12.31% |

Departmental Summaries

Each departmental summary includes its purpose, FY 16 accomplishments, and FY 17 goals. A summary of expenditures are included as well as new programs or noteworthy changes from the FY 16 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.

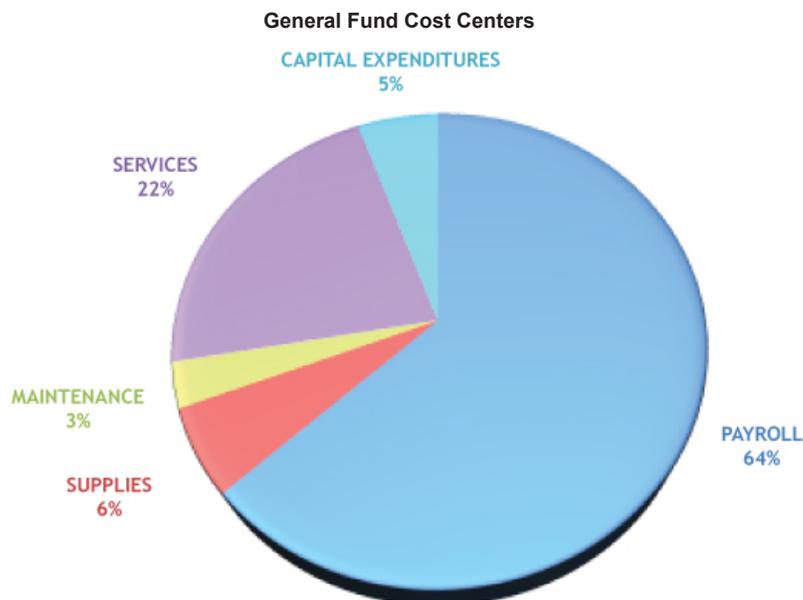
Services

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

| | 2015 | 2016 | | 2017 | % CHANGE |
|----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGETE | STIMATEP | ROPOSED | |
| PAYROLL | \$2,777,640 | \$3,419,016 | \$3,365,255 | \$3,815,106 | 11.58% |
| SUPPLIES | \$176,194 | \$314,234 | \$276,109 | \$360,355 | 14.68% |
| MAINTENANCE | \$142,249 | \$169,108 | \$213,482 | \$185,750 | 9.84% |
| SERVICES | \$1,119,631 | \$1,279,016 | \$1,353,421 | \$1,328,565 | 3.87% |
| CAPITAL EXPENDITURES | \$346,642 | \$180,463 | \$135,463 | \$332,027 | 83.99% |
| TOTAL | \$4,562,357 | \$5,361,837 | \$5,343,730 | \$6,021,804 | 12.31% |

10-400 Administration

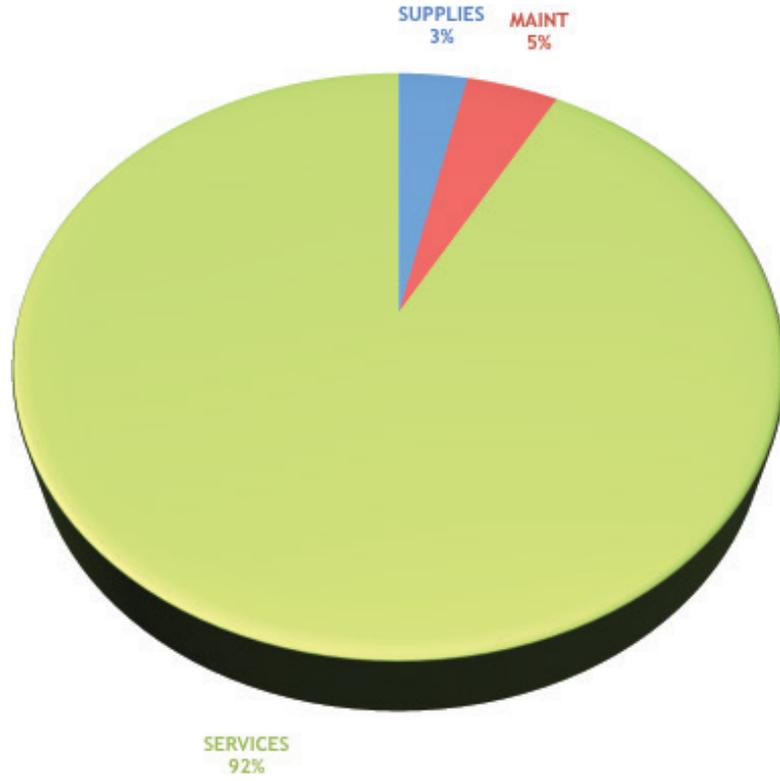
Purpose / Description

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 17

- Deck repairs
 - Make necessary cosmetic and structural repairs to deck at existing City Hall
- Asyst programming hours
 - To get custom reports from Asyst that will enhance productivity and efficiency
- Household hazardous waste event
 - Conduct an event where households can drop off household hazardous waste not eligible for disposal through our current solid waste contract
- Website redesign carryover
 - In FY 16, the City budgeted for a website redesign to coincide with our new logo. The project will begin in FY 16 but will not be completed. The FY 17 budget includes funding to complete the project. Our current web provider has an updated platform that will be optimized for mobile devices and provide a consistent experience on tablets or other hand held devices.
- Lakeview Estates Economic Development Agreement
 - The City negotiated a Chapter 380 agreement with Bloomfield homes whereby the City would reimburse Bloomfield Homes a portion of the cost to build Ferguson Parkway. The FY 17 reimbursement is just under \$17,500.

FY 17 Proposed Admin Budget



Admin Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| SUPPLIES | \$9,609 | \$10,250 | \$10,300 | \$10,550 | 2.93% |
| MAINT | \$4,671 | \$5,500 | \$5,500 | \$14,100 | 156.36% |
| SERVICES | \$133,800 | \$262,959 | \$254,532 | \$281,034 | 6.87% |
| CAP EX | \$6,486 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$154,566 | \$278,709 | \$270,332 | \$305,684 | 9.68% |

10-403 City Council

Purpose / Description

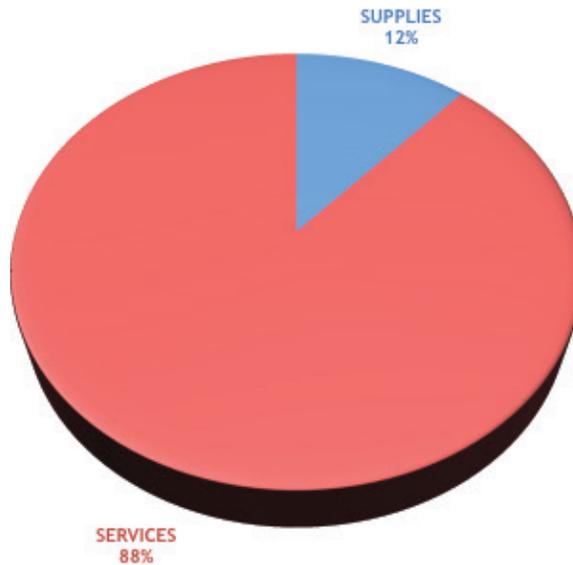
The City Council is the legislative body of the city functioning under a Home Rule Charter adopted May 7, 2005. This department is designed to provide funding related to administration of legislative matters including, professional development of Council members.

New and Noteworthy for FY 17

Council goals and strategic plan workshop

- The last strategic retreat was funded in FY 15. With changes in council members, population, and commercial growth, a new strategic workshop is included for FY 17

FY 17 Proposed City Council Budget



City Council Expenditure Summary

| | 2015 | 2016 | 2017 | | |
|--------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | |
| | | | | % CHANGE | |
| PAYROLL | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SUPPLIES | \$1,897 | \$2,920 | \$2,420 | \$3,500 | 19.86% |
| MAINT | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SERVICES | \$18,721 | \$15,825 | \$14,545 | \$26,525 | 67.61% |
| CAP EX | \$812 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$21,430 | \$18,745 | \$16,965 | \$30,025 | 60.18% |

10-406 City Manager

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 16 Accomplishments

- Managed the implementation of the FY 16 Budget and Strategic Goals
- Completed Community Branding Project (in-process)
- Negotiated purchase of land for future municipal facilities
- Developed financing plan scenarios for the new City Hall project
- Coordinated with TxDOT and other governmental partners on major transportation projects including the reconstruction of FM 455 and US 75, and project planning for SH 5 and SH 121
- Negotiated acquisition of easements for the Foster Crossing water line project (in-process) and the Throckmorton Wastewater Interceptor Project
- Initiated performance measurement and reporting program for all departments
- Developed sales tax reallocation proposal to provide additional funds for local transportation projects

FY 17 Objectives

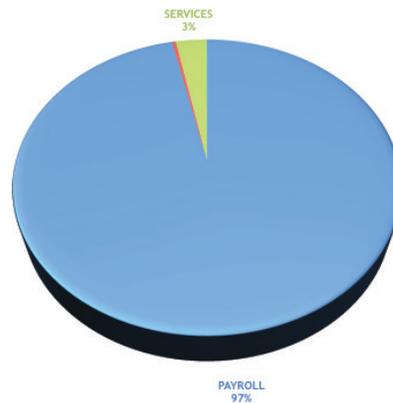
- Manage the implementation of the FY 2016-2017 Budget and Strategic Goals
- Work with the City Council to update the City's Strategic Plan
- Develop an organizational mission statement that supports the community brand & vision
- Continue to promote fiscally responsible practices in the management of city operations
- Ensure quality and timeliness of website and social media content; redesign website with new community brand; optimize interface for mobile devices/tablets
- Pursue grant opportunities that improve City facilities, fund necessary staffing and build new facilities that improve the quality of life for Anna's residents and businesses
- Partner with the economic development corporations and pursue activities and projects that promote business and the job growth within the City of Anna
- Coordinate timely completion of water and sewer capital projects
- Ensure smooth transition to new auditor including production of a comprehensive annual financial report (CAFR)
- Initiate development of final architectural design and financing plans for a new City Hall
- Develop financing plan/schedule for the future construction of: Fire Station #2; remodel of the Central Fire Station #1; remodel and expansion of Police department facilities

- Continue performance measurement initiative and refine departmental monthly reports
- Continued coordination with TxDOT and other governmental partners on priority transportation projects including the reconstruction of FM 455 and US 75
- Develop and implement employee engagement survey
- Continue to pursue membership in status in NTMWD

New and Noteworthy for FY 17

- Increased payroll costs
 - The City’s costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
- Funding for the employee engagement survey

FY 17 Proposed City Manager Office Budget



City Manager FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|--------------------------------------|------------|------------|------------|------------|------------|
| <i>City Manager</i> | 1 | 1 | 1 | 1 | 1 |
| <i>EDC/CDC Director</i> | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| <i>Assistant to the City Manager</i> | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| <i>Receptionist</i> | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |

City Manager Office Expenditure Summary

| | 2015 | 2016 | | 2017 | % CHANGE |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | |
| PAYROLL | \$284,141 | \$303,633 | \$305,640 | \$310,645 | 2.31% |
| SUPPLIES | \$0 | \$1,150 | \$800 | \$1,200 | 4.35% |
| MAINT | \$0 | \$0 | \$0 | \$0 | N/A |
| SERVICES | \$5,066 | \$10,660 | \$10,115 | \$10,000 | -6.19% |
| CAP EX | \$1,611 | \$0 | \$0 | \$0 | N/A |
| TOTAL | \$290,818 | \$315,443 | \$316,555 | \$321,845 | 2.03% |

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 16 Accomplishments

- Developed and implemented program to scan and digitize municipal records
- Coordinated the May 2016 General Election
- Implemented program for more efficient responses to 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 ensuring official City documents are accessible
- Began trial version of council agenda management program to ensure greater efficiency in council agenda/packet development

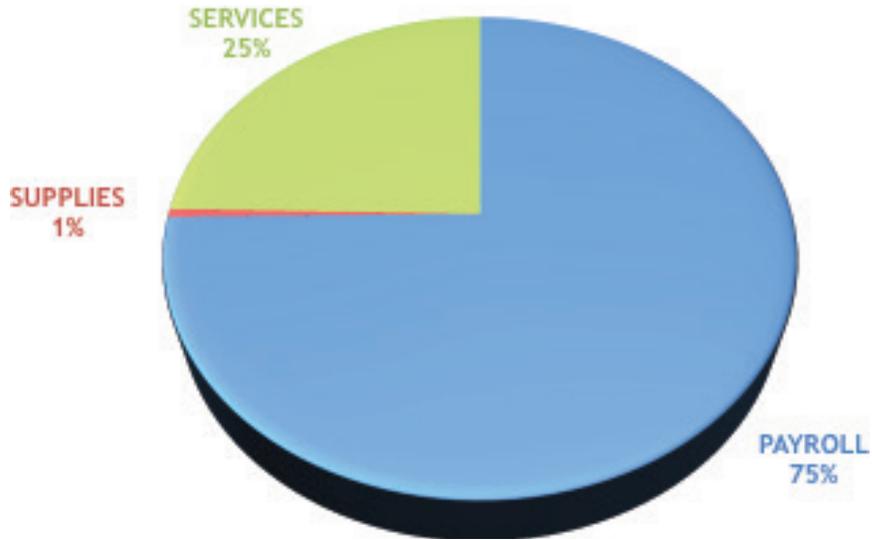
FY 17 Objectives

- Fully implement agenda management program
- Coordinate special election for sales tax reallocation
- Continue to digitize municipal records
- Continue to provide support to City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings

New & Noteworthy for FY 17

- Online agenda management program
 - Provide greater efficiency, development, and communication in preparing and disseminating council agendas and packets. Can be used by other boards
- The City's costs for insurance benefits increased
- Funding of market/merit based wage adjustments

FY 17 Proposed City Secretary Budget



City Secretary FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|----------------|----------|----------|----------|----------|----------|
| City Secretary | 1 | 1 | 1 | 1 | 1 |
| Total | 1 | 1 | 1 | 1 | 1 |

City Secretary Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|-----------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$77,435 | \$100,538 | \$93,722 | \$94,888 | -5.62% |
| SUPPLIES | \$0 | \$700 | \$100 | \$700 | 0.00% |
| MAINT | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SERVICES | \$8,772 | \$16,675 | \$14,165 | \$31,259 | 87.46% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$86,207 | \$117,913 | \$107,987 | \$126,847 | 7.58% |

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 16 Accomplishments

- Maintained Anna's Leadership Circle award for financial transparency
- Received the GFOA Distinguished Budget Presentation Award
- Improved internal controls
- Improved efficiency in financial reporting
- Strengthened Human Resource operations
- Completed the capital asset inventory
- Developed preliminary financing plan for future City Hall
- Established HR management program for employee reviews
- Established online job application program
- Developed funding mechanism and plan for increased investment in roadways
- Finance Director completed program through the North Central Texas Council of Government's New and Emerging Finance Director's training program
- Upgraded financial software to newest Asyst program
- Enhanced our ability to recruit and maintain a talented workforce through employee wage study
- Coordinated the development of a new utility rate model

FY 17 Objectives

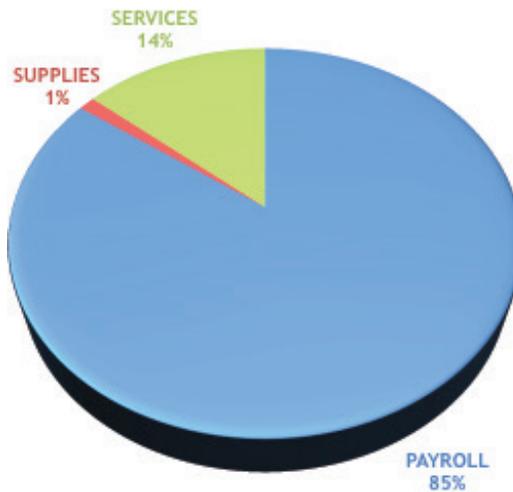
- Implement partnership with new auditor
- Oversee development on Annual CAFR and apply for GFOA CAFR award
- Implement new transparency program from State Comptroller
- Maintain GFOA budget award
- Obtain Finance Director's membership in International City Manager's Association (ICMA) and begin credentialing program
- Obtain membership in the Society for Human Resource Management (SHRM) for HR Manager
- Improve accounting procedures
- Evaluate partnership with consultant to review financial controls and procedures
- Develop a financial procedures manual

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased

- Funding of market/merit based wage adjustments
- Time and attendance program
 - Implement program for online time and attendance tracking. The program will interface with our existing accounting software, reduce manual errors in time reporting, and streamline bi-weekly payroll processes

FY 17 Proposed Finance Budget



Finance FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|------------------------------------|----------|----------|----------|----------|----------|
| <i>Finance Director</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Accountant II</i> | 0 | 0 | 1 | 1 | 1 |
| <i>Finance/Budget Analyst</i> | 0 | 0 | 1 | 1 | 1 |
| <i>HR Manager</i> | 0 | 0 | 0 | 0 | 1 |
| <i>HR Administrator</i> | 0 | 0 | 1 | 1 | 0 |
| <i>Finance/HR Supervisor</i> | 1 | 1 | 0 | 0 | 0 |
| <i>HR Coordinator/Finance Asst</i> | 1 | 1 | 0 | 0 | 0 |
| Total | 3 | 3 | 4 | 4 | 4 |

Finance Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$292,053 | \$347,849 | \$354,580 | \$367,571 | 5.67% |
| SUPPLIES | \$0 | \$3,650 | \$3,150 | \$5,300 | 45.21% |
| SERVICES | \$51,374 | \$50,949 | \$48,420 | \$60,005 | 17.77% |
| CAP EX | \$3,015 | \$0 | \$0 | \$0 | 0% |
| TOTAL | \$346,442 | \$402,448 | \$406,150 | \$432,876 | 7.56% |

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 16 Accomplishments

- Initiated development of a small area plan for the U.S. 75 commercial corridor
- Initiated update to the City's Comprehensive Plan
- Improved development review process by providing a predictable and consistent review and reporting schedule

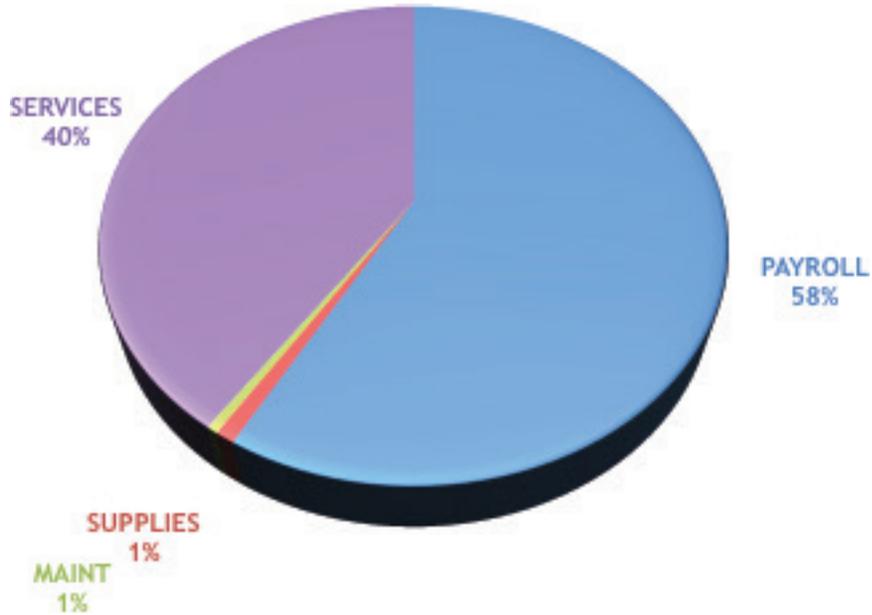
FY 17 Objectives

- Continue to improve and streamline process for the issuance of permits and processing development applications
- Hold semi-annual meetings or as needed with builders to discuss procedure changes and listen to and address concerns
- Develop a Downtown Wayfinding Plan consistent with our community brand
- Complete a small area plan for the U.S. 75 commercial corridor
- Continue update of the City's Comprehensive Plan
- Draft development regulations for the downtown district consistent with the updated Comprehensive Plan
- Develop schematic design for 4th Street streetscape improvements
- Work with governmental and private partners to identify potential funding sources for improvements to 4th Street

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
- Update aerial photographs
 - Update our GIS system with current aerial images

FY 17 PROPOSED DEVELOPMENT BUDGET



Planning FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|---------------------------|----------|----------|----------|----------|----------|
| Director of Planning | 1 | 1 | 1 | 1 | 1 |
| Planner II | 0 | 1 | 1 | 1 | 1 |
| Planner I | 1 | 1 | 1 | 1 | 1 |
| Administrative Assistance | 1 | 1 | 1 | 1 | 1 |
| Total | 3 | 4 | 4 | 4 | 4 |

Development Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$285,602 | \$318,091 | \$302,765 | \$324,419 | 1.99% |
| SUPPLIES | \$6,050 | \$5,800 | \$4,800 | \$4,920 | -15.17% |
| MAINT | \$4,098 | \$2,800 | \$2,800 | \$2,800 | 0.00% |
| SERVICES | \$206,637 | \$183,878 | \$275,162 | \$225,498 | 22.63% |
| CAP EX | \$962 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$503,348 | \$510,569 | \$585,527 | \$557,637 | 9.22% |

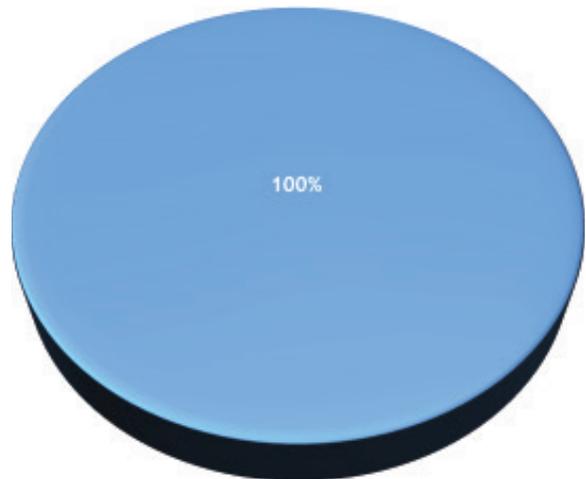
10-525 Animal Control

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 17 PROPOSED ANIMAL CONTROL BUDGET



New and Noteworthy for FY 17

No changes expected for FY 17

Animal Control Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| SERVICES | \$56,236 | \$56,799 | \$56,799 | \$56,799 | 0.00% |
| TOTAL | \$56,236 | \$56,799 | \$56,799 | \$56,799 | 0.00% |

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 16 Accomplishments

- Conducted 3rd annual Operation Santa
- Completed hydrant testing, mapping & painting
- Conducted an emergency management table top exercise with City Staff
- Hosted eight firefighting education and training courses provided by TEEEX
- Completed \$28,572 AFG grant for Exhaust Removal system
- Received \$8400 TFS grant for PPE
- Received 17 training grants from TFS for upper level training courses
- Purchased a new chassis and completed a remount of Brush 901
- Repurposed Brush 901 chassis into a support vehicle

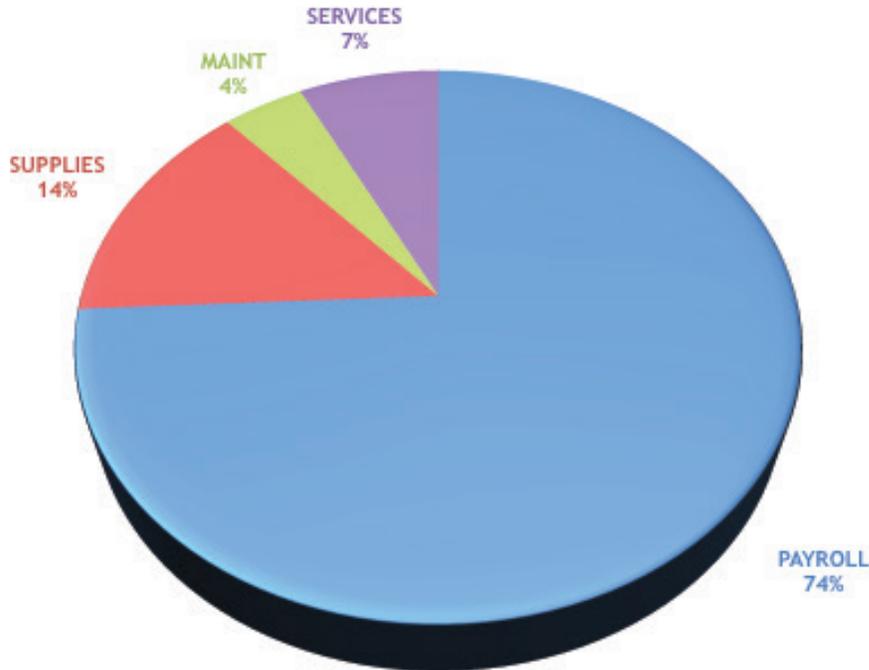
FY 17 Objectives

- Update and increase fire prevention and safety programs
- Begin a Department Honor Guard Program
- Continue to provide Emergency Management training to City staff
- Continue to assist Public Works with fire hydrant mapping and testing
- Enhance professional staff development
- Enhance and maintain a professional and proactive EMS program

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
 - Addition of 2 new Firefighter positions to maintain staffing levels 24/7
- Membership in North Central Texas Council of Governments CASA Radar program
 - Program will provide better information and awareness of severe weather
- Purchase of SCBA replacements, supplemented with purchase from Fire Trust
- Replacement of half of radios
 - Replace current radios with digital radios that will meet federal inter operable regulations

FY 17 PROPOSED FIRE BUDGET



Fire Expenditure Summary

| | 2015 | 2016 | | 2017 | % CHANGE |
|--------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | |
| PAYROLL | \$516,770 | \$557,289 | \$552,800 | \$711,391 | 27.65% |
| SUPPLIES | \$66,094 | \$95,470 | \$78,020 | \$134,320 | 40.69% |
| MAINT | \$38,725 | \$35,100 | \$35,000 | \$41,100 | 17.09% |
| SERVICES | \$59,685 | \$68,849 | \$70,993 | \$71,350 | 3.63% |
| CAP EX | \$5,295 | \$0 | \$0 | \$8,000 | 0.00% |
| TOTAL | \$686,570 | \$756,708 | \$736,813 | \$966,161 | 27.68% |

Fire FTE Schedule

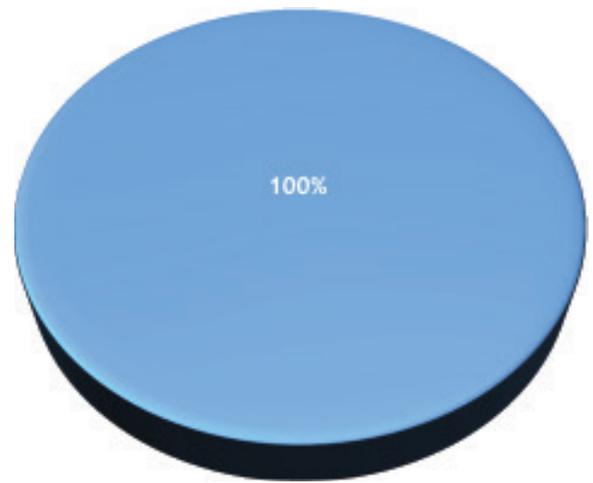
| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------------------------------|----------|----------|----------|----------|----------|
| Fire Chief | 1 | 1 | 1 | 1 | 1 |
| Fire Marshal/Code Enf Officer | 1 | 1 | 1 | 1 | 1 |
| Fire Shift Captain | 3 | 3 | 3 | 3 | 3 |
| Fire Fighter Day Shift | 0 | 0 | 1 | 1 | 1 |
| Fire Fighter | 1 | 1 | 1 | 1 | 3 |
| Total | 6 | 6 | 7 | 7 | 9 |

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 17 PROPOSED AMBULANCE BUDGET



New and Noteworthy for FY 17

No changes expected for FY 17

Ambulance Expenditure Summary

| | 2015 | 2016 | 2017 | | |
|--------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SUPPLIES | \$0 | \$0 | \$0 | \$0 | 0.00% |
| MAINT | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SERVICES | \$124,155 | \$144,340 | \$144,340 | \$143,173 | -0.81% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$124,155 | \$144,340 | \$144,340 | \$143,173 | -0.81% |

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 16 Accomplishments

- Hosted annual National Night Out and Child ID fair
- Participated in and supported Anna Glow Fest, Christmas Parade, and Fourth of July events
- Established Crime Watch program in West Crossing
- Participated with AISD in book reading and bully prevention programs
- Participated in National Click-it or Ticket Campaign
- Responded to 8,924 calls through June 2016
- Replaced in car video system (in-process)
- Purchased body camera system (in-process)
- Initiated SRO program in partnership with Anna ISD
- Awarded grants for personnel and equipment totaling nearly \$250,000

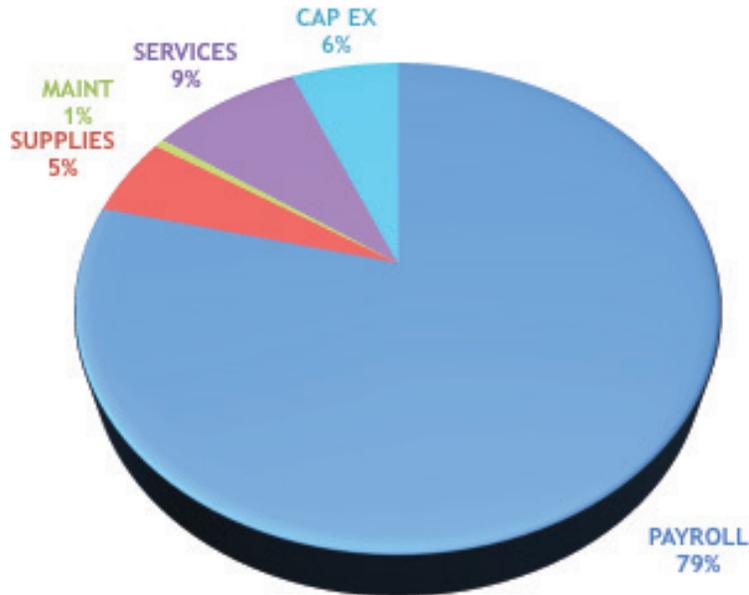
FY 17 Objectives

- Participate in the TxDOT funded DWI enforcement campaigns
- Host annual Child ID Fair
- Continue participation in National Night Out, Glow Fest, and the Christmas Parade
- Continue to work with the Anna ISD District Librarian to develop the lesson plans for the upcoming school year's anti-bullying program
- Have all officers attend advanced crisis intervention training (CIT)
- Complete the radio compliance upgrade project
- Continue to build upon the foundation of the SRO grant program and AISD partnership
- Implement the Child and Family Violence Investigator grant program

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
 - Addition of grant funded Child and Family Violence Investigator
- Radio Replacement – Grant Funded
 - Replace current radios with digital radios that will meet federal inter operable regulations.

FY 17 PROPOSED POLICE BUDGET



Police Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$1,130,337 | \$1,346,000 | \$1,368,050 | \$1,510,637 | 12.23% |
| SUPPLIES | \$65,552 | \$104,784 | \$87,719 | \$101,665 | -2.98% |
| MAINT | \$12,159 | \$35,908 | \$35,507 | \$11,000 | -69.37% |
| SERVICES | \$121,608 | \$146,327 | \$141,224 | \$170,793 | 16.72% |
| CAP EX | \$128,467 | \$23,282 | \$23,282 | \$119,788 | 414.51% |
| TOTAL | \$1,458,123 | \$1,656,301 | \$1,655,782 | \$1,913,883 | 15.55% |

Police FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <i>Police Chief</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Records Administrator</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Police Lieutenant</i> | 0 | 0 | 1 | 1 | 1 |
| <i>Police Sergeant</i> | 1 | 1 | 2 | 2 | 3 |
| <i>Police Officer</i> | 10 | 10 | 10 | 9 | 8 |
| <i>Child & Family Violence Investigator</i> | 0 | 0 | 0 | 0 | 1 |
| <i>School Resource Officer</i> | 0 | 0 | 0 | 2 | 2 |
| Total | 13 | 13 | 15 | 16 | 17 |

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 16 Accomplishments

- Partnered with new collection agency to increase warrant collections
- Decreased supply costs by taking advantage of technology
- Improved reliability of court data and payment service on payment kiosk

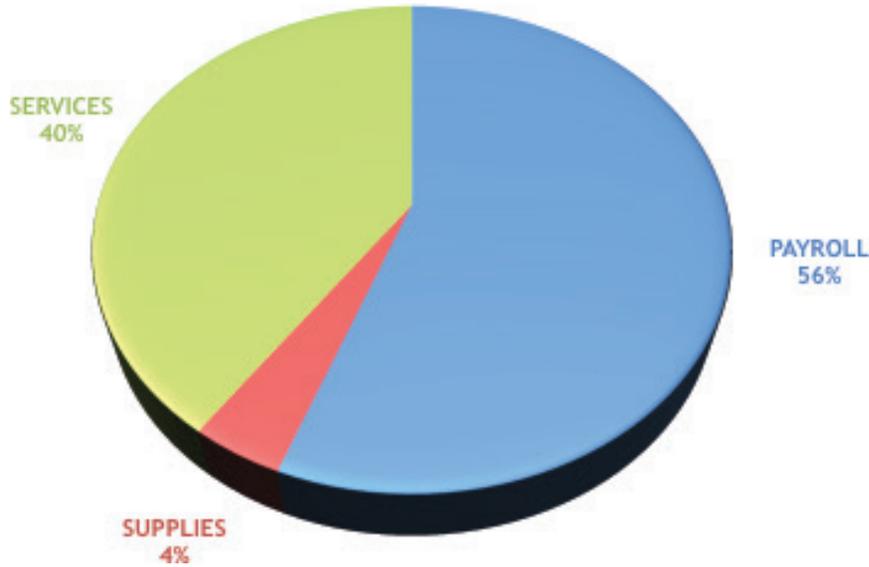
FY 17 Objectives

- Continue work towards Level III Court Certification
- Implement and plan to participate in the Texas Warrant Round-up
- Continue to work with AMS and PD on collection of warrants
- Further cross train UB office staff to help with the processing of cases
- Increase community awareness of Municipal Courts' Week
- Evaluate system to allow defendants to receive notification of citation and pay ticket via smartphone

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments

FY 17 PROPOSED COURT BUDGET



Municipal Court FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|------------------------------|----------|----------|----------|----------|----------|
| <i>Court Administrator</i> | 0 | 0 | 1 | 1 | 1 |
| <i>Municipal Court Clerk</i> | 1 | 1 | 0 | 0 | 0 |
| Total | 1 | 1 | 1 | 1 | 1 |

Municipal Court Expenditure Summary

| | 2014 | 2015 | | 2016 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$63,001 | \$65,634 | \$66,747 | \$68,164 | 3.85% |
| SUPPLIES | \$4,285 | \$5,450 | \$4,750 | \$4,950 | -9.17% |
| MAINT | \$0 | \$0 | \$0 | \$0 | 0.00% |
| SERVICES | \$46,988 | \$49,040 | \$46,245 | \$49,112 | 0.15% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$114,273 | \$120,124 | \$117,742 | \$122,226 | 1.75% |

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 16 Accomplishments

- Worked with Bloomfield Homes to construct phase 1 of Lakeview Park
- Developed options for parks office and restroom at Natural Springs Park and remodeled existing barn into usable office and shop space
- Applied for grant funding for improvements to Natural Springs Park through the Collin County Parks and Open Space Grant Program
- Improved the maintenance and operation of existing parks and facilities
- Evaluated feasibility of operating City recreation programs (youth and adult)

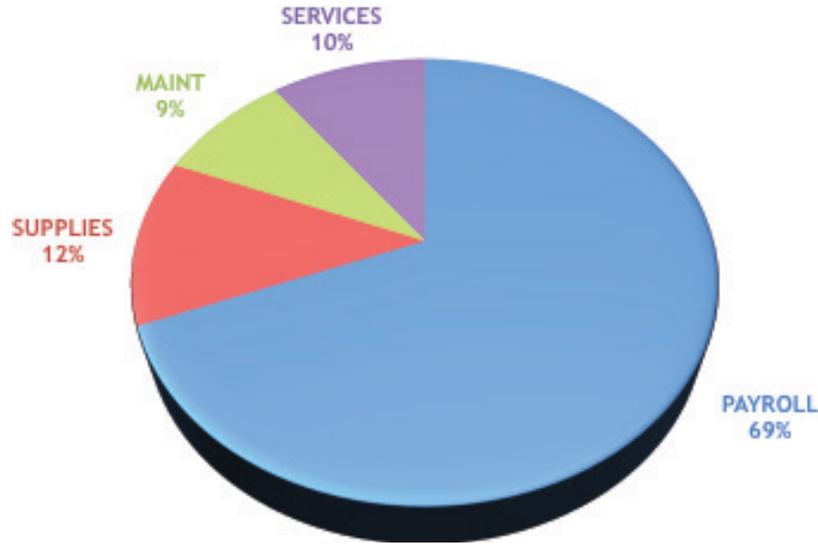
FY 17 Objectives

- Continue to improve the maintenance and operation of existing parks and facilities in order to create an excellent customer experience
- Make improvements to Natural Springs Park (ponds, restrooms, parking areas, office space) pending approval of Collin County Parks and Open Space grant.
- Continue to evaluate feasibility of City recreation programs (youth and adult)

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
 - Addition of maintenance worker to assist with general park maintenance and operations
- Natural Springs park improvements funded with Park Trust and Collin County Park grant revenues – see *Capital Improvements Plan*

FY 17 PROPOSED PARK BUDGET



Parks Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$128,300 | \$218,860 | \$167,051 | \$256,205 | 17.06% |
| SUPPLIES | \$17,919 | \$43,150 | \$45,150 | \$44,950 | 4.17% |
| MAINT | \$29,995 | \$32,500 | \$32,000 | \$32,000 | -1.54% |
| SERVICES | \$70,596 | \$40,765 | \$37,511 | \$37,986 | -6.82% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL | \$246,810 | \$335,275 | \$281,712 | \$371,141 | 10.70% |

Parks FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-----------------------|----------|----------|----------|----------|----------|
| Park Superintendent | 1 | 1 | 0 | 1 | 1 |
| Crew Leader - Parks | 0 | 0 | 1 | 1 | 0 |
| Maintenance Worker II | 0 | 0 | 0 | 0 | 1 |
| Maintenance Worker I | 0 | 1 | 1 | 1 | 2 |
| Seasonal Laborer | 0 | 1 | 0 | 1 | 1 |
| Total | 1 | 3 | 2 | 4 | 5 |

10-580 Street

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 16 Accomplishments

- Input street audit data into MicroPaver auditing software
- Purchased asphalt hotbox for street repairs and milling rejuvenation
- Continued street sign replacement for TMUTCD compliance
- Paved East Fork Circle under ILA with Collin County
- Develop engineering and construction plans for improvements to Hackberry Lane between SH 5 and Slayter Creek (in-process)
- Completed Certified Floodplain Manager training (in-process)

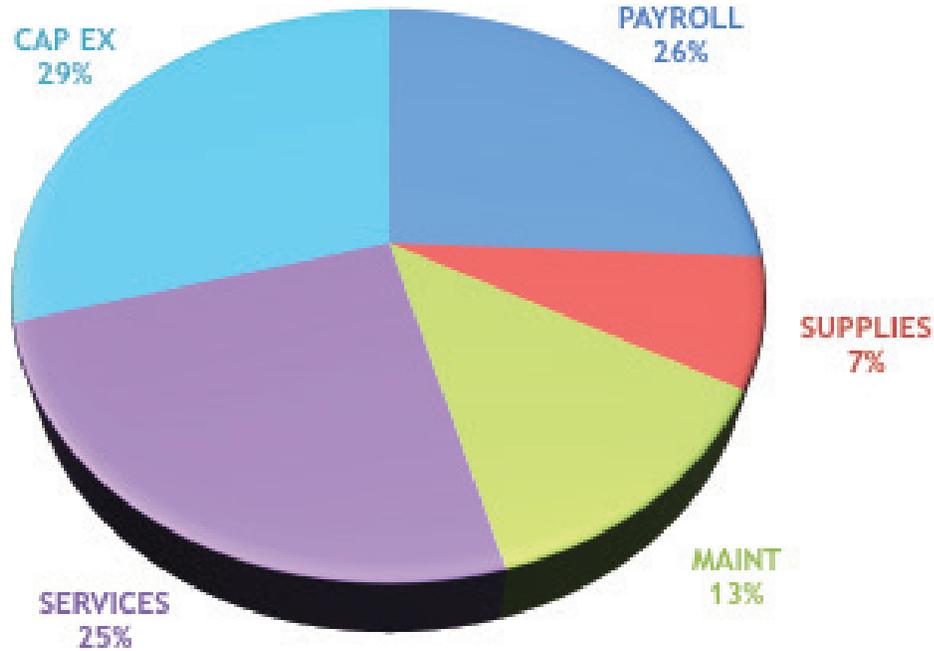
FY 17 Objectives

- Update storm drainage design manual
- Develop an Adopt-A-Street program
- Identify potential funding sources for priority local street projects including
 - Ferguson Road between Taylor and the Collin County Outer Loop
 - Hackberry Ln. between SH 5 and Slayter Creek
- Complete street and regulatory sign compliance by 2018 calendar year per TMUTCD
- Work with TxDOT, NCTCOG, RTC and other entities to secure funding for SH 5 improvements

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
- Increases in maintenance for DGNO railroad crossing license and payments to Collin County for east fork circle pavement project
- Replacement of street roller with upgraded machine that will allow for staff to complete larger scale repairs in-house

FY 17 PROPOSED STREET BUDGET



Street Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$0 | \$161,122 | \$153,900 | \$171,187 | 6.25% |
| SUPPLIES | \$4,789 | \$40,910 | \$38,900 | \$48,300 | 18.06% |
| MAINT | \$52,602 | \$57,300 | \$102,675 | \$84,750 | 47.91% |
| SERVICES | \$126,672 | \$231,950 | \$239,370 | \$165,031 | -28.85% |
| CAP EX | \$199,993 | \$157,181 | \$112,181 | \$195,000 | 24.06% |
| TOTAL | \$384,057 | \$648,463 | \$647,026 | \$664,268 | 2.44% |

Street FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-----------------------------|----------|----------|----------|----------|----------|
| <i>Streets Supervisor</i> | 0 | 0 | 0 | 1 | 1 |
| <i>Maintenance Worker I</i> | 0 | 0 | 0 | 2 | 2 |
| Total | 0 | 0 | 0 | 3 | 3 |

Restricted Revenue Trusts

Incorporated within the General Fund are sources of special revenue, restricted for a certain purposes. With the exception of water & sewer impact fees, 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/Developer 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 revenues generated from property seized in connection with illegal activity. These funds can only be used to support the Police Department. Seizure 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 17 the proposed expenditures in the parks trust include improvements to Natural Springs Park that we anticipate being able to fund in part with a Collin County Parks grant. Improvements include parking and trail improvements, drilling a dedicated well for the pond, and dredging the upper and lower ponds. The Park Trust also included developer reimbursements that were negotiated between the City and various developers whereby fees will be reimbursed to the developer for the construction of City park facilities.

| | 2015 | 2016 | | 2017 | |
|-----------------------|-----------------|------------------|-----------------|------------------|----------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| DEVELOPER FEES | \$61,050 | \$104,500 | \$80,000 | \$150,000 | 43.54% |
| GRANT REVENUE | \$0 | \$0 | \$0 | \$289,500 | N/A |
| INTEREST REVENUE | \$1,552 | \$0 | \$1,350 | \$0 | N/A |
| TOTAL REVENUES | \$62,602 | \$104,500 | \$81,350 | \$439,500 | 320.57% |

| | 2015 | 2016 | | 2017 | |
|----------------------------|-----------------|------------------|------------------|------------------|----------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| LAND & IMPROVEMENTS | \$0 | \$0 | \$0 | \$0 | N/A |
| DEVELOPER REIMBURSEMENTS | \$0 | \$0 | \$0 | \$43,500 | N/A |
| OTHER CAPITAL EXPENDITURES | \$59,909 | \$150,000 | \$132,500 | \$369,000 | 146.00% |
| TOTAL EXPENSE | \$59,909 | \$150,000 | \$132,500 | \$412,500 | 175.00% |

The 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.

The 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. During FY 16, the Fire Trust benefited from the sale of a rescue vehicle and a FEMA grant. Proceeds from the vehicle were used to purchase a new brush truck, while the grant was used to install and exhaust removal system.

Fire Trust revenues and expenditures are illustrated below. Developer fee revenue rebounded in FY 16; however, we anticipate the FY 17 budget to decline from the projected FY 16 actual. During FY 17, it is anticipated that the Fire Trust will be used to support the purchase of self-contained breathing apparatuses (SBCA's) for our fire fighters. There are pending grant applications to support the purchase of SCBA's. If funded, the budget will be amended to recognize the grant revenue and additional SCBA purchases.

| | 2015 | 2016 | | 2017 | |
|----------------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| DEVELOPER FEES | \$4,400 | \$7,000 | \$12,000 | \$9,200 | 31.43% |
| SALE OF ASSETS | \$3,174 | \$0 | \$0 | \$0 | N/A |
| GRANT REVENUE | \$9,129 | \$28,572 | \$28,572 | \$0 | -100.00% |
| TRANSFERS IN | \$60,704 | \$0 | \$0 | \$0 | N/A |
| INTEREST REVENUE | \$78 | \$0 | \$300 | \$0 | N/A |
| TOTAL REVENUES | \$77,485 | \$35,572 | \$40,872 | \$9,200 | -74.14% |
| | 2015 | 2016 | | 2017 | |
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PROTECTIVE GEAR | \$1,804 | \$0 | \$0 | \$0 | N/A |
| MACHINERY & EQUIPMENT | \$0 | \$0 | \$0 | \$0 | N/A |
| OTHER CAPITAL EXPENDITURES | \$0 | \$97,500 | \$97,469 | \$16,000 | -83.59% |
| TOTAL EXPENSE | \$1,804 | \$97,500 | \$97,469 | \$16,000 | -83.59% |

The 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 17 budget includes the annual software licensing of the ticket writers.

| | 2015 | 2016 | | 2017 | |
|-----------------------|----------------|----------------|----------------|----------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| TECHNOLOGY FUND | \$2,182 | \$2,500 | \$3,500 | \$3,000 | 20.00% |
| INTEREST REVENUE | \$19 | \$0 | \$20 | \$0 | N/A |
| TOTAL REVENUES | \$2,201 | \$2,500 | \$3,520 | \$3,000 | 20.00% |

| | 2015 | 2016 | | 2017 | |
|----------------------|----------------|----------------|----------------|----------------|----------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| IT SUPPLIES | \$0 | \$3,500 | \$3,435 | \$0 | -100.00% |
| CONTRACT SERVICES | \$1,400 | \$2,050 | \$1,400 | \$1,500 | -26.83% |
| TOTAL EXPENSE | \$1,400 | \$5,550 | \$4,835 | \$1,500 | -72.97% |

The 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.

| | 2015 | 2016 | | 2017 | |
|-----------------------|----------------|----------------|----------------|----------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| BLDG SECURITY FUND | \$1,637 | \$2,000 | \$2,800 | \$2,500 | 25.00% |
| INTEREST REVENUE | \$75 | \$0 | \$75 | \$0 | N/A |
| TOTAL REVENUES | \$1,712 | \$2,000 | \$2,875 | \$2,500 | 25.00% |

| | 2015 | 2016 | | 2017 | |
|------------------------|------------|----------------|------------|----------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| OTHER SERVICES - MISC. | \$0 | \$3,780 | \$0 | \$3,780 | 0.00% |
| MACHINERY & EQUIPMENT | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENSE | \$0 | \$3,780 | \$0 | \$3,780 | 0.00% |

The 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 (CAC) 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 17 budget returns to Child Safety Funds being used for CAC membership only.

| | 2015 | 2016 | | 2017 | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| CHILD SAFETY FUND | \$10,240 | \$10,000 | \$11,000 | \$10,500 | 5.00% |
| INTEREST REVENUE | \$54 | \$0 | \$40 | \$0 | N/A |
| TOTAL REVENUES | \$10,294 | \$10,000 | \$11,040 | \$10,500 | 5.00% |

| | 2015 | 2016 | | 2017 | |
|-----------------------|-----------------|----------------|----------------|----------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| CONTRACT SERVICES | \$7,500 | \$7,500 | \$7,500 | \$8,000 | 6.67% |
| MACHINERY & EQUIPMENT | \$9,500 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL EXPENSE | \$17,000 | \$7,500 | \$7,500 | \$8,000 | 6.67% |

The Street Capital Improvement Fund

The Street Capital Improvement Fund accounts for fees negotiated with developers for the improvements of streets and roadway impact fees. The City is working to build up this fund for the strategic roadway improvements. The developer reimbursement is based upon an agreement negotiated between the City and a developer to reimburse the developer for roadway improvements that benefit the City.

| | 2015 | 2016 | | 2017 | |
|----------------------|-----------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| ROAD DEVELOPER FEES | \$46,062 | \$35,000 | \$109,150 | \$62,100 | 43.64% |
| ROADWAY IMPACT FEES | \$0 | \$132,250 | \$78,890 | \$134,000 | 1.31% |
| INTEREST REVENUE | \$230 | \$0 | \$718 | \$0 | |
| TOTAL REVENUE | \$46,292 | \$167,250 | \$188,758 | \$196,100 | 14.71% |

| | 2015 | 2016 | | 2017 | |
|----------------------------|-----------------|------------|------------|-----------------|------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| CONTRACT SERVICES | \$16,050 | \$0 | \$0 | \$0 | N/A |
| DEVELOPER REIMBURSEMENTS | \$0 | \$0 | \$0 | \$35,100 | N/A |
| OTHER CAPITAL EXPENDITURES | \$0 | \$0 | \$0 | \$0 | N/A |
| MACHINERY & EQUIPMENT | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENSE | \$16,050 | \$0 | \$0 | \$35,100 | N/A |

LEOSE Training Fund

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 \$1,400 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. Seizure funds were used in FY 16 to support the purchase of body cameras. No expenditures are budgeted for FY 17.

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. These funds are included in the Water & Sewer Fund and 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, a significant sewer line in the Throckmorton Creek Sewer Basin was identified as strategic project that could be funded with Sewer Improvement Funds. Work began on this project in FY 16 and eliminates the need to a lift station south of the Oak Hollow Development and opens up additional development along the west side of Highway 75.

Costs for the sewer line for FY 17 are estimated at just over \$1.3 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, North Pointe, and the Tara Farms Sewer Improvements Trusts. It is anticipated that impact and developer fees will be used as match for the upcoming US 75 utility relocation project.

Additionally, water & sewer improvement funds were used in FY 16 to support the upsizing of the Hackberry water tower and one time debt payments to create working capital to relieve short term liabilities in the Water & Sewer Fund. 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.

Fund Balance

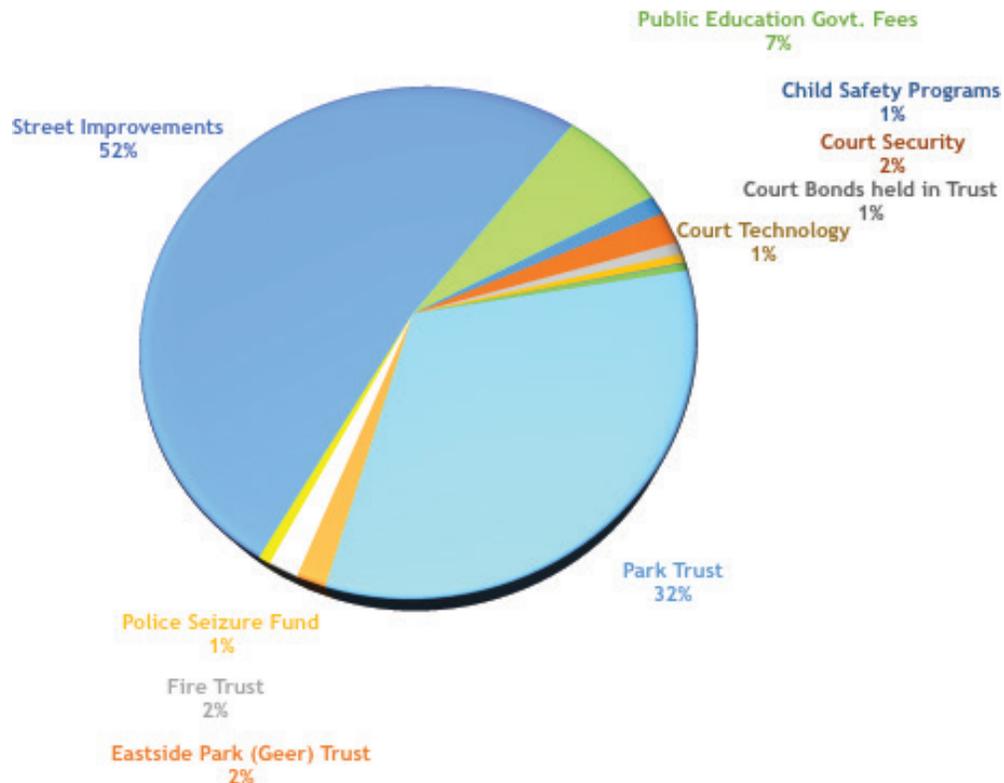
As stated above, the use of each restricted revenue trust will be stipulated by a number of restrictions such as laws, ordinances, grants, etc. The table and chart below illustrates the fund balance for each trust at the close of FY 15, the projected fund balance at the close of FY 16, and the fund balance of the close of FY 17 under the proposed budget. As illustrated in the table, no funds will have negative fund balance through the end of FY 17. Staff monitors each trust to maintain compliance with any and all restrictions and also monitors to ensure expenditures do not exceed available resources.

Restricted Fund Balance Year End

Fund Balance at Year End

| | 2015 Audited | 2016 Projected | 2017 Proposed |
|------------------------------------|------------------|------------------|------------------|
| Park Trust | \$277,874 | \$226,724 | \$253,724 |
| Eastside Park (Geer) Trust | \$12,645 | \$12,700 | \$12,775 |
| Fire Trust | \$76,347 | \$19,750 | \$12,950 |
| Police Seizure Fund | \$17,878 | \$5,143 | \$5,163 |
| Street Improvements | \$66,606 | \$255,364 | \$416,364 |
| Public Education Govt. Fees | \$40,083 | \$47,683 | \$55,383 |
| Child Safety Programs | \$3,917 | \$7,457 | \$9,957 |
| Court Security | \$14,962 | \$17,837 | \$16,557 |
| Court Bonds held in Trust | \$5,677 | \$6,200 | \$6,200 |
| Court Technology | \$4,411 | \$3,096 | \$4,596 |
| Sweetwater Crossing Funds in Trust | \$463 | \$500 | \$500 |
| LEOSE | \$2,329 | \$3,672 | \$3,672 |
| Total Restricted | \$523,192 | \$606,126 | \$797,841 |

FY 17 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. Specific certificates of obligation issued in 2009, 2012, and two issued 2014 all have a tax pledge even though the debt was issued for water and sewer improvements. Of the outstanding Debt Service Obligations for FY 17, 78% is related to tax secured debt issued for water and sewer projects.

The total debt service on tax secured debt for FY 17 is \$1,015,989. The I&S revenue is budgeted at \$889,542, therefore, the remaining \$126,447 will be generated from water and sewer revenues.

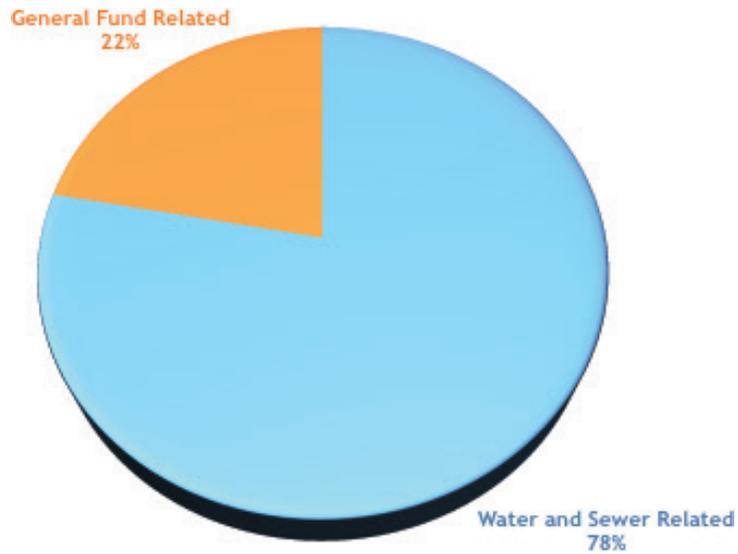
Debt Service Revenue Detail

| Type | Actual 15 | Budget 16 | Estimate 16 | Proposed 17 | % Change |
|----------------------|------------------|------------------|------------------|------------------|---------------|
| Property Tax Revenue | \$527,708 | \$649,228 | \$658,450 | \$889,542 | 37.02% |
| Other Sources | \$315 | \$0 | \$0 | \$0 | N/A |
| Total | \$528,023 | \$649,228 | \$658,450 | \$889,542 | 37.02% |

FY 17 Proposed Debt Service Revenue



FY 17 Outstanding Tax Secured Debt



Debt Service Fund

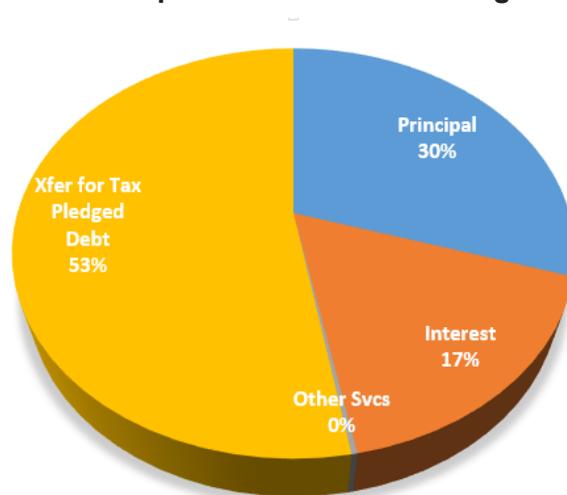
Obligations

The City of Anna currently holds just over \$15.8 million in outstanding tax supported debt. Of the outstanding tax supported debt, \$12.4 million was issued for water and sewer infrastructure projects and is 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 \$3.5 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 15 are detailed below, including expenditures for Utility Fund Debt with a tax pledge. The transfer for tax pledged debt is a transfer to the Water & Sewer Fund to support debt service obligations for the water & sewer debt with a tax pledge. The transfer to support tax pledged 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 Water & Sewer Fund.

Details of the debt service obligations are below:

FY 17 Proposed Debt Service Budget



Debt Service Expenditure Details

| | 2015 | 2016 | | 2017 | |
|---------------------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PRINCIPAL | \$317,000 | \$307,000 | \$307,000 | \$267,000 | -13.03% |
| INTEREST | \$121,942 | \$118,788 | \$118,788 | \$152,618 | 28.48% |
| OTHER SVCS | \$6,264 | \$4,250 | \$2,500 | \$2,500 | -41.18% |
| XFER FOR TAX PLEDGED DEBT | \$84,802 | \$219,228 | \$219,190 | \$467,424 | 113.21% |
| Total | \$530,008 | \$649,266 | \$647,478 | \$889,542 | 37.01% |

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 spikes in our debt service from FY 18 through FY 20. Left unaddressed, this could lead to a spike in I&S tax rates as well.

The table below illustrates the total annual debt service for all tax pledged debt through FY 2029.

In order to keep the Debt Service tax rate stable, the City of Anna and First Southwest,

our financial advisor, have developed a series of planned refundings of existing debt. 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.

| PERIOD ENDING | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE | % CHANGE |
|---------------|---------------------|--------------------|---------------------|----------|
| 9/30/17 | 482,000 | 533,989 | \$1,015,989 | -0.17% |
| 9/30/18 | 445,000 | 686,539 | \$1,131,539 | 11.37% |
| 9/30/19 | 705,000 | 787,422 | \$1,492,422 | 31.89% |
| 9/30/20 | 1,040,000 | 734,215 | \$1,774,215 | 18.88% |
| 9/30/21 | 956,000 | 664,549 | \$1,620,549 | -8.66% |
| 9/30/22 | 1,001,000 | 600,426 | \$1,601,426 | -1.18% |
| 9/30/23 | 1,026,000 | 531,371 | \$1,557,371 | -2.75% |
| 9/30/24 | 1,112,000 | 456,595 | \$1,568,595 | 0.72% |
| 9/30/25 | 1,179,000 | 375,426 | \$1,554,426 | -0.90% |
| 9/30/26 | 1,406,000 | 285,201 | \$1,691,201 | 8.80% |
| 9/30/27 | 940,000 | 210,625 | \$1,150,625 | -31.96% |
| 9/30/28 | 830,000 | 168,275 | \$998,275 | -13.24% |
| 9/30/29 | 855,000 | 135,613 | \$990,613 | -36.39% |
| 9/30/30 | 815,000 | 106,801 | \$921,801 | -41.23% |
| 9/30/31 | 840,000 | 81,830 | \$921,830 | -40.70% |
| 9/30/32 | 870,000 | 55,999 | \$925,999 | -45.25% |
| 9/30/33 | 905,000 | 29,183 | \$934,183 | -18.81% |
| 9/30/34 | \$425,000 | \$7,756 | \$432,756 | -56.65% |
| TOTAL | \$15,832,000 | \$6,451,815 | \$22,283,815 | |

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.

| PERIOD ENDING | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE | % CHANGE |
|----------------------|--------------------|--------------------|---------------------------|-----------------|
| 9/30/17 | 267,000 | 152,618 | \$419,618 | -1.45% |
| 9/30/18 | 238,000 | 217,698 | \$455,698 | 8.60% |
| 9/30/19 | 275,000 | 233,472 | \$508,472 | 11.58% |
| 9/30/20 | 285,000 | 213,397 | \$498,397 | -1.98% |
| 9/30/21 | 299,000 | 193,573 | \$492,573 | -1.17% |
| 9/30/22 | 321,000 | 173,139 | \$494,139 | 0.32% |
| 9/30/23 | 327,000 | 150,734 | \$477,734 | -3.32% |
| 9/30/24 | 358,000 | 125,642 | \$483,642 | 1.24% |
| 9/30/25 | 369,000 | 97,586 | \$466,586 | -3.53% |
| 9/30/26 | 399,000 | 66,688 | \$465,688 | -0.19% |
| 9/30/27 | 205,000 | 34,875 | \$239,875 | -48.49% |
| 9/30/28 | 65,000 | 14,625 | \$79,625 | -66.81% |
| 9/30/29 | 65,000 | 4,875 | \$69,875 | -12.24% |
| TOTAL | \$3,473,000 | \$1,678,922 | \$5,151,922 | |

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 \$0.629 per \$100 Taxable Assessed Value. Of that amount, \$0.122862 is dedicated to I&S, or Debt Service.

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 \$0.122862 in Tax Year 2016.
2. The City's tax base is now at \$726,647,896 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.

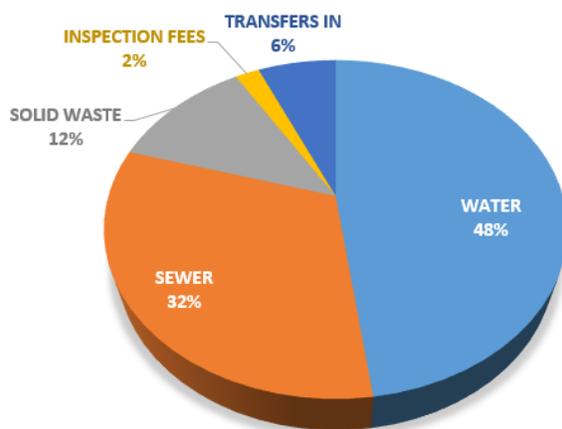
If completed, the refundings referenced would support capacity for future general fund bond issues for needs that arise as the City continues to grow and develop. All refundings will be carefully analyzed by staff, our financial advisors, and the City Council. The City's debt management plan is a joint effort with our financial advisors. Additionally, with the anticipated Walmart opening in 2017 there may be the opportunity to use sales tax revenue to support General Fund operations and create capacity to fund new debt without increasing the overall tax rate. There are a number of future capital facility needs that would be funded through debt. The financing strategy has been reviewed by council and staff and will be reevaluated once Walmart has opened and the refundings have occurred. 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.

FY 17 Proposed Revenue



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 17 proposed revenue also includes inspection fees for public infrastructure inspections. Rather than contract for this service, the city hired construction inspectors beginning in FY 15 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 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 FY 16 budget included revenue increases related to a 9% rate increase. The primary factors contributing to the rate increase included: 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). While these factors are still a concern in the FY 17 budget, there does not appear to be a need to increase utility rates. Customer growth has helped ease pressure on utility rates; however, if average consumption continues to decline there may be a need for future rate increases. For FY 17 the NTMWD charges for wastewater appear to be leveling off as the City has addressed inflow and infiltration (I&I) issues in our wastewater system. However, GTUA water costs are projected to increase 65% as rates and demand for treated surface water are projected to increase in FY 17.



Utility Fund Revenue Summary

| | 2015 | 2016 | | 2017 | |
|-----------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| WATER | \$2,927,917 | \$3,164,871 | \$3,286,079 | \$3,430,964 | 8.41% |
| SEWER | \$1,836,200 | \$2,037,287 | \$2,087,012 | \$2,274,144 | 11.63% |
| SOLID WASTE | \$752,986 | \$799,500 | \$810,000 | \$846,000 | 5.82% |
| INSPECTION FEES | \$0 | \$205,083 | \$254,006 | \$145,000 | -29.30% |
| TRANSFERS IN | \$95,103 | \$219,190 | \$219,190 | \$467,424 | 113.25% |
| TOTAL | \$5,612,206 | \$6,425,931 | \$6,656,287 | \$7,163,532 | 11.48% |

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 17 in connection with development in various additions.

| DEPARTMENT | FY 2016-17 PROJ. REVENUE |
|---------------------------|-----------------------------|
| WEST CROSSING WATER TRUST | \$82,000 |
| WEST CROSSING SEWER TRUST | \$82,000 |
| NORTHPOINTE WATER TRUST | \$56,000 |
| NORTHPOINTE SEWER TRUST | \$56,000 |
| ANNA CROSSING WATER | \$92,000 |
| ANNA CROSSING SEWER | \$92,000 |
| LAKEVIEW WATER | \$40,000 |
| LAKEVIEW SEWER | \$40,000 |
| AVERY POINT WATER | \$70,000 |
| AVERY POINT SEWER | \$70,000 |
| CAMDEN PARC WATER | \$60,000 |
| CAMDEN PARC SEWER | \$60,000 |

The fees collected are restricted based upon developer agreements or the City's Impact Fee Ordinance and

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, Water, Sewer, Solid Waste, and Utility Billing departments. Departmental summaries are provided with expenditures categorized by type. Like the General Fund, these types are payroll, supplies, maintenance, and capital expenditures; however, the Water & Sewer Fund includes transfers to the capital project fund to support future facility needs.

The chart illustrates the percentage of costs associated with each department. The tables below illustrates a brief history from FY 15 through FY 17. The table includes actual costs from FY 15, budgeted and estimated costs for FY 16, proposed budget for FY 17, and the percent change from the FY 16 budget.

The departmental summaries provide greater detail on increased expenditures; however, the bulk of the increase is due to an increase in services for

GTUA water purchases, the debt service on the proposed automated meter infrastructure (AMI) system, and the Work Order Tech position in the Utility Billing Department.

The table below illustrates the total increase of 12.65% is primarily due to payroll, services, and the transfer to capital projects. The changes will be discussed in the departmental summaries.

Utility Fund Expenditure Summary by Department

| | 2015 | 2016 | | 2017 | % CHANGE |
|--------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | |
| ADMINISTRATION | \$0 | \$569,013 | \$553,470 | \$583,571 | 2.56% |
| WATER | \$3,212,940 | \$2,286,445 | \$2,299,250 | \$2,591,239 | 13.33% |
| SEWER | \$1,536,634 | \$2,527,002 | \$2,515,740 | \$2,519,165 | -0.31% |
| SOLID WASTE | \$658,561 | \$715,000 | \$695,950 | \$731,000 | 2.24% |
| UTILITY BILLING | \$227,629 | \$230,316 | \$239,090 | \$307,022 | 33.30% |
| XFER TO CAPITAL PROJECTS | \$83,802 | \$34,190 | \$34,190 | \$431,535 | 1,162.17% |
| TOTAL | \$5,719,565 | \$6,361,966 | \$6,337,690 | \$7,163,532 | 12.60% |

Utility Fund Expenditure by Type

| | 2015 | 2016 | | 2017 | % CHANGE |
|--------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | BASE | |
| PAYROLL | \$909,505 | \$1,013,221 | \$1,016,105 | \$1,148,116 | 13.31% |
| SUPPLIES | \$87,208 | \$110,000 | \$75,825 | \$93,173 | -15.30% |
| MAINT | \$452,335 | \$404,950 | \$310,900 | \$352,900 | -12.85% |
| SERVICES | \$2,862,325 | \$4,697,955 | \$4,796,114 | \$5,137,808 | 9.36% |
| CAP EX | \$1,324,390 | \$101,650 | \$104,556 | \$0 | -100.00% |
| XFER TO CAPITAL PROJECTS | \$83,802 | \$34,190 | \$34,190 | \$431,535 | 1,162.17% |
| TOTAL | \$5,719,565 | \$6,361,966 | \$6,337,690 | \$7,163,532 | 12.60% |

60-400 Administration

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, Construction Inspections).

FY 16 Accomplishments

- Hosted National Public Works Week with community outreach programs
- Completed design and construction of the following projects:
 - Hackberry Waterline Improvement
 - TxCDBG Sewer Improvement Project
- Began preliminary work on the following projects:
 - Foster Crossing Water Line
 - Throckmorton Creek Wastewater Interceptor
 - Water Disinfection Upgrade
 - Hackberry Elevated Storage Tank
 - US 75 Utility Relocation Project
- Coordinated with TxDOT the development of engineering and construction plans for the reconstruction of US 75 from Throckmorton Creek to the Collin County Line
- Coordinated with TxDOT on the FM 455 Reconstruction Project
- Inspected all public improvements in residential and commercial developments with in-house inspectors

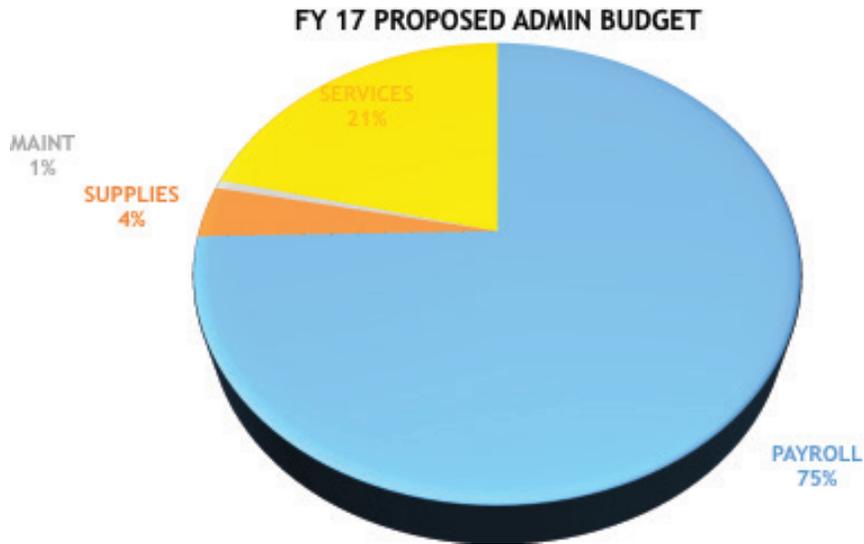
FY 17 Objectives

- Develop new construction design standards and details
- Adopt a storm drainage design manual
- Adopt an erosion control manual
- Create a page on our website containing forms and standards pertinent to infrastructure construction
- Complete the following projects:
 - Foster Crossing Water Line
 - Throckmorton Creek Wastewater Interceptor
 - Water Disinfection Upgrade
 - Hackberry Elevated Storage Tank
 - US 75 Utility Relocation
 - Sherley Ground Storage Tank Rehabilitation
- Continue coordination with TxDOT on the development of engineering and construction plans for the reconstruction of US 75 from FM 455 to the Collin County Line

- Oversee the implementation of the Automated Metering Infrastructure (AMI) system and I&I study
- Continue to host National Public Works Week with community outreach programs

New & Noteworthy for FY 17

- Increased payroll costs
 - o The City's costs for insurance benefits increased
 - o Funding of market/merit based wage adjustments



Admin Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | BASE | % CHANGE |
| PAYROLL | \$0 | \$393,661 | \$393,100 | \$435,592 | 10.65% |
| SUPPLIES | \$0 | \$25,850 | \$15,600 | \$20,950 | -18.96% |
| MAINT | \$0 | \$3,500 | \$3,400 | \$3,500 | 0.00% |
| SERVICES | \$0 | \$121,002 | \$113,464 | \$123,529 | 2.09% |
| CAP EX | \$0 | \$25,000 | \$27,906 | \$0 | -100.00% |
| TOTAL | \$0 | \$569,013 | \$553,470 | \$583,571 | 2.56% |

Admin FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|--------------------------|----------|----------|----------|----------|----------|
| Director of Public Works | 0 | 0 | 0 | 1 | 1 |
| PW Superintendent | 0 | 0 | 0 | 1 | 1 |
| Administrative Assistant | 0 | 0 | 0 | 1 | 1 |
| Construction Inspector | 0 | 0 | 0 | 2 | 2 |
| Total | 0 | 0 | 0 | 5 | 5 |

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 16 Accomplishments

- Reduced water loss through meter audit, improved record keeping and field monitoring
- Obtained membership in Water IQ to promote water conservation
- Increased staff training and licensing
- Completed SCADA upgrades allowing the water system to operate more efficiently and better manage the GTUA supply

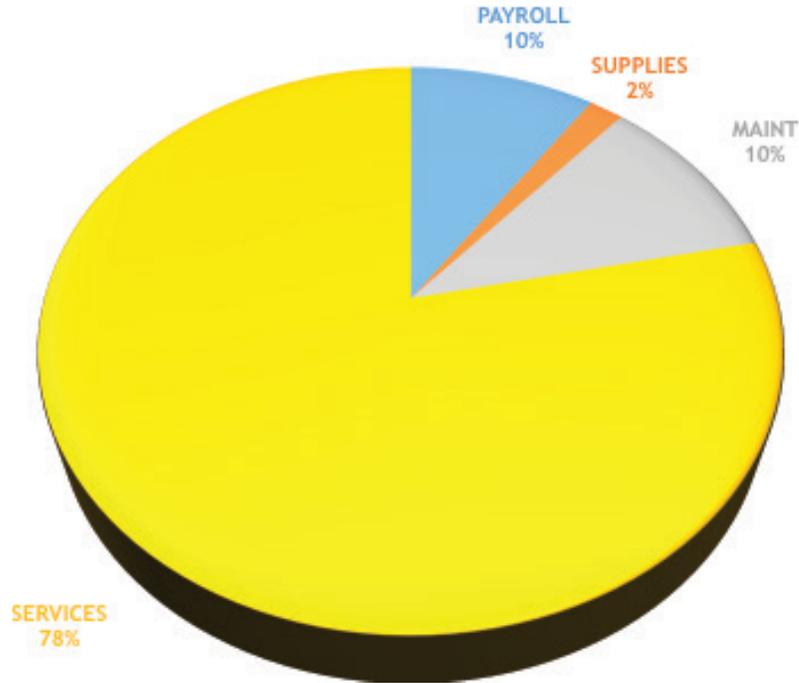
FY 17 Objectives

- Work with TCEQ to increase our water rating from "Approved" to "Superior"
- Complete the construction of the Foster Crossing Water Line Project and the Collin Pump Station Activation Project
- Transition to a complete Automated Metering Infrastructure (AMI) system
- Complete GPS location of existing valves

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
- Increased costs for purchase of treated surface water through regional partnership with Greater Texoma Utility Authority (GTUA)
- Purchase of automated metering infrastructure program to replace all water meters with smart meter system

FY 17 PROPOSED WATER BUDGET



Water FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|---------------------------------|----------|-----------|-----------|----------|----------|
| Field Supervisor - Public Works | 1 | 1 | 1 | 0 | 0 |
| Crew Leader - Public Works | 1 | 1 | 1 | 0 | 0 |
| Water Supervisor | 0 | 0 | 0 | 1 | 1 |
| Maintenance Worker II | 0 | 0 | 1 | 1 | 1 |
| Maintenance Worker I | 5 | 8 | 7 | 2 | 2 |
| Total | 7 | 10 | 10 | 4 | 4 |

Water Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|--------------------|--------------------|------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATEB | ASE | % CHANGE |
| PAYROLL | \$623,066 | \$223,057 | \$242,750 | \$248,883 | 11.58% |
| SUPPLIES | \$60,605 | \$57,665 | \$37,700 | \$46,004 | -20.22% |
| MAINT | \$358,805 | \$318,850 | \$237,100 | \$265,200 | -16.83% |
| SERVICES | \$1,272,944 | \$1,682,223 | \$1,777,050 | \$2,031,152 | 20.74% |
| CAP EX | \$897,519 | \$4,650 | \$4,650 | \$0 | -100.00% |
| TOTAL | \$3,212,940 | \$2,286,445 | 2,299,250 | \$2,591,239 | 13.33% |

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 16 Accomplishments

- Started "Cease the Grease" public education program and promoted at Public Works Week
- Reduced storm water inflow by locating and repairing numerous inflow points
- Identified Improvements to the WWTP that will promote greater process control
- Applied for permit renewal for the Slayter Creek WWTP
- Removed several years' accumulation of bulking sludge from the aerobic digester and clarifier at the WWTP which increased plant efficiency

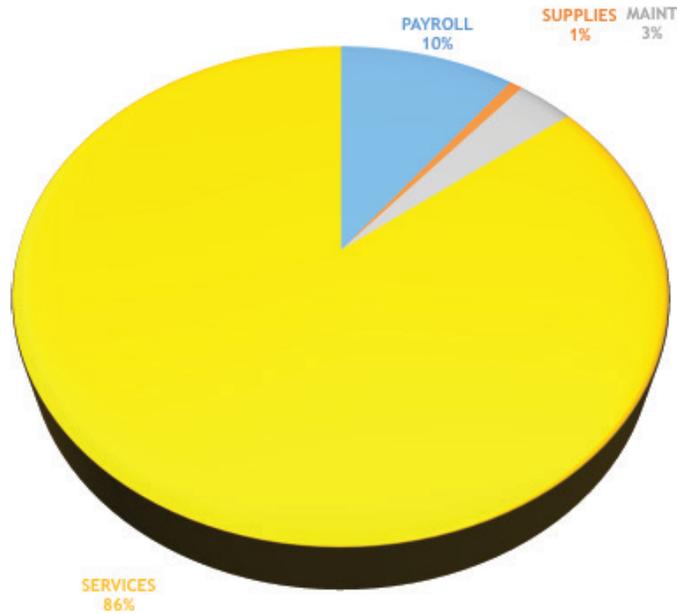
FY 17 Objectives

- Complete I&I engineering study
- Develop a comparative cost analysis of operating the Slayter Creek Wastewater Treatment Plant versus transport to and treatment by NTMWD
- Continue inflow and infiltration repairs
- Increase preventative maintenance on wastewater collection system
- Continue to pursue membership in status in NTMWD

New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
- Inflow and Infiltration engineering study to determine points of infiltration into our wastewater system
- Contract mowing at wastewater sights to create staff capacity for system maintenance

FY 17 PROPOSED SEWER BUDGET



Sewer FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|----------------------------|----------|----------|----------|----------|----------|
| Wastewater Supervisor | 0 | 0 | 0 | 1 | 1 |
| Senior Wastewater Operator | 0 | 1 | 1 | 1 | 1 |
| Wastewater Operator | 2 | 1 | 1 | 0 | 0 |
| Maintenance Worker I | 0 | 0 | 0 | 2 | 2 |
| Total | 2 | 2 | 2 | 4 | 4 |

Sewer Expenditure Summary

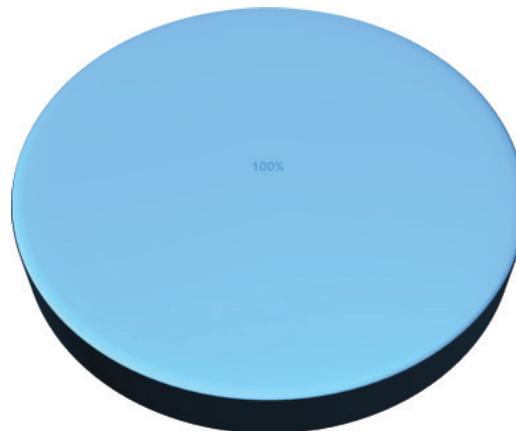
| | 2015 | 2016 | | 2017 | |
|--------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$143,772 | \$248,387 | \$233,350 | \$259,629 | 4.53% |
| SUPPLIES | \$24,659 | \$22,135 | \$19,325 | \$19,444 | -12.16% |
| MAINT | \$93,392 | \$82,000 | \$69,800 | \$83,400 | 1.71% |
| SERVICES | \$847,940 | \$2,102,480 | \$2,121,265 | \$2,156,692 | 2.58% |
| CAP EX | \$426,870 | \$72,000 | \$72,000 | \$0 | -100.00% |
| TOTAL | \$1,536,634 | \$2,527,002 | \$2,515,740 | \$2,519,165 | -0.31% |

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 17 PROPOSED SOLID WASTE BUDGET



New & Noteworthy for FY 17

- Increase in costs are driven by increase in solid waste customers

Solid Waste Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| PAYROLL | \$0 | \$0 | \$0 | \$0 | N/A |
| SUPPLIES | \$0 | \$0 | \$0 | \$0 | N/A |
| MAINT | \$0 | \$0 | \$0 | \$0 | N/A |
| SERVICES | \$658,561 | \$715,000 | \$695,950 | \$731,000 | 2.24% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL | \$658,561 | \$715,000 | \$695,950 | \$731,000 | 2.24% |

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 16 Accomplishments

- Established additional online payment method
- Upgraded financial software to newest Asyst program
- Partnered with new collection agency to increase collection on delinquent UB accounts

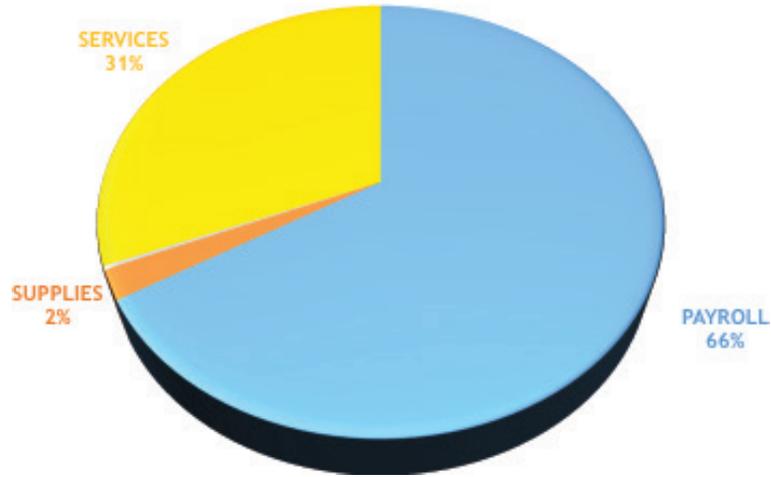
FY 17 Objectives

- Provide all UB forms on City website in a user friendly format (coordinate with updating website)
- Continue working with AMS on delinquent account collections
- Develop custom reports within Asyst to improve efficiency in UB
- Support implementation of AMI system

Utility Expenditure Summary

| | 2015 | 2016 | | 2017 | |
|--------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | BASE | % CHANGE |
| PAYROLL | \$142,667 | \$148,116 | \$146,905 | \$204,012 | 37.74% |
| SUPPLIES | \$1,943 | \$4,350 | \$3,200 | \$6,775 | 55.75% |
| MAINT | \$138 | \$600 | \$600 | \$800 | 33.33% |
| SERVICES | \$82,881 | \$77,250 | \$88,385 | \$95,435 | 23.54% |
| CAP EX | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL | \$227,629 | \$230,316 | \$239,090 | \$307,022 | 33.30% |

FY 17 PROPOSED UTILITY BILLING BUDGET



New & Noteworthy for FY 17

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of market/merit based wage adjustments
 - New Work Order Tech position to focus on customer generated work orders and installation and maintenance of water meters throughout the City

Utility Billing FTE Schedule

| Description | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------------------------------------|------------|------------|------------|------------|------------|
| <i>Customer Service Manager</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Senior Utility Billing Clerk</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Work Order Technician</i> | 0 | 0 | 0 | 0 | 1 |
| <i>Receptionist</i> | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total | 2.5 | 2.5 | 2.5 | 2.5 | 3.5 |

Utility Fund

Debt

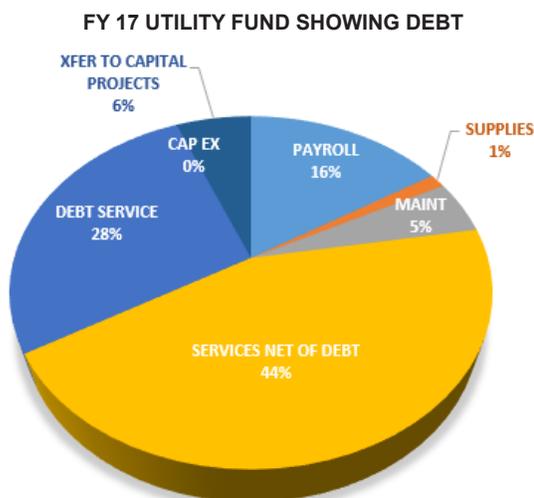
Unlike the General Fund, there is no special fund to account for Utility Fund Debt; all Utility Fund debt is accounted for within the Utility Fund. An Enterprise Fund is focused upon the total cost of providing services. With that focus in mind, the Utility Fund includes all costs to provide utility 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 17 budget includes a transfer of \$470,656 from Debt Service Fund revenues to support tax pledged debt in the Utility Fund. In FY 17, debt service accounts for 27.43% 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 under \$25.5 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 and 2020. 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, refundings are slated for early in FY 17. These refundings will also free up cash and reduce pressure on utility rates.

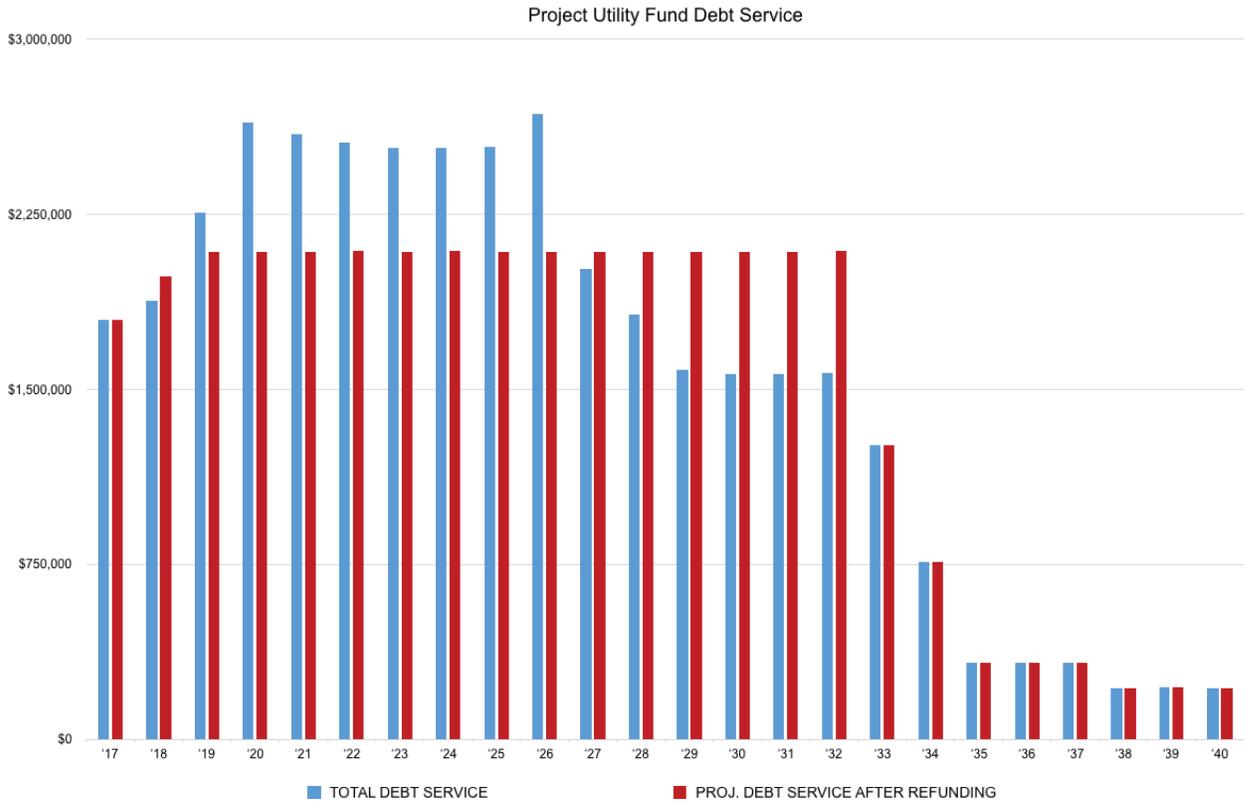


The following table outlines the current and future debt payments. The table along with the subsequent chart details the debt payments through 2040.

Utility Fund Outstanding Debt Schedule

| PERIOD ENDING | PRINCIPALI | INTEREST | INTEREST REDUCTION & RECOVERY | TOTAL DEBT SERVICE | PROJ. DEBT SERVICE AFTER REFUNDING | % CHANGE |
|---------------|---------------------|---------------------|-------------------------------|---------------------|------------------------------------|----------|
| 9/30/17 | \$768,750 | \$1,030,681 | | \$1,799,431 | \$1,799,431 | 0% |
| 9/30/18 | \$784,500 | \$1,094,606 | | \$1,879,106 | \$1,985,177 | 10% |
| 9/30/19 | \$996,250 | \$1,155,882 | \$103,742 | \$2,255,874 | \$2,087,644 | 5% |
| 9/30/20 | \$1,443,750 | \$1,098,127 | \$103,742 | \$2,645,619 | \$2,089,282 | 0% |
| 9/30/21 | \$1,473,250 | \$1,017,507 | \$103,742 | \$2,594,499 | \$2,090,407 | 0% |
| 9/30/22 | \$1,518,750 | \$936,862 | \$103,742 | \$2,559,354 | \$2,092,382 | 0% |
| 9/30/23 | \$1,580,250 | \$851,771 | \$103,742 | \$2,535,763 | \$2,088,816 | -0% |
| 9/30/24 | \$1,669,000 | \$761,356 | \$103,742 | \$2,534,098 | \$2,092,008 | 0% |
| 9/30/25 | \$1,772,500 | \$665,498 | \$103,742 | \$2,541,740 | \$2,088,224 | -0% |
| 9/30/26 | \$2,122,000 | \$560,456 | | \$2,682,456 | \$2,089,878 | 0% |
| 9/30/27 | \$1,553,750 | \$463,695 | | \$2,017,445 | \$2,087,673 | -0% |
| 9/30/28 | \$1,423,750 | \$398,991 | | \$1,822,741 | \$2,088,837 | 0% |
| 9/30/29 | \$1,240,000 | \$342,055 | | \$1,582,055 | \$2,091,406 | 0% |
| 9/30/30 | \$1,273,750 | \$293,051 | | \$1,566,801 | \$2,088,557 | -0% |
| 9/30/31 | \$1,325,000 | \$242,044 | | \$1,567,044 | \$2,090,791 | 0% |
| 9/30/32 | \$1,382,500 | \$188,713 | | \$1,571,213 | \$2,091,728 | 0% |
| 9/30/33 | \$1,127,500 | \$132,842 | | \$1,260,342 | \$1,260,342 | -40% |
| 9/30/34 | \$661,250 | \$98,546 | | \$759,796 | \$759,796 | -40% |
| 9/30/35 | \$248,750 | \$77,134 | | \$325,884 | \$325,884 | -57% |
| 9/30/36 | \$263,750 | \$62,764 | | \$326,514 | \$326,514 | 0% |
| 9/30/37 | \$280,000 | \$47,500 | | \$327,500 | \$327,500 | 0% |
| 9/30/38 | \$185,000 | \$34,397 | | \$219,397 | \$219,397 | -33% |
| 9/30/39 | \$197,500 | \$23,612 | | \$221,112 | \$221,112 | 1% |
| 9/30/40 | \$207,500 | \$12,097 | | \$219,597 | \$219,597 | -1% |
| TOTAL | \$25,499,000 | \$11,590,186 | \$726,194 | \$37,815,380 | \$36,702,383 | |

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



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 onto the City's balance sheet through the issuance of Combination Tax and Revenue Refunding Bonds.
 - a. The next refunding is tentatively scheduled for early FY 17
 - City expects to take out the Anna Project contract bonds and get access to the debt service reserve funds currently 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.
- 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.

Capital Improvements

The Capital Improvements section includes improvements that benefit both the General and Utility Funds. However, General Fund Capital Improvements are set aside in a dedicated Capital Improvements Fund to account for financial resources to be used for the acquisition or construction of major capital facilities that benefit the General Fund. 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 may be 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 Improvements Plan (CIP). 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 17, 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

- Public Safety Radio Replacements are funded in the Police and Fire Department budgets
- 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 are subject to inspection and acceptance by the City of Anna. These projects are often referred to as contributed capital and typically include water, sewer, street, and park 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:

- 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 17 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 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 17 projects with known funding sources and not already presented in the operating budget. The table highlights the project budget and funding source. Summary of the 5 year CIP will follow.

Capital Improvements

| Project | FY 17 Estimated* Budget | Funding Source |
|---------------------------------------------|----------------------------|--------------------------------------------------------------|
| Foster Crossing Water Line** | \$886,094 | 2012 & 2014 Certificates of Obligation |
| Throckmorton Creek Wastewater Interceptor** | \$1,354,406 | Wastewater Impact and Developer Fees |
| Hackberry Elevated Storage Tank** | \$349,773 | 2012 & 2014 Certificates of Obligation |
| Sherley Tank Rehab | \$113,954 | Reserve GTUA Bond Proceeds |
| US 75 Utility Relocation | \$1,812,000 | Water Impact and Developer Fees, TxDot/County reimbursements |
| Collin Pump Station Activation | \$442,000 | 2012 & 2014 Certificates of Obligation |
| Disinfection System Upgrades | \$502,900 | 2012 & 2014 Certificates of Obligation |
| Natural Springs Park Improvements | \$329,000 | Collin County Grant and Park Trust |
| Automated Meter Infrastructure (AM) | \$1,295,500 | Future Debt Issue |
| City Hall Design | TBD | Future Bond Revenue |

*Budgets are estimated as projects are either currently in progress and budget amounts for FY 17 budgets are not yet settled.

**Projects currently under way in FY 16.



| CAPITAL IMPROVEMENTS PLAN | | | | | | | |
|--------------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|
| Capital Projects | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
| BUILDINGS | 2,000,000 | 12,015,000 | - | 347,000 | 3,501,000 | 14,711,050 | 32,574,050 |
| New City Hall | 2,000,000 | 12,000,000 | - | - | - | - | 14,000,000 |
| Fire Station #2 | - | - | - | 347,000 | 3,501,000 | - | 3,848,000 |
| New Police Station | - | - | - | - | - | 7,550,000 | 7,550,000 |
| Fire Station #1 remodel | - | - | - | - | - | 7,161,050 | 7,161,050 |
| Wastewater Lab Improvements | - | 15,000 | - | - | - | - | 15,000 |
| PD Bldg. Remodel | - | - | TBD | - | - | - | - |
| WATER AND WASTEWATER | 5,372,518 | - | - | - | - | 4,082,807 | 9,455,325 |
| Foster Crossing Waterline | 797,485 | - | - | - | - | - | 797,485 |
| Hackberry Elevated Storage Tank | 349,773 | - | - | - | - | - | 349,773 |
| Sherley Elevated Storage Tank Rehab | - | - | - | - | - | 145,000 | 145,000 |
| Sherley Tank Rehab. | 113,954 | - | - | - | - | - | 113,954 |
| US 75 Utility Relocation | 1,812,000 | - | - | - | - | - | 1,812,000 |
| Collin Pump Station Activation | 442,000 | - | - | - | - | - | 442,000 |
| Disinfection Upgrades | 502,900 | - | - | - | - | - | 502,900 |
| Throckmorton Creek Sewer | 1,354,406 | - | - | - | - | - | 1,354,406 |
| Grayson Pump Station | - | - | - | - | - | 3,075,000 | 3,075,000 |
| East Hackberry Waterline | - | - | - | - | - | 147,807 | 147,807 |
| WWTP Upgrades | - | - | - | - | - | 715,000 | 715,000 |
| STREETS | 145,000 | 150,000 | 1,218,171 | 10,689,877 | 165,000 | 2,113,320 | 14,481,368 |
| Annual Rehab Program | 145,000 | 150,000 | 155,000 | 160,000 | 165,000 | 170,000 | 945,000 |
| Hackberry East Reconstruction | - | - | 900,735 | - | - | - | 900,735 |
| Ferguson Road South | - | - | 162,436 | 10,529,877 | - | - | 10,692,313 |
| Ferguson Road - North | - | - | - | - | - | TBD | TBD |
| Hackberry West - 75 connection | - | - | - | - | - | TBD | TBD |
| Leonard Blvd. South | - | - | - | - | - | TBD | TBD |
| Leonard Blvd. North | - | - | - | - | - | TBD | TBD |
| Taylor Blvd. | - | - | - | - | - | TBD | TBD |
| Rosamond East - FM 2862 Connection | - | - | - | - | - | TBD | TBD |
| Rosamond West - US 75 Connection | - | - | - | - | - | TBD | TBD |
| Mantua Rd./CR 371 | - | - | - | - | - | 1,943,320 | 1,943,320 |
| PARKS | 329,000 | - | - | - | - | 287,000 | 616,000 |
| NSP Improvements | 329,000 | - | - | - | - | - | 329,000 |
| Dog Park | - | - | - | - | - | 287,000 | 287,000 |
| VEHICLES | - | 194,950 | 193,177 | 1,174,000 | 221,500 | 1,549,000 | 3,332,627 |
| PD Replacement Schedule | - | 121,950 | 138,177 | 94,000 | 131,500 | - | 485,627 |
| FD Replacement Schedule | - | 55,000 | - | 1,045,000 | - | 1,175,000 | 2,275,000 |
| Park Replacement Schedule | - | - | - | - | - | 60,000 | 60,000 |
| Street Replacement Schedule | - | - | 25,000 | - | - | 137,000 | 162,000 |
| Water Replacement Schedule | - | - | 30,000 | 35,000 | - | 65,000 | 130,000 |
| Wastewater Replacement Schedule | - | - | - | - | 35,000 | 50,000 | 85,000 |
| PW Admin Replacement Schedule | - | 18,000 | - | - | 55,000 | 62,000 | 135,000 |
| MACHINERY & EQUIPMENT | 1,564,513 | 402,779 | 392,075 | 133,715 | 83,715 | 88,250 | 2,665,047 |
| FD SCBA's | 16,000 | 34,000 | 50,000 | - | - | - | 100,000 |
| FD Traffic Light Control System | - | 22,470 | 12,075 | 8,715 | 8,715 | - | 51,975 |
| FD Eagle Air Cadet SCBA air compressor | - | - | - | 45,000 | - | - | 45,000 |
| FD Radio Replacements | 41,000 | 41,000 | - | - | - | - | 82,000 |
| FD - Heart Monitor #1 | - | - | 30,000 | - | - | - | 30,000 |
| FD Heart Monitor #2 | - | 30,000 | - | - | - | - | 30,000 |
| FD - Thermal Imaging Camera | - | - | - | - | 10,000 | - | 10,000 |
| PD Radio Replacements | 127,013 | - | - | - | - | - | 127,013 |
| PK - 2005 John Deere 757 Zero Turn ID#5401 | - | 12,000 | - | - | - | - | 12,000 |
| PK - 2010 Toro 5900 6 Gang Mower ID#5402 | - | - | - | - | - | 78,250 | 78,250 |
| PK - 2010 Toro Reel Mower 3100D ID#5403 | 25,000 | - | - | - | - | - | 25,000 |
| PK - 2010 Kawasaki Mule ID#5503 | 10,000 | - | - | - | - | - | 10,000 |
| WA - 2008 Cat Backhoe 420E | - | 97,000 | - | - | - | - | 97,000 |
| WA - 2012 Mini Excavator | - | - | - | - | 65,000 | - | 65,000 |
| WA - AMI Meter System | 1,295,500 | - | - | - | - | - | 1,295,500 |
| WA - Valve Program | - | 82,003 | - | - | - | - | 82,003 |
| WW - Vac Truck | - | - | 300,000 | - | - | - | 300,000 |
| WW - 2004 Pipe Hunter Sewer Jet Machine | - | - | - | 80,000 | - | - | 80,000 |
| ST - 2007 Skid Steer | - | 65,000 | - | - | - | - | 65,000 |
| ST - Asphalt Hot-Box - KM4000SXPX | - | - | - | - | - | 10,000 | 10,000 |
| ST - Wacker Street Roller | 50,000 | - | - | - | - | - | 50,000 |
| PW - Light Tower | - | 19,306 | - | - | - | - | 19,306 |
| TOTAL | 9,411,031 | 12,762,729 | 1,803,423 | 12,344,592 | 3,971,215 | 22,831,427 | 63,124,417 |

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.

It is anticipated that the council will call a special election regarding a reallocation of the 2% sales tax levied by the City. Recent legislation authorized cities hold an election to reallocate local option sales tax. The proposed election would allocate 1.25% of sales tax to the General Fund and .75% to the CDC and defund the EDC. The reallocation would increase funding in the General Fund for roadways and maintain only the CDC as the Type B corporation. Type B corporations have the ability perform all the same functions of a Type A as well as additional projects not authorized for a Type A. The budgets presented here assume maintaining the current allocation as the election will not occur until after the start of FY 17. Should the election pass, staff will present a budget amendment to the council recognizing the reallocation. Should the election fail no such amendment will be necessary.

CDC Revenue

| | 2015 | 2016 | | 2017 | |
|-------------------|------------------|------------------|------------------|------------------|---------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| SALES TAX | \$368,308 | \$350,000 | \$375,000 | \$375,000 | 7.14% |
| INTEREST | \$2,578 | \$2,500 | \$2,500 | \$2,500 | 0.00% |
| XFER FROM EDC | \$0 | \$0 | \$0 | \$161,000 | N/A |
| REVOLVING LOAN | \$35,910 | \$0 | \$0 | \$0 | N/A |
| FUND TOTAL | \$406,796 | \$352,500 | \$377,500 | \$538,500 | 52.77% |

EDC Revenue

| | 2015 | 2016 | | 2017 | |
|----------------|------------------|------------------|------------------|------------------|--------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED | % CHANGE |
| SALES TAX | \$368,308 | \$350,000 | \$375,000 | \$375,000 | 7.14% |
| INTEREST | \$2,380 | \$2,500 | \$3,500 | \$1,500 | -40.00% |
| RENTAL REVENUE | \$30,000 | \$30,000 | \$15,950 | \$22,500 | -25.00% |
| TOTAL | \$400,688 | \$382,500 | \$394,450 | \$399,000 | 4.31% |

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 16 Accomplishments

- Partnered with the EDC to support the Greater Anna Chamber of Commerce and their 5 annual community events
- Partnered with the City to fund and develop a new city brand identity
- Negotiated purchase of land for a technology business park
- Supported the parks department with the purchase of new equipment and park amenities

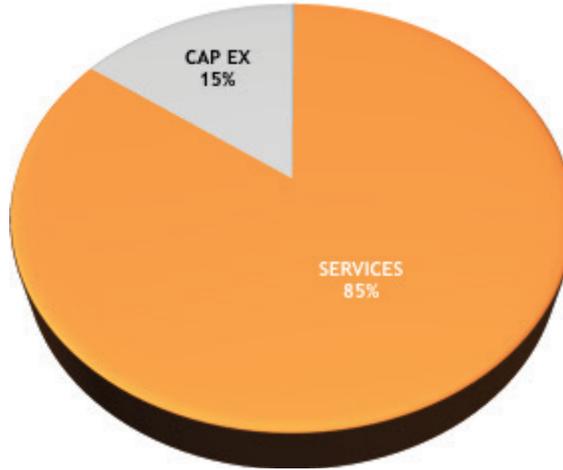
FY 17 Objectives

- Continue to 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 bond ratings
- Improve and expand the City's parks and park amenities
- Implement through targeted marketing efforts the City's new brand identity

New & Noteworthy for FY 17

- Potential sales tax reallocation to support streets. If approved, the CDC budget will be amended
- Debt payments on business park

FY 17 PROPOSED CDC BUDGET



CDC Expenditure Summary

| | 2015 | 2016 | 2017 | |
|--------------|------------------|------------------|------------------|-------------------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED% CHANGE |
| SUPPLIES | \$450 | \$800 | \$110 | \$550 -31.25% |
| SERVICES | \$286,623 | \$285,300 | \$276,027 | \$455,218 59.56% |
| CAP EX | \$48,914 | \$60,000 | \$435,000 | \$80,232 33.72% |
| TOTAL | \$335,987 | \$346,100 | \$711,137 | \$536,000 54.87% |

Economic Development Corporation

Purpose / Description

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

FY 16 Accomplishments

- Partnered with the CDC to support the Greater Anna Chamber of Commerce and their 5 annual community events
- Partnered with the City to fund and develop a new city brand identity
- Partnered with the Anna ISD Education Foundation to expand the ISD's intern program and fund a Mac Lab
- Negotiated purchase of land for a technology business park

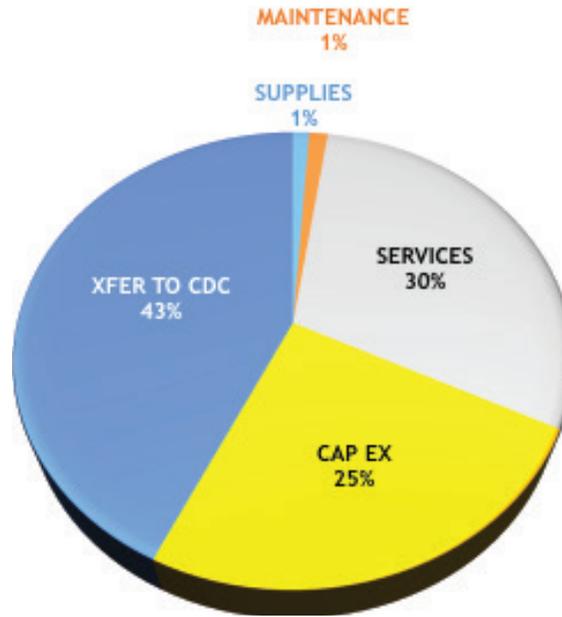
FY 17 Objectives

- 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 bond ratings
- Attend the ICSC local and national conferences to promote the Anna brand and build relationships with retailers and developers
- Cultivate relationships with medical groups and hospitals that could potentially locate in Anna
- Identify strategies to finance public infrastructure improvements for the technology business park in Anna
- Identify opportunities to build the professional workforce in Anna through partnerships with businesses and educational Institutions
- Implement through targeted marketing efforts the City's new brand identity

New & Noteworthy for FY 17

- Potential sales tax reallocation to support streets. If approved, the CDC budget will be amended
- Transfer to CDC to support debt payments on business park

FY 17 PROPOSED EDC BUDGET



EDC Expenditure Summary

| | 2015 | 2016 | 2017 | |
|--------------|------------------|------------------|------------------|-------------------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED% CHANGE |
| SUPPLIES | \$1,482 | \$2,800 | \$2,300 | \$4,100 46.43% |
| MAINTENANCE | \$0 | \$6,500 | \$3,900 | \$4,730 -27.23% |
| SERVICES | \$190,496 | \$229,000 | \$103,900 | \$112,550 -50.85% |
| CAP EX | \$85,950 | \$100,000 | \$725,000 | \$92,900 -7.10% |
| XFER TO CDC | | | | \$161,000 N/A |
| TOTAL | \$277,928 | \$338,300 | \$835,100 | \$375,280 10.93% |

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



CITY OF ANNA

FY 2017 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

**all costs presented in the plan are subject to available funding and periodic review and revision, inclusion in the plan is not a guarantee of funding*

***all images used to depict a project do not necessarily reflect the actual project and may change based upon need and available products*



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 | \$ | 14,000,000 | FY 17 Budget | \$ | 2,000,000 |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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> |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-----------|------------|-------|-------|-------|--------|------------|
| Land Acquisition | 800,000 | | | | | | 800,000 |
| Testing Services | | 32,000 | | | | | 32,000 |
| Design Costs | 600,000 | | | | | | 600,000 |
| Const. Costs | | 11,060,000 | | | | | 11,060,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 598,000 | | | | | 598,000 |
| Engineering | 200,000 | | | | | | 200,000 |
| Other Prof. Fees | 200,000 | | | | | | 200,000 |
| Contingencies | 200,000 | 310,000 | | | | | 510,000 |
| Total | 2,000,000 | 12,000,000 | - | - | - | - | 14,000,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-----------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 20 - FY 21 | Fire Station #2 | Fire |
| Total Project Cost | \$ 3,848,000 | FY 17 Budget \$ - |

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <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> |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

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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>To maintain effective response capabilities in new growth areas of the city.</p> |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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, 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.</p> |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|---------|-----------|--------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | 14,000 | | | 14,000 |
| Design Costs | | | | 262,000 | | | 262,000 |
| Const. Costs | | | | | 3,254,000 | | 3,254,000 |
| 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 | - | - | - | 347,000 | 3,501,000 | - | 3,848,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-----------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| Future | New Police Department | Police |
| Total Project Cost | \$ 7,550,000 | FY 17 Budget \$ - |

Project Description

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.



Regulatory or Legal Mandates

ADA requirements, competitive bids

Operational Necessity/Justification

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.

City Sources of Funding

Non-City Sources of Funding

Bonds

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|-----------|-----------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | 23,000 | 23,000 |
| Design Costs | | | | | | 529,000 | 529,000 |
| Cons. Costs | | | | | | 6,173,480 | 6,173,480 |
| 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 | - | - | - | - | - | 7,550,000 | 7,550,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-----------------|-------------------|
| Budget Year (s) | Project Name | Department |
| Future | Fire Station #1 | Fire |
| Total Project Cost | \$ 7,161,050 | FY 17 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 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|-----------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | 20,000 | 20,000 |
| Design Costs | | | | | | 432,000 | 432,000 |
| Const. Costs | | | | | | 6,007,050 | 6,007,050 |
| 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 | - | - | - | - | - | 7,161,050 | 7,161,050 |

City of Anna - Capital Projects Detail Sheet

| | | |
|---------------------------|---------------------|---------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 | WWTP Lab Remodel | Sewer |
| Total Project Cost | \$ 15,000 | FY 17 Budget |
| | | \$ - |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Remodel the lab at the WWTP plant the supports plant operations and reporting. The remodel would include updating the office space and furniture for the WWTP personnel.</p> |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

| | |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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>Lab is dated and in need of repairs and improvements to improve working conditions and operations.</p> |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Available budgetary or reserve funds for capital improvements</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|-------|-------|-------|--------|--------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | 15,000 | | | | | 15,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 15,000 | - | - | - | - | 15,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|--------------------|--------------|
| Budget Year (s) | Project Name | Department |
| FY 19 | PD Station Remodel | Police |
| Total Project Cost | \$ - | FY 17 Budget |
| | | \$ - |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Remodel the existing building that supports, the Police Department and the Utility Billing and Municipal Court Functions. Staff will work to determine scope of remodel and obtain pricing over the next fiscal year.</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>The current police station is somewhat limited in its ability to support the growing community for effective and efficient operations of the Police Department</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> |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | TBD | | | | - |
| Testing Services | | | TBD | | | | - |
| Design Costs | | | TBD | | | | - |
| Const. Costs | | | TBD | | | | - |
| Const. Mngmt. | | | TBD | | | | - |
| Furn/Fixt/Equip | | | TBD | | | | - |
| Engineering | | | TBD | | | | - |
| Other Prof. Fees | | | TBD | | | | - |
| Contingencies | | | TBD | | | | - |
| Total | - | - | - | - | - | - | - |



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 17 | Foster Crossing Water Line | Water |
| Total Project Cost | \$ 797,485 | FY 17 Budget |
| | | \$ 797,485 |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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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|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>N/A</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>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.</p> |
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|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>2014 Certificate of Obligation</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>N/A</p> |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|----------------|-------|-------|-------|-------|--------|----------------|
| Land Acquisition | 10,000 | | | | | | 10,000 |
| Testing Services | 33,882 | | | | | | 33,882 |
| Design Costs | - | | | | | | - |
| Const. Costs | 753,603 | | | | | | 753,603 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 797,485 | - | - | - | - | - | 797,485 |

City of Anna - Capital Projects Detail Sheet

| | | |
|------------------------|---------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | Hackberry EST | Water |
| Total Project Cost | \$ 2,695,263 | FY 17 Budget |
| | | \$ 349,773 |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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>2014 Certificate of Obligation</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|-------|-------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | 349,773 | | | | | | 349,773 |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 349,773 | - | - | - | - | - | 349,773 |

City of Anna - Capital Projects Detail Sheet

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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 style="text-align: center;"><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 style="text-align: center;"><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 style="text-align: center;"><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 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|---------|---------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | 10,000 | 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 | - | - | - | - | - | 145,000 | 145,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-----------------------------|--------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | Sherley Tank Rehabilitation | Water |
| Total Project Cost | \$ 113,954 | FY 17 Budget |
| | | \$ 113,954 |

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>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.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>TCEQ requires annual inspections of potable water tanks. Any tanks not meeting regulatory requirements must be scheduled for cleaning/rehabilitation promptly.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>A recent tank inspection showed multiple issues with the tanks including some interior degradation and sand accumulation. The tanks need to be reahabitated and cleaned to avoid water quality issues.</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>Funds are available for the project through a Texas Water Development Board Loan administered through the Greater Texoma Utility Authority.</p> |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|-------|-------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 113,954 | | | | | | 113,954 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 113,954 | - | - | - | - | - | 113,954 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|--------------------------|---------------------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | US 75 Utility Relocation | Water |
| Total Project Cost | \$ 1,812,000 | FY 17 Budget \$ 1,812,000 |

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| <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> |  |
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| <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> |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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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>Collin County and TxDOT</p> |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-----------|-------|-------|-------|-------|--------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 1,812,000 | | | | | | 1,812,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 1,812,000 | - | - | - | - | - | 1,812,000 |

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 17 Budget |
| | | \$ 442,000 |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>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.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>The city is approaching and may exceed the TCEQ mandated maximum daily capacity our water system. Upgrades are necessary to keep pace with growth.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project is necessary in order to accommodate future growth, activate an existing unused asset, and provide for redundancy within the water system.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Impact fee funds</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

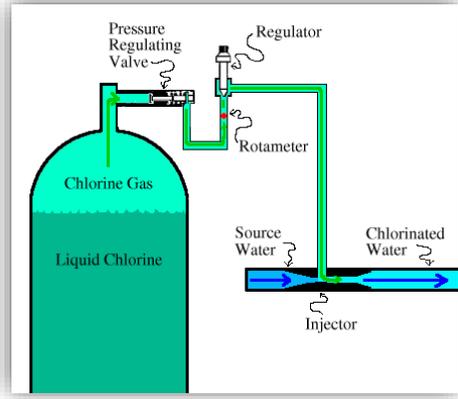
| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|----------------|-------|-------|-------|-------|--------|----------------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 328,131 | | | | | | 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 |
| FY 17 | Disinfection Upgrades | Water |
| Total Project Cost | \$ 502,900 | FY 17 Budget \$ 502,900 |

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

2014 Certificate of Obligation

Non-City Sources of Funding

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|-------|-------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 414,361 | | | | | | 414,361 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | 81,400 | | | | | | 81,400 |
| Other Prof. Fees | 7,139 | | | | | | 7,139 |
| Contingencies | | | | | | | - |
| Total | 502,900 | - | - | - | - | - | 502,900 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-------------------------|---------------------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | Throckmorton Creek Line | Sewer |
| Total Project Cost | \$ 1,354,406 | FY 17 Budget \$ 1,354,406 |

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| <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> |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-----------|-------|-------|-------|-------|--------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 1,354,406 | | | | | | 1,354,406 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 1,354,406 | - | - | - | - | - | 1,354,406 |

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 17 Budget \$ - | | | | | |
| <p style="text-align: center;"><u>Project Description</u></p> <p>Installation of pump station, pumps, back-up generator, and all piping and appurtenances. 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 17 | FY 18 | FY 19 | FY 20 | FY 21 | 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 |
| Future | Hackberry WL | Water |
| Total Project Cost | \$ 147,807 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Relocate the existing line between SH 5 and Slatyer Creek, only if necessary, in order to make way for the road improvements. This likely will not happen in the Phase 1 expansion of the road.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>As Hackberry is widened between Slatyer Creek and SH 5 the first phase will only build the south side of the 4 lane divided roadway. Then the north side is constructed, the water line will need to be relocated.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility fund revenue and dedicated reserves</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|---------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | 147,807 | 147,807 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | - | - | - | 147,807 | 147,807 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------|--------------|
| Budget Year (s) | Project Name | Department |
| Future | WWTP Upgrades | Sewer |
| Total Project Cost | \$ 715,000 | FY 17 Budget |
| | | \$ - |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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 recently completed 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>Sewer impact fees if available and consistent with CIP plan.</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | 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 | \$ 945,000 | FY 17 Budget |
| | | \$ 145,000 |

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| <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 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> |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|---------|---------|---------|---------|---------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 145,000 | 150,000 | 155,000 | 160,000 | 165,000 | 170,000 | 945,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 145,000 | 150,000 | 155,000 | 160,000 | 165,000 | 170,000 | 945,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------------------|--------------|
| Budget Year (s) | Project Name | Department |
| FY 19 | Hackberry - Slayter Creek | Streets |
| Total Project Cost | \$ 900,735 | FY 17 Budget |
| | | \$ - |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>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.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Impact fees, General Obligation Debt</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Collin county Bonds</p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|---------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | 900,735 | | | | 900,735 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | 900,735 | - | - | - | 900,735 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|----------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 19 - FY 20 | Ferguson South | Streets |
| Total Project Cost | \$ 10,692,313 | FY 17 Budget \$ - |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 1.2 miles of roadway connecting Ferguson between Taylor Blvd. and the Collin County Outer Loop (CCOL). Road is a future 6-lane divided in 120' of right-of-way. Phase 1 would construct 2 concrete curb and gutter lanes and include a 3-lane bridge.</p> |  |
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| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>This project is a top priority due to the connectivity to two regional roadways (FM 455 and the CCOL). The project gets traffic to our population center without having to use the congested intersections of FM 455 at US 75 and FM 455 at SH 5.</p> |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

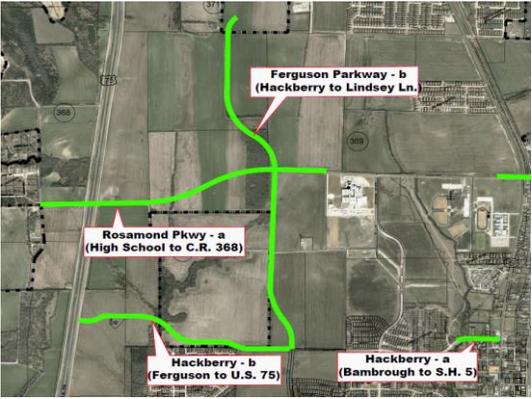
| | |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <p><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|---------|------------|-------|--------|------------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | 162,436 | | | | 162,436 |
| Const. Costs | | | | 10,529,877 | | | 10,529,877 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | 162,436 | 10,529,877 | - | - | 10,692,313 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|----------------|--------------|
| Budget Year (s) | Project Name | Department |
| Future | Ferguson North | Streets |
| Total Project Cost | \$ - | FY 17 Budget |
| | | \$ - |

| | |
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| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 1.6 miles of roadway connecting Ferguson between Hackberry and future Lindsey (now CR 371). Road is a future 6-lane divided in 120' of right-of-way.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This road connects Ferguson to FM 455 providing connectivity to 3 major east-west corridors namely Hackberry, future Rosamond and future Lindsey (now CR 371).</p> |
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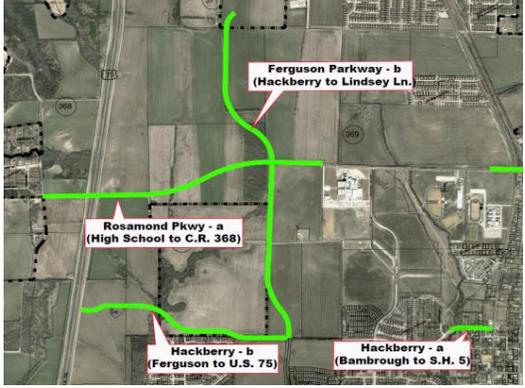
| | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|----------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Hackberry West | | Streets | |
| Total Project Cost | \$ | - | FY 17 Budget | \$ | - |

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 1 mile of roadway connecting Hackberry between Ferguson and US 75. Road is a future minor collector.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project provides connectivity between 3 major north-south corridors namely US 75, Ferguson and SH 5.</p> |
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|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|---------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Leonard South | | Streets | |
| Total Project Cost | \$ | - | FY 17 Budget | \$ | - |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 0.85 miles of roadway connecting future Leonard Blvd. between the Collin County Outer Loop (CCOL) and Sharp St. Future major collector 6-lane divided in 120' of right-of-way.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project connects the CCOL to the Anna Crossing development where existing Leonard ends today. The road is also adjacent to a major school site and crosses future Foster Crossing a future 4-lane divided roadway.</p> |
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|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|---------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Leonard North | | Streets | |
| Total Project Cost | \$ | - | FY 17 Budget | \$ | - |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 0.88 miles of roadway connecting future Finley to FM 455. Road is a future major collector 6-lane divided in 120' of right-of-way.</p> |  |
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|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project is a major section of Leonard needed to connect the CCOL to FM 455 east of SH 5. As the ISD builds its new campuses along Leonard south of Anna Crossing, this section will play a role in connectivity to FM 455.</p> |
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|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|--------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Taylor Blvd. | | Streets | |
| Total Project Cost | \$ | - | FY 17 Budget | \$ | - |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Reconstruction of 1.1 miles of roadway between US 75 and Ferguson Parkway. Road is a future minor collector in 80' of right-of-way.</p> |  |
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|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The current roadway is a 2-lane chip-seal road. This project is an important component of the City's overall transportation plan providing connectivity between US 75 and neighborhoods south of FM 455 as well as connecting to Ferguson.</p> |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|---------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Rosamond East | | Streets | |
| Total Project Cost | \$ | - | FY 17 Budget | \$ | - |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 1.1 miles of roadway between existing Rosamond and US 75. Rosamond is a future 6-lane divided major collector in 120' of right-of-way.</p> |  |
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| | |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project connects SH 5 to US 75 crossing a future major collector (Ferguson) along the way. TxDOT will be constructing a bridge over US 75 at Rosamond which would also connect the road to points west. In the future Rosamond will be our most prolific east-west corridor.</p> |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

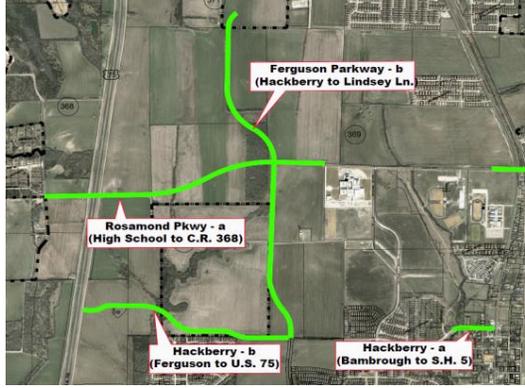
| | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------|--------------|
| Budget Year (s) | Project Name | Department |
| Future | Rosamond West | Streets |
| Total Project Cost | \$ - | FY 17 Budget |
| | | \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Construct 0.52 miles of roadway between existing Rosamond (near SH 5) and FM 2862. Rosamond is a future 6-lane divided major collector in 120' of right-of-way.</p> |  |
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| | |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>This project would connect FM 2862 to SH 5 with a future bridge over DART and SH 5. When coupled with the Rosamond East Project this road would connect several major north-south roads.</p> |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <p><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets</p> | <p><u>Non-City Sources of Funding</u></p> <p>Bonds</p> |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|-------|
| Land Acquisition | | | | | | TBD | - |
| Testing Services | | | | | | TBD | - |
| Design Costs | | | | | | TBD | - |
| Const. Costs | | | | | | TBD | - |
| Const. Mngmt. | | | | | | TBD | - |
| Furn/Fixt/Equip | | | | | | TBD | - |
| Engineering | | | | | | TBD | - |
| Other Prof. Fees | | | | | | TBD | - |
| Contingencies | | | | | | TBD | - |
| Total | - | - | - | - | - | - | - |

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 17 Budget \$ - |

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|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Reconstruct Mantua Rd./CR 371 from Highway 5 to U.S. 75</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.</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> <p>Bonds.</p> |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | 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 17 | NSP Improvements | Parks |
| Total Project Cost | \$ 329,000 | FY 17 Budget |
| | | \$ 329,000 |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <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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|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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>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</p> |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust Fund Revenues, CDC Contributions</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Collin County Park Grants</p> |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|-------|-------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | 329,000 | | | | | | 329,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 329,000 | - | - | - | - | - | 329,000 |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|--------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Dog Park | | Parks | |
| Total Project Cost | \$ | 287,000 | FY 17 Budget | \$ | - |

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| <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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| | |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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>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</p> |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust Fund Revenues, General Fund Revenues, CDC Contributions</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|---------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | 287,000 | 287,000 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | | - | - | - | 287,000 | 287,000 |



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 18 - FY 21 | PD Vehicle Replacement | Police |
| Total Project Cost | \$ 485,627 | FY 17 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 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|---------|---------|--------|---------|--------|---------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 121,950 | 138,177 | 94,000 | 131,500 | | 485,627 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 121,950 | 138,177 | 94,000 | 131,500 | - | 485,627 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 - Future | FD Vehicle Replacement | Fire |
| Total Project Cost | \$ 2,275,000 | FY 17 Budget \$ - |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Vehicle replacement schedule based on mileage and years of service. Schedule includes replacing unit B-902 in FY 18, purchasing a quint and replacing and repurposing C-902 in FY 20, and replacing existing fleet in future years.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>All vehicles have a service life. Fire service vehicles endure harsh conditions and their lifespan is affected accordingly.</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> <p>Bonds and grants if available.</p> |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|-------|-----------|-------|-----------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 55,000 | | 1,045,000 | | 1,175,000 | 2,275,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 55,000 | - | 1,045,000 | - | 1,175,000 | 2,275,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|--------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| Future | Replacement Pickup | Parks |
| Total Project Cost | \$ 60,000 | FY 17 Budget \$ - |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Current fleet consists of three 3/4 ton trucks.</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>Trucks age and requirement replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</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> |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | - | - | 60,000 | 60,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | 60,000 | 60,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|----------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY19 - Future | Street Vehicle Replacement | Streets |
| Total Project Cost | \$ 162,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Current fleet consists of large dump truck and full size 3/4 and 1 ton trucks.</p> |  |
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|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>Trucks age and requirement replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</p> |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|--------------------------------------------------------------------------------|-------------------------------------------|
| <p><u>City Sources of Funding</u></p> <p>General Fund Revenue and Reserves</p> | <p><u>Non-City Sources of Funding</u></p> |
|--------------------------------------------------------------------------------|-------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|--------|-------|-------|---------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | 25,000 | | | 137,000 | 162,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | 25,000 | - | - | 137,000 | 162,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 19 - Future | Water Vehicle Replacement | Water |
| Total Project Cost | \$ 130,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Currently there is a fleet of four trucks ranging from 1/2 ton to 1 ton service and and flat bed trucks.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Trucks age and requirement replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</p> |
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|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund Revenue and Reserves.</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|--------|--------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | 30,000 | 35,000 | | 65,000 | 130,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | 30,000 | 35,000 | - | 65,000 | 130,000 |

City of Anna - Capital Projects Detail Sheet

| | | | |
|--------------------|------------------------|--------------|------|
| Budget Year (s) | Project Name | Department | |
| FY 21 - Future | WW Vehicle Replacement | Sewer | |
| Total Project Cost | \$ 85,000 | FY 17 Budget | \$ - |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Currently there is a fleet of three trucks ranging from 1/2 ton to 1 ton vehicles with a service crane</p> |  |
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| <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>Trucks age and requirement replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</p> |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund Revenue and Reserves</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|--------|--------|--------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | 35,000 | 50,000 | 85,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | - | - | 35,000 | 50,000 | 85,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 - Future | Admin Vehicle Replacement | Water |
| Total Project Cost | \$ 135,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Currently there is a fleet of five vehicles serving admin and construction inspections.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Trucks age and requirement replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund Revenue and Reserves.</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|-------|-------|--------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 18,000 | | | 55,000 | 62,000 | 135,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 18,000 | - | - | 55,000 | 62,000 | 135,000 |



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 17 - FY19 | SCBA's | Fire | |
| Total Project Cost | \$ 100,000 | FY 17 Budget | \$ 16,000 |

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| <p style="text-align: center;"><u>Project Description</u></p> <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> |  |
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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>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> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Pending Grant Application, Fire Trust</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <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> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------------|---------------|---------------|-------|-------|--------|----------------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 16,000 | 34,000 | 50,000 | | | | 100,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 16,000 | 34,000 | 50,000 | - | - | - | 100,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 - FY21 | Traffic Light Controls | Fire |
| Total Project Cost | \$ 51,975 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>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.</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>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.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>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.</p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|--------|-------|-------|--------|--------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | 5,670 | 3,150 | 1,890 | 1,890 | | 12,600 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 16,800 | 8,925 | 6,825 | 6,825 | | 39,375 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 22,470 | 12,075 | 8,715 | 8,715 | - | 51,975 |

City of Anna - Capital Projects Detail Sheet

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|--------------------|---------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 20 | SCBA Air Compressor | Fire |
| Total Project Cost | \$ 45,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>This piece of equipment is utilized to refill the Department's Self Contained Breathing Air cylinders (SCBA's). The air that is placed in these cylinders is a compressed air to assist the firefighter while wearing his SCBA in Hazardous environments. The air that is produced by the compressor is tested quarterly to assure it meets NFPA standards.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The current compressor, is still in operating condition and passes air quality testing. As the unit continues to age it will need to be replaced with a new model, or a new unit will need to be placed in Station 2 when it is constructed.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, Fire Capital Fund</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|--------|-------|--------|--------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | 45,000 | - | - | 45,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | 45,000 | - | - | 45,000 |

City of Anna - Capital Projects Detail Sheet

| | | | |
|---------------------------|---------------------|---------------------|-----------|
| Budget Year (s) | Project Name | Department | |
| FY 17 - 18 | Radio Replacements | Fire | |
| Total Project Cost | \$ 82,000 | FY 17 Budget | \$ 41,000 |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>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.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Federal interoperable P25 regulations.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>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.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund, Fire Trust</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Grant funding from various sources will be researched and applied for accordingly.</p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------------|---------------|----------|----------|----------|----------|---------------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 41,000 | 41,000 | - | - | | | 82,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 41,000 | 41,000 | - | - | - | - | 82,000 |

City of Anna - Capital Projects Detail Sheet

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|--------------------|---------------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 - FY 19 | Heart Monitor Replacement | Fire |
| Total Project Cost | \$ 60,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Currently, the Department responds to approximately 1200 calls per year. Of these calls approximately sixty-two percent are Emergency Medical Services (E.M.S.) related. We have also seen an increase of multiple calls occurring at the same time. This project will replace the existing heart monitor and utilize it as a back up and training device. A second monitor would be purchased to support the growing community and service demands.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The current heart monitor (Life Pak 12), has been in service since 2012. The maintenance contract will expire next year and it will no longer be able to be serviced.</p> |
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| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, Fire Capital Fund</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|--------|-------|-------|--------|--------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 30,000 | 30,000 | | | | 60,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 30,000 | 30,000 | - | - | - | 60,000 |

City of Anna - Capital Projects Detail Sheet

| Budget Year (s) | | Project Name | | Department | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------|--------|--------|
| FY 21 | | Replace Thermal Camera | | Fire | | | |
| Total Project Cost | \$ 10,000 | FY 17 Budget | \$ - | | | | |
| <p style="text-align: center;"><u>Project Description</u></p> <p>Thermal Imaging Cameras allow firefighters to see more when smoke and fire have robbed them of sight. Thus allowing for safer fire ground operations, and increasing the chances of locating downed victims. The Department currently has two cameras, one was purchased around 2010 and the other in 2013.</p> | | |  | | | | |
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p> | | | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Another camera will need to be purchased to replace existing older model or be used to equip another engine or quint.</p> | | | | |
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, Fire Capital Fund</p> | | | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds and grants if available.</p> | | | | |
| Proposed Project Budget | | | | | | | |
| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | - | 10,000 | - | 10,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | - | 10,000 | - | 10,000 |

City of Anna - Capital Projects Detail Sheet

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|--------------------|----|--------------------|--------------|------------|---------|
| Budget Year (s) | | Project Name | | Department | |
| FY 17 | | Radio Replacements | | Police | |
| Total Project Cost | \$ | 127,013 | FY 17 Budget | \$ | 127,013 |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>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.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Federal interoperable P25 regulations.</p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>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.</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> <p>Grant funds</p> |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|---------|-------|-------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 127,013 | | | | | | 127,013 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 127,013 | - | - | - | - | - | 127,013 |

City of Anna - Capital Projects Detail Sheet

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|--------------------|----------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 | Replace JD 757 | Parks |
| Total Project Cost | \$ 12,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace existing John Deere 757 Zero Turn mower.</p> |  |
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| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>Equipment is still serviceable but is showing signs of aging and nearing the end of its useful life.</p> |
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| <p><u>City Sources of Funding</u></p> <p>General Fund Revenues, CDC Contributions</p> | <p><u>Non-City Sources of Funding</u></p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|-------|-------|-------|--------|--------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 12,000 | | | | | 12,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 12,000 | - | - | - | - | 12,000 |

City of Anna - Capital Projects Detail Sheet

| | | | | | |
|--------------------|----|-------------------|--------------|------------|---|
| Budget Year (s) | | Project Name | | Department | |
| Future | | Replace Toro 5900 | | Parks | |
| Total Project Cost | \$ | 78,250 | FY 17 Budget | \$ | - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace Toro 5900 6-gang mower.</p> |  |
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| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>This piece of equipment is still servicable but will need to be replaced in the distant future. Mower capacity allows for efficient mowing of large park areas.</p> |
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| <p><u>City Sources of Funding</u></p> <p>General Fund Revenues, CDC Contributions</p> | <p><u>Non-City Sources of Funding</u></p> |
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Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | - | - | 78,250 | 78,250 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | 78,250 | 78,250 |

City of Anna - Capital Projects Detail Sheet

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|---------------------------|---------------------|---------------------|-----------|
| Budget Year (s) | Project Name | Department | |
| FY 17 | Replace Toro 3100D | Parks | |
| Total Project Cost | \$ 25,000 | FY 17 Budget | \$ 25,000 |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace existing Toro 3100D Reelmaster mower.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This piece of equipment is reaching the end of its useful life and is important to establish and maintain quality playing surface on the ball fields.</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 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|--------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 25,000 | | | | | | 25,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 25,000 | - | - | - | - | - | 25,000 |

City of Anna - Capital Projects Detail Sheet

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|--------------------|----|-----------------------------|--------------|------------|--------|
| Budget Year (s) | | Project Name | | Department | |
| FY 17 | | Utility Vehicle Replacement | | Parks | |
| Total Project Cost | \$ | 10,000 | FY 17 Budget | \$ | 10,000 |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace Kawaski Mule utility vehicle.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Vehicle is aged and reaching end of useful life. This is an important piece of equipment for servicing remote areas of the parks not accessible by regular truck</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 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|--------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 10,000 | | | | | | 10,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 10,000 | - | - | - | - | - | 10,000 |

City of Anna - Capital Projects Detail Sheet

| Budget Year (s) | | Project Name | | Department | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|--------|
| FY 18 | | Backhoe Replacement | | Water | | | |
| Total Project Cost | \$ | 97,000 | FY 17 Budget | \$ | - | | |
| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace Caterpillar Backhoe 420E 4WD rubber tire backhoe/loader. The existing machine would then be relegated to the wastewater department for 5 years.</p> | | | |  | | | |
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | | | | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The existing machine is a 2008. Under a 10 year replacement plan the machine should be replaced in 2018.</p> | | | |
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility fund revenue and reserves</p> | | | | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> | | | |
| Proposed Project Budget | | | | | | | |
| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 97,000 | | | | | 97,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 97,000 | - | - | - | - | 97,000 |

City of Anna - Capital Projects Detail Sheet

| Budget Year (s) | | Project Name | | Department | | | |
|------------------------------------------------------------------------------------------------------------------|-------|----------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--------|
| FY 21 | | Mini Excavator Replacement | | Water | | | |
| Total Project Cost | \$ | 65,000 | FY 17 Budget | \$ | - | | |
| <p style="text-align: center;"><u>Project Description</u></p> Replace Caterpillar 305E rubber tracked excavator. | | | |  | | | |
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | | | | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> The existing machine will be due for replacement in 2021 per a 10-year replacement program for machinery. | | | |
| <p style="text-align: center;"><u>City Sources of Funding</u></p> Utility fund revenue and reserves | | | | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> | | | |
| Proposed Project Budget | | | | | | | |
| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | - | 65,000 | - | 65,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | - | 65,000 | - | 65,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|------------------|--------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | AMI Meter System | Water |
| Total Project Cost | \$ 1,295,500 | FY 17 Budget |
| | | \$ 1,295,500 |

| | |
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| <p style="text-align: center;"><u>Project Description</u></p> <p>The City currently uses technology for our radio read meters from Master Meter. This system will replace all meters with new technology from Neptune meters. The project will be phased in with all meters replaced in year 1 and open customer portal in year 2. The customer portal will provide data on consumption directly to the water consumer.</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>Improve operational efficiency in the department/fund. Enable the more efficient use of personnel and delays any needs for new personnel.</p> |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund Revenues</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bond or Note</p> |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-----------|-------|-------|-------|-------|--------|-----------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 1,295,500 | | | | | | 1,295,500 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 1,295,500 | - | - | - | - | - | 1,295,500 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|---------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 18 | Valve Program | Water |
| Total Project Cost | \$ 82,003 | FY 17 Budget \$ - |

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| <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>Utility Fund revenues and reserves</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|--------|-------|-------|-------|--------|--------|
| Land Acquisition | - | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | 82,003 | | | | | 82,003 |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | | | | | - |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 82,003 | - | - | - | - | 82,003 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|--------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 19 | Vac Truck | Sewer |
| Total Project Cost | \$ 300,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>A combination truck is a large piece of equipment used for sewer maintenance operations. It is similar to a vac-trailer but adds a jetting component.</p> |  |
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| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Currently the City has a small jet trailer and moderate size vac-trailer. A combination truck combines both of the elements into one more powerful unit. This machine will become necessary as we move towards daily collection system maintenance operations.</p> |
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|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility fund revenue and reserves</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|---------|-------|-------|--------|---------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | | 300,000 | | | | 300,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | - | 300,000 | - | - | - | 300,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|-----------------------|-------------------|
| Budget Year (s) | Project Name | Department |
| FY 20 | Sewer Jet Replacement | Sewer |
| Total Project Cost | \$ 80,000 | FY 17 Budget \$ - |

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| <p style="text-align: center;"><u>Project Description</u></p> <p>Replace Pipe Hunter sewer jet trailer used for clearing blocked sewer lines.</p> |  |
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| <p><u>Regulatory or Legal Mandates</u></p> | <p><u>Operational Necessity/Justification</u></p> <p>Existing machine was purchased in 2004. Typically have a useful life of 10+ years.</p> |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|

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| <p><u>City Sources of Funding</u></p> <p>Utility fund revenue and reserves</p> | <p><u>Non-City Sources of Funding</u></p> |
|--------------------------------------------------------------------------------|-------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|--------|-------|--------|--------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | 80,000 | - | - | 80,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | 80,000 | - | - | 80,000 |

City of Anna - Capital Projects Detail Sheet

| Budget Year (s) | | Project Name | | Department | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|--------|
| FY 18 | | Skid Steer Replacement | | Streets | | | |
| Total Project Cost | \$ | 65,000 | FY 17 Budget | \$ | - | | |
| <p style="text-align: center;"><u>Project Description</u></p> <p>Caterpillar 252B rubber tire skid steer used for streets operations.</p> | | | |  | | | |
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | | | | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Machine is a 2007 and due for replacement in 2017 per a 10-year replacement schedule but can be delayed until FY 18</p> | | | |
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General fund revenue and reserves</p> | | | | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> | | | |
| Proposed Project Budget | | | | | | | |
| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | | 65,000 | | | | | 65,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | - | 65,000 | - | - | - | - | 65,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|----------------|-------------------|
| Budget Year (s) | Project Name | Department |
| Future | Asphalt Hotbox | Streets |
| Total Project Cost | \$ 10,000 | FY 17 Budget \$ - |

| | |
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| <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> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <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> |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|-------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | - | - | - | - | - | - | - |
| Testing Services | - | - | - | - | - | - | - |
| Design Costs | - | - | - | - | - | - | - |
| Const. Costs | - | - | - | - | - | - | - |
| Const. Mngmt. | - | - | - | - | - | - | - |
| Furn/Fixt/Equip | - | - | - | - | - | 10,000 | 10,000 |
| Engineering | - | - | - | - | - | - | - |
| Other Prof. Fees | - | - | - | - | - | - | - |
| Contingencies | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | 10,000 | 10,000 |

City of Anna - Capital Projects Detail Sheet

| | | |
|--------------------|--------------------|--------------|
| Budget Year (s) | Project Name | Department |
| FY 17 | Roller Replacement | Streets |
| Total Project Cost | \$ 50,000 | FY 17 Budget |
| | | \$ 50,000 |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Project Description</u></p> <p>Roller is used for compacting subgrade and asphalt during street paving and maintenance operations.</p> |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

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|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> | <p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The existing roller is more than 10 years old, is too small for any serious paving repair and has lost vibratory and watering functionality. The proposed machine is large enough to do professional level repairs and would be fully functional.</p> |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General fund revenue and reserves</p> | <p style="text-align: center;"><u>Non-City Sources of Funding</u></p> |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

Proposed Project Budget

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | Future | Total |
|------------------|--------|-------|-------|-------|-------|--------|--------|
| Land Acquisition | | | | | | | - |
| Testing Services | | | | | | | - |
| Design Costs | | | | | | | - |
| Const. Costs | | | | | | | - |
| Const. Mngmt. | | | | | | | - |
| Furn/Fixt/Equip | 50,000 | | | | | | 50,000 |
| Engineering | | | | | | | - |
| Other Prof. Fees | | | | | | | - |
| Contingencies | | | | | | | - |
| Total | 50,000 | - | - | - | - | - | 50,000 |

City of Anna - Capital Projects Detail Sheet

| Budget Year (s) | Project Name | Department | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|--------|--------|
| FY 18 | Mobile Light Tower | Water | | | | | |
| Total Project Cost | \$ 19,306 | FY 17 Budget | | | | | |
| | | \$ - | | | | | |
| <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> | | | | | | | |
|  | | | | | | | |
| <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 17 | FY 18 | FY 19 | FY 20 | FY 21 | 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

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 experienced in the early part of 2000, the City issued 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, 2016

| Series | Name | Amount Outstanding | Interest Rates | Call Date | Final Maturity | Supported by: |
|--------|--------------------------------|---------------------|-------------------------------------------|-----------|----------------|---------------|
| 2006 | Comb Tax & Ltd Surplus Rev C/O | \$530,000 | 4.00% | 2/15/16 | 2/15/20 | I&S Taxes |
| 2007 | Comb Tax & Rev C/O | \$700,000 | 3.95% thru 2/15/2017 15% thereafter | 2/15/17 | 2/15/27 | I&S Taxes |
| 2007 | GO Ref Bonds | \$180,000 | 3.95% thru 2/15/2017 15% thereafter | 2/15/17 | 2/15/27 | I&S Taxes |
| 2009 | Comb Tax & Rev C/O | \$680,000 | 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 | \$4,050,000 | 1.50% to 2.50% | 2/15/19 | 2/15/33 | W&S Revs |
| 2014 | Comb Tax & Rev C/O | \$4,110,000 | 2.00% to 3.65% | 2/15/24 | 2/15/34 | W&S Revs |
| 2014A | Comb Tax & Rev Ref Bonds | \$2,494,000 | 0.95% to 3.60% | n/a | 2/15/26 | W&S Revs |
| 2014B | GO Ref Bonds | \$1,383,000 | 0.30% to 2.40% | n/a | 2/15/26 | I&S Taxes |
| | TOTAL | \$15,832,000 | | | | |

Breakdown of General Obligation Debt as of Fiscal Year Ending September 30, 2016

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 | \$530,000 | 4.00% | 2/15/16 | 2/15/20 | I&S Taxes |
| 2007 | Comb Tax & Rev C/O | \$700,000 | 3.95% thru 2/15/2017 15% thereafter | 2/15/17 | 2/15/27 | I&S Taxes |
| 2007 | GO Ref Bonds | \$180,000 | 3.95% thru 2/15/2017 15% thereafter | 2/15/17 | 2/15/27 | I&S Taxes |
| 2009 | Comb Tax & Rev C/O | \$680,000 | 4.28% thru 2/15/2018 15% thereafter | 2/15/18 | 2/15/29 | I&S Taxes |
| 2014B | GO Ref Bonds | \$1,383,000 | 0.30% to 2.40% | n/a | 2/15/26 | I&S Taxes |
| | TOTAL | \$3,473,000 | | | | |

Water & Sewer System Supported General Obligation Debt with Tax Pledge:

| Series | Name | Amount Outstanding | Interest Rates | Call Date | Final Maturity | Supported by: |
|---------------|--------------------------|---------------------------|-------------------------------------------|------------------|-----------------------|----------------------|
| 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 | \$4,050,000 | 1.50% to 2.50% | 2/15/19 | 2/15/33 | W&S Revs |
| 2014 | Comb Tax & Rev C/O | \$4,110,000 | 2.00% to 3.65% | 2/15/24 | 2/15/34 | W&S Revs |
| 2014A | Comb Tax & Rev Ref Bonds | \$2,494,000 | 0.95% to 3.60% | n/a | 2/15/26 | W&S Revs |
| | TOTAL | \$12,359,000 | | | | |

Other Obligations as of Fiscal Year Ending September 30, 2016

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 | \$1,895,000 | 4.42% | n/a | 5/1/28 | Anna Project |
| 2005 | Contract Rev Bonds | \$488,750 | 4.79% to 5.74% | 4/1/15 | 10/1/28 | Collin/Grayson Project |
| 2006 | Contract Rev Bonds | \$1,255,000 | 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 | \$1,605,000 | 3.40% to 4.10% | 12/1/17 | 6/1/28 | Anna/Melissa Project |
| 2007-A | Contract Rev Bonds | \$520,000 | 4.67% to 5.57% | 5/1/17 | 5/1/27 | Anna Project |
| 2007-B | Contract Rev Bonds | \$770,000 | 4.67% to 5.57% | 11/1/17 | 5/1/27 | Anna Project |
| 2007-C | Contract Rev Bonds | \$3,060,000 | 4.67% to 5.62% | 11/1/17 | 5/1/32 | Anna Project |
| 2007 | Contract Rev Bonds | \$1,007,500 | 4.52% to 5.62% | 4/1/17 | 10/1/36 | Collin/Grayson Project |
| 2008 | Contract Rev Bonds | \$370,000 | 5.14% | Any Date at 101% | 5/1/27 | Anna Project |
| | TOTAL | \$13,140,000 | | | | |

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 \$0.122418 in Tax Year 2016
2. The City's tax base is now at \$726,642,896 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 and no new debt; the City could cover all of its I&S tax-support obligations through maturity in 2029 at current revenue levels
4. The City still plans to implement the following refundings if there is economic benefit and to create capacity for new debt for future facility needs:
 - a. \$405,000 of the outstanding Comb Tax & Ltd Surplus Rev C/O Ser 2006
 - b. \$165,000 of the outstanding GO Ref Bds Ser 2007
 - c. \$640,000 of the outstanding Comb Tax & Rev C/O Ser 2007

The table below illustrates the planned debt service obligations specifically related to tax secured debt.

| PERIOD ENDING | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE | % CHANGE |
|---------------|---------------------|--------------------|---------------------|----------|
| 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 | \$15,832,000 | \$6,451,815 | \$22,283,815 | |

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 November 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 approximately \$2 million per year.

5. Upcoming refundings would have the goal of reducing debt service payments in fiscal years 2019 – 2026.

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

| PERIOD ENDING | PRINCIPAL | INTEREST | INTEREST REDUCTION & RECOVERY | TOTAL DEBT SERVICE | 2016 COMB. TAX & SURPLUS REVENUE REF. 2016 | PROJ. DEBT SERVICE AFTER REFUNDING | % CHANGE |
|---------------|---------------------|---------------------|-------------------------------|---------------------|--------------------------------------------|------------------------------------|----------|
| 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 | \$106,071 | \$1,985,177 | 10% |
| 9/30/2019 | \$996,250 | \$1,155,882 | \$103,742 | \$2,255,874 | (\$168,230) | \$2,087,644 | 5% |
| 9/30/2020 | \$1,443,750 | \$1,098,127 | \$103,742 | \$2,645,619 | (\$556,337) | \$2,089,282 | 0% |
| 9/30/2021 | \$1,473,250 | \$1,017,507 | \$103,742 | \$2,594,499 | (\$504,092) | \$2,090,407 | 0% |
| 9/30/2022 | \$1,518,750 | \$936,862 | \$103,742 | \$2,559,354 | (\$466,972) | \$2,092,382 | 0% |
| 9/30/2023 | \$1,580,250 | \$851,771 | \$103,742 | \$2,535,763 | (\$446,947) | \$2,088,816 | 0% |
| 9/30/2024 | \$1,669,000 | \$761,356 | \$103,742 | \$2,534,098 | (\$442,090) | \$2,092,008 | 0% |
| 9/30/2025 | \$1,772,500 | \$665,498 | \$103,742 | \$2,541,740 | (\$453,516) | \$2,088,224 | 0% |
| 9/30/2026 | \$2,122,000 | \$560,456 | | \$2,682,456 | (\$592,578) | \$2,089,878 | 0% |
| 9/30/2027 | \$1,553,750 | \$463,695 | | \$2,017,445 | \$70,228 | \$2,087,673 | 0% |
| 9/30/2028 | \$1,423,750 | \$398,991 | | \$1,822,741 | \$266,096 | \$2,088,837 | 0% |
| 9/30/2029 | \$1,240,000 | \$342,055 | | \$1,582,055 | \$509,351 | \$2,091,406 | 0% |
| 9/30/2030 | \$1,273,750 | \$293,051 | | \$1,566,801 | \$521,756 | \$2,088,557 | 0% |
| 9/30/2031 | \$1,325,000 | \$242,044 | | \$1,567,044 | \$523,747 | \$2,090,791 | 0% |
| 9/30/2032 | \$1,382,500 | \$188,713 | | \$1,571,213 | \$520,515 | \$2,091,728 | 0% |
| 9/30/2033 | \$1,127,500 | \$132,842 | | \$1,260,342 | | \$1,260,342 | -40% |
| 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 | \$25,499,000 | \$11,590,186 | \$726,194 | \$37,815,380 | (\$1,112,996) | \$36,702,383 | |

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 its “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

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

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moody.com.

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Fitch Ratings

Tagging Info

Fitch Affirms Anna, TX's LTGOs and COs at 'A'; Outlook Stable Ratings

Endorsement 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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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

March 22, 2016

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. Additionally, the City may utilize other depository institutions to expand deposit placement opportunities or provide specialty services.

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 eight (8) 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 City Finance and 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. 729-2016

Ordinance Setting the Tax Rate for the Next Fiscal Year

AN ORDINANCE LEVYING PROPERTY TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF ANNA FOR THE 2016-2017 FISCAL YEAR; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF ANNA; PROVIDING FOR APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSES; AND, PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS.

SECTION 1. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Anna, and to provide an Interest and Sinking fund for the 2016-2017 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of \$0.629000 on each \$100.00 valuation of property, said tax being so levied and apportioned to the specific purposes here set forth:

- a. For the maintenance and support of the general government (General Fund), \$0.506582 on each \$100.00 valuation of property.
- b. For the purpose of creating an Interest and Sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Anna, not otherwise provided for, a tax of \$0.122418 on each \$100.00 valuation of property.

SECTION 2. That taxes levied under this ordinance shall be due October 1, 2016 and if not paid on or before January 31, 2017 shall immediately become delinquent.

SECTION 3. All taxes shall become a lien upon the property against which assessed, and the city assessor and collector of the City of Anna is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City of Anna shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest, and, the interest and penalty collected from such delinquent taxes shall be apportioned to the general funds of the City of Anna. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law.

SECTION 4. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

SECTION 5. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.00 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-25.76

SECTION 6. That this ordinance shall take effect and be in force from and after its passage.

PASSED AND APPROVED by record roll call vote on this, the 13th day of September, 2016.

Ayes 7

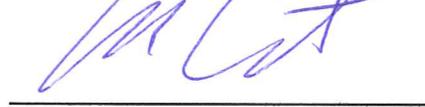
Nays 0

Abstained 0

ATTESTED:

APPROVED:





City Secretary, Carrie L. Smith

Mayor, Mike Crist

