

CITY OF ANNA, TEXAS
ANNUAL BUDGET FOR FISCAL YEAR 2014-2015
BUDGET COVER PAGE

This budget will raise more revenue from property taxes than last year's budget by an amount of \$520,417, which is an 18.62% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$242,510.

City Council Record Vote Scheduled for September 9, 2014

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

FOR: James T. Cook, Lauren Lovato, John Beazley, Chard Barnes, Dick Dowd

AGAINST:

PRESENT and not voting:

ABSENT: Mayor Mike Crist, Nathan Bryan

Tax Rate	FY 2014-15	FY 2013-14
Property Tax Rate	\$0.649000/100	\$0.650332/100
Effective Rate	\$0.587582/100	\$0.646813/100
Effective M&O Tax Rate	\$0.505395/100	\$0.556187/100
Rollback Tax Rate	\$0.649000/100	\$0.691646/100
Debt Rate	\$0.103174/100	\$0.090965/100

The total amount of municipal debt obligation for the City of Anna is \$30,615,250.

- \$3,969,000 is directly secured by property taxes through the I&S rate
- \$12,440,000 has a tax pledge and is supported by water and sewer revenues
- \$14,206,250 in revenue and contractual debt obligations to the Greater Texoma Utility Authority is also supported by water and sewer revenues



CITY OF ANNA, TEXAS

CITY OF ANNA, TEXAS

ANNA

Y{our} Hometown

FY15 Adopted Annual Budget



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Budget Letter

September 9, 2014

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 2014-15 budget. The Annual Budget is the most important document that is adopted by the City Council each year. In developing this document, as always, a significant amount of time is devoted by City Council Members and City Staff. An Annual Budget is developed through an extensive process of reviewing requests received from various City departments then prioritizing those requests in a manner that utilizes resources effectively, within fiscal constraints, while working to achieve the City's strategic goals.

STRATEGIC GOALS AND OBJECTIVES

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

Fiscal Year 2015 Strategic Goals	
Goal 1	Attract Professional Jobs
Goal 2	Improve the Curb/Aesthetic Appeal of our Community
Goal 3	Promote Downtown Development
Goal 4	Promote Retail Development
Goal 5	Develop a Brand Identity for the City of Anna
Goal 6	Diversify Housing and Neighborhood Options
Goal 7	Upgrade City Facilities and Infrastructure

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

VALUE OF TAXABLE PROPERTY AND GROWTH

Beginning in 2009 the taxable value of existing properties declined an average of over 3% per year through 2012. During this span nearly \$60 million in new value was added to the tax rolls; however losses in value to existing properties exceeded the value of new construction. Property values eventually stabilized in 2013 and eclipsed the peak value from 2008. Based on the 2014 certified taxable value, existing properties have not only retained their value since 2013 they have also seen some market appreciation. We remain guardedly optimistic this recent trend toward market appreciation will hold steady in the coming years.

This growth in taxable value corresponds to a significant increase in population over the past 12 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, 2014 was 10,350. In 2013, the City issued 305 single family building permits which equates to just under 1,000 new city residents. So far in 2014, the City has received 229 building permit applications for single family homes.



Budget Letter

Much of the growth is attributable to a large inventory of available single family lots. As that inventory diminishes we expect to see a slight drop in building activity until more developments are platted and approved.

TAX RATE

The adopted budget reduces the property tax rate from \$0.650332 cents per \$100 of taxable assessed valuation to \$0.649 cents. The total tax rate is divided between General Fund maintenance and operations and the Debt Service Fund. Of the total tax rate, \$0.545826 cents is dedicated to General Fund maintenance and operations, and \$0.103174 cents is dedicated to general obligation debt service. The portion of the tax rate dedicated to debt service is about 16% of the overall City tax rate.

The average taxable value of a single-family home for the 2014 tax year is approximately \$128,600, an increase of \$12,000 from the previous year. At the adopted tax rate of \$0.649 the municipal tax paid on the average single family home will be \$834.61

EMPLOYEE PAY AND BENEFITS

It has been six years since the city updated its pay classification plan. Since that time, we are aware of employees and employee groups whose salary schedules have fallen behind the market for this region. In an effort to hire and retain qualified and trained employees, the fiscal year 2013-14 budget included funding to review and update our pay classification plan based on a comparison of similar positions in this market area.

The salary and classification plan survey revealed that 58% of the City's employees fall 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 new pay classification plan moves the Police department from an automatic Step pay plan to traditional pay plan where scheduled salary adjustments are determined as part of the budget process and are based on individual merit or cost of living.

The cost of implementing the recommended market adjustments for all affected employees is about \$150,000. In lieu of a single year implementation, Staff has recommended that the market adjustments be phased in over two fiscal years. Based on this strategy, the cost of funding market adjustments in fiscal year 2014-15 is just under \$70,000 and the estimated cost in fiscal year 2015-16 will be just over \$80,000. 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 City is currently undertaking a comprehensive review of the health plans and benefits offered to full-time employees. To assist with this review process, the City has hired Wellspring Insurance Agency to review our current health benefits and issue a Request for Proposal (RFP) to determine if more cost effective plans are available to the City. The purpose of the RFP process is to solicit competitive bids for the insurance programs for the City, and to obtain quality benefits for City employees at the best pricing available in the marketplace. This does not rule out continuing to use TML under the same benefits plan or moving to an alternate plan offered by TML. The fiscal year 2014-15 budget includes an estimated 5% increase in the cost of health benefits provided to full-time employees.

PROGRAMS AND STAFFING LEVELS

The City currently supports a staff of 50 full-time equivalent (FTE) employees allocated among the various operating departments. The adopted budget recommends an increase of 4 full-time positions. One position would be added to the Finance department, one to the Police department, one to the Fire department, and one



Budget Letter

to the Water department. 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 2014-15 fiscal year, General Fund revenues are expected to total \$4,517,341 which is an increase of 10% over the previous year's budget. Property tax revenue to the General Fund is anticipated at \$2,786,834 (an increase of 15.7%), and sales tax revenue is projected at \$630,000 (an increase of 12.5%). The growth of this fund is largely the result of continuing commercial development and population growth in Anna.

General Fund operating expenditures for the 2014-15 fiscal year total \$4,509,564 reflecting a 9% 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:

- One new Accountant will be added in the Finance department to assist with improving internal controls, provide more timely and accurate financial reporting, and allow existing staff more time to focus on human resources, purchasing, and budget analysis.
- One new day time Fire Fighter will be added to the Fire department to provide more coverage during the daytime when volunteer fire fighters are typically at work and unable to respond to calls for service.
- One new supervising Sergeant will be added to the Police department. The existing supervising sergeant works during the day and is not always available during the evening and night shifts when call volumes increase. The addition of the new Sergeant position will enhance officer accountability.

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 \$3.9 million in outstanding tax supported debt. An additional \$12.4 million in outstanding debt has a tax pledge but is supported by water and sewer revenues. The \$12.4 million in debt 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.

Total revenue in the Debt Service Fund is budgeted at \$527,104. Expenditures in the Debt Service Fund total \$442,302; however, \$84,802 of the revenue generated from the debt service tax rate will be transferred to the Water & Sewer Fund. The Water & Sewer Fund accounts for some debt that was financed with an underlying tax pledge and can be supported by debt service fund revenues. The Water & Sewer Fund has a planned debt refunding planned that will result in excess revenues of \$84,000. This excess revenue will be transferred to a Building Capital Fund and reserved for future facility projects.



Budget Letter

In order to keep the Debt Service tax rate stable, the City of Anna and First Southwest, our financial advisor, developed a series of planned refundings of existing debt to maintain the current Debt Service tax rate through 2026. This plan is based upon very conservative assumptions in growth of the property tax base and interest rates. Additionally, the planned refundings are scheduled to coincide with interest rate resets and, where possible, refunding bonds that are callable and advance refundable. In this way the plan will minimize the present value cost to the city. Refunding and restructuring of debt is scheduled to occur in 2014, 2016 and 2017.

WATER AND SEWER FUND

The Water and Sewer Fund is an enterprise fund that accounts for the water, sewer and solid waste services that are provided to city residents and a few 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 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 the 2014-15 fiscal year are estimated at \$5,516,491 (an increase of 9%) and total expenditures are budgeted at \$5,483,367 (an increase of 9%).

The Water and Sewer Fund budget proposes the addition of one new Construction Inspector position in order to allow the City greater oversight over the construction of new public infrastructure projects (water, sewer, streets drainage) before the City accepts ownership of the infrastructure improvements. Construction inspections are currently contracted to a third party and funding for the new position would come from funds used to pay for third party inspections.

Currently the Utility Fund holds just over \$26.6 million in outstanding debt. The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan for the Utility Fund. Looking to the future, the City anticipates a spike in debt service in 2015 and again 2019.

In order to appropriately manage Utility Fund debt, the City and First Southwest developed a plan to take advantage of call dates and pursue advance refundings of the City's outstanding Utility Fund debt. Every effort has been made to minimize the present value costs to the City. The current plan makes very conservative assumptions regarding interest rates and was reviewed and analyzed in conjunction with a utility rate study to evaluate the current water and sewer rates. The City anticipates refunding debt in the fall of 2014 to take advantage of the current market conditions. This will ease some pressure on future water rates. This plan also includes additional refundings to occur in 2017. Depending on market conditions and the City's growth, the two refunding are slated for mid-summer and late fall of 2017. These refundings will also free up cash and reduce pressure on utility rates.

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 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. The 2014-15 budget does not include any increase in water and sewer rates. However, due to the continuing drought and required water conservation program, the average amount of water sold on a per customer basis has declined. It is expected that water and sewer rates will need to be adjusted within one or two years in order to fund an increase in utility debt service obligations that begin in 2019 and continue through 2022.

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.



Budget Letter

CAPTIAL IMPROVEMENT FUND

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

Project	FY 2015 Budget	Funding Source
Preliminary Architectural Services for new City Hall	TBD	General Fund - Fund Balance
Surface Water Blending Phase III	\$1,592,679	2012 & 2014 Certificates of Obligation
Wastewater Treatment Plant Upgrades	\$715,000	2012 Certificates of Obligation
Hackberry Elevated Storage Tank	\$1,170,950	2014 Certificates of Obligation
Water Line Improvements	\$788,369	2014 Certificates of Obligation
Water Disinfection System Improvements	\$330,000	2014 Certificates of Obligation
Ferguson Parkway Expansion Project	\$1,062,824	½ Collin Co. Road Bonds, and ½ Developer Participation
Lakeview Park	\$162,200	Developer Participation

RESTRICTED REVENUE TRUST FUNDS

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

Revenue

DEPARTMENT	FY 2015 PROJECTED REVENUE
WEST CROSSING WATER TRUST	\$100,000
WEST CROSSING SEWER TRUST	\$100,000
WATER & SEWER IMPACT FEE TRUST	\$140,000
NORTHPOINTE WATER TRUST	\$20,000
NORTHPOINTE SEWER TRUST	\$20,000
NORTHPOINTE PARK TRUST	\$7,500
PARK TRUST	\$67,750
STREET CAPITAL IMPROVEMENT TRUST	\$57,500
FIRE DEPARTMENT TRUST	\$2,500
COURT BUILDING SECURITY FUND	\$1,700
COURT TECHNOLOGY FUND	\$2,250
CHILD SAFETY FUND	\$10,000



Budget Letter

Expenditures

DEPARTMENT	FY 2015 EXPENDITURES	DESCRIPTION
COURT BUILDING SECURITY FUND	\$3,000	Police overtime for court security
COURT TECHNOLOGY FUND	\$2,050	Brazos ticket writer software licensing and support
CHILD SAFETY FUND	\$17,000	Dues for the Child Advocacy Center (\$7,500); school zone safety signs (\$9,500)
PARK TRUST	\$125,900	Mobile restroom rental for Slayter Creek Park (\$9,000); Restroom for Natural Springs Park (\$48,400); Trash enclosure for Natural Springs Park (\$8,000); Gazebo at Natural Springs Park (\$60,500)

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 FY 2015 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

James T. Cook

Place 1, Deputy Mayor Pro-Tem

Chad Barnes

Place 4, Mayor Pro Tem

Lauren Lovato

Place 2

Nathan Bryan

Place 5

John Beazley

Place 3

Dick Dowd

Place 6

Philip Sanders

City Manager

Kenneth Jenks

Chief of Police/Deputy City Manager

Maurice Schwanke

Director of Planning and Development

Clayton Fulton

Director of Finance

Robert Woods

Director of Public Works

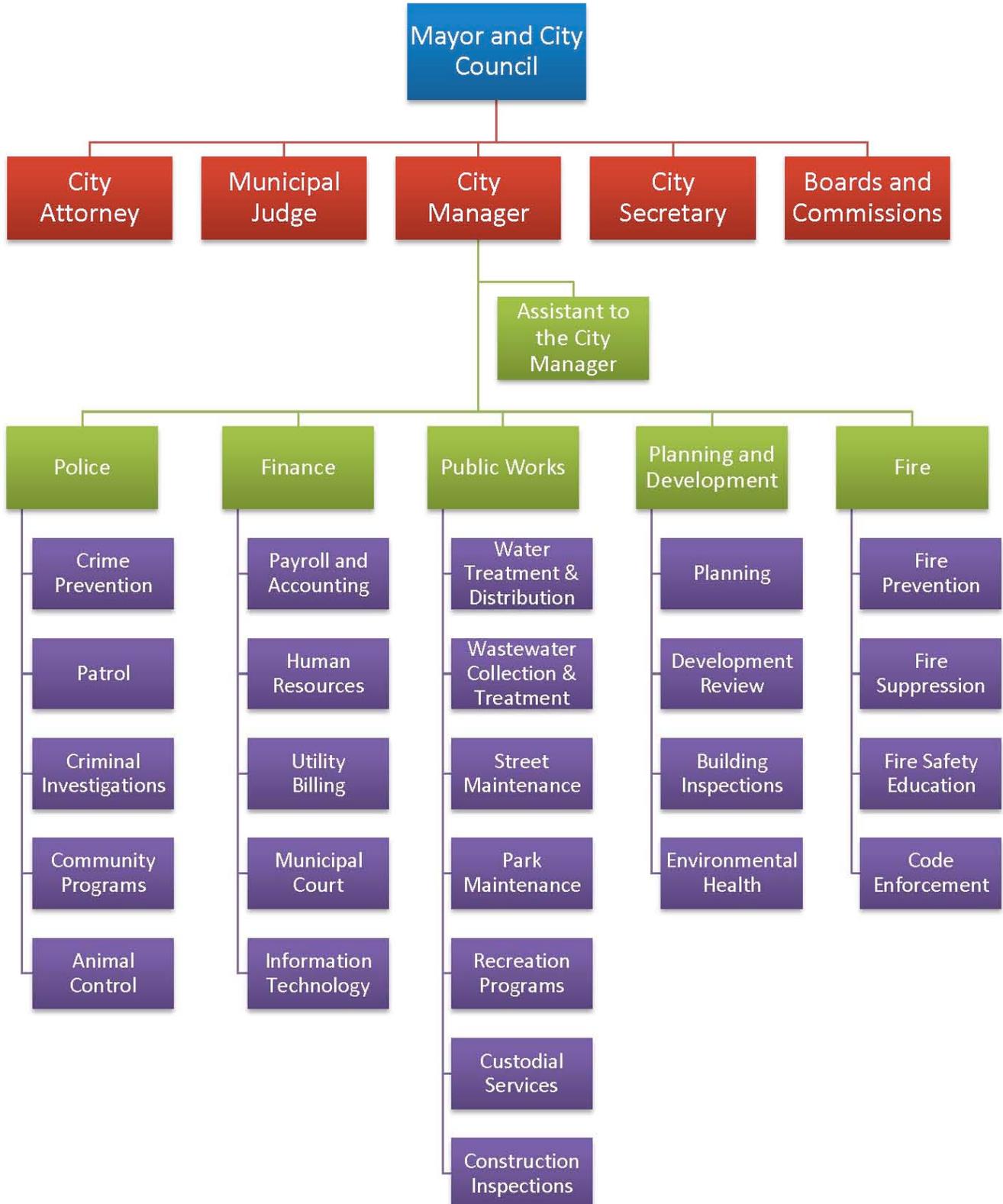
Natha Wilkison

City Secretary

Tim Gothard

Fire Chief

Organization Chart





Commitment and Vision

OUR COMMITMENT

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

WHO ARE WE?

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

WHY DO WE SERVE?

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

WHOM DO WE SERVE?

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

WHAT IS OUR COMMITMENT?

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

HOW DO WE HONOR OUR COMMITMENT?

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

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

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



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
- ★ Enhance the safety and security of our citizens



Commitment and Vision

STRATEGIC GOALS AND OBJECTIVES

- ★ Attract Professional Jobs
- ★ Improve Curb/Aesthetic Appeal
- ★ Promote Downtown Development
- ★ Encourage Retail Development
- ★ Create a Brand Identity for the City of Anna
- ★ Diversify the City's Housing Stock
- ★ Upgrade City Offices and Facilities



Strategic Implementation Strategy

FY 2015 Strategic Plan Implementation Strategy

Attract Professional Jobs

1. Develop and implement strategies for providing access to broadband fiber that will support the needs of residents and technology based businesses
 - *Identify and facilitate opportunities to extend fiber to serve commercial areas and new residential development*
2. Develop and implement strategies for attracting jobs in the medical industry (medical plaza, minor emergency care)
 - *Cultivate relationships with medical groups and hospitals that could potentially locate in Anna as we grow*
3. Identify skill sets/degrees/ experience that are needed to build the professional workforce in Anna
 - *Survey existing Anna businesses, and other businesses in the medical and IT industries to identify the skill sets/degrees/ experience they need in their workforce*
4. Develop a high tech business park in Anna
 - *Make site visits to successful tech business parks in the area and create list of standard criteria for the development and location of a successful tech business park*

Improve Curb/Aesthetic Appeal of our Community

1. Facilitate reconstruction of the FM 455/US 75 Interchange
 - *Work with TxDOT to complete constructions plans for the FM 455/US 75 Interchange Project*
 - *Work with governmental partners to secure funding source(s)*
 - *Work with governmental and private partners to assist with ROW acquisition*
2. Develop plans for improving the SH 5 and 4th Street streetscapes in the Downtown District
 - *Work with governmental partners to identify potential funding sources for improvement to the State Highway 5 corridor*
 - *Develop schematic design for 4th Street streetscape improvements*
3. Improve and expand the City's parks and opens spaces
 - *Finalize acquisition of land for Slayter Creek Trail, Phases 3 and 4*
 - *Finalize agreement for the construction of Lakeview Park*
 - *Develop concept plan for a community dog park*
 - *Construct alternate restroom at Slayter Creek Park*
4. Promote community functions that foster civic pride
 - *Continue to partner with the GACC to support and sponsor community events*



Strategic Implementation Strategy

Promote Downtown Development

1. Develop an incentive program for development/redevelopment in the Downtown District
 - *Initiate downtown development/redevelopment incentives program study*
2. Promote a “park and play” atmosphere in the Downtown District
 - *Develop a vehicle and pedestrian mobility plan for the Downtown District*
 - *Work with property owners to develop and support strategies for a local farmers market*

Promote Retail Development

1. Develop and adopt development regulations for “small area plans” for the major retail districts (US 75 and FM 455)
 - *Develop small area plan for US 75 corridor*
 - *Work with governmental partners to promote reconstruction of the US 75 corridor*
2. Develop standards and guidelines for retail incentive programs
 - *Create an Economic and Fiscal Impact Analysis application specific to retail businesses*
3. Develop and implement strategies for recruiting retail development
 - *Continue collaboration with developers and land owners to identify and promote retail development opportunities within the City of Anna*

Develop a Brand Identity for the City of Anna

1. Create comprehensive brand and brand implementation plan for the City

Diversify Housing and Neighborhood Options

1. Promote the development of residential neighborhoods that include a range of housing types and options
 - *Develop a list of criteria or a model for sustainable neighborhood design and development, consistent with the City's goals*
 - *Work with governmental and private partners to extend the FM 455 expansion/reconstruction west of US 75*
2. Promote the construction of mid-range priced or “move-up” residential homes
 - *Look for opportunities to renegotiate or revise existing residential entitlements in order to promote construction of higher value residential neighborhoods*

Upgrade City Facilities and Infrastructure

1. Develop options for the construction of a new City Hall and remodel/expansion of the existing Fire Station (focus on options within the Downtown District); and acquire land for new facilities
 - *Solicit architectural services to develop a concept plan and detailed cost estimates for new City Hall and Fire Station Facilities*



Strategic Implementation Strategy

- *Develop financing plan and schedule to fund City Hall and Fire Station projects*
- 2. Make improvements to City infrastructure that are necessary to accommodate the growth of our community
 - *Commence Construction on Phase 3 of the Surface Water Blending Project*
 - *Construct Water Disinfection System Upgrade*
 - *Commence construction on the Hackberry Elevated Tower Project*
 - *Construct Wastewater Treatment Plant Upgrade Project*
 - *Commence Construction on the FM 455 Reconstruction Project (TxDOT)*
 - *Develop plans for US 75 Utility Relocation Project*
 - *Construct Ferguson Parkway Expansion Project (Lakeview Estates)*
 - *Develop construction plans for the FM 455 West Reconstruction Project (TxDOT)*



Statistics

Date of Incorporation	1913
Date of Home Rule Charter Adoption	May 7, 2005
Form of Government	Council/Manager
Estimated Population as of January 1, 2014	10,350
Area in Square Miles	15
Planning Area in Square Miles (including ETJ)	62
Fire Protection	
Number of Full Time Equivalents	5
Number of Volunteers	30
Calls for Service (entire Fire District 2013 Calendar Year)	1160
Fire Inspections (2013 Calendar Year)	172
Police Protection	
Sworn Police Officers	12
Civilian Employees	1
Calls for Service (2013 Calendar Year)	9,200
Adult Arrests (2013 Calendar Year)	287
Water and Sewer Utility	
Active Residential Accounts	4,008
Active Non-Residential Accounts	158
Average Daily Water Consumption (2013)	772,487
Ground Storage Capacity (gallons)	2,500,000
Elevated Storage Capacity (gallons)	500,000
Production Capacity (gallons per day)	2,390,400
Pump Capacity (gallons per minute)	1,660
Waste Water Treatment Capacity (gallons per day)	750,000
Building Permits	
Residential Building Permits (2013 Calendar Year)	305
Residential Market Value	\$418,100,766
Non-residential Building Permits	8
Non-residential Market Value (2014 Certified Tax Roll)	\$250,500,723
Parkland Acreage	
Acres of Developed Parkland	64
Acres of Undeveloped Parkland	88



Budget Process

Introduction:

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

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

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

General Budget process, practice, and administration:

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

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

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

While the budget is ongoing, the bulk of the work occurs begins at the end of the 2nd quarter of each fiscal year. Beginning in April, department directors update their five year capital improvements plan including up-



Budget Process

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

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

As will be discussed later, property taxes are a major driver of the City's Budget. The Collin Central Appraisal District (CAD) provides the tax roll with information on the taxable value of properties within the City of Anna. Staff receives periodic reports from the CAD to evaluate trends in the taxable value in order to estimate property tax revenue. Once certified tax rolls are available from Collin County, the City will finalize the proposed budget including a recommended property tax rate that will allow the city to meet its financial obligations. The certified tax rolls are typically available no later than July 25th, the proposed budget present in late July will include the proposed tax rate to fund the budget.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Anna for its annual budget for the fiscal year beginning October 1, 2013. In order to receive this award the governmental unit must publish a budget document that meets the program criteria as a policy document, an operations guide, as a financial plan, and as a communications device.

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Anna
Texas**

For the Fiscal Year Beginning

October 1, 2013



Executive Director



FY 15 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

- 4 - Submit 5 year CIP to City Manager

- 8 - Review FY 15 goals

- 22 - Preliminary Revenue Estimates

- 30 - Complete FY 15 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

- 1 - Read only status in budgeting program

- 9-23 City Manager and Finance Department to meet with Department Directors to discuss proposals

- 13 - Review Draft Department Budgets

- 27 - Review Draft Department Budgets

- 26-30 Update budget proposals based upon meetings and updated information

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					

- 10 - Review Draft Department Budgets

- 24 - Review Draft Department Budgets

- 1-30 Refine budget proposals and produce working draft of the budget

JUL

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		

- 8 - Review Draft Department Budgets

- 22 - Present Completed Draft Budget

- 24 - Publish 1st Public Hearing notice

- 25 - Chief Appraiser deadline to certify appraisal rolls

- 29 - Review Draft Budget in workshop

- 31 - Publish 2nd Public Hearing notice

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						

- 1 - Submit tax rates to Council

- 6 - Budget available for Public Review

- 7 - Publish tax rates (ETR/RTR)

- 8 - 72 hr. open meeting notice - Budget

- 12 - Public Hearing on Budget

- 12 - Vote on Proposed Tax Rate

- 14 - Publish Notice of Proposed Tax Rate

- 22 - 72 hr. open meeting notice-Tax Rate

- 26 - Public Hearing on Tax Rate

- 29 - 72 hr. open meeting notice - 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 - 2nd Hearing on Tax Rate

- 2 - Schedule/announce mtg to adopt tax rate

- 5 - 72 hr. open meeting notice - Budget/Tax Rate

- 9 - Adopt Budget and Tax Rate

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



Fund Structure

Description of Fund Structure

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

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

Governmental Fund Types

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

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

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

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

Proprietary/Enterprise Fund Types

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

The typical measure of financial health for each fund is the fund balance at year end. The fiscal policies which are presented in the supplemental information section of the budget will discuss those measures in more detail. A consolidated schedule of revenues and expenditures by fund as well as a schedule of estimated and projected fund balance is below:



Fund Structure

FY 15 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 adopted projects. The Utility Fund will not run a deficit in FY 15; bond proceeds held in reserve will fund the adopted infrastructure projects in the Utility Fund.

	General	Debt Service	Restricted	Capital Improvements	Utility	Component Units	Combined Totals
Revenues							
Property Tax	\$2,788,561	\$527,104					\$3,315,665
Other Taxes (Sales and other)	\$995,000					\$630,000	\$1,625,000
Development	\$379,300						\$379,300
Fines	\$100,000		\$3,950				\$103,950
Intergovernmental	\$108,925		\$10,000	\$531,412			\$650,337
Water Sales and Fees					\$2,961,699		\$2,961,699
Sewer Sales and Fees					\$1,691,490		\$1,691,490
Trash sales and Fees					\$710,000		\$710,000
Transfer In				\$84,000	\$153,302		\$237,302
Fund Balance Allocation			\$10,800	\$100,000			\$110,800
Bond Proceeds							\$0
Grant Revenue							\$0
Impact/Developer Fees			\$135,250		\$380,000		\$515,250
Contributed Capital				\$693,612			\$693,612
Other	\$145,555					\$84,500	\$230,055
Total Revenues	\$4,517,341	\$527,104	\$160,000	\$1,409,024	\$5,896,491	\$714,500	\$13,224,460
Expenditure/Expense							
Payroll	\$2,880,470				\$1,052,014		\$3,932,484
Supplies	\$238,852				\$110,550	\$5,600	\$355,002
Maintenance	\$126,800				\$349,100		\$475,900
Services	\$1,105,810		\$12,550	\$100,000	\$2,075,442	\$459,330	\$3,753,132
Capital Expenditures	\$157,632		\$135,400	\$1,225,024	\$4,602,348	\$165,000	\$6,285,404
Other Uses of Funds							\$0
Transfer Out		\$84,802			\$84,000		\$168,802
Debt Service		\$442,302			\$1,806,911		\$2,249,213
Total Expenditure/Expense	\$4,509,564	\$527,104	\$147,950	\$1,325,024	\$10,080,365	\$629,930	\$17,219,937



Fund Structure

Three Year (FY 13 - FY 15) Consolidated Financial Schedule

The following schedule illustrates the total financial sources and uses for the City of Anna since FY 13. The FY 13 amounts are the actual financial results while the FY 14 amounts represent the budgeted amounts. The FY 15 amounts are those proposed in this budget.

PRESENTED IN 1,000'S

	General			Debt Service			Restricted Revenue			Capital Improvements			Utility			Component Units			Combined Totals		
	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted	FY 13 Actual	FY 14 Budget	FY 15 Adopted
Revenues																					
<i>Property Tax</i>	2,147	2,410	2,789	350	392	527	-	-	-	-	-	-	-	-	-	-	-	-	2,497	2,802	3,316
<i>Other Taxes (Sales and other)</i>	910	925	995	-	-	-	-	-	-	-	-	-	-	-	-	575	560	630	1,485	1,485	1,625
<i>Development</i>	539	373	379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	539	373	379
<i>Fines</i>	102	130	100	-	-	-	5	5	4	-	-	-	-	-	-	-	-	-	107	135	104
<i>Intergovernmental</i>	89	120	109	-	-	-	-	-	10	2,895	-	531	-	-	-	-	-	-	2,984	120	650
<i>Water Sales and Fees</i>	-	-	-	-	-	-	-	-	-	-	-	-	2,833	2,860	2,962	-	-	-	2,833	2,860	2,962
<i>Sewer Sales and Fees</i>	-	-	-	-	-	-	-	-	-	-	-	-	1,487	1,521	1,691	-	-	-	1,487	1,521	1,691
<i>Trash sales and Fees</i>	-	-	-	-	-	-	-	-	-	-	-	-	642	650	710	-	-	-	642	650	710
<i>Transfer In</i>	-	-	-	50	75	-	-	15	-	-	-	84	-	-	153	-	-	-	50	90	237
<i>Fund Balance Allocation</i>	-	-	-	56	-	-	-	-	11	-	435	100	-	-	-	-	-	-	56	435	111
<i>Bond Proceeds</i>	-	-	-	-	-	-	-	-	-	4,170	4,140	-	-	-	-	-	-	-	4,170	4,140	-
<i>Grant Revenue</i>	-	-	-	-	-	-	11	15	-	148	-	-	-	-	-	-	-	-	159	15	-
<i>Impact/Developer Fees</i>	-	-	-	-	-	-	203	143	135	-	-	-	765	590	380	-	-	-	968	733	515
<i>Contributed Capital</i>	-	-	-	-	-	-	-	-	-	80	-	694	-	-	1,500	-	-	-	-	-	2,194
<i>Other</i>	160	160	146	-	-	-	8	0	-	-	-	-	-	-	-	31	84	85	199	245	230
Total Revenues	3,947	4,119	4,517	456	467	527	227	178	160	7,293	4,575	1,409	5,727	5,621	7,396	606	644	715	18,176	15,605	14,724
Expenditure/Expense																					
<i>Payroll</i>	2,303	2,590	2,880	-	-	-	-	-	-	-	-	-	797	959	1,052	-	-	-	3,100	3,549	3,932
<i>Supplies</i>	185	213	239	-	-	-	-	-	-	-	-	-	108	118	111	2	6	6	295	338	355
<i>Maintenance</i>	108	140	127	-	-	-	-	-	-	-	-	-	432	326	349	-	-	-	540	466	476
<i>Services</i>	1,086	1,063	1,106	-	-	-	2	38	13	-	-	100	1,456	1,973	2,075	404	428	459	2,948	3,502	3,753
<i>Capital Expenditures</i>	219	135	158	-	-	-	360	54	135	2,167	3,818	1,225	1,201	71	6,102	153	72	165	4,099	4,149	7,785
<i>Other Uses of Funds</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Transfer Out</i>	-	-	-	-	-	85	-	-	-	-	-	-	-	-	84	1,600	-	-	1,600	-	169
<i>Debt Service</i>	-	-	-	456	467	442	-	-	-	-	-	-	1,345	1,584	1,807	-	-	-	1,801	2,051	2,249
Total Expenditure/Expense	\$3,901	\$4,142	\$4,510	\$456	\$467	\$527	\$362	\$93	\$148	\$2,167	\$3,818	\$1,325	\$5,339	\$5,031	\$11,580	\$2,159	\$505	\$630	\$14,383	\$14,056	\$18,720



Fund Structure

Schedule of Fund Balance

	2013 Audited Fund Balance	2014 Projected Fund Balance	2015 Adopted Fund Balance	% CHANGE FY 13 to FY 14
General Fund	\$2,620,744	\$2,321,015	\$2,440,473	5%
<i>Restricted</i>	\$232,160	\$355,038	\$359,943	1%
<i>Committed</i>	\$558,127	\$135,520	\$142,296	5%
<i>Assigned</i>	\$0	\$0	\$100,000	N/A
<i>Unassigned</i>	\$1,830,457	\$1,830,457	\$1,838,234	0%
Capital Improvements Fund	(\$87,302)	\$0	\$84,000	N/A
<i>Restricted</i>	\$0	\$0	\$0	N/A
<i>Committed</i>	\$0	\$0	\$84,000	N/A
<i>Assigned</i>	\$0	\$0	\$0	N/A
<i>Unassigned</i>	(\$87,302)	\$0	\$0	N/A
Utility Fund	\$6,890,185	\$11,339,064	\$5,649,840	-50%
<i>Working Capital</i>	\$536,645	\$634,381	\$667,505	5%
<i>Restricted Cash for System Im- provements</i>	\$6,353,540	\$10,704,683	\$4,982,335	-53%

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

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.

While the Capital Improvements Fund showed a negative fund balance in FY 13, it will be corrected in FY 14. This the result of accounting for ongoing capital projects in the Capital Improvements Fund that should have been accounted for in the Utility Fund. These corrections have been made in FY 14. The adopted committed fund balance of \$84,000 is the result of a transfer from the Utility Fund to support future capital and other facility needs in the City of Anna.

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



Staffing Schedule by Fund

The schedule on the right includes the staffing levels for the entire City since FY 11. 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.

The General Fund is adding an Accountant, a Police Officer, and a Fire Fighter. There is also reclassifications proposed within Police, Finance, and Municipal Court. This is a net gain of 3 FTE's in the General Fund.

The Utility Fund is adding a Construction Inspector and reclassifying a vacant position to create a Water/Waste Water Superintendent. The net gain in the Utility Fund is 1 FTE.

General Fund	FY 11	FY 12	FY 13	FY 14	FY 15
<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
<i>City Secretary</i>	1	1	1	1	1
<i>Finance Director</i>	1	1	1	1	1
<i>Accountant II</i>	0	0	0	0	1
<i>Finance/Budget Analyst</i>	0	0	0	0	1
<i>HR Administrator</i>	0	0	0	0	1
<i>Finance/HR Supervisor</i>	1	1	1	1	0
<i>Payroll/Accounting Assistant</i>	1	1	0	0	0
<i>HR Coordinator/Finance Assistant</i>	0	0	1	1	0
<i>Director of Planning</i>	1	1	1	1	1
<i>Planner II</i>	0	0	0	1	1
<i>Planner I</i>	1	1	1	1	1
<i>Code Enforcement Officer</i>	1	1	0	0	0
<i>Administrative Assistance</i>	0	0	1	1	1
<i>Fire Chief</i>	1	1	1	1	1
<i>Fire Marshal</i>	1	1	1	1	1
<i>Fire Captain</i>	0	0	3	3	3
<i>Fire Fighter</i>	2	2	1	1	2
<i>Police Chief</i>	1	1	1	1	1
<i>Crime Scene Technician</i>	1	1	0	0	0
<i>Records Administrator</i>	1	1	1	1	1
<i>Police Lieutenant</i>	0	0	0	0	1
<i>Police Sergeant</i>	1	1	1	1	2
<i>Police Officer</i>	9	9	10	10	10
<i>Court Administrator</i>	0	0	0	0	1
<i>Municipal Court Clerk</i>	1	1	1	1	0
<i>Park Superintendent</i>	1	1	1	1	0
<i>Crew Leader - Parks</i>	0	0	0	0	1
<i>Maintenance Laborer</i>	0	0	0	1	1
<i>Seasonal Laborer</i>	0	0	0	1	0
Total General Fund	28.5	28.5	30.5	33.5	36.5
Utility Fund					
<i>Director of Public Works</i>	1	1	1	1	1
<i>Administrative Assistant</i>	1	1	1	1	1
<i>Water/Waste Water Super.</i>	0	0	0	0	1
<i>Construction Inspector</i>	0	0	0	0	1
<i>Field Supervisor - Public Works</i>	1	1	1	1	1
<i>Crew Leader - Public Works</i>	1	1	1	1	1
<i>Equipment Operator</i>	1	1	0	0	0
<i>Maintenance Laborer</i>	4	4	5	8	7
<i>Seasonal Laborer</i>	1	1	1	0	0
<i>Senior Wastewater Operator</i>	0	0	0	1	1
<i>Wastewater Operator</i>	2	2	2	1	1
<i>Customer Service Supervisor</i>	1	1	1	1	1
<i>Senior Customer Service Rep.</i>	1	1	1	1	1
<i>Customer Service Rep.</i>	1	1	0	0	0
<i>Receptionist</i>	0.5	0.5	0.5	0.5	0.5
Total Utility Fund	15.5	15.5	14.5	16.5	17.5
Total City Operations	44	44	45	50	54

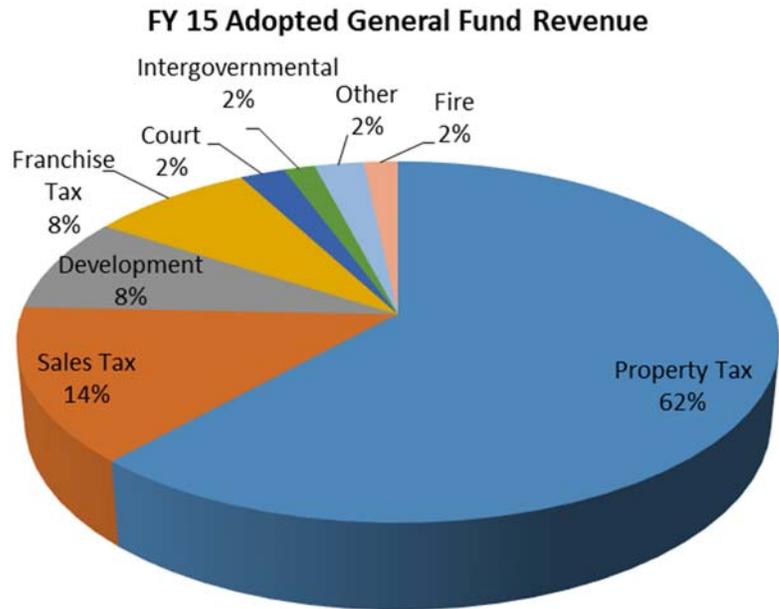


General Fund Revenue

The City of Anna finances its general fund activities from three types of revenue; taxes, fines & fees, and user charges. These include property and sales taxes, licenses & permits, and fines. Beneficiaries of General Fund Services are not generally required to pay a fee commensurate with the value of the services received. The top three revenue sources are (1) property taxes, (2) sales tax, and (3) development fees. The 3 sources comprise over 80% of FY 15 revenue.

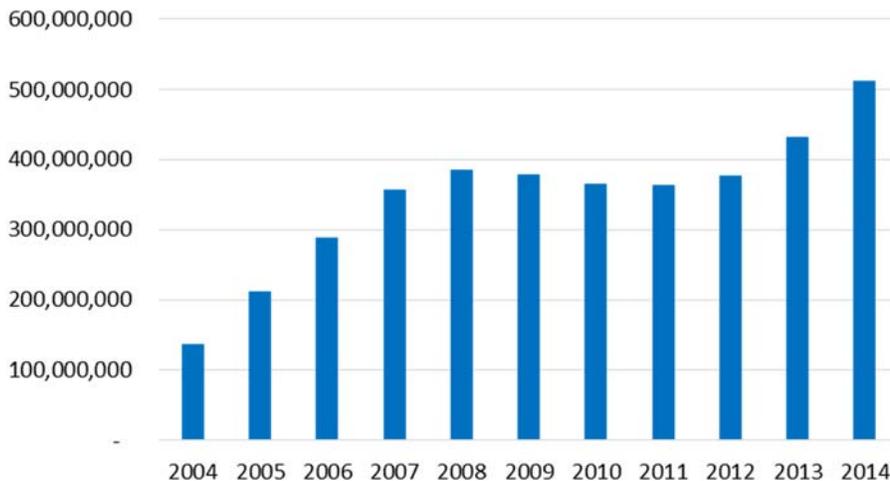
Property Tax:

The Ad Valorem Property Tax revenue (62%) is a function of the tax rate the City formally adopts each year. The Collin Central Appraisal District (CCAD) establishes the value of each property with 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 \$510,888,32. This represents an increase of 18.6% and is due, in part, to the addition of over \$37 million in new value and an increase of approximately 10% in the taxable assessed value of existing properties.



Beginning in 2009 the taxable value of existing properties declined an average of over 3% per year through 2012. During this span nearly \$60 million in new value was added; however, existing properties were losing value faster than new value could make it up. From 2009 to 2012, the average value of a residential homestead dropped 11%. Property values eventually stabilized in 2013 and eclipsed the peak value from 2008 with residential homesteads seeing modest appreciation.

Taxable Value Over Time



The 2014 certified taxable assessed value illustrates that existing properties have not only retained their value since 2013 they have also seen market appreciation. We are guardedly optimistic this recent trend toward market appreciation will hold steady in the coming years. We have also seen an increase in the number of single family building permits issued

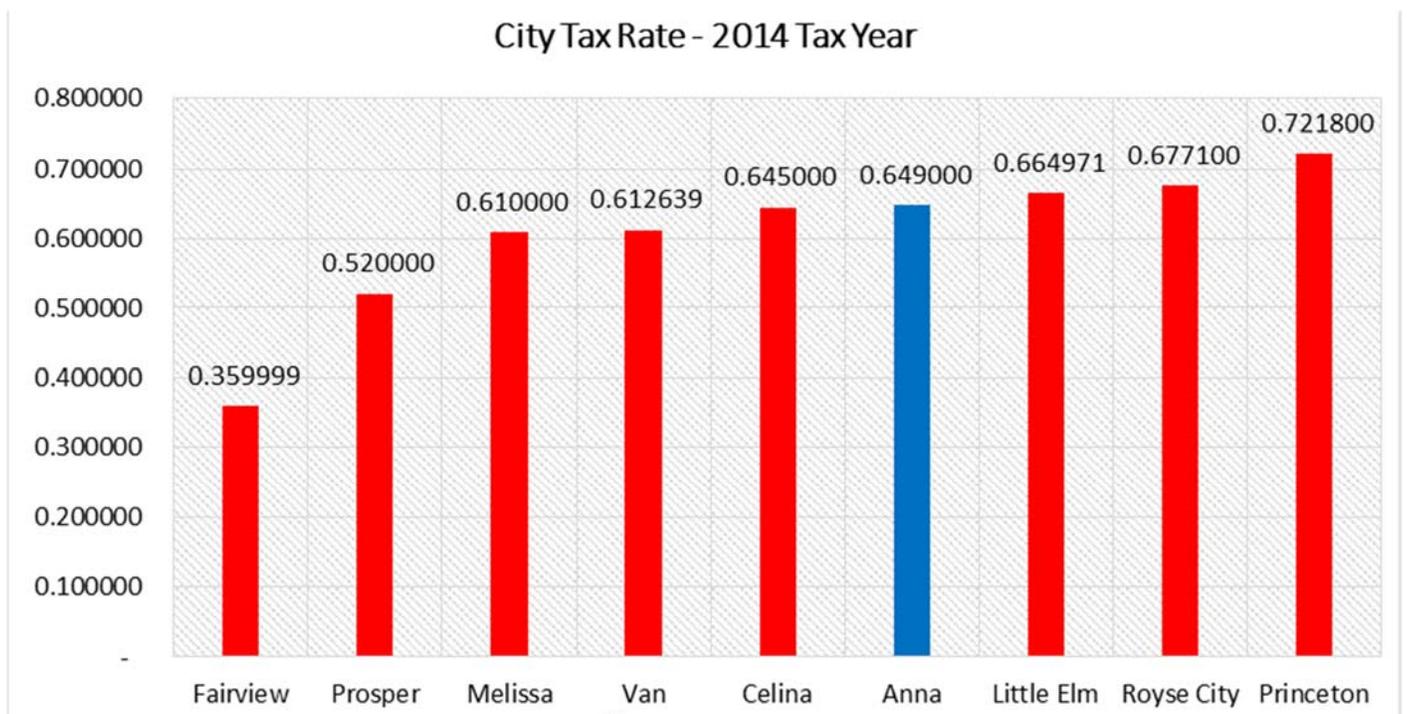


General Fund Revenue

since the beginning of the year; however, this increase in growth drives increased demand for municipal services primarily funded by property taxes. The FY 15 budget includes costs for increased personnel to meet the growth driven demand for services. The following table details the change in taxable assessed value, 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	0.5299	0.2563	0.2735	\$150,809
2001	\$35,320,292	0.5799	0.1511	0.4288	\$182,838
2002	\$52,462,163	0.4997	0.4997	0	\$288,103
2003	\$79,351,888	0.4997	0.4997	0	\$407,430
2004	\$136,234,607	0.4997	0.4997	0	\$693,504
2005	\$211,508,957	0.525	0.525	0	\$1,148,140
2006	\$288,590,455	0.525	0.4386	0.0863	\$1,541,817
2007	\$356,238,071	0.575	0.4667	0.1082	\$2,015,950
2008	\$383,961,925	0.575	0.4794	0.0955	\$2,207,626
2009	\$378,153,710	0.622733	0.529939	0.0928	\$2,354,888
2010	\$365,119,804	0.650332	0.554225	0.096107	\$2,374,491
2011	\$362,969,678	0.650332	0.559367	0.090965	\$2,360,508
2012	\$376,578,308	0.650332	0.559367	0.090965	\$2,449,009
2013	\$430,704,884	0.650332	0.559367	0.090965	\$2,801,012
2014	\$510,888,329	0.649	0.545826	0.103174	\$3,315,665

Below is a summary of the FY 15 proposed tax rates of our comparison cities:

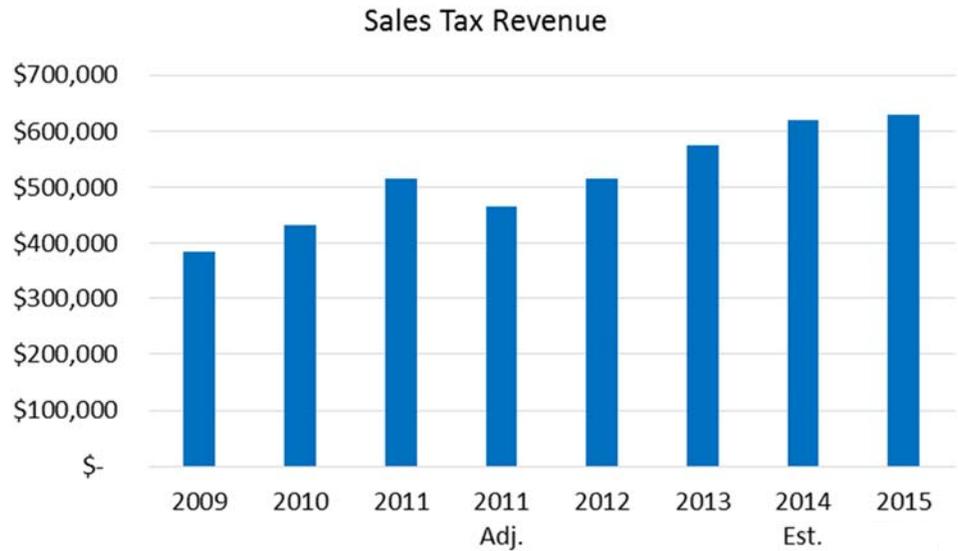




General Fund Revenue

Sales Tax:

Sales tax revenue accounts for 14% of General Fund Revenue. The City currently levies a 2% sales tax that is in addition to the 6.25% the state levies. Of the 2% City levy, 1% is allocated to the general fund while the remaining 1% funds the Economic and Community Development Corporations. As the City has grown, so has the sales tax base. Since 2008 the City has seen average annual sales tax growth of 12%. In spite of the growth in commercial development, the forecast for FY 2015 is conservative based upon the uncertainty in the national economy and a slowing trend in sales tax growth based upon the most recent years.



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

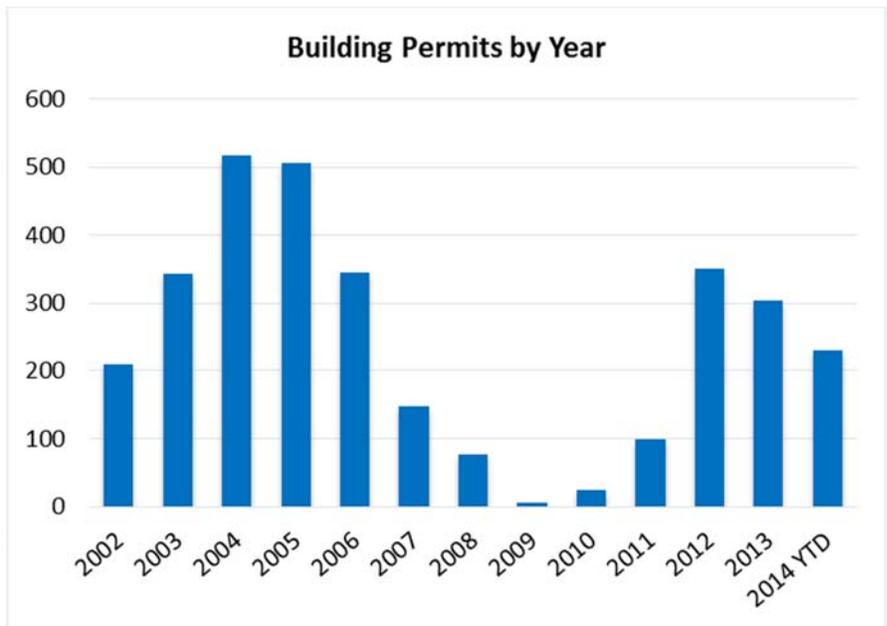
General Fund Sales Tax Revenue		
Fiscal Year	Sales Tax Revenue	% Change
2000	\$37,586	-12.06%
2001	\$43,827	16.60%
2002	\$61,160	39.55%
2003	\$79,132	29.38%
2004	\$115,843	46.39%
2005	\$155,399	34.15%
2006	\$225,886	45.36%
2007	\$293,934	30.12%
2008	\$336,730	14.56%
2009	\$384,642	14.23%
2010	\$433,375	12.67%
2011	\$515,381	18.92%
2011 Adjusted	\$466,420	7.62%
2012	\$516,025	10.64%
2013	\$574,679	11.37%
2014 Estimate	\$620,000	7.89%
2015 Adopted	\$630,000	1.61%



General Fund Revenue

Development:

Development revenue is driven by building activity in the City. Development revenue is a combination of building permits, zoning fees, plat fees, contractor registration fees, and all other fees related to the permitting and approval of construction activity in the City. The City experienced a sharp decline in building permits from 2006 through 2010 that coincided with the recession. However, as the economy has improved nationally and locally, we are seeing an increase in building activity. Much of the increase is attributable to a large inventory of available single family lots. As that inventory diminishes we expect to see a slight drop in building activity until more developments are platted and approved. We are guardedly optimistic development will continue. The City has been in discussions with developers who have proposed significant new developments and are adding new phases to existing developments.



Illustrated below is a brief history of revenue sources for the City of Anna. Adopted revenue for FY 15 is up 10% over the budgeted amount for FY 14. The estimate for FY 14 is based upon performance over the first 3 quarters of the fiscal year including historical and seasonal trends. Property and Sales Tax revenues are both up over 10%. This increase is driven by growth in the housing market and associated growth in commercial development.

The biggest decline in revenue is in the Municipal Court and Fire Department. This two departments do not contribute a significant source of revenue to the General Fund. The FY 15 adopted budget amounts more accurately reflect current revenue operations of the Court and Fire Department.

General Fund Revenue Summary

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
Property Tax	\$2,146,922	\$2,409,947	\$2,409,947	\$2,788,561	15.7%
Sales Tax	\$574,649	\$560,000	\$620,000	\$630,000	12.5%
Development	\$539,326	\$373,100	\$547,850	\$379,300	1.7%
Franchise Tax	\$335,497	\$365,000	\$360,000	\$365,000	0.0%
Court	\$101,775	\$130,350	\$80,000	\$100,000	-23.3%
Fire	\$50,935	\$78,000	\$57,406	\$69,406	-11.0%
Intergovernmental	\$88,738	\$120,310	\$106,345	\$108,925	-9.5%
Other	\$109,037	\$82,459	\$91,337	\$76,149	-7.7%
Total	\$3,946,879	\$4,119,166	\$4,272,885	\$4,517,341	10%



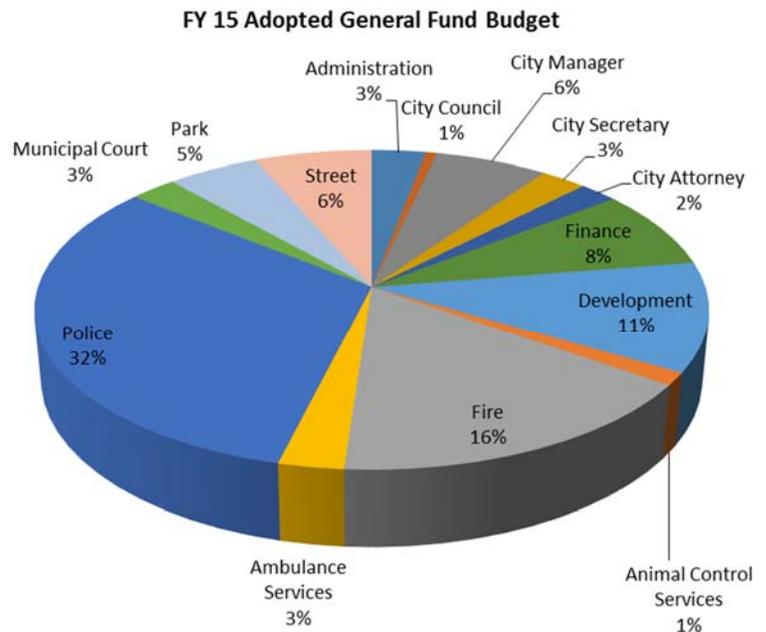
General Fund Expenditure Summary

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

The chart on the right illustrates the percentage of the budget attributed to each department. For FY 15 public safety will account for 52% of the budget. This includes police, fire, ambulance services, and animal control.

The table below illustrates a brief history for each department from FY 13 through FY 15. The table includes actual costs from FY 13, budgeted and estimated costs for FY 14, adopted budget for FY 15, and the percent change from the FY 14 budget.

The adopted FY 15 budget has an increase of 9% over the FY 14 budget. The departmental summaries provide details on the increase. Generally, the 8% increase can be attributed to (1) new positions funded in the budget, (2) market adjustments for wages, and (3) increases in employee benefit costs. These changes are detailed in the departmental summaries that follow.



General Fund Expenditure Summary

DEPARTMENT	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
ADMINISTRATION	\$108,406	\$170,609	\$154,636	\$134,328	-21%
CITY COUNCIL	\$38,389	\$25,210	\$20,210	\$28,095	11%
CITY MANAGER	\$254,553	\$262,397	\$266,045	\$279,947	7%
CITY SECRETARY	\$116,173	\$111,080	\$113,788	\$114,906	3%
CITY ATTORNEY	\$83,534	\$95,000	\$95,000	\$95,500	1%
FINANCE	\$234,735	\$260,735	\$258,120	\$359,353	38%
DEVELOPMENT	\$501,750	\$485,102	\$496,109	\$500,926	3%
ANIMAL CONTROL	\$57,663	\$57,263	\$57,263	\$57,263	0%
FIRE	\$559,565	\$624,016	\$613,639	\$735,107	18%
AMBULANCE	\$110,446	\$123,683	\$123,683	\$123,683	0%
POLICE	\$1,274,992	\$1,317,560	\$1,245,670	\$1,441,775	9%
MUNICIPAL COURT	\$102,404	\$109,044	\$108,710	\$116,470	7%
PARK	\$151,773	\$213,494	\$187,056	\$229,990	8%
STREET	\$306,685	\$286,631	\$278,731	\$292,221	2%
Total	\$3,901,068	\$4,141,824	\$4,018,660	\$4,509,564	9%



Departmental Summaries

Each departmental summary includes its purpose, FY 14 accomplishments, and FY 15 goals. A summary of expenditures are included as well as new programs or noteworthy changes from the FY 14 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:

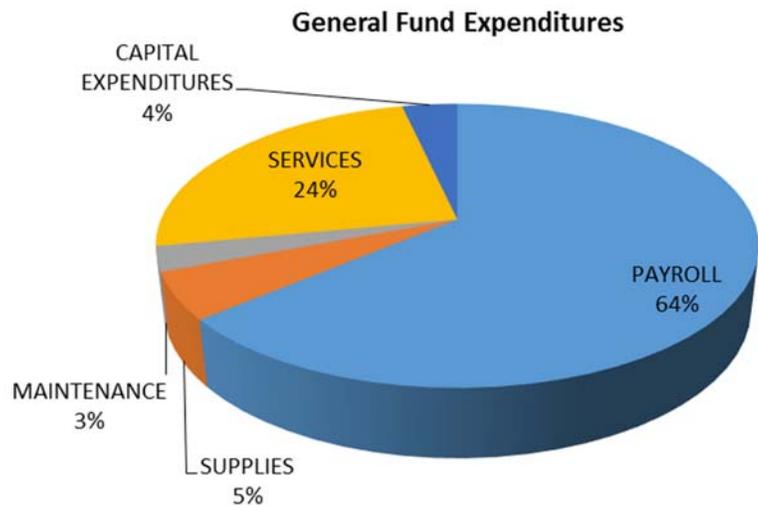
Maintenance expenditures include maintenance and repair costs for all city assets, equipment, and other city owned property, such as buildings, streets, parks, water and sewer system (in the Utility Fund), vehicles, equipment, etc.

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.

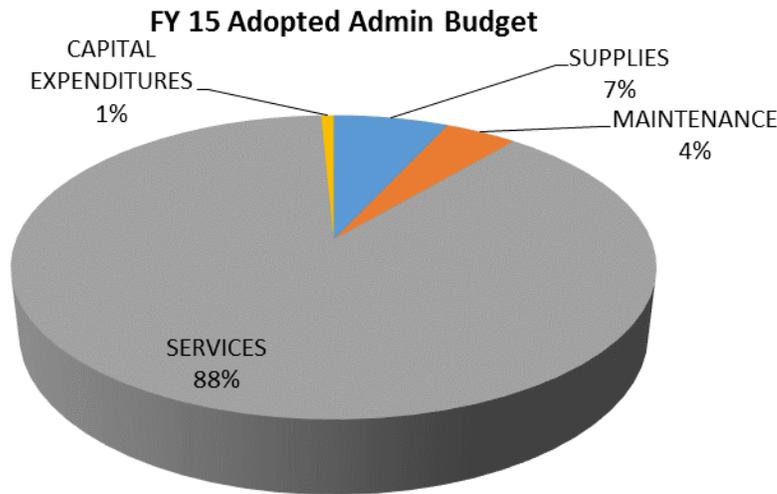
General Fund Expenditure Summary by Category					
	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$2,303,127	\$2,590,115	\$2,402,357	\$2,880,470	11%
SUPPLIES	\$185,071	\$213,454	\$216,745	\$238,852	12%
MAINTENANCE	\$108,261	\$139,912	\$137,145	\$126,800	-9%
SERVICES	\$1,085,638	\$1,063,064	\$1,124,779	\$1,105,810	4%
CAPITAL EXPENDITURES	\$218,971	\$135,279	\$137,634	\$157,632	17%
TOTAL GENERAL FUND	\$3,901,068	\$4,141,824	\$4,018,660	\$4,509,564	9%



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 15

Health Benefits Consultant

- This service will allow for a consultant to complete the bid and possible change of health benefits providers. This service will continue through the Fiscal Year to support employees through any changes in health benefits.

Increased IT services

- This will allow for IT to take a greater role in managing aspects of the City's IT infrastructure including greater software and programming support and other enhanced services.

Expenditure Summary

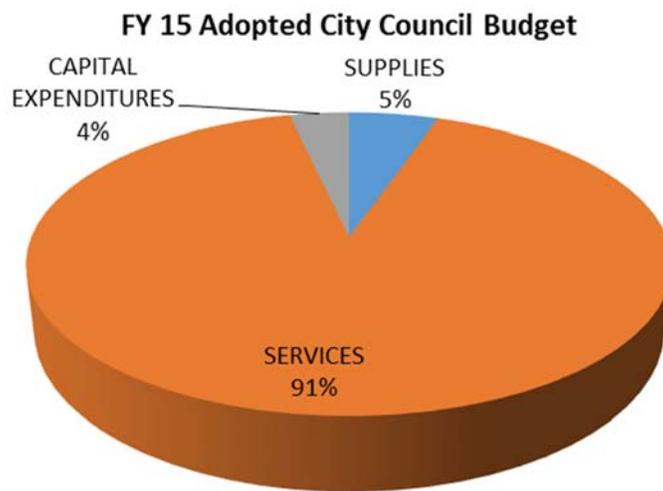
	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SUPPLIES	\$8,625	\$9,550	\$9,300	\$9,250	-3%
MAINTENANCE	\$1,538	\$8,300	\$8,300	\$5,800	-30%
SERVICES	\$97,663	\$139,759	\$124,036	\$118,278	-15%
CAPITAL EXPENDITURES	\$580	\$13,000	\$13,000	\$1,000	-92%
TOTAL 10-400E	\$108,406	\$170,609	\$154,636	\$134,328	-21%



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 15

Elimination of membership in in Tex 21

- It was determined that Tex 21 was not providing tangible benefit to the City

Funding for a Strategic Retreat is included in the services category

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SUPPLIES	\$1,441	\$1,500	\$1,500	\$1,500	0%
SERVICES	\$36,503	\$22,710	\$17,710	\$25,595	13%
CAPITAL EXPENDITURES	\$445	\$1,000	\$1,000	\$1,000	0%
TOTAL 10-403E	\$38,389	\$25,210	\$20,210	\$28,095	11%



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 14 Accomplishments

- Managed the implementation of programs and projects approved in the City's FY 2014 Budget and the FY 2014 Strategic Plan Implementation Strategy
- Initiated formal application for City of Anna membership in the North Texas Municipal Water District Upper East Fork Regional Interceptor System
- Worked with governmental partners to secure funding for right-of-way acquisition for the US/75 FM 455 Interchange Project
- Worked with governmental partners to secure a funding pledge for the reconstruction of US 75 from Throckmorton Creek to FM 455
- Worked with TxDOT to develop schematic design for State Highway 5 corridor improvements
- Completed an update of the City's Personnel Policy Manual
- Initiated renewed employee focus on customer service
- Negotiated acquisition of land for Slayter Creek Trail
- Negotiated Developer Agreement for the Anna Crossing master planned community
- Completed construction of interim office space for Planning and Finance personnel



10-406 City Manager

FY 15 Objectives

- Oversee implementation of the FY 2015 Strategic Plan Implementation Strategy
- Work with the City Council to update the five year Strategic Plan
- Work with governmental partners to obtain membership in the North Texas Municipal Water District Upper East Fork Regional Interceptor System
- Work with TxDOT to commence construction on the FM 455 Reconstruction Project
- Work with TxDOT to complete design and construction plans for the US 75 Reconstruction and the FM 455/US 75 Interchange Project
- Work with governmental partners to secure construction funding for the US 75 Reconstruction and the FM 455/US 75 Interchange Project
- Work with TxDOT on the design of entry feature monuments along the US 75 corridor
- Work with governmental and private partners to extend the FM 455 expansion/reconstruction west of US 75
- Work with governmental partners to identify potential funding sources for improvement to the State Highway 5 corridor
- Finalize acquisition of land for Slayter Creek Trail, Phases 3 and 4
- Finalize development agreement for the construction of Lakeview Park
- Finalize development agreement for the Ferguson Parkway Expansion Project
- Look for opportunities to renegotiate or revise existing residential entitlements in order to promote construction of higher value residential neighborhoods
- Close and/or obtain releases on inactive Facilities Agreements
- Solicit architectural services to develop a concept plan and detailed cost estimates for new City Hall and Fire Station Facilities
- Continue to promote fiscally responsible practices in the management of city operations

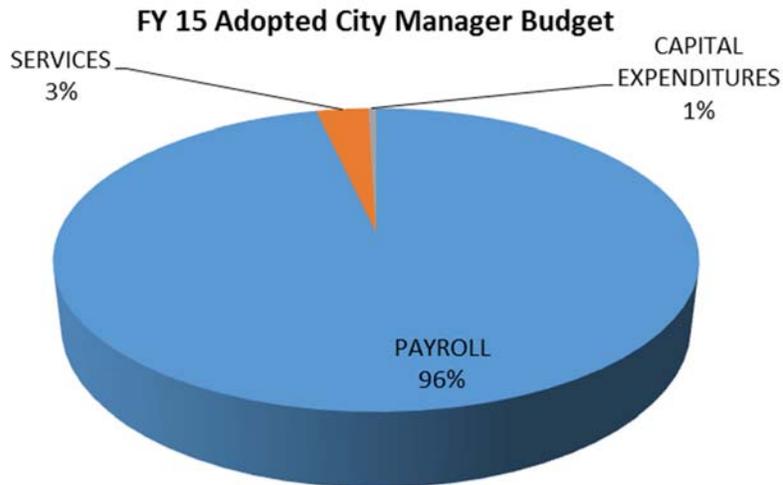
Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$246,392	\$252,877	\$257,635	269,922	7%
SERVICES	\$8,161	\$8,520	\$7,410	\$8,725	2%
CAPITAL EXPENDITURES	\$0	\$1,000	\$1,000	\$1,300	30%
TOTAL 10-406E	\$254,553	\$262,397	\$266,045	\$279,947	7%



10-406 City Manager

Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed*

City Manager FTE Schedule

Position	FY 11	FY 12	FY 13	FY 14	FY 15
City Manager	1	1	1	1	1
EDC/CDC Director	0.5	0.5	0.5	0.5	0.5
Assistant to the City Manager	0.5	0.5	0.5	0.5	0.5
Receptionist	0.5	0.5	0.5	0.5	0.5
Total	2.5	2.5	2.5	2.5	2.5



10-409 City Secretary

Purpose/Description

The City Secretary provides administrative support to the City Council and City Manager; attends all the City Council meetings and keeps minutes of the proceedings; works with the City Manager to prepare agendas and support materials for City Council meetings; responds to requests for public information; coordinates City elections; oversees the Records Management Program for the City; and serves as custodian of all official City records.

FY 14 Accomplishments

- Coordinated the May 10, 2014 General Election
- Worked on Records Management Program by scanning, indexing, and making City documents such as ordinances, resolutions, etc. available to staff
- Worked with staff and City Attorney’s Office on Public Information Requests
- Provided support to the City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings
- Provided support to City Staff by making sure official City documents are available to staff
- Worked on the Administration Document Management Program
- Worked on continuing education requirements for Code Enforcement and Records Management

FY 15 Objectives

- Coordinate the May 9, 2015 General Election
- Work on Records Management Program to scan, index and make old City documents such as ordinances, resolutions, etc. available to staff ; and to scan and index new City documents as produced
- Work with staff and City Attorney’s Office on Public Information Requests
- Keep up with continuing education requirements for Code Enforcement and Records Management
- Provide support to the City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings
- Provide support to City Staff by making sure official City documents are available to staff
- Continue to work on Administration Document Management Program, and initiate the Planning and Development Document Management program using SharePoint with RICOH

Expenditure Summary

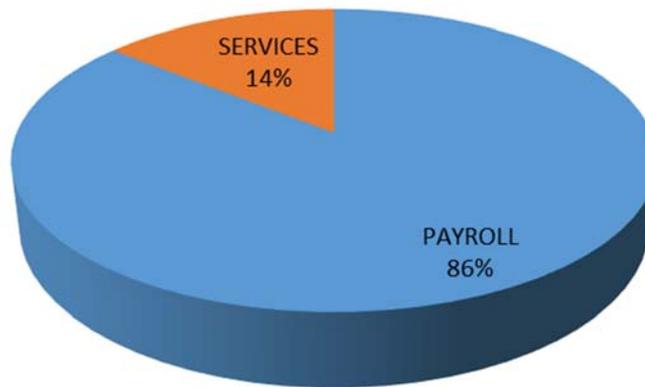
	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$92,486	\$94,165	\$96,093	\$98,616	5%
SERVICES	\$23,687	\$16,915	\$17,040	\$16,290	-4%
CAPITAL EXPENDITURES	\$0	\$0	\$655	\$0	0%
TOTAL 10-409E	\$116,173	\$111,080	\$113,788	\$114,906	3%



10-409 City Secretary

Adopted Budget Breakdown

FY 15 Adopted City Secretary Budget



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*

City Secretary FTE Schedule

Position	FY 11	FY 12	FY 13	FY 14	FY 15
City Secretary	1	1	1	1	1
Total	1	1	1	1	1

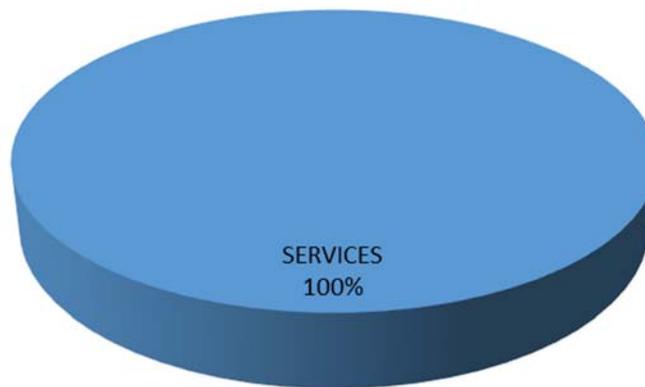


10-411 City Attorney

Purpose/Description

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

FY 15 Adopted City Attorney Budget



New and Noteworthy for FY 15

No changes expected from FY 14

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SERVICES	\$83,534	\$95,000	\$95,000	\$95,500	1%
TOTAL 10-411E	\$83,534	\$95,000	\$95,000	\$95,500	1%



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 14 Accomplishments

- Maintained Anna's Gold Leadership Circle award for financial transparency
- Maintained the City's A and A-1 bond ratings
- Managed the issuance of the 2014 Certificates of Obligation to fund the Hackberry Elevated Storage Tank and construction of associated water lines
- Managed the timely development of the fiscal 2014 audit report and the FY 2015 budget
- Received the GFOA Distinguished Budget Presentation Award
- Identified eligible investments at higher yield than depository contract
- Updated the City's pay and classification plan
- Bid out employee health benefits to find potential cost savings
- Completed space needs assessment for City Hall and other future city facilities
- Completed job description revisions
- Initiated capital asset inventory
- Installed Free Public Wi-Fi Service at Slayter Creek Park

FY 15 Objectives

- Maintain Anna's Gold Leadership Circle award for financial transparency
- Receive the GFOA Distinguished Budget Presentation Award
- Hire and train a new accountant
- Improve internal controls
- Improve efficiency in financial reporting
- Develop a financial procedures manual
- Strengthen Human Resource operations
- Complete the capital asset inventory
- Develop financing plan and schedule to fund City Hall and Fire Station projects
- Oversee refunding of existing debt as outlined in the City debt management strategy

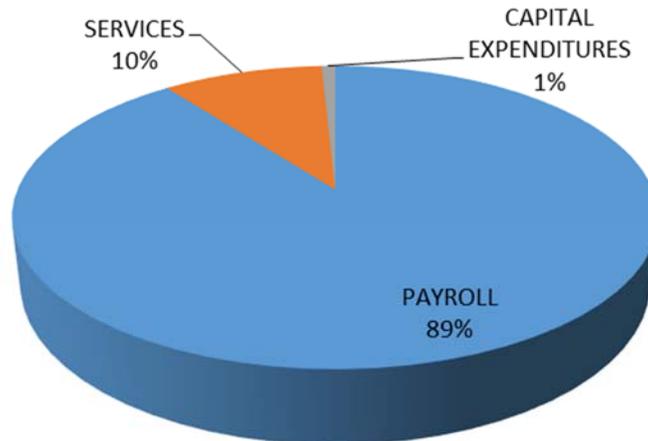
Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$212,391	\$228,477	\$222,959	\$321,945	41%
SERVICES	\$20,874	\$31,408	\$34,111	\$34,508	10%
CAPITAL EXPENDITURES	\$1,470	\$850	\$1,050	\$2,900	241%
TOTAL 10-414E	\$234,735	\$260,735	\$258,120	\$359,353	38%



Adopted Budget Breakdown

FY 15 Adopted Finance Budget



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*
- *Reclassify Finance/HR Supervisor and HR Coordinator/Finance Assistant*
- *Proposed Accountant position is funded for entire fiscal year*

Total budget increase

- *Accountant position will increase each category in the Finance budget*

Finance FTE Schedule

Description	FY 10	FY 11	FY 12	FY 13	FY 14
Finance Director	1	1	1	1	1
Finance/Budget Analyst	0	0	0	0	1
Accountant II	0	0	0	0	1
HR Administrator	0	0	0	0	1
Finance/HR Supervisor	1	1	1	1	0
HR Coordinator/Finance Assistant	0	0	1	1	0
Payroll/Accounting Assistant	1	1	0	0	0
Total	3	3	3	3	4



10-420 Development

Purpose/Description

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

FY 14 Accomplishments

- Oversaw the construction and inspection of an anticipated 300+ single family homes
- Reviewed the civil and building plans for Phase I of the Anna Town Center commercial development.
- Completed an update of the City's Wastewater Capital Improvements Plan
- Completed an update of the Water and Sewer Impact Fee Capital Improvements Plans
- Developed Land Use Assumptions and a Capital Improvement Plan for Roadway Impact Fees
- Initiated the development of a Downtown Comprehensive Plan
- Managed the regulatory review of several residential development projects including; West Crossing Phases 4 and 5, Lakeview Estates, Oak Hollow Phases 6 and 6A, Anna Crossing Phase I, and Camden Parc
- Worked with developers on the concept and zoning plans for three master planned communities (Anna Crossing, Oakridge Estates and the Villages of Hurricane Creek)
- Anticipate moving offices to remodeled Public Works facility by close of FY 2014

FY 15 Objectives

- Adopt development regulations for the downtown district.
- Initiate downtown development/redevelopment incentives program study
- Develop a vehicle and pedestrian mobility plan for the downtown district
- Develop schematic design for 4th Street streetscape improvements
- Develop a Downtown Signage Plan
- Work with property owners to develop and support strategies for a local farmers market
- Develop a small area plan for the U.S. 75 commercial corridor
- Develop a model for sustainable neighborhood design and development.
- Look for opportunities to renegotiate or revise existing residential entitlements in order to promote construction of higher value residential neighborhoods
- Develop a concept plan for a community dog park
- Implement a web based GIS platform

Expenditure Summary

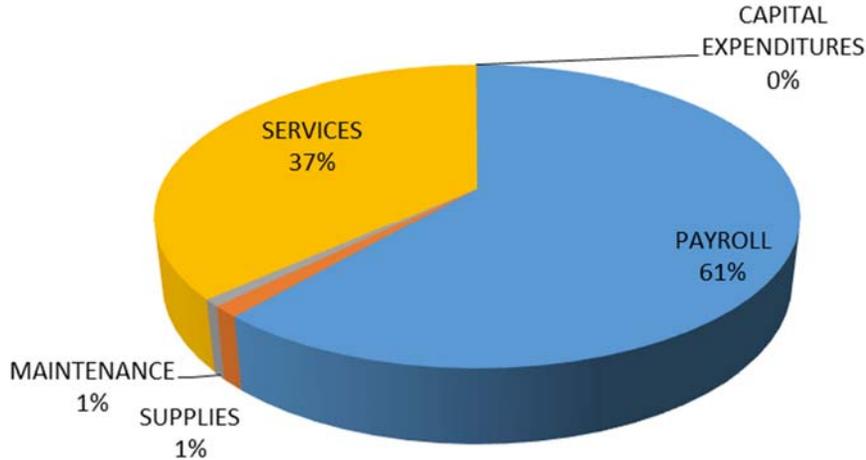
	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$220,642	\$302,100	\$253,002	\$307,557	2%
SUPPLIES	\$4,004	\$5,450	\$5,450	\$6,150	13%
MAINTENANCE	\$760	\$3,800	\$3,800	\$3,800	0%
SERVICES	\$272,924	\$171,027	\$231,357	183,269	7%
CAPITAL EXPENDITURES	\$3,420	\$2,725	\$2,500	\$150	-94%
TOTAL 10-420E	\$501,750	\$485,102	\$496,109	\$500,926	3%



10-420 Development

Adopted Budget Breakdown

FY 15 Adopted Development Budget



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*

Services increase for increased utility costs and other services previously split with Finance and Admin

- *The new space is larger and does not have finance staff to defray the costs*

Planning FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Director of Planning	1	1	1	1	1
Planner II	0	0	0	1	1
Planner I	1	1	1	1	1
Code Enforcement Officer	1	1	0	0	0
Administrative Assistance	0	0	1	1	1
Total	3	3	3	4	4



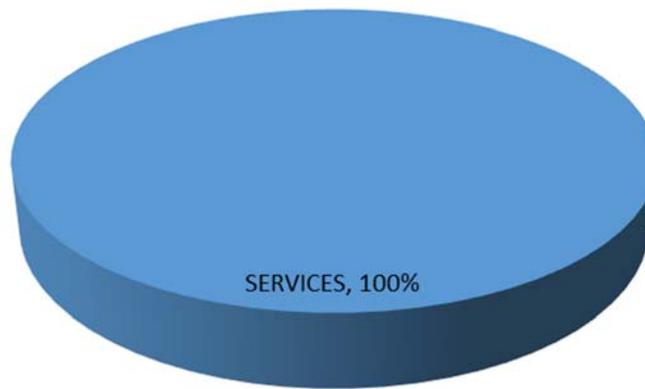
10-525 Animal Control

Purpose/Description

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

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

FY 15 Adopted Animal Control Budget



New and Noteworthy for FY 15

No changes expected from FY 14

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SERVICES	\$57,663	\$57,263	\$57,263	\$57,263	0%
TOTAL 10-525E	\$57,663	\$57,263	\$57,263	\$57,263	0%



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 14 Accomplishments

- Improved the community ISO rating from a 4 to a 2
- Received grants for training and equipment from the Texas Forest Service
- Worked with Anna ISD on a Fire Prevention Poster Contest (six students won at District meet and were entered at the State level at the June Convention)
- Continued the “Operation Santa” community outreach program
- Developed and implemented a training action plan
- Recruited and retained new and active volunteer firefighters
- Developed emergency management training program and training records for all City departments
- Completed the Fire Hydrant Testing and Mapping Project
- Coordinated NIMS and ICS training for City staff

FY 15 Objectives

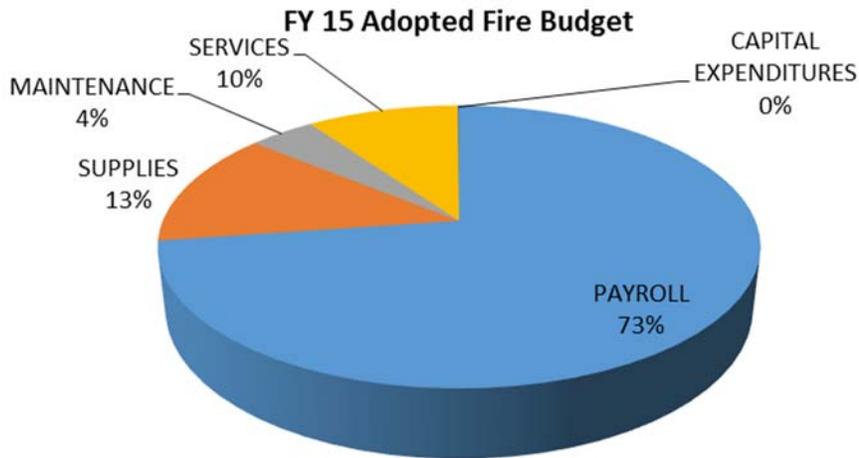
- Upgrade and increase fire prevention activities and programs
- Increase staffing during daytime hours to improve service quality and increase fire fighter safety
- Establish a Department Honor Guard Program
- Continue to research and apply for available grants and tuition funding through various agencies
- Establish a Jr. Firefighter program for Anna High School students interested in the fire service
- Continue to provide Emergency Management training to City staff

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$379,558	\$436,086	\$424,435	\$534,840	23%
SUPPLIES	\$83,389	\$95,405	\$94,875	\$96,910	2%
MAINTENANCE	\$32,722	\$35,045	\$32,045	\$31,100	-11%
SERVICES	\$48,168	\$52,930	\$57,734	\$71,657	35%
CAPITAL EXPENDITURES	\$15,728	\$4,550	\$4,550	\$600	-87%
TOTAL 10-543E	\$559,565	\$624,016	\$613,639	\$735,107	18%



Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*
- *Addition of 1 day shift fire fighter*

Expanded Fire Prevention material for community education

New web-based program for call and data tracking per shift, includes fire pre-plans and other response resources

Fire FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Fire Chief	1	1	1	1	1
Fire Marshal	1	1	1	1	1
Fire Captain	0	0	3	3	3
Fire Fighter	2	2	1	1	2
Total	4	4	6	6	7

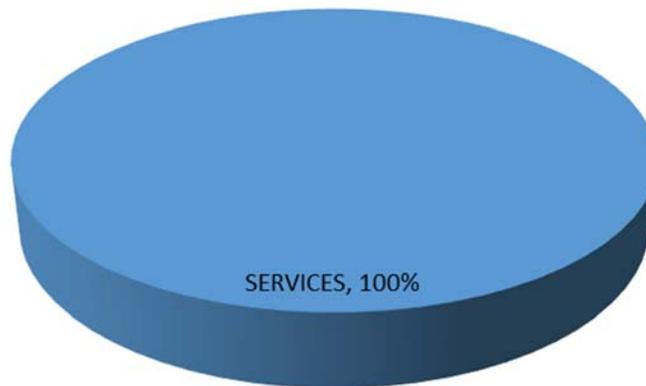


10-544 Ambulance

Purpose/Description

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

FY 15 Adopted Ambulance Budget



New and Noteworthy for FY 15

No changes expected from FY 14

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SERVICES	\$110,446	\$123,683	\$123,683	\$123,683	0%
TOTAL 10-544E	\$110,446	\$123,683	\$123,683	\$123,683	0%



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 14 Accomplishments

- Responded to over 4,500 calls for service and thru April 2014
- Hosted annual National Night Out event
- Hosted annual Child ID Fair
- Participate in the National Click-it or ticket campaign
- Participated in book reading events at both Rattan and Bryant elementary
- Conducted a seatbelt safety demonstration at the Early Childhood Learning Center
- Conducted bully prevention classes at Bryant Elementary
- Provided logistical support to community events including the Anna Glow Fest, Christmas Parade, and Centennial Celebration
- Established a new neighborhood crime watch program in West Crossing

FY 15 Objectives

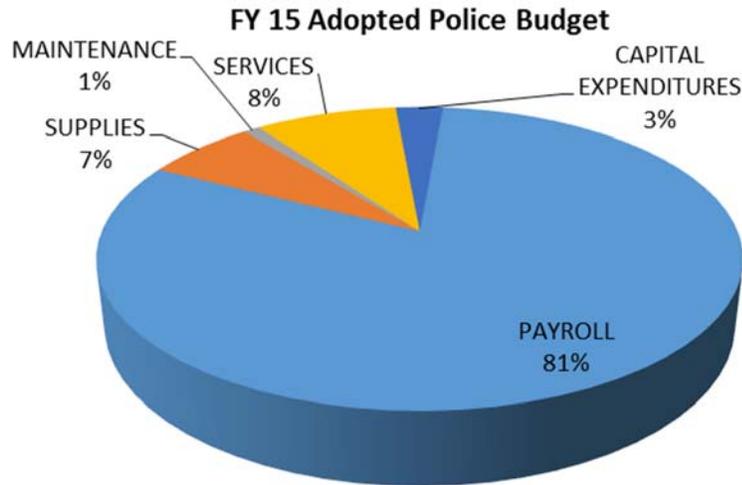
- Continue to provide 24/7 police protection for the City
- Maintain call response time under five minutes
- Enhance officer accountability with the addition of an additional supervising Sergeant to the department's patrol division.
- Participate in the National Click-it or ticket campaign
- Continue department support of community festivals and events
- Continue to host and participate in public safety events
- Pursue the "Recognized Law Enforcement Agency" award from the Texas Police Chiefs Association Law Enforcement Recognition Program

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/ Adptd
PAYROLL	\$1,014,777	\$1,073,149	\$1,009,555	\$1,169,760	9%
SUPPLIES	\$70,231	\$87,099	\$84,970	\$94,842	9%
MAINTENANCE	\$12,162	\$25,067	\$25,000	\$14,300	-43%
SERVICES	\$97,724	\$122,091	\$116,066	\$122,191	0%
CAPITAL EXPENDITURES	\$80,098	\$10,154	\$10,079	\$40,682	301%
TOTAL 10-550E	\$1,274,992	\$1,317,560	\$1,245,670	\$1,441,775	9%



Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*
- *Existing Sergeant reclassified to Lieutenant*
- *Promote 2 Officers to Sergeant*
- *Hire and train a new Officer*

Increased capital expenditures

- *Some one time costs to equip the new Sergeant position*
- *Replacement of equipment in the Crime Lab and other IT equipment*

Police FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Police Chief	1	1	1	1	1
Police Lieutenant	0	0	0	0	1
Police Sergeant	1	1	1	1	2
Police Officer	9	9	10	10	10
Crime Scene Technician	1	1	1	1	0
Records Administrator	1	1	1	1	1
Total	13	13	14	14	15



10-552 Municipal Court

Purpose/Description

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

FY 14 Accomplishments

- Increased cross training with Utility Billing office
- Developed plan for level III court clerk certification

FY 15 Objectives

- Migrate data and operations to a software system that is compatible with the City's Finance and Utility Billing operations
- Develop cross training plan for greater redundancy between Court and Utility Billing operations
- Review options for fine collection services and determine best options for improving collections

Expenditure Summary

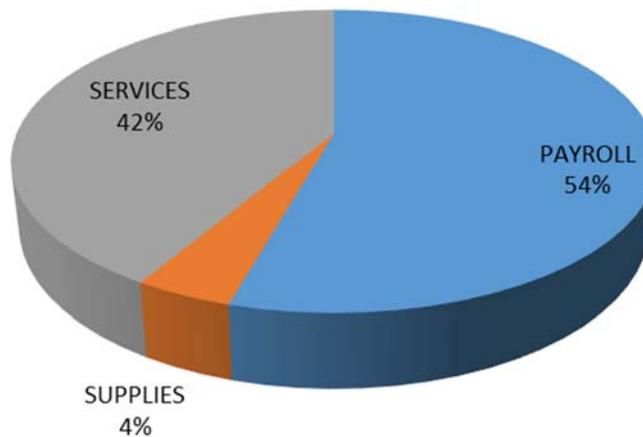
	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$56,828	\$59,054	\$57,643	\$63,345	7%
SUPPLIES	\$5,092	\$4,750	\$4,750	\$4,850	2%
SERVICES	\$40,484	\$45,240	\$46,317	\$48,275	7%
TOTAL 10-552E	\$102,404	\$109,044	\$108,710	\$116,470	7%



10-552 Municipal Court

Adopted Budget Breakdown

FY 15 Adopted Court Budget



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*
- *Title change for employee to more accurately reflect duties and expectations*

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

Municipal Court FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Municipal Court Clerk	1	1	1	1	0
Court Administrator	0	0	0	0	1
Total	1	1	1	1	1



10-555 Parks

Purpose/Description

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

FY 14 Accomplishments

- Completed construction of Phase II of Slayter Creek Park
- Completed construction of Phase II of Slayter Creek Trail

FY 15 Objectives

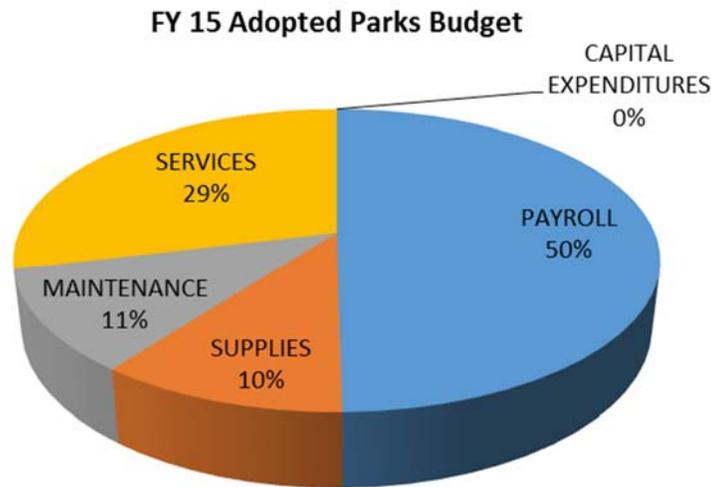
- Develop concept plan for a community dog park
- Provide a seasonal restroom facility at Slayter Creek Park
- Construct restroom and gazebo at Natural Springs Park
- Develop and implement a master turf maintenance program for all city parks and athletic fields
- Formalize maintenance agreement with Anna ISD for use of athletic fields at Slayter Creek Park

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$80,053	\$144,207	\$81,035	\$114,485	-21%
SUPPLIES	\$10,652	\$8,500	\$14,700	\$24,150	184%
MAINTENANCE	\$15,370	\$21,700	\$22,000	\$25,000	15%
SERVICES	\$33,859	\$37,087	\$65,521	\$66,355	79%
CAPITAL EXPENDITURES	\$11,839	\$2,000	\$3,800	\$0	-100%
TOTAL 10-555E	\$151,773	\$213,494	\$187,056	\$229,990	8%



Adopted Budget Breakdown



New and Noteworthy for FY 15

Decreased payroll costs

- *Seasonal positions are placed through a staffing service rather than hired seasonal employees, this causes an increase in the services category and a decrease in salaries*
- *Reclassification of Park Superintendent to Crew Leader—Parks*
- *Includes amounts for increased health and retirement benefits as well as market adjustments for wages*

Supplies increase to accurately reflect costs for parks supplies not previously recorded in parks

Parks FTE Schedule

Description	FY 10	FY 11	FY 12	FY 13	FY 14
Park Superintendent	1	1	1	1	0
Crew Leader—Parks	0	0	0	0	1
Maintenance Laborer	0	0	0	1	1
Seasonal Laborers	0	0	0	1	1
Total	1	1	1	3	3



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 14 Accomplishments

- Completed the FY 2014 Street Rehabilitation Program including repairs to CR 371, CR 369, Foster Crossing, Hackberry Drive, and Wildwood Trail
- Initiated neighborhood sidewalk repair program

FY 15 Objectives

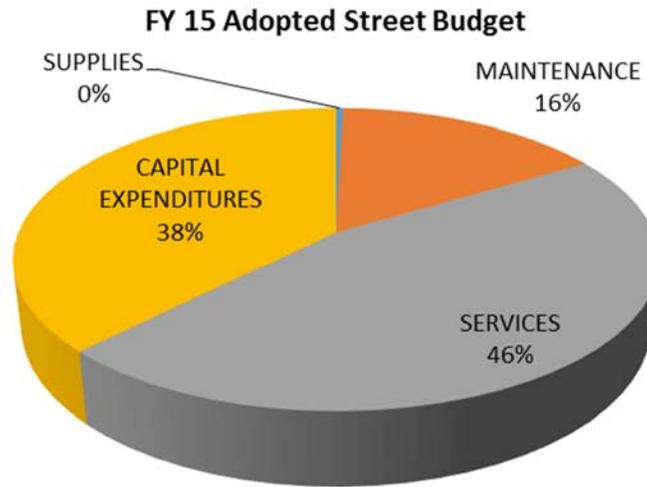
- Complete the FY 2015 Street Rehabilitation Program
- Continue neighborhood sidewalk repair program
- Initiate Street Sign Replacement/Maintenance Program
- Develop schematic design for 4th Street streetscape improvements
- Submit application for storm water discharge general permit

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SUPPLIES	\$1,637	\$1,200	\$1,200	\$1,200	0%
MAINTENANCE	\$45,709	\$46,000	\$46,000	\$46,800	2%
SERVICES	\$153,948	\$139,431	\$131,531	\$134,221	-4%
CAPITAL EXPENDITURES	\$105,391	\$100,000	\$100,000	\$110,000	10%
TOTAL 10-580E	\$306,685	\$286,631	\$278,731	\$292,221	2%



Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased funding for annual street rehab program by 10%

Street FTE Schedule

Description	FY 10	FY 11	FY 12	FY 13	FY 14
N/A					
Total	0	0	0	0	0



Restricted Revenue Trusts

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

The City manages the following restricted revenue trusts:

- Park Trust
- Eastside Park Trust
- Fire Trust
- Court Technology Fund
- Court Building Security Fund
- Child Safety Fund
- Street Capital Improvements
- Cable Public Education Government (PEG) Fees
- Police Seizure Funds

Each trust will be explained in detail; however, PEG, Police Seizure fees 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; therefore, they will be held in reserve until they can support an eligible expenditure. The Police Seizure Funds are revenue generated from property seized in connection with illegal activity. These funds can only be used to support the Police Department. Funds are held in reserve until a sufficient balance can support a specific need in the Police Department and council has approved the expenditure. 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 adopted revenues are the result of building activity in the City. In FY 15 the adopted expenditures in the parks trust include improvements to Natural Springs Park to construct a gazebo, restroom and trash enclosure and to Slayter Creek Park for a temporary mobile restroom with climate controls and running water.

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
DEVELOPER FEES	\$179,610	\$112,300	\$150,000	\$75,250	-33%
DONATIONS	\$0	\$0	\$0	\$0	N/A
MISCELLANEOUS REVENUE	\$6,800	\$0	\$0	\$0	N/A
INTEREST REVENUE	\$931	\$400	\$500	\$0	-100%
TOTAL REVENUES	\$187,341	\$112,700	\$150,500	\$75,250	-33%

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
LAND & IMPROVEMENTS	\$268,103	\$0	\$0	\$0	N/A
OTHER CAPITAL EXPENDITURES	\$70,587	\$0	\$6,315	\$125,900	N/A
TOTAL EXPENSE	\$338,690	\$0	\$6,315	\$125,900	N/A



Restricted Revenue Trusts

Eastside Park Trust

The Eastside Park Trust was created from a private donation for improvements to the Eastside Park, otherwise known as Geer Park. The trust has a just over \$12,500 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 Geer Park and meet the restrictions of the donation. The trust has had minimal interest earnings from the donation; all interest earnings from the donation are held in the same trust for the same purpose. Long term capital plans include preliminary designs on Geer Park in FY 18

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, and other grantors are accounted for in the Fire Trust. In FY 14, the Fire Trust supported the Fire Department with training and education and machinery and equipment including the purchase of a new command vehicle.

Fire Trust revenues and expenditures are illustrated below. You can see that developer fee revenue has dropped drastically since 2013. The Fire Trust Fund has just over \$13,500 in available funds; however, some of this will be used to support current grant applications prior to the end of FY 14. The City is working on negotiating future agreements with developers to include Fire Trust payments; however, revenue will continue to be below the 2013 mark in the near term. With the decline in revenue, no expenditures are planned from the Fire Trust for FY 15. Funds will be reserved for grants as they are awarded and for any capital needs that may arise. Should grants or capital needs arise, staff will present those needs to the council in the form of a budget amendment.

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
DEVELOPER FEES	\$16,610	\$1,200	\$4,500	\$2,500	108%
SALE OF ASSETS	\$0	\$0	\$3,174	\$0	N/A
GRANT REVENUE	\$10,890	\$15,000	\$8,000	\$0	-100%
TRANSFERS IN	\$0	\$15,000	\$15,000	\$0	-100%
INTEREST REVENUE	\$193	\$0	\$65	\$0	N/A
TOTAL REVENUES	\$27,693	\$31,200	\$30,739	\$2,500	-92%
LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PROTECTIVE GEAR	\$0	\$4,900	\$4,900	\$0	-100%
EDUCATION & TRAINING	\$475	\$7,000	\$1,200	\$0	-100%
MACHINERY & EQUIPMENT	\$0	\$1,200	\$11,000	\$0	-100%
OTHER CAPITAL EXPENDITURES	\$20,868	\$48,000	\$36,166	\$0	-100%
TOTAL EXPENSE	\$21,343	\$61,100	\$53,266	\$0	-100%



Restricted Revenue Trusts

Municipal Court Technology Fund

The Court Technology Fund accounts for a portion of court fines to support the use of technology in the court room. In FY 13 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. No other expenditures are planned for the Court Technology Fund. Revenues and expenditures are illustrated below.

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
TECHNOLOGY FUND	\$2,789	\$3,000	\$2,000	\$2,250	-25%
INTEREST REVENUE	\$7	\$10	\$10	\$0	-100%
TOTAL REVENUES	\$2,796	\$3,010	\$2,010	\$2,250	-25%
LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
CONTRACT SERVICES	\$2,710	\$2,150	\$2,050	\$2,050	-5%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	N/A
TOTAL EXPENSE	\$2,710	\$2,150	\$2,050	\$2,050	-5%

Municipal Court Building Security Fund

The Building Security Fund is also funded like the Court Technology Fund by accounting for portion of court fines. This revenue is used to maintain security in the court room and is budgeted for overtime pay to officers acting as a bailiff for the court when necessary. The increase in estimated costs for FY 14 is for a proposed bullet proof glass window to be installed in our customer service facility where the Court primarily operates on a day to day basis. Building Security Fund revenues and expenditures are illustrated below.

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
BLDG SECURITY FUND	\$2,091	\$2,000	\$1,400	\$1,700	-15%
INTEREST REVENUE	\$51	\$55	\$55	\$0	-100%
TOTAL REVENUES	\$2,142	\$2,055	\$1,455	\$1,700	-17%
LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
OTHER SERVICES - MISC.	\$0	\$1,800	\$11,000	\$3,000	67%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	N/A
TOTAL EXPENSE	\$0	\$1,800	\$11,000	\$3,000	67%



Restricted Revenue Trusts

Child Safety Fund

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

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

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
CHILD SAFETY FUND	\$9,906	\$9,000	\$10,000	\$10,000	11%
INTEREST REVENUE	\$73	\$10	\$10	\$0	-100%
TOTAL REVENUES	\$9,979	\$9,010	\$10,010	\$10,000	11%

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
CONTRACT SERVICES	\$0	\$7,500	\$7,500	\$7,500	0%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$9,500	N/A
TOTAL EXPENSE	\$0	\$7,500	\$7,500	\$17,000	127%

Street Capital Improvement Fund

The Street Capital Improvement Fund accounts for fees negotiated with developers for the improvements of streets. No expenditures are planned for FY 15; however, in FY 14 a proposed impact fee study was completed for \$20,000.

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
ROAD CAPITAL IMPROV. IMPACT FEE	\$7,208	\$29,000	\$20,000	\$57,500	98%
INTEREST REVENUE	\$31	\$15	\$50	\$0	N/A
TOTAL REVENUE	\$7,208	\$29,000	\$20,000	\$57,500	98%

LINE ITEMS	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
CONTRACT SERVICES	\$0	\$20,000	\$20,000	\$0	100%
MACHINERY & EQUIPMENT	\$0	\$0	\$0	\$0	0%
TOTAL EXPENSE	\$0	\$20,000	\$20,000	\$0	100%

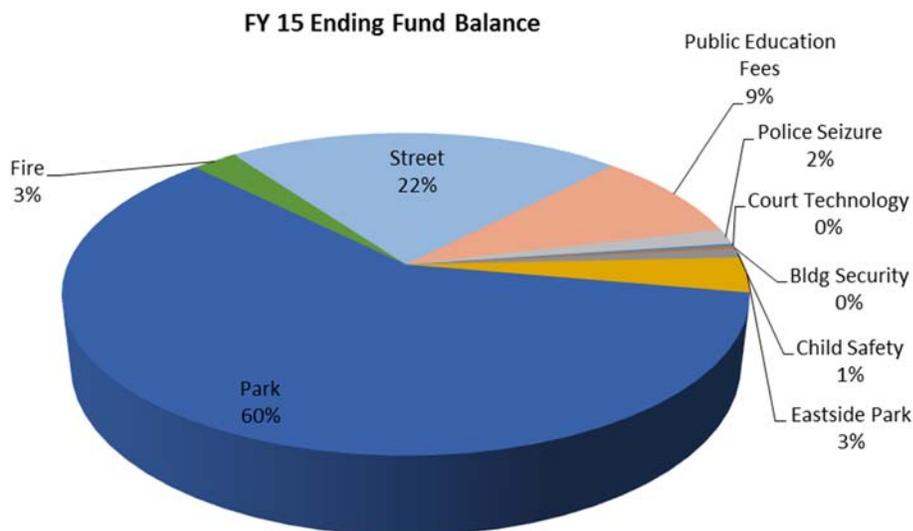


Restricted Revenue Trusts

Restricted Revenue Trust Fund Balance

As stated above, the use of each restricted revenue trust will be stipulated by a number of restrictions such as laws, ordinances, grants, etc. The table and chart below illustrates the fund balance for each trust at the close of FY 13, the projected fund balance at the close of FY 14, and the fund balance of the close of FY 15 under the adopted budget. As illustrated in the table, no funds will have negative fund balance through the end of FY 15. Staff monitors each trust to maintain compliance with any and all restrictions and also monitors to ensure expenditures do not exceed available resources.

	Fund Balance at Year End		
	2013 Audited	2014 Projected	2015 Adopted
Court Technology	\$1,658	\$1,208	\$1,158
Court Building Security	\$11,728	\$2,128	\$828
Child Safety	\$6,533	\$10,437	\$3,437
Eastside Park	\$12,507	\$12,601	\$12,664
Park	\$113,901	\$265,586	\$214,936
Fire	\$29,203	\$6,676	\$9,176
Street	\$22,055	\$22,105	\$79,605
Public Education Fees	\$25,214	\$28,814	\$32,464
Police Seizure	\$4,988	\$5,483	\$5,675
Total Restricted	\$227,787	\$355,038	\$359,943





Debt Service Fund Revenue

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

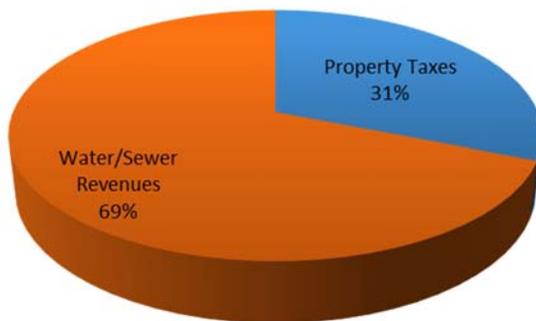
Debt accounted for in the Debt Service Fund includes bonded debt and notes supported by taxes. Bonded debt includes general obligation bonds, certificates of obligations and combination tax and revenue certificates of obligation.

Revenues generated from the City's Interest and Sinking (I&S) portion of the tax rate are deposited into the Debt Service Fund and are dedicated to pay the principal and interest of outstanding debt secured by property taxes. All debt issued for general government purposes is accounted for in the Debt Service Fund. However, from time to time, the City has also issued combination tax and revenue certificates of obligation to support water and sewer infrastructure projects. These bonds are accounted for in the Utility Fund. Under these Bond Covenants, there remains a tax pledge to support the debt if surplus revenues from the water and sewer operations are not sufficient to make the debt payments. There are three certificates of obligation issued in 2009, 2012, and 2014 and a general obligation bond issued in 1976 that all have a tax pledge even though the debt was issued for water and sewer improvements. Of the outstanding Debt Service Obligations for FY 15, 69% is related to tax secured debt issued for water and sewer projects.

FY 15 Adopted Debt Service Fund Revenue



FY 15 Tax Secured Debt Obligations



The total debt service on tax secured debt for FY 15 is \$1,424,042. While the I&S revenue is only \$527,104, the remaining \$896,938 will be generated from excess water and sewer revenues and projected savings from planned refundings scheduled for late 2014.

Debt Service Revenue Detail

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PROPERTY TAX REVENUE	\$350,469	\$391,908	\$391,908	\$527,104	34%
OTHER SOURCES OF FUNDS	\$105,605	\$74,629	\$56,552	\$0	-100%
TOTAL DEBT SERVICE REVENUE	\$456,074	\$466,537	\$448,460	\$527,104	13%

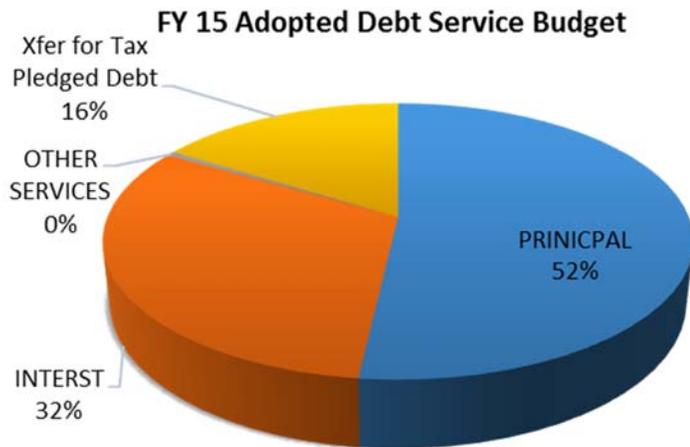


Debt Service Fund Obligations

The City of Anna currently holds just over \$3.9 million in outstanding I&S/tax supported debt. An additional \$12.4 million in outstanding debt has a tax pledge but it supported by water and sewer revenues. The \$12.4 million in debt 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 debt service obligations since FY 13 are detailed below; however, FY 15 includes expenditures for Utility Fund Debt that has a tax pledge. The transfer to the Utility Fund to support debt service on tax pledged water and sewer debt accounts for the increase in Debt Service Fund expenditures.

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



Of particular note is an overall decline in interest expense in FY 15. The City realized the final payment on one debt instrument during FY 14 which reduced the interest expense; however, some General Fund debt is structure to allow the city to “grow” into the debt obligations. This is why principal payments are set to increase a modest 1% in spite of the overall debt load decreasing.

Details of the debt service obligations are below:

Debt Service Expenditure Detail					
TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PRINCIPAL	\$269,524	\$270,115	\$270,115	\$273,000	1%
INTEREST	\$184,722	\$193,922	\$175,845	\$166,552	-14%
OTHER SERVICES	\$1,828	\$2,500	\$2,500	\$2,750	10%
TRANSFER FOR TAX PLEDGED DEBT	\$0	\$0	\$0	\$84,802	N/A
TOTAL DEBT SERVICE OBLIGATIONS	\$456,074	\$466,537	\$448,460	\$527,104	13%



Debt Service Fund Obligations

Debt Management Plan

The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan. Looking to the future, the City anticipates a spike in our debt service in 2018 and 2019. Left un-addressed, this could lead to a spike in I&S tax rates as well.

The table below illustrates the total annual debt service supported by the I&S tax rate through FY 2029. The table includes the total debt service obligations before and after the planned refundings.

Outstanding Debt Schedule

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	DEBT SERVICE AFTER REFUNDING	% CHANGE
9/30/2015	\$273,000	\$166,552	\$439,552	\$435,551	-6%
9/30/2016	\$289,000	\$155,224	\$444,224	\$435,865	0%
9/30/2017	\$249,000	\$188,833	\$437,833	\$433,397	-1%
9/30/2018	\$220,000	\$253,750	\$473,750	\$428,832	-1%
9/30/2019	\$258,000	\$269,038	\$527,038	\$427,275	0%
9/30/2020	\$269,000	\$248,159	\$517,159	\$415,813	-3%
9/30/2021	\$286,000	\$225,343	\$511,343	\$414,200	0%
9/30/2022	\$313,000	\$199,683	\$512,683	\$417,163	1%
9/30/2023	\$324,000	\$171,898	\$495,898	\$395,100	-5%
9/30/2024	\$361,000	\$141,227	\$502,227	\$402,900	2%
9/30/2025	\$378,000	\$107,247	\$485,247	\$385,463	-4%
9/30/2026	\$414,000	\$69,969	\$483,969	\$383,000	-1%
9/30/2027	\$205,000	\$34,875	\$239,875	\$148,788	-61%
9/30/2028	\$65,000	\$14,325	\$79,325	\$44,975	-70%
9/30/2029	\$65,000	\$4,875	\$69,875	\$38,288	-15%
TOTAL	\$3,969,000	\$2,250,998	\$6,219,998	\$5,206,607	

In order to keep the I&S rate stable, the City of Anna and First Southwest have developed a series of planned refundings of existing debt to maintain the current I&S rate through 2026. This plan is based upon very conservative assumptions of growth in the property tax base and interest rates. Additionally, the planned refundings are scheduled to coincide with interest rate resets and, where possible, refunding bonds that are callable and advance refundable. In this way the plan will minimize the present value cost to the city. Refunding and restructuring of debt is scheduled to occur in 2014, 2016 and 2017.

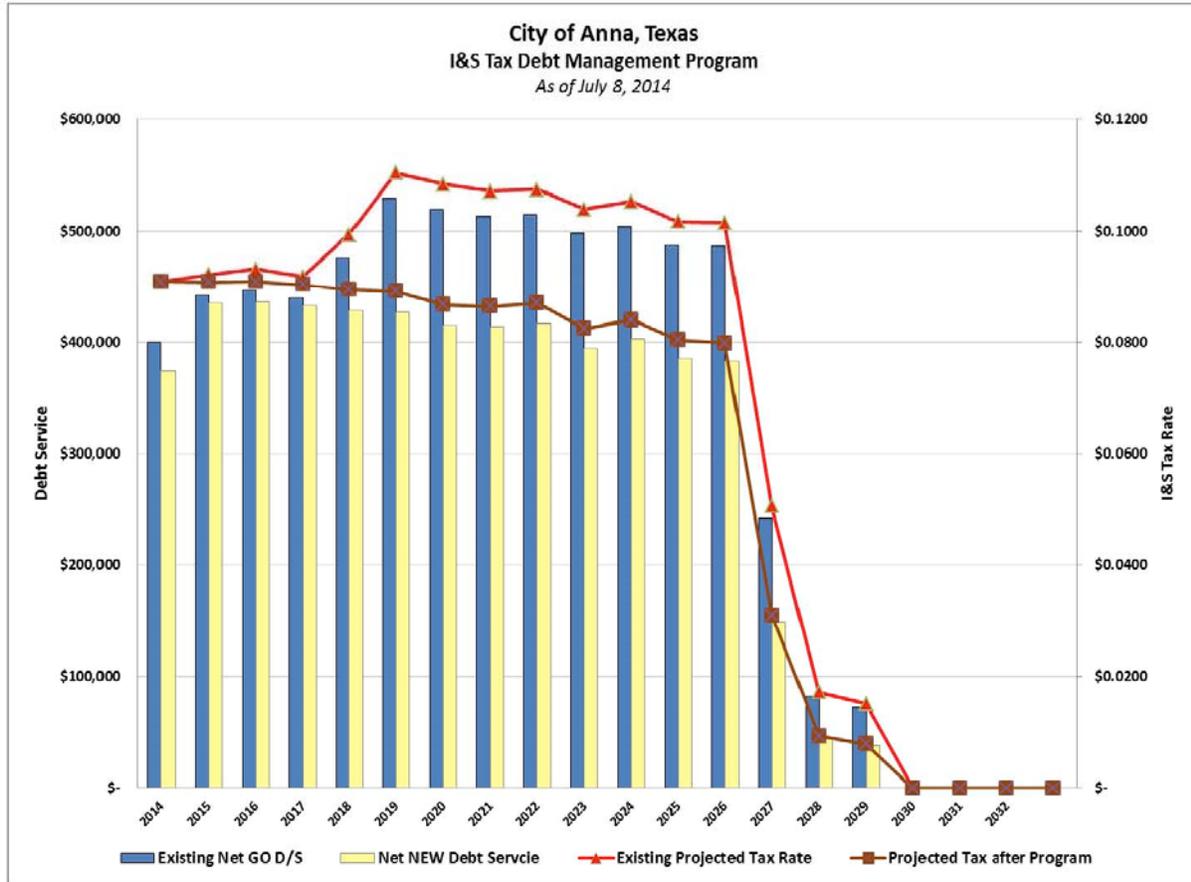
The following chart illustrates current and future debt obligations based upon (1) existing debt obligations and (2) projected new debt obligations after the planned refunding/restructuring.

You will notice a drop in the FY 15 debt service. The budget presented here includes the planned savings from the refunding to occur in late calendar year 2014. Additionally, taxable value has increased over the original assumption. The City, along with our financial advisors, will evaluate market and budgetary conditions and pursue refunding in 2014, or waiting until 2016 based upon the result that yields the greatest economic benefit to the City. No other General Fund Debt is planned to be issued during FY 15.



Debt Service Fund Obligations

City of Anna, Texas



CITY OF ANNA, TEXAS



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

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 adopted budget has an ad valorem tax rate of \$0.649 per \$100 Taxable Assessed Value. Of that amount, \$0.103174 is dedicated to I&S, or Debt Service.

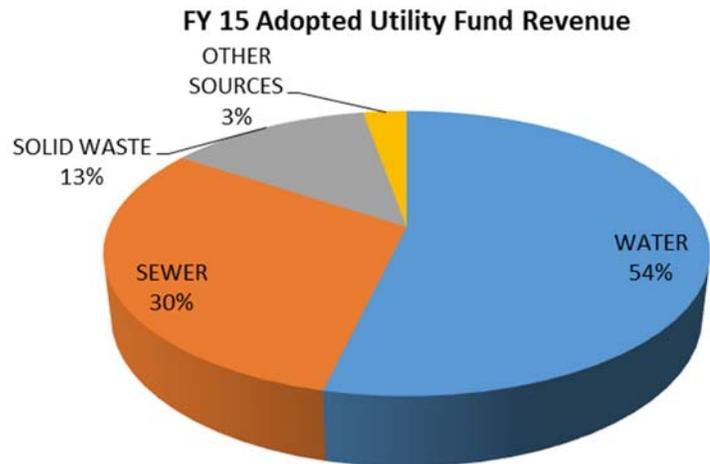


Utility Fund Revenue

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

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

The Utility Fund’s principle source of revenue is charges to customers for water consumption, wastewater collection, solid waste collection, and fees related to providing consumers with utility services. The FY 15 adopted revenue includes the use of bond proceeds to pay the construction inspection costs on infrastructure projects funded through bond proceeds.



Rather than contract for this service, the adopted budget includes a full time position responsible to inspect and manage the infrastructure projects funded with the 2012 and 2014 CO’s. Additionally, the Utility Fund includes a transfer from the Debt Service Fund to support debt service on debts issued with 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. As water sales can be volatile, we have been conservative in our approach to estimating water sales so as not to overstate projected revenue. The increase in water revenue for FY 15 is based in large part upon growth in our customer base. Growth in our customer base is also driving our increase in sewer and solid waste revenue, however, this growth is projected to outpace the growth in water revenue. The average household consumption of water is on the decline due to the ongoing drought and water conservation efforts. The average consumption does not affect the total number of ratepayers which has grown by roughly 10% over the past year; sewer and solid waste revenue is more closely correlated to population growth than water revenue.

Utility Fund Revenue Summary

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
WATER	\$2,833,014	\$2,860,007	\$2,825,494	\$2,961,699	4%
SEWER	\$1,487,243	\$1,521,450	\$1,620,226	\$1,691,490	10%
SOLID WASTE	\$642,015	\$650,000	\$690,000	\$710,000	9%
OTHER SOURCES	\$0	\$0	\$0	\$153,302	N/A
TOTAL	\$4,962,272	\$5,031,457	\$5,135,720	\$5,516,491	9%



Utility Fund Revenue

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

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

The following impact and developer fees are expected to be collected throughout FY 15 in connection with development in various additions.

DEPARTMENT	FY 2015 PROJECTED REVENUE
WEST CROSSING WATER TRUST	\$100,000
WEST CROSSING SEWER TRUST	\$100,000
WATER & SEWER IMPROVEMENTS TRUST	\$140,000
NORTHPOINTE WATER TRUST	\$20,000
NORTHPOINTE SEWER TRUST	\$20,000
TOTAL	\$380,000

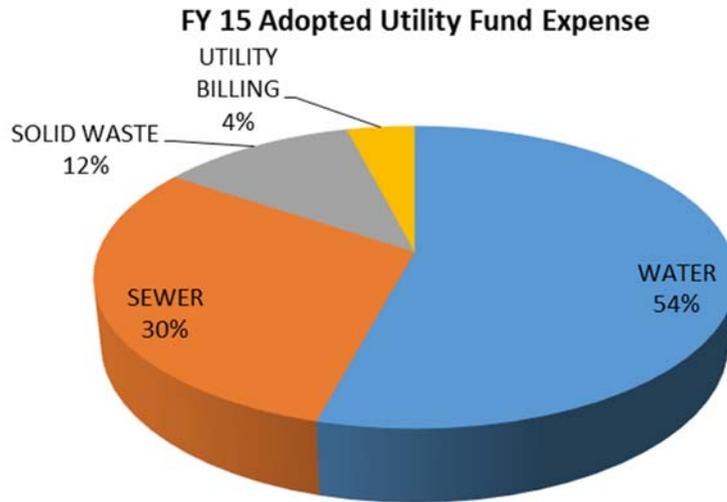
The fees collected are restricted based upon developer agreements or the City's Impact Fee Ordinance and are only to be used in accordance to the specified restrictions in the agreement/ordinance.



Utility Fund Expenditures

As discussed above, the Utility Fund accounts for all the costs associated with providing and maintaining utility services. These services are provided by the Water, Sewer, Solid Waste, and Utility Billing departments. Departmental summaries are provided similar to the General Fund with expenditures categorized by type. These types are payroll, supplies, maintenance, and capital expenditures as discussed previously. However, the Utility Fund also includes transfers to the capital project fund to support future facility needs.

The chart on the right illustrates the percentage of costs associated with each of the Utility Fund departments. The table below illustrates a brief history for each department from FY 13 through FY 15. The table includes actual costs from FY 13, budgeted and estimated costs for FY 14, adopted budget for FY 15, and the percent change from the FY 14 budget.



The departmental summaries will provide greater detail on increased expenditures; however, the bulk of the increase is due to an increase in personnel costs and in debt service obligations.

Utility Fund Expenditure Summary by Department

DEPARTMENT	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
WATER	\$2,874,287	\$2,645,838	\$2,530,228	\$2,970,098	12%
SEWER	\$1,707,791	\$1,575,995	\$1,632,495	\$1,656,681	5%
SOLID WASTE	\$564,113	\$600,000	\$600,000	\$636,000	6%
UTILITY BILLING	\$193,040	\$209,623	\$205,761	\$220,588	5%
TOTAL	\$5,339,231	\$5,031,456	\$4,968,484	\$5,483,367	9%

The table below illustrates the total increase of 9% is due to payroll, maintenance, and services. The increases will be discussed in the departmental summaries.

Utility Fund Expenditure Summary by Type

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$796,819	\$959,157	\$858,416	\$1,052,014	10%
SUPPLIES	\$108,028	\$118,075	\$112,925	\$110,550	-6%
MAINTENANCE	\$431,888	\$326,350	\$357,400	\$349,100	7%
SERVICES	\$2,801,023	\$3,557,274	\$3,569,143	\$3,882,353	9%
CAPITAL EXPENDITURES	\$1,201,473	\$70,600	\$70,600	\$5,350	-92%
TRANSFER TO CAPITAL PROJECTS	\$0	\$0	\$0	\$84,000	N/A
EXPENDITURES	\$5,339,231	\$5,031,456	\$4,968,484	\$5,483,367	9%



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 14 Accomplishments

- Completed 95% of the Radio Read Water Meter Replacement Project
- Completed FM 455 Utility Relocation Project
- Constructed Phase II of the Surface Water Blending Project
- Initiated focus on providing excellent customer service through Productivity, Responsibility, Initiative, Dedication, and Excellence with Accountability

FY 15 Objectives

- Complete the Radio Read Water Meter Replacement Project
- Complete Water System Mapping Project
- Commence Construction on Phase III of the Surface Water Blending Project
- Construct Water Disinfection System Upgrade
- Commence construction on the Hackberry Elevated Tower Project
- Develop plans for the US 75 Utility Relocation Project
- Continue focus on training department staff to provide excellent customer service

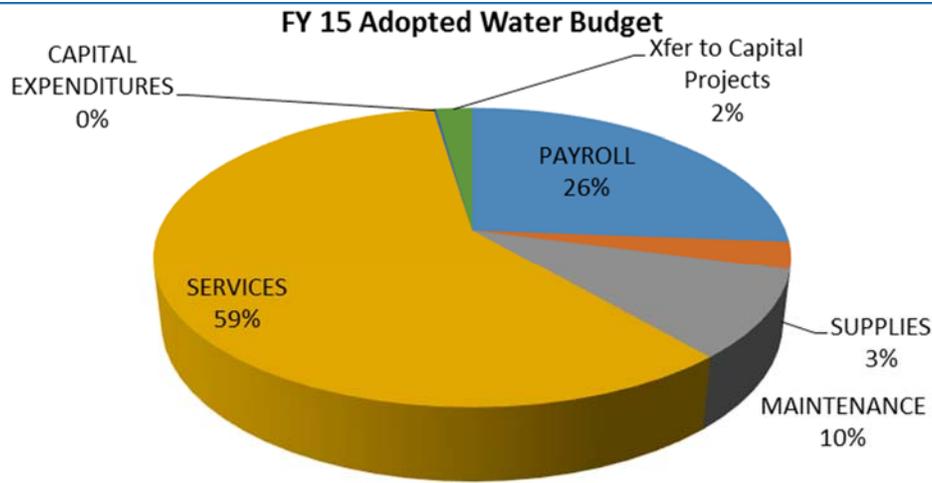
Expense Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$552,879	\$705,730	\$616,650	\$779,310	10%
SUPPLIES	\$83,046	\$97,000	\$92,000	\$86,950	-10%
MAINTENANCE	\$384,706	\$260,500	\$259,750	\$283,000	9%
SERVICES	\$1,038,939	\$1,512,608	\$1,491,828	\$1,751,188	16%
CAPITAL EXPENDITURES	\$814,717	\$70,000	\$70,000	\$4,650	-93%
TRANSFER TO CAPITAL PROJECTS	\$0	\$0	\$0	\$65,000	N/A
TOTAL 60-701E	\$2,874,287	\$2,645,838	\$2,530,228	\$2,970,098	12%



60-701 Water

Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*
- *Conversion of one Maintenance position to Water/Wastewater Superintendent*
- *New Construction Inspector position*

Increased maintenance costs to purchase water meters to keep pace with new construction

Increased services due to increased debt service obligations and NTMWD water rates

Includes a transfer to support future capital facilities

Water FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Director of Public Works	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Water/Wastewater Superintendent	0	0	0	0	1
Construction Inspector	0	0	0	0	1
Field Supervisor	1	1	1	1	1
Crew Leader	1	1	1	1	1
Maintenance Laborer	4	4	5	8	7
Seasonal Laborer	1	1	1	0	0
Total	10	10	11	12	13



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 14 Accomplishments

- Constructed the Slayter Creek Sewer Interceptor Project

FY 15 Objectives

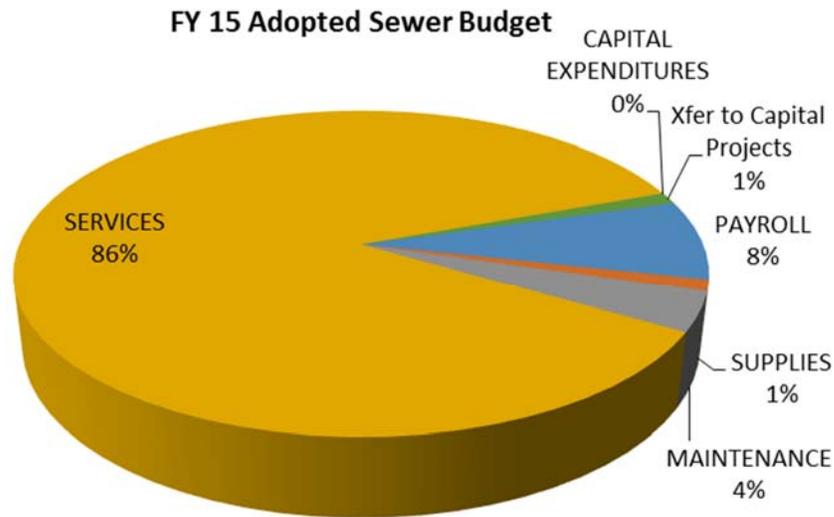
- Complete regulatory upgrades the Slayter Creek Wastewater Treatment Plant
- Study options for increasing treatment capacity of the Slayter Creek Wastewater Treatment Plant

Expense Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$114,140	\$120,444	\$117,005	\$131,251	9%
SUPPLIES	\$20,309	\$16,000	\$16,000	\$18,500	16%
MAINTENANCE	\$46,816	\$65,250	\$65,250	\$65,500	0%
SERVICES	\$1,141,051	\$1,374,301	\$1,405,740	\$1,422,430	4%
CAPITAL EXPENDITURES	\$385,475	\$0	\$0	\$0	N/A
TRANSFER TO CAPITAL PROJECTS	\$0	\$0	\$0	\$19,000	N/A
TOTAL 60-705E	\$1,707,791	\$1,575,995	\$1,603,995	\$1,656,681	5%



Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*

Increased services costs

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

Includes a transfer to support future capital facilities

Sewer FTE Schedule

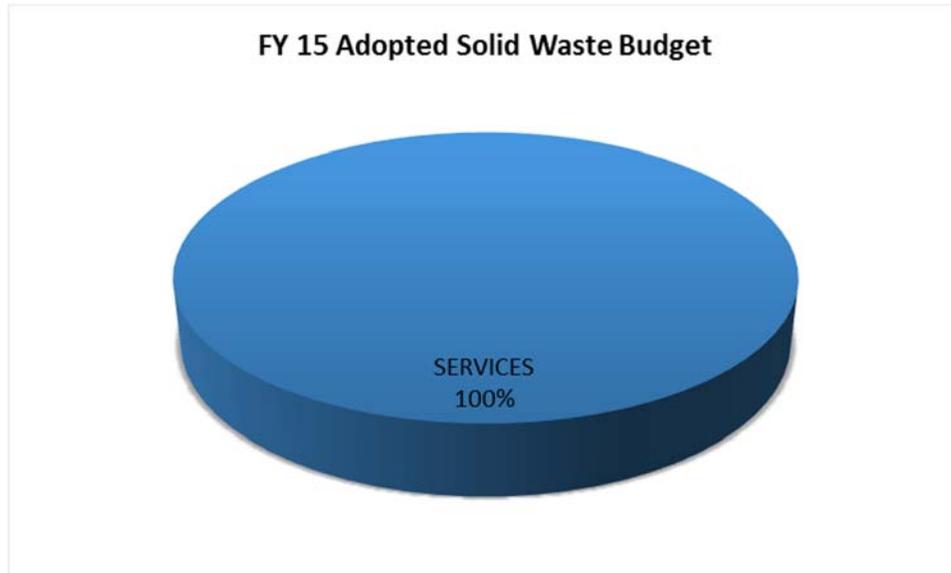
Description	FY 11	FY 12	FY 13	FY 14	FY 15
Senior Wastewater Operator	0	0	0	1	1
Wastewater Operator	2	2	2	1	1
Total	2	2	2	2	2



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.



New and Noteworthy for FY 15

New Department for FY 15 to properly show true sewer and solid waste costs
 Increase in costs driven by increase in solid waste customers

Expenditure Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SERVICES	\$564,113	\$600,000	\$600,000	\$636,000	6%
TOTAL 60-708E	\$564,113	\$600,000	\$600,000	\$636,000	6%



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 14 Accomplishments

- Replaced drive-through window with an automated payment kiosk
- Increased cross training with the Municipal Court
- Improved proficiency and efficiency of billing software

FY 15 Objectives

- Develop cross training plan for greater redundancy between Court and Utility Billing operations
- Enhance on-line presence to improve the customer experience
- Review options for the collection of delinquent accounts and determine best option for improving collections

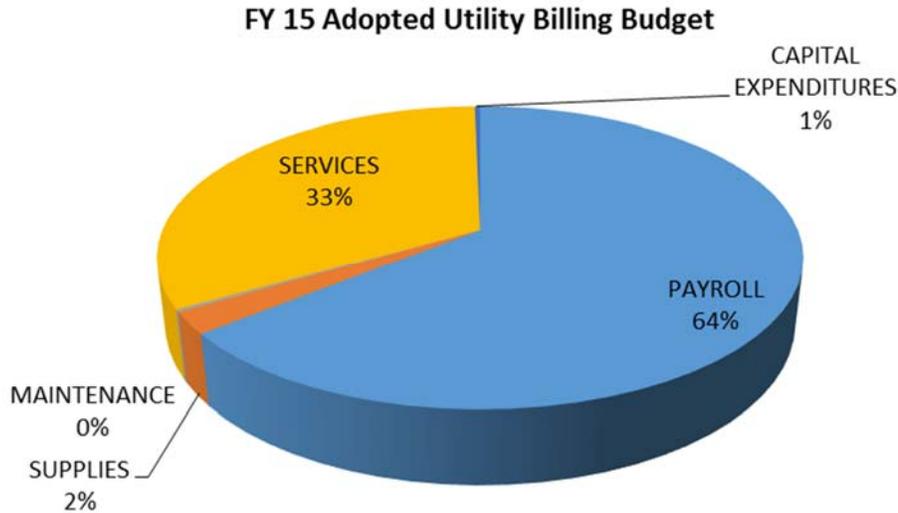
Expense Summary

	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
PAYROLL	\$129,800	\$132,983	\$124,761	\$141,453	6%
SUPPLIES	\$4,673	\$5,075	\$4,925	\$5,100	0%
MAINTENANCE	\$366	\$600	\$3,900	\$600	0%
SERVICES	\$56,920	\$70,365	\$71,575	\$72,735	3%
CAPITAL EXPENDITURES	\$1,281	\$600	\$600	\$700	17%
TOTAL 60-710E	\$193,040	\$209,623	\$205,761	\$220,588	5%



60-710 Utility Billing

Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased payroll costs

- *The City's costs for insurance and retirement benefits are expected to increase*
- *Market adjustments to wages have been proposed to ensure the City can attract and retain a talented workforce*

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

Utility Billing FTE Schedule

Description	FY 11	FY 12	FY 13	FY 14	FY 15
Customer Service Supervisor	1	1	1	1	1
Senior Customer Service Rep.	1	1	1	1	1
Customer Service Rep.	1	1	0	0	0
Receptionist	0.5	0.5	0.5	0.5	0.5
Total	3.5	3.5	2.5	2.5	2.5

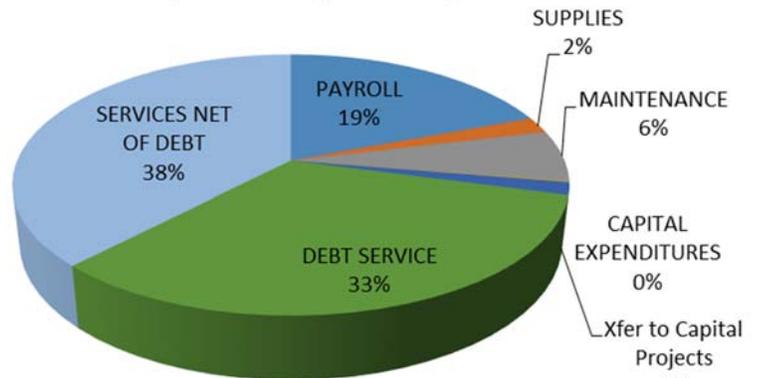


Utility Fund Debt

Unlike the General Fund, there is no special fund to account for Utility Fund Debt; all Utility Fund debt is accounted for within the Utility Fund. An Enterprise Fund is focused upon the total cost of providing services. With that focus in mind, the Utility Fund includes all costs to provide utility services to our customers, including the cost of long term debt service.

All debt accounted for in the Utility Fund is supported by the revenues generated from the Utility Fund's operations. While some debt instruments have a tax pledge, utility revenues are generally sufficient to support all Utility Fund debt; however the FY 15 budget includes a modest transfer of \$84,802 from Debt Service Fund revenues to support tax pledged debt in the Utility Fund.

FY 15 Adopted UF Budget Showing Debt



In FY 15, debt service accounts for 33% of the Utility Fund budget. In the department summaries, debt is grouped split between the water and sewer departments is grouped with "services" for purposes of categorizing expense types. However, Utility Fund debt it is highlighted here to illustrates its share of the budget.

Debt Management Plan

Not unlike the Debt Service Fund, the Utility Fund also faces challenges with its outstanding debt. Currently the Utility Fund holds just over \$26.6 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 2015 and 2019. Left unaddressed, this could lead to increases in utility rates to support the debt payments.

In order to appropriately manage Utility Fund debt, the City and First Southwest developed a plan to take advantage of call dates and pursue advance refundings of the City's outstanding Utility Fund debt. All effort has been made to minimize the present value costs to the City. The current plan makes very conservative assumptions regarding interest rates and was reviewed and analyzed in conjunction with a water rate study to evaluate the current water rates. Currently, the City anticipates refunding debt in the fall of 2014 to take advantage of the current market conditions. This will ease some pressure on future water rates.

This plan also includes additional refundings to occur in 2017. Depending on market conditions and the City's growth, the two refunding are slated for mid summer and late fall of 2017. These refundings will free up cash flow 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 before and after the planned refundings. The current plan provides for smaller, manageable increases as opposed to an anticipated 27% in debt service for FY 15. The refunding in late fall will provide a more manageable increase of 15%



Utility Fund Debt

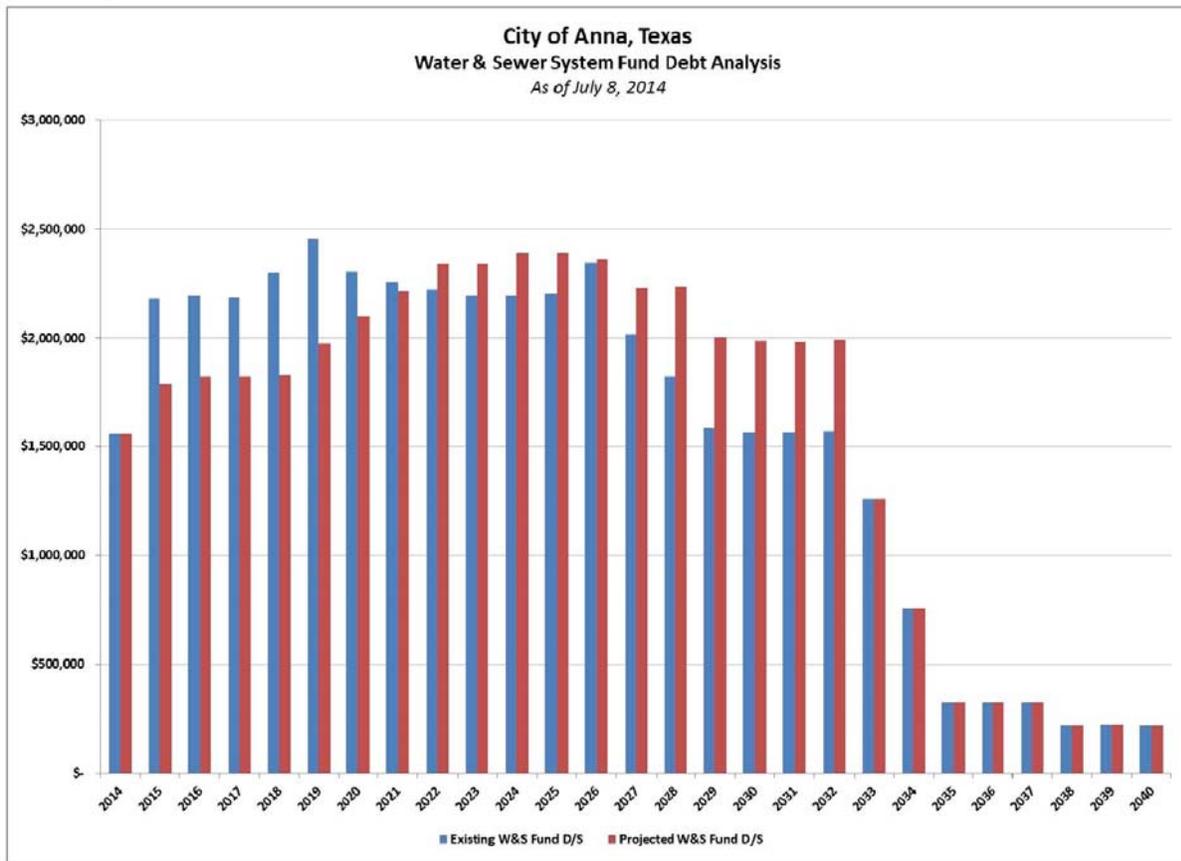
Utility Fund Outstanding Debt Schedule

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	DEBT SERVICE AFTER REFUNDING	% CHANGE
9/30/2015	\$1,036,250	\$1,145,241	\$2,181,491	\$1,789,811	15%
9/30/2016	\$1,140,000	\$1,055,970	\$2,195,970	\$1,820,987	2%
9/30/2017	\$1,173,750	\$1,011,002	\$2,184,752	\$1,822,502	0%
9/30/2018	\$1,222,500	\$1,082,050	\$2,304,550	\$1,831,907	1%
9/30/2019	\$1,226,250	\$1,229,011	\$2,455,261	\$1,976,314	8%
9/30/2020	\$1,168,750	\$1,139,687	\$2,308,437	\$2,096,663	6%
9/30/2021	\$1,191,250	\$1,066,035	\$2,257,285	\$2,217,058	6%
9/30/2022	\$1,228,750	\$993,404	\$2,222,154	\$2,342,510	6%
9/30/2023	\$1,281,250	\$917,301	\$2,198,551	\$2,342,755	0%
9/30/2024	\$1,360,000	\$836,770	\$2,196,770	\$2,390,403	2%
9/30/2025	\$1,452,500	\$751,688	\$2,204,188	\$2,393,180	0%
9/30/2026	\$1,790,000	\$554,480	\$2,344,480	\$2,360,460	-1%
9/30/2027	\$1,553,750	\$463,695	\$2,017,445	\$2,232,152	-5%
9/30/2028	\$1,423,750	\$398,991	\$1,822,741	\$2,238,259	0%
9/30/2029	\$1,240,000	\$342,055	\$1,582,055	\$2,002,366	-11%
9/30/2030	\$1,273,750	\$293,051	\$1,566,801	\$1,986,043	-1%
9/30/2031	\$1,325,000	\$242,044	\$1,567,044	\$1,984,636	0%
9/30/2032	\$1,382,500	\$188,713	\$1,571,213	\$1,991,453	0%
9/30/2033	\$1,127,500	\$132,842	\$1,260,342	\$1,260,342	-37%
9/30/2034	\$661,250	\$98,546	\$759,796	\$759,796	-40%
9/30/2035	\$248,750	\$77,134	\$325,884	\$325,884	-57%
9/30/2036	\$263,750	\$62,764	\$326,514	\$326,514	0%
9/30/2037	\$280,000	\$47,500	\$327,500	\$327,500	0%
9/30/2038	\$185,000	\$34,397	\$219,397	\$219,397	-33%
9/30/2039	\$197,500	\$23,612	\$221,112	\$221,112	1%
9/30/2040	\$207,500	\$12,097	\$219,597	\$219,597	-1%
TOTAL	\$27,183,497	\$15,217,464	\$42,400,961	\$43,039,233	



Utility Fund Debt

City of Anna, Texas



CITY OF ANNA, TEXAS



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



Capital Improvements

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

The budgets for capital improvement projects are typically independent of the operating budget and are funded with bonds, grants, fund balance, special restricted revenue or other sources of capital including private investment. Capital Improvements are the result of long term planning that occurs in the Capital Projects Plan. Each year projects are updated and projected across a 5 year time horizon and beyond. These projects are given priority based upon a combination of factors including community needs/interests and available funding.

In FY 13, the Capital Improvements Plan included work on a number of projects including water/sewer infrastructure and park improvements. Some of these projects were closed out in FY 14 while others will be completed in FY 15. The following projects have either been completed, or will be completed by the end of FY 14:

- Slayter Creek Park Phase II
- FM 455 Utility Relocation
- Slayter Creek Sewer Interceptor
- Remodel to PW and PD/Customer Service buildings
- Phase I of Surface Water Blending Project
- Phase II of the Surface Water Blending Project

In FY 15, the Capital Improvements Fund will either begin or continue to work on the following projects:

- Design Services for City Hall
- Phase III of the Surface Water Blending Project
- Wastewater Treatment Plant—Regulatory Upgrades
- Elevated Storage Tank
- Water Lines Improvements
- Disinfection System Upgrades
- Clemmons Creek Sewer Line
- Ferguson Parkway
- Lakeview Park
- Natural Springs Park Improvements
- Slayter Creek Park Improvements

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

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

Each project not funded in the regular operating budget will be discussed below with further details in the Capital Improvements Plan found in the Supplemental Information section of the budget.



Capital Improvements

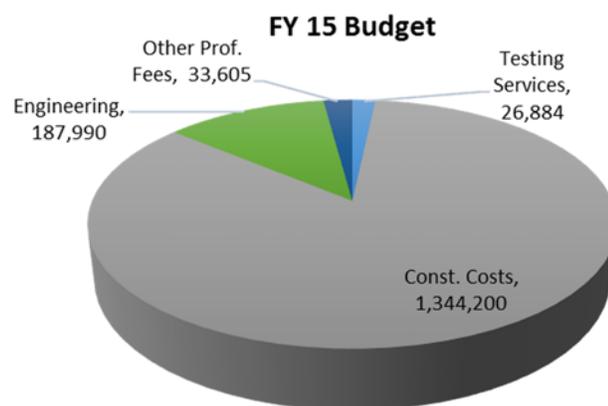
Design Services for City Hall

In FY 14, the City completed a space needs assessment. The results of this assessment detailed the need for all City facilities; however, the study highlighted the need to begin planning for a City Hall in the near future. The City Hall will be planned to support the City's population through 30,000 and will be scalable to add facilities as needed.

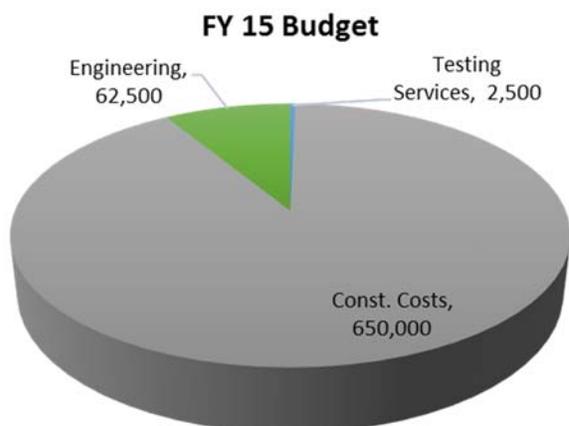
The budget includes a proposed amount of \$100,000 for FY 15 to find a qualified architect and begin preliminary design services. The funds for this project will come from General Fund unrestricted Fund Balance. Once the final funding mechanisms for the City Hall are established, these funds may be reimbursed to the General Fund. The City Hall project is expected to be completed by the end of FY 17. Details on the total project budget can be found in the Capital Improvements Plan in the Supplemental Information section of the budget.

Phase III Surface Water Blending

The blending project began in FY 13 after the 2012 Bonds were funded. This has been a multi year project scheduled to be complete in FY 15. The project allows the City to access NTMWD ground water resources held under contract with GTUA. The project allows the City to mix treated surface water with our existing ground water resources. The FY 15 budget is \$1,592,679



Wastewater Treatment Plant Upgrades



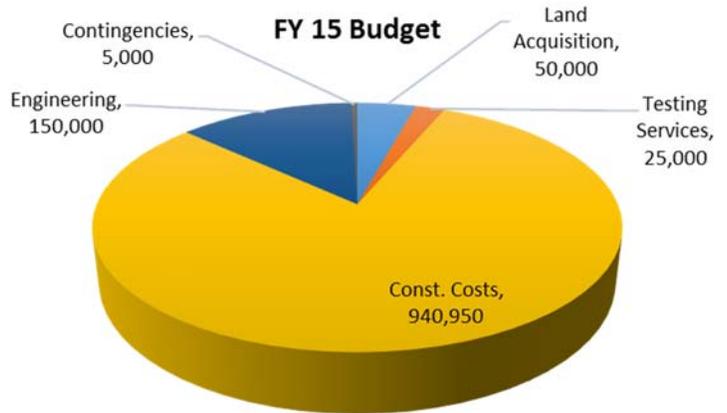
The WWTP treatment plant upgrades were funded with the 2012 Bonds and will be completed in FY 15. The project allows the City to Upgrade the existing equipment and fixtures to meet TCEQ guidelines and allow for maximum useful life and efficient operations of the existing WWTP. The total budget for FY 15 is \$715,000.



Capital Improvements

Elevated Storage Tank

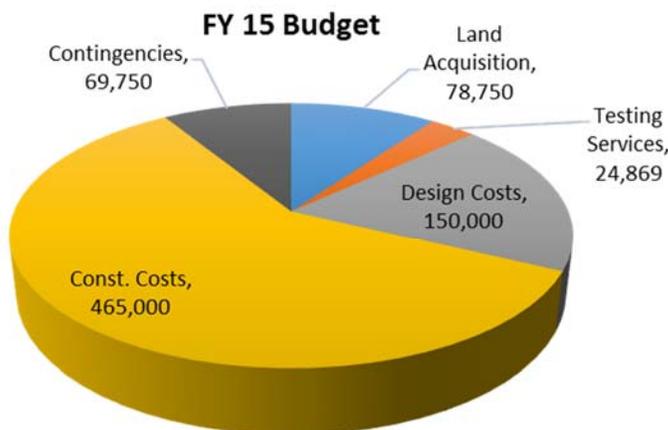
In 2014 the City issued bonds to make improvements to the City’s water system. The primary focus of the 2014 Bond issue was to fund the construction of a .75 million to 1 million gallon elevated storage tank. The preliminary site for the tank is north of FM 455 along Hackberry Drive. The tank will expand elevated storage capacity of the City’s culinary water system and allow for continued residential growth. Currently the City’s water system is reaching its maximum capacity. While the surface water blending project provides access to additional water sources, the elevated tank will increase storage capacity of the existing water resources available to the City.



The project is expected to be complete by the end of FY 2016 with a total project cost is \$2,289,000. The FY 15 budget is \$1,170,950.

Water Line Improvements

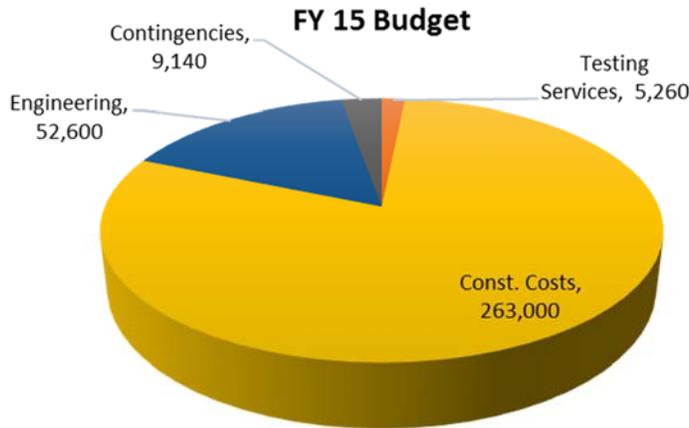
Part of the 2014 Bond issue included funding to make improvements to the City’s water lines. This project will interconnect the new elevated storage tank to our existing system. Additionally, the project will loop the water system by adding a connection near FM 455 and US 75. This connection will allow the system to be “back fed” and create redundancy in the event of a major water line break. The project will be completed in FY 2016 with a total cost of \$1,323,000. The FY 15 budget is \$788,369.





Capital Improvements

Disinfection System Upgrades



The 2014 Bond issue also includes funding for improvements and upgrades to the City's water disinfection system. The project will install an anhydrous ammonia injection system and chlorine injection system. Furthermore, upgrades to the electrical system and upgrades to the supply/solution piping will be completed. Finally, critical system monitoring and controls will be installed. This project will be completed in FY 15 with a project budget of \$330,000.

Clemmons Creek Sewer Line

The Clemmons Creek Sewer Line is a project that will be primarily funded by private development. The City is aware of proposed development that is slated to occur in the Clemmons Creek drainage basin. If the development occurs, the City will work with the developers to ensure the necessary infrastructure to support the development is constructed.

It is anticipated this project will be completed in FY 15 if the proposed development occurs. Costs estimates for this project are \$1,500,000. If the City participates in this project, funding will come from existing impact and developer fees.

Ferguson Parkway

The proposed Lakeview Estates Development will occur south of Rattan Elementary on the east side of Ferguson Parkway. This development will add to the existing traffic on Ferguson and will compound the stacking problem that exists while school is in session at Rattan Elementary.

Current plans will expand Ferguson Parkway to a 4 lane divided roadway from FM 455 south past the elementary school to the entrance of Oak Hollow. From Oak Hollow the roadway will be reduced to a two lane improved roadway to the Lakeview Estates Development. Funding for this project will be from Collin County Road Bonds and from the Developer.

The total project cost is \$1,062,824 and is expected to be completed in FY 15.



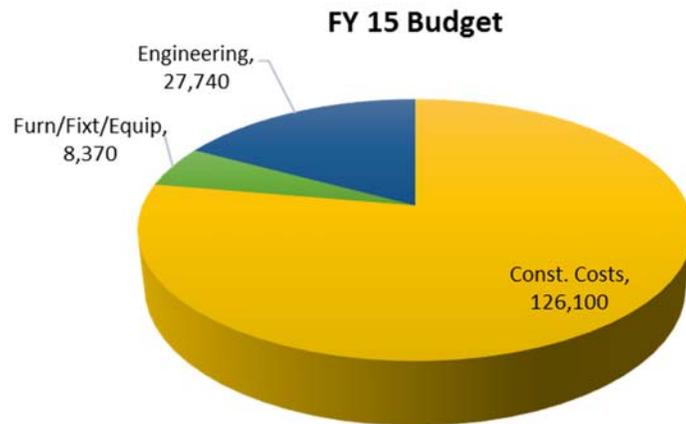
Capital Improvements

Lakeview Park

The proposed Lakeview Estates Development will include the addition of Lakeview Park and will connect with the City’s master park and trail plan. The developer will fund this project 100% for the City, in return the City will waive a portion of park fees equal to the cost of the improvements made by the developer.

The park will be along the edge of Anna Lake and includes walking trails, gazebo, restrooms, playground, dock, and picnic tables. The trails will connect to the south tip of the trails at Natural Springs Park.

The project is expected to be completed by the end of FY 17 for a total cost of \$475,921. The FY 15 improvements are expected to cost \$162,210.



Natural Springs Park Improvements

The proposed improvements to Natural Springs Park are funded through an allocation of Parks Trust resources. The Parks Trust is discussed in the Restricted Revenue section of the budget.

The proposed improvements for FY 15 include the following:

Improvement	Cost
Gazebo	\$60,500
Trash Enclosure	\$8,000
Restroom	\$48,400
Total	\$116,900

Slayter Creek Park Improvements

The proposed improvements to Slayter Creek Park are funded through an allocation of Parks Trust resources. The Parks Trust is discussed in the Restricted Revenue section of the budget.

The proposed improvements for FY 15 include a mobile restroom with flush toilets, running water, and climate controls. The proposed cost is \$9,000. The restroom will be located near the splash pad to provide an additional restroom facility for park patrons.



Summary of Capital Projects

Capital Projects	FY15	FY16	FY17	FY18	FY 19	Future	Total
BUILDINGS	100,000	2,312,000	8,138,000	565,000	5,662,000	11,430,173	28,207,173
<i>New City Hall</i>	<i>100,000</i>	<i>2,312,000</i>	<i>8,138,000</i>				<i>10,550,000</i>
<i>Fire Station #1</i>				<i>565,000</i>	<i>5,662,000</i>		<i>6,227,000</i>
<i>New Police Station</i>						<i>7,598,173</i>	<i>7,598,173</i>
<i>Fire Station #2</i>						<i>3,832,000</i>	<i>3,832,000</i>
WATER AND WASTEWATER	6,096,998	3,252,681					9,349,679
<i>Ph. 3 Water Blending</i>	<i>1,592,679</i>						<i>1,592,679</i>
<i>WWTP Upgrades</i>	<i>715,000</i>						<i>715,000</i>
<i>Elevated Storage Tank</i>	<i>1,170,950</i>	<i>1,118,050</i>					<i>2,289,000</i>
<i>Water Line Improvements</i>	<i>788,369</i>	<i>534,631</i>					<i>1,323,000</i>
<i>Disinfection System</i>	<i>330,000</i>						<i>330,000</i>
<i>Clemmons Creek Sewer Inter-</i>	<i>1,500,000</i>						<i>1,500,000</i>
<i>Throckmorton Creek Sewer In-</i>		<i>1,600,000</i>					<i>1,600,000</i>
STREETS	1,172,824	547,000	120,000	125,000	130,000	49,595,800	51,690,624
<i>Annual Street Repair Program</i>	<i>110,000</i>	<i>115,000</i>	<i>120,000</i>	<i>125,000</i>	<i>130,000</i>	<i>150,000</i>	<i>750,000</i>
<i>Ferguson Pkwy. Lakeview Es-</i>	<i>1,062,824</i>						<i>1,062,824</i>
<i>Reconstruct Hackberry (Hwy 5</i>		<i>432,000</i>					<i>432,000</i>
<i>Ferguson Pkwy. (Taylor Blvd. to Collin Co. Outer Loop)</i>						<i>9,862,000</i>	<i>9,862,000</i>
<i>FM 455 (U.S. 75 to East Fork Creek)</i>						<i>18,341,800</i>	<i>18,341,800</i>
<i>Rosamond Pkwy. (Hwy 5 to U.S. 75)</i>						<i>11,562,600</i>	<i>11,562,600</i>
<i>Mantua Rd/CR 371 (Hwy. 5 to</i>						<i>9,679,400</i>	<i>9,679,400</i>



Summary of Capital Projects

Capital Projects	FY15	FY16	FY17	FY18	FY 19	Future	Total
PARKS	288,110	330,411	184,500	198,400		1,500,000	2,501,421
Lakeview Park	162,210	177,611	136,100				475,921
Natural Springs Park Improve-	116,900	107,800					224,700
Slayter Creek Park Improve-	9,000		48,400	48,400			105,800
Dog Park		45,000					45,000
Geer Park Phase I				150,000		1,500,000	1,650,000
VEHICLES		70,000	66,000	30,000	66,000	2,168,000	2,400,000
Police Vehicle Replacement		70,000	36,000		36,000	38,000	180,000
Public Works Vehicle Replace-			30,000	30,000	30,000	30,000	120,000
Replace E902						600,000	600,000
Arial Platform Truck						1,500,000	1,500,000
Machinery & Equipment	54,480	274,290	306,100	282,000	93,490	30,000	1,040,360
PD IT Replacements	18,980	7,300	13,000	7,900	6,190		53,370
Personal Protective Gear (PPE)	30,000	30,000	30,000	30,000	30,000	30,000	180,000
FD Mobile Data Computers	5,500	35,500	3,800	1,800			46,600
Opticom Traffic Control		13,100	8,300	8,300	8,300		38,000
FixedLinx Meter Reading System		135,750	160,000	210,000			505,750
Air-Pacs (SCBA)		52,640	42,000				94,640
Digital Radio Replacement			24,000	24,000	24,000		72,000
Outdoor Warning Sirens			25,000		25,000		50,000
TOTAL	7,712,412	6,786,382	8,814,600	1,200,400	5,951,490	64,723,973	95,189,257

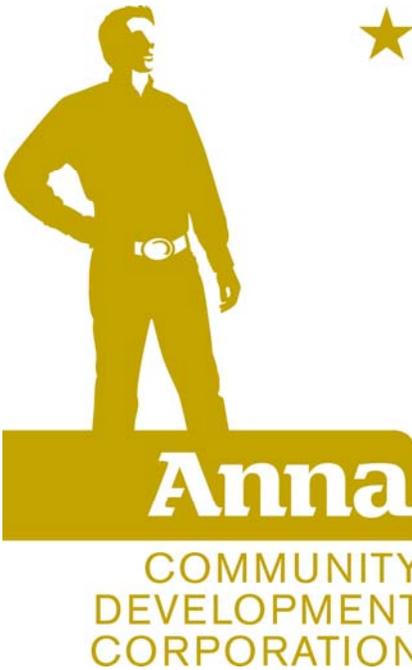
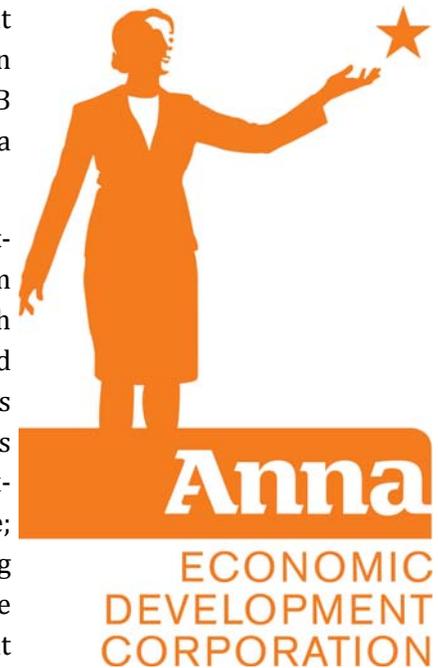
*All projects are subject to available funding resources in any given Fiscal Year; therefore, this CIP summary table does not represent a funding guarantee for any given project



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. 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%.



★ 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 the EDC and the CDC undertake projects that improve the quality of life in Anna through a variety to eligible 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 the creation and operation of Type A and Type B corporations. Additionally, Chapter 504 specifically governs Type A corporations while Chapter 505 specifically governs Type B corporations. The EDC is a type A corporation and the CDC is a type B corporation.

EDC REVENUE

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SALES TAX	\$287,324	\$280,000	\$310,000	\$315,000	13%
INTEREST	\$291	\$225	\$225	\$250	11%
REVOLVING LOAN FUND	\$0	\$54,000	\$54,000	\$54,000	0%
TOTAL 89-825E	\$287,615	\$334,225	\$364,225	\$369,250	10%

CDC REVENUE

SALES TAX	\$287,324	\$280,000	\$310,000	\$315,000	13%
INTEREST	\$625	\$225	\$225	\$250	11%
LEASE REVENUE	\$30,000	\$30,000	\$30,000	\$30,000	0%
TOTAL 89-826E	\$317,949	\$310,225	\$340,225	\$345,250	11%



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 14 Accomplishments

- Partnered with the EDC to support the Greater Anna Chamber of Commerce and their 5 annual community events
- Partnered with the EDC to launch a Mobile App for the City to help connect Anna residents to local businesses
- Funded the water recirculating system for the Slayter Creek Park Splash Pad
- Funded additional part-time employees to help maintain the City parks

FY 15 Objectives

- Continue to partner with the GACC to support and sponsor community events
- Collect and maintain payments from Image Vision for the Revolving Loan Fund program
- As funds permit, identify and fund community facilities and related projects that enhance and improve the quality of life in Anna

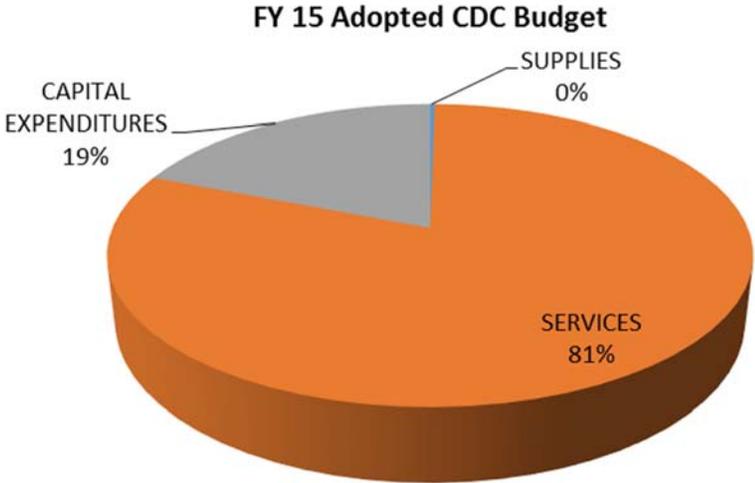
Expense Summary

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SUPPLIES	\$194	\$1,000	\$1,000	\$850	-15%
SERVICES	\$218,279	\$229,525	\$249,525	\$254,160	11%
CAPITAL EXPENDITURES	\$36,550	\$20,000	\$0	\$60,000	200%
TOTAL 89-825E	\$255,023	\$250,525	\$250,525	\$315,010	26%



Community Development Corporation

Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased revenue to support a \$60,000 commitment to park improvements yet to be determined



Economic Development Corporation

Purpose/Description

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

FY 14 Accomplishments

- Partnered with the CDC to support the Greater Anna Chamber of Commerce and their 5 annual community events
- Partnered with the CDC to launch a Mobile App for the City to help connect Anna residents to local businesses
- Executed strategies to attract retail businesses
- Attended the ICSC local and national conferences to advance the Anna Name and build relationships with retailers and developers
- Executed an Economic Development incentive agreement with Empowered Training Centre

FY 15 Objectives

- Identify and facilitate opportunities to extend fiber to serve commercial areas and new residential developments
- Cultivate relationships with medical groups and hospitals that could potentially locate in Anna as we grow
- Survey existing Anna businesses and other businesses in the medical and IT industries to identify the skill sets/degrees/experience they need in their work force.
- Make site visits to successful tech business parks in the area and create list of standard criteria for the development and location of a successful tech business park
- Create an economic and fiscal impact analysis application specific for retail businesses
- Continue to support the Greater Anna Chamber of Commerce
- Continue collaboration with developers and land owners to identify and promote retail and business development opportunities within the City of Anna
- Market and sell the EDC 48 acres

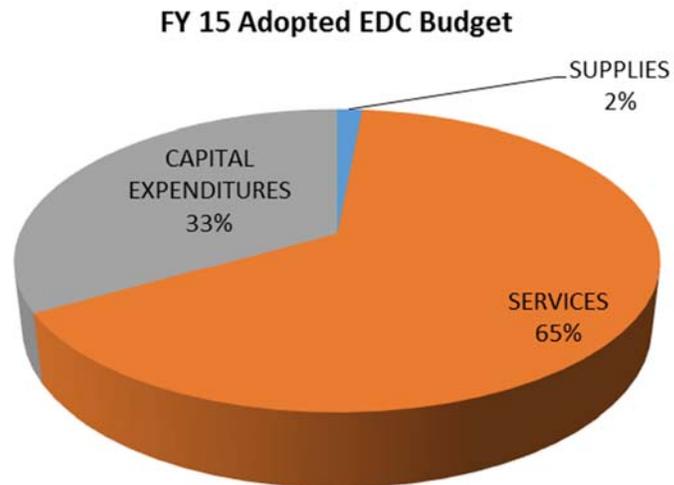
Expense Summary

TYPE	ACTUAL 2012-2013	BUDGET 2013-2014	ESTIMATE 2013-2014	ADOPTED 2014-2015	% CHANGE Bdgt/Adptd
SUPPLIES	\$2,021	\$5,075	\$5,075	\$4,750	-6%
SERVICES	\$185,423	\$198,123	\$192,613	\$205,170	4%
CAPITAL EXPENDITURES	\$116,101	\$51,500	\$51,500	\$105,000	104%
TOTAL 89-825E	\$303,545	\$254,698	\$249,188	\$314,920	24%



Economic Development Corporation

Adopted Budget Breakdown



New and Noteworthy for FY 15

Increased revenue to support a \$105,000 commitment to incentive agreements and other EDC eligible investments in job creation; these investments are yet to be determined



Supplemental Information

The Supplemental Information section contains the following information:

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



City of Anna

DRAFT FY 2015 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 projects are subject to available funding in any given Fiscal Year; therefore, this document does not represent a funding guarantee for any given project



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 15 - 17	City Hall	Admin	
Total Project Cost	\$ 10,550,000	FY 15 Budget	\$ 100,000

<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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services		32,000					32,000
Design Costs	100,000	542,000					642,000
Const. Costs		1,500,000	7,230,000				8,730,000
Const. Mngmt.							-
Furn/Fixt/Equip			598,000				598,000
Engineering		98,000					98,000
Other Prof. Fees		140,000					140,000
Contingencies			310,000				310,000
Total	100,000	2,312,000	8,138,000	-	-	-	10,550,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 17 - 18	Fire Station #1	Fire	
Total Project Cost	\$ 6,227,000	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>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.</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>The current fire station is no longer able to support the effective and efficient operations of a growing Fire Department.</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 some opportunity for limited grant funding assistance but it is not anticipated that this would provide full funding, if any, for this project.</p>

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services				20,000			20,000
Design Costs				432,000			432,000
Const. Costs					5,073,000		5,073,000
Const. Mngmt.							-
Furn/Fixt/Equip					408,000		408,000
Engineering				51,000			51,000
Other Prof. Fees				62,000			62,000
Contingencies					181,000		181,000
Total	-	-	-	565,000	5,662,000	-	6,227,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	New Police Department	Police
Total Project Cost	\$ 7,598,173	FY 15 Budget \$ -

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

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	23,000	23,000
Design Costs	-	-	-	-	-	529,000	529,000
Cons. Costs	-	-	-	-	-	6,221,653	6,221,653
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	427,000	427,000
Engineering	-	-	-	-	-	63,000	63,000
Other Prof. Fees	-	-	-	-	-	114,000	114,000
Contingencies	-	-	-	-	-	220,520	220,520
Total	-	-	-	-	-	7,598,173	7,598,173

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Fire Station #1	Fire
Total Project Cost	\$ 3,832,000	FY 15 Budget \$ -

Project Description

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.



Regulatory or Legal Mandates

None

Operational Necessity/Justification

To maintain effective response capabilities in new growth areas of the city.

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



WATER AND WASTE WATER

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 13 - 15	Ph. 3 Water Blending	Water
Total Project Cost	\$ 1,592,679	FY 15 Budget
		\$ 1,592,679

<p style="text-align: center;"><u>Project Description</u></p> <p>Due to current system demands and expected growth over the next 10-years, the City must access out treated surface water through our contract with the GTUA. We can immediately access up to 0.1625 MGD of treated surface water. To mitigate problems with mixing ground water with treated surface water this project will blend the water sources at each of our 4 well sites before delivery to the water distribution system.</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>The city is prepared to accommodate future growth with our south take point and other potential GTUA take points. Without taking water from these other supplies we cannot continue to adequately serve out citizens</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>2012 CO, 2014 CO</p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services	26,884						26,884
Design Costs							-
Const. Costs	1,344,200						1,344,200
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	187,990						187,990
Other Prof. Fees	33,605						33,605
Contingencies							-
Total	1,592,679	-	-	-	-	-	1,592,679

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department					
FY 14 - 15	WWTP Upgrades	Sewer					
Total Project Cost	\$ 715,000	FY 15 Budget					
		\$ 715,000					
<p style="text-align: center;"><u>Project Description</u></p> <p>Upgrade to existing equipment and fixtures to meet TCEQ guidelines and allow for maximum useful life and efficient operations of the existing WWTP</p>							
<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 to 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>					
<p style="text-align: center;"><u>City Sources of Funding</u></p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>2012 CO</p>					
Proposed Project Budget							
	FY 15	FY 16	FY 17	FY 18	FY 19	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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 15 - 16	Hackberry Storage Tank	Water	
Total Project Cost	\$ 2,289,000	FY 15 Budget	\$ 1,170,950

<p style="text-align: center;"><u>Project Description</u></p> <p>Construction of a .75 million to 1 million gallon elevated storage North of FM 455 near Hackberry Drive. The tank will be a composite tank to expand the elevated storage capacity of the City's culinary 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 storage capacity levels , the city will be required to build another 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 blended system project will add some capacity; however, an elevated storage tank will be required to keep pace with growth</p>
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<p><u>City Sources of Funding</u></p>	<p><u>Non-City Sources of Funding</u></p> <p>2014 CO</p>
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Proposed Project Budget

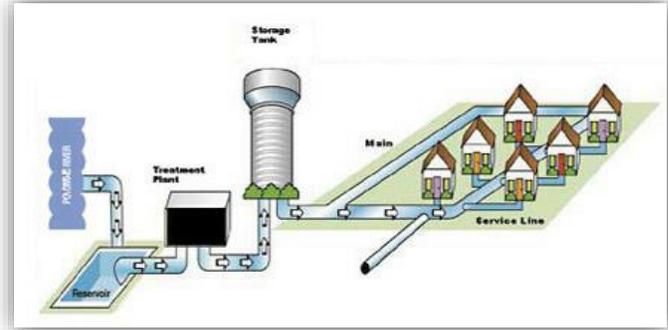
	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	50,000						50,000
Testing Services	25,000	62,400					87,400
Design Costs							-
Const. Costs	940,950	1,000,000					1,940,950
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	150,000	45,000					195,000
Other Prof. Fees							-
Contingencies	5,000	10,650					15,650
Total	1,170,950	1,118,050	-	-	-	-	2,289,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 16	Distribution Lines	Water
Total Project Cost	\$ 1,323,000	FY 15 Budget \$ 788,369

Project Description

Install a combination of valves and pipes ranging from 12" in up to 16" to interconnect wells and tanks. This project will also allow the overall water distribution system to be looped and created a more redundant system.



Regulatory or Legal Mandates

None

Operational Necessity/Justification

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

City Sources of Funding

Non-City Sources of Funding

2014 CO

Proposed Project Budget

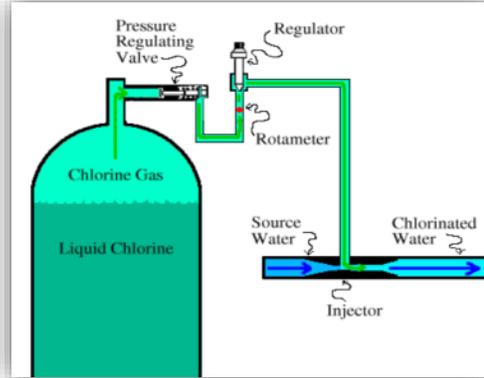
	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	78,750						78,750
Testing Services	24,869	24,869					49,738
Design Costs	150,000	48,950					198,950
Const. Costs	465,000	400,000					865,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies	69,750	60,812					130,562
Total	788,369	534,631	-	-	-	-	1,323,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
FY 15		Disinfection Upgrades		Water	
Total Project Cost	\$	330,000	FY 15 Budget	\$	330,000

Project Description

Install an anhydrous ammonia 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

Operational Necessity/Justification

The system is somewhat antiquated and must be updated to a more efficient system. Additionally, the system will allow for the treatment of surface water when introduced to our system.

City Sources of Funding

Non-City Sources of Funding

2014 CO

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services	5,260						5,260
Design Costs							-
Const. Costs	263,000						263,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	52,600						52,600
Other Prof. Fees							-
Contingencies	9,140						9,140
Total	330,000	-	-	-	-	-	330,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15	Clemmons Creek Line	Sewer
Total Project Cost	\$ 1,500,000	FY 15 Budget
		\$ 1,500,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Extend Clemmons Creek Sewer Line as a Future Project as development occurs in the project area.</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>Project is dictated by population growth in the service area.</p>
--	--

<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Sewer Impact Fee Revenue</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Developer Funded</p>
---	---

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	1,500,000						1,500,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	1,500,000	-	-	-	-	-	1,500,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 16	Throckmorton Creek Line	Sewer
Total Project Cost	\$ 1,600,000	FY 15 Budget
		\$ -

<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 gravity flow regional line.</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>Project is dictated by population growth 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, Developer Funded</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Developer Funded</p>
---	---

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs		1,600,000					1,600,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	1,600,000	-	-	-	-	1,600,000



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	\$ 750,000	FY 15 Budget
		\$ 110,000

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

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	110,000	115,000	120,000	125,000	130,000	150,000	750,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	110,000	115,000	120,000	125,000	130,000	150,000	750,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15	Expand Ferguson Pkwy.	Streets
Total Project Cost	\$ 1,062,824	FY 15 Budget \$ 1,062,824

<p style="text-align: center;"><u>Project Description</u></p> <p>From the proposed Lakeview Estates Development to FM 455 a four lane divided roadway will be constructed.</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>Eliminate stacking problem at Rattan Elementary, create capacity to carry traffic to proposed and expanded developments.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Limited tax reinvestment agreement with developer to fund the City's portion.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Contributed capital from developer and Collin County Road Bonds .</p>
--	--

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	885,687						885,687
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	141,737						141,737
Other Prof. Fees							-
Contingencies	35,400						35,400
Total	1,062,824	-	-	-	-	-	1,062,824

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
FY 16		Hackberry - Slayter Creek		Streets			
Total Project Cost	\$	423,000	FY 15 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>							
<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>				
<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 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.		423,000					423,000
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	423,000	-	-	-	-	423,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
Future		Extend Ferguson Pkwy		Streets			
Total Project Cost	\$	9,862,200	FY 15 Budget	\$	-		
<p style="text-align: center;"><u>Project Description</u></p> <p>Obtain right of way and engineering costs to run Ferguson Parkway from Taylor Blvd. to Collin County Outer Loop.</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>In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.</p>				
<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 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	9,862,200	9,862,200

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
Future		FM 455 - East Fork Crk.		Streets			
Total Project Cost	\$	18,341,800	FY 15 Budget	\$	-		
<p style="text-align: center;"><u>Project Description</u></p> <p>Engineering costs to expand FM 455 west of Highway 75 to East Fork Creek.</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>In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.</p>				
<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, contributes capital from developers</p>				
Proposed Project Budget							
	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	18,341,800	18,341,800

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
Future		Rosamond Pkwy. - US 75		Streets			
Total Project Cost	\$	11,562,600	FY 15 Budget	\$	-		
<p style="text-align: center;"><u>Project Description</u></p> <p>Engineering costs to run Rosamond Parkway from Highway 5 to U.S. 75. Rosamond Parkway currently terminates at the Anna High School.</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>In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.</p>				
<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 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	11,562,600	11,562,600

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
Future		Matua Rd/CR 371		Streets			
Total Project Cost	\$	9,679,400	FY 15 Budget	\$	-		
<p style="text-align: center;"><u>Project Description</u></p> Reconstruct Mantua Rd./CR 371 from Highway 5 to U.S. 75							
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>			<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> In preparation for and response to growth, this is a future project the city anticipates to meet our transportation needs.				
<p style="text-align: center;"><u>City Sources of Funding</u></p> General Fund Revenue			<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> Bonds				
Proposed Project Budget							
	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	9,679,400	9,679,400



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, and managed by a city, state, or nation

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 17	Lakeview Park	Parks
Total Project Cost	\$ 475,921	FY 15 Budget
		\$ 162,210

<p style="text-align: center;"><u>Project Description</u></p> <p>In connection with the Lakeview Estates addition, a park along Anna Lake will be constructed that includes walking trails, gazebo, restrooms, playground, dock, and picnic tables. The trails will connect to the south tip of the trails at Natural Springs Park.</p>	
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<p><u>Regulatory or Legal Mandates</u></p>	<p><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><u>City Sources of Funding</u></p>	<p><u>Non-City Sources of Funding</u></p> <p>Contributed capital by the developer paid in lieu of developer fees</p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	126,100	118,620	82,500				327,220
Const. Mngmt.							-
Furn/Fixt/Equip	8,370	28,507	33,600				70,477
Engineering	27,740	30,484	20,000				78,224
Other Prof. Fees							-
Contingencies							-
Total	162,210	177,611	136,100	-	-	-	475,921

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 16	NSP Improvements	Parks
Total Project Cost	\$ 224,700	FY 15 Budget
		\$ 116,900

<p style="text-align: center;"><u>Project Description</u></p> <p>Make improvements to Natural Springs Park for the benefit of park patrons. FY 15 improvements include a restroom, gazebo replacement and a trash enclosure. Projects considered for the near future are a water well to keep the lake level up and dredging the lake</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, 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 15	FY 16	FY 17	FY 18	FY 182	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	116,900	107,800					224,700
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	116,900	107,800	-	-	-	-	224,700

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 15 - 16	SCP Improvements	Parks
Total Project Cost	\$ 105,800	FY 15 Budget \$ 9,000

Project Description

Make improvements to Slayter Creek Park for the benefit of park patrons. FY 15 improvements include providing a temporary restroom for the benefit of patrons enjoying the splash pad. Future improvements include shade canopies over the existing bleachers at the ball fields.



Regulatory or Legal Mandates

Operational Necessity/Justification

The distance to the regular restroom at the ball fields has proven to be difficult for some park patrons. This would provide a convenient restroom on a temporary basis as we evaluate a more permanent solution.

City Sources of Funding

Park Trust Funds, CDC Contributions

Non-City Sources of Funding

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	9,000		48,400	48,400			105,800
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	9,000	-	48,400	48,400	-	-	105,800

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
FY 16		Dog Park		Parks	
Total Project Cost	\$	45,000	FY 15 Budget	\$	-

<p style="text-align: center;"><u>Project Description</u></p> <p>Part of the City Council's strategic implementation plan includes locating a suitable location for a dog park and identifying funding mechanisms. City staff will evaluate locations and costs and propose a plan for Dog Park as part of the FY 16 budget.</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 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>
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<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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs		45,000					45,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	45,000	-	-	-	-	45,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 18 - Future	Geer Park Ph. 1	Parks	
Total Project Cost	\$ 1,650,000	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Geer park has been designed as a park geared towards middle school and younger. Fields for soccer, baseball, and other long muscle sports and planned as well as lights, parking, and other amenities.</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>Geer park is part of the City's master park plan. In order to provide the quality of life residents expect, this park is a priority for expansion.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	CY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs				150,000			150,000
Const. Costs						1,500,000	1,500,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	150,000	-	1,500,000	1,650,000



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 16 - Future	PD Vehicle Replacement	Police	
Total Project Cost	\$ 180,000	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Vehicle replacement schedule based on mileage and years of service. Police Equipment up-fits included for the appropriate patrol vehicles. Two units in FY 16, 1 in FY 17, and 1 in FY 19.</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>All vehicles have a life expectancy. Patrol vehicles have a rough life and their life span is reduced 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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		70,000	36,000		36,000	38,000	180,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	70,000	36,000	-	36,000	38,000	180,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17 - Future	PW Vehicle Replacement	Water
Total Project Cost	\$ 120,000	FY 15 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Vehicle replacement based upon mileage and years of service. Public Works plans to purchase two pick up trucks to replace vehicles in their existing fleet.</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>All vehicles have a life expectancy. PW vehicles have a rough life and their life span is reduced 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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			30,000	30,000	30,000	30,000	120,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	30,000	30,000	30,000	30,000	120,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
Future		Replace E-902		Fire	
Total Project Cost	\$	600,000	FY 15 Budget	\$	-

<p style="text-align: center;"><u>Project Description</u></p> <p>This project would consist of replacing current Engine 902. The new Rescue / Pumper will be designed to carry all necessary equipment & tools for firefighting and also light rescue & EMS duties. E-902 would be placed into reserve status and kept equipped to serve as a reserve engine if needed. This would assist us in keeping our current ISO rating of a 2.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>NFPA</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>E-902 is a 2000 year model and is beginning to show wear and tear. E-902 would be placed into reserve status and kept equipped to serve as a reserve engine if needed.</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>Grant funding from various sources will be researched and applied for accordingly.</p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Cons. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	600,000	600,000
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	600,000	600,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
Future		Aerial Platform		Fire	
Total Project Cost	\$	1,500,000	FY 15 Budget	\$	-

<p style="text-align: center;"><u>Project Description</u></p> <p>The design and purchase of a aerial device will be needed as development and growth continues. The device will allow for an elevated master stream for firefighting needs and also increase rescue capabilities of the Department. The unit should be designed with at least a 1500 gpm pump, 100 ft. ladder with platform, 300 gallon water tank, a complement of ground ladders, hose, tools and various other tools for extrication and EMS duties.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>The device is required to meet current NFPA standards. ISO dictates 3+ story structures require an elevated device responding on the first alarm.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>An aerial platform is needed to provide adequate & required fire flow capabilities on large commercial structures and multi family residence complexes. Mutual Aid resources are 20+ minutes away.</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; FEMA Grants. This item was applied for in the 2013 grant application period. No awards have been announced as of 4-1-14.</p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 182	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						1,500,000	1,500,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	1,500,000	1,500,000



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 15 - FY 19		PD IT Replacements		Police	
Total Project Cost	\$	53,370	FY 15 Budget	\$	18,980

<p style="text-align: center;"><u>Project Description</u></p> <p>Computer replacement based on the extensive everyday use and costs associated with upgrading exceed the value of the units.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>If over \$50k, bid proposals will be obtained. If not, three (3) quotes will be obtained</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Technology advances are beginning to render certain tech currently used obsolete. Much of the technology is in the vehicles and subject to extreme temperatures.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenue</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	18,980	7,300	13,000	7,900	6,190		53,370
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	18,980	7,300	13,000	7,900	6,190	-	53,370

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department	
Annual		PPE		Fire	
Total Project Cost	\$	180,000	FY 15 Budget	\$	30,000

<p style="text-align: center;"><u>Project Description</u></p> <p>This project would consist of replacing aging PPE (personal protective equipment). This is a priority in providing our firefighters with state of the art protection. Replacement of PPE that no longer meets safety requirements as well as having available PPE for new members is a necessity. A replacement plan of five sets each year will keep the Department in compliance with State & National standards.</p>	
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>NFPA, OSHA, TCFP</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Required to provide safety for firefighters. This replacement plan provides PPE for new members and works as a retention tool encouraging members to stay active and participate in Department training and shift rotations</p>
<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>

Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	30,000	30,000	30,000	30,000	30,000	30,000	180,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	30,000	30,000	30,000	30,000	30,000	30,000	180,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 15 - 18	FD IT Replacements	Fire	
Total Project Cost	\$ 46,600	FY 15 Budget	\$ 5,500

<p style="text-align: center;"><u>Project Description</u></p> <p>This project would assist the FD become up to date with current technology. Firefighter safety would be increased through utilizing different programs to access building info & hazards. We would also be able to communicate with dispatch and view call notes. Systems would be like those PD has in place. FY 15 includes 2 new MDT's for E-901 & C-901 would be purchased along with the monthly server cost to host our FD program.</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 reflect industry best practices, increase firefighter safety and operational effectiveness also increase effective operations and reporting utilizing program developed over past year. This program has saved the FD 1,000's of dollars</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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip	5,500	35,500	3,800	1,800	-		46,600
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	5,500	35,500	3,800	1,800	-	-	46,600

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16 - FY 19	Traffic Light Controls	Fire	
Total Project Cost	\$ 38,000	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>This purchase would equip traffic light 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.</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>As Anna continues to grow more traffic controlled intersections will be coming online. This device will enable vehicles equipped with the signaling device to control intersections by turning the signal to red. Devices can also be used at gated communities.</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.</p>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition	-						-
Testing Services	-						-
Design Costs	-						-
Const. Costs	-						-
Const. Mngmt.	-						-
Furn/Fixt/Equip	-	13,100	8,300	8,300	8,300		38,000
Engineering	-						-
Other Prof. Fees	-						-
Contingencies	-						-
Total	-	13,100	8,300	8,300	8,300	-	38,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 16 - 18	FixedLinx Meter Reader	Water	
Total Project Cost	\$ 505,750	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>The City currently uses technology for our radio read meters from Master Meter. Each meter can be read remotely via radio signal. This is currently done via drive-by in a PW vehicle. This project will enable all water meters to be read remotely without the need for drive-by or manual reads. This project will be completed in phases based upon site surveys and determination of highest initial return on placement of the equipment.</p>	
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<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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		135,750	160,000	210,000			505,750
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	135,750	160,000	210,000	-	-	505,750

City of Anna - Capital Projects Detail Sheet

Budget Year (s)		Project Name		Department			
FY 16 - 17		SCBA's		Fire			
Total Project Cost	\$	94,640	FY 15 Budget	\$	-		
<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>							
<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 in 2002 under the 202 NFPA standards. These standards are now over 12 years old and the new SCBA's would be up to current standards.</p>				
<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>				
Proposed Project Budget							
	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		52,640	42,000				94,640
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	52,640	42,000	-	-	-	94,640

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 17 - FY 19	Radio Replacements	Fire	
Total Project Cost	\$ 72,000	FY 15 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>This project would consist of replacing current hand held radios with digital radios. Portable radios 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>None</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Current hand held radios are limited on capability. Current units would be replaced with the newest digital compliant radios available. However, current radios could be utilized for other city departments if needed after being reprogrammed.</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 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			24,000	24,000	24,000		72,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	24,000	24,000	24,000	-	72,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 17 - FY 19	Early Warning Sirens	Fire
Total Project Cost	\$ 50,000	FY 15 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>This project would assist the Department in the ability to provide early outdoor warning to the citizens of Anna. This would allow for the installation of sirens in areas where signal is currently weak or undetectable.</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>As the City grows some different parts of the City may be unable to hear or react to the current sirens we have in place.</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>
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Proposed Project Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	Future	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			25,000		25,000		50,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	25,000	-	25,000	-	50,000



TOTAL CAPITAL IMPROVEMENTS PLAN

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

CAPITAL IMPORVEMENTS PLAN							
Capital Projects	FY15	FY16	FY17	FY18	FY 19	Future	Total
BUILDINGS	100,000	2,312,000	8,138,000	565,000	5,662,000	11,430,173	28,207,173
New City Hall	100,000	2,312,000	8,138,000	-	-	-	10,550,000
Fire Station #1	-	-	-	565,000	5,662,000	-	6,227,000
New Police Station	-	-	-	-	-	7,598,173	7,598,173
Fire Station #2	-	-	-	-	-	3,832,000	3,832,000
WATER AND WASTEWATER	6,096,998	3,252,681	-	-	-	-	9,349,679
Ph. 3 Water Blending	1,592,679	-	-	-	-	-	1,592,679
WWTP Upgrades	715,000	-	-	-	-	-	715,000
Elevated Storage Tank	1,170,950	1,118,050	-	-	-	-	2,289,000
Water Line Improvements	788,369	534,631	-	-	-	-	1,323,000
Disinfection System	330,000	-	-	-	-	-	330,000
Clemmons Creek Sewer Interceptor	1,500,000	-	-	-	-	-	1,500,000
Throckmorton Creek Sewer Interceptor	-	1,600,000	-	-	-	-	1,600,000
STREETS	1,172,824	547,000	120,000	125,000	130,000	49,595,800	51,690,624
Annual Street Repair Program	110,000	115,000	120,000	125,000	130,000	150,000	750,000
Ferguson Pkwy. Lakeview Estates	1,062,824	-	-	-	-	-	1,062,824
Reconstruct Hackberry (Hwy 5 to Slayter Cr)	-	432,000	-	-	-	-	432,000
Ferguson Pkwy. (Taylor Blvd. to Collin Co. Outer Loop)	-	-	-	-	-	9,862,000	9,862,000
FM 455 (U.S. 75 to East Fork Creek)	-	-	-	-	-	18,341,800	18,341,800
Rosamond Pkwy. (Hwy 5 to U.S. 75)	-	-	-	-	-	11,562,600	11,562,600
Mantua Rd/CR 371 (Hwy. 5 to U.S. 75 – reconstruction)	-	-	-	-	-	9,679,400	9,679,400
PARKS	288,110	330,411	184,500	198,400	-	1,500,000	2,501,421
Lakeview Park	162,210	177,611	136,100	-	-	-	475,921
Natural Springs Park Improvements	116,900	107,800	-	-	-	-	224,700
Slayter Creek Park Improvements	9,000	-	48,400	48,400	-	-	105,800
Dog Park	-	45,000	-	-	-	-	45,000
Geer Park Phase I - Ball/Soccer fields	-	-	-	150,000	-	1,500,000	1,650,000
VEHICLES	-	70,000	66,000	30,000	66,000	2,168,000	2,400,000
Police Vehicle Replacement	-	70,000	36,000	-	36,000	38,000	180,000
Public Works Vechile Replacement	-	-	30,000	30,000	30,000	30,000	120,000
Replace E902	-	-	-	-	-	600,000	600,000
Arial Platform Truck	-	-	-	-	-	1,500,000	1,500,000

CAPITAL IMPORVEMENTS PLAN							
Capital Projects	FY15	FY16	FY17	FY18	FY 19	Future	Total
Machinery & Equipment	54,480	274,290	306,100	282,000	93,490	30,000	1,040,360
<i>PD IT Replacements</i>	18,980	7,300	13,000	7,900	6,190	-	53,370
<i>Personal Protective Gear (PPE)</i>	30,000	30,000	30,000	30,000	30,000	30,000	180,000
<i>Mobile Data Computers for Fire Apparatus</i>	5,500	35,500	3,800	1,800	-	-	46,600
<i>Opticom Traffic Control</i>	-	13,100	8,300	8,300	8,300	-	38,000
<i>FixedLinx Meter Reading System</i>	-	135,750	160,000	210,000	-	-	505,750
<i>Air-Pacs (SCBA)</i>	-	52,640	42,000	-	-	-	94,640
<i>Digital Radio Replacement</i>	-	-	24,000	24,000	24,000	-	72,000
<i>Outdoor Warning Sirens</i>	-	-	25,000	-	25,000	-	50,000
TOTAL	7,712,412	6,786,382	8,814,600	1,200,400	5,951,490	64,723,973	95,189,257



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July 8, 2014

Debt Management Analysis
For discussion purposes only, actual results may vary
City of Anna, Texas

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1. Outstanding General Obligation Debt
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6. Outstanding Water & Sewer System Debt
7. Water and Sewer System Debt Management Program

Outstanding General Obligation Debt as of July 8, 2014

City of Anna, Texas

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
1976	GO Water Bonds	\$10,000	5.00%	Currently Callable	1/1/2016	Water & Sewer Revenues
2006	Comb Tax & Ltd Surplus Rev C/O	\$1,755,000	4.00 – 5.25%	2/15/2016	2/15/2026	I&S Taxes
2007	Comb Tax & Rev C/O	\$885,000	3.95% through 2/15/2017 15% thereafter	2/15/2017	2/15/2027	I&S Taxes
2007	GO Ref Bonds	\$230,000	3.95% through 2/15/2017 15% thereafter	2/15/2017	2/15/2027	I&S Taxes
2009	Comb Tax & Rev C/O	\$755,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2029	I&S Taxes
2009	Comb Tax & Rev Ref Bonds	\$4,040,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2026	Water & Sewer Revenues
2011	PPFCOs	\$344,000	4.49%	Currently Callable	2/15/2026	I&S Taxes
2012	Comb Tax & Rev C/O	\$4,210,000	1.50 – 2.50%	2/15/2019	2/15/2033	Water & Sewer Revenues
2014	Comb Tax & Rev C/O	\$4,180,000	2.00 – 3.65%	2/15/2024	2/15/2034	Water & Sewer Revenues
	TOTAL	\$16,409,000				

CITY OF ANNA, TEXAS

Breakdown of General Obligation Debt as of July 8, 2014

City of Anna, Texas

I&S Tax Supported Debt		
Series	Name	Amount Outstanding
2006	Comb Tax & Ltd Surplus Rev C/O	\$1,755,000
2007	Comb Tax & Rev C/O	\$885,000
2007	GO Ref Bonds	\$230,000
2009	Comb Tax & Rev C/O	\$755,000
2011	PPFCOs	\$344,000
	TOTAL	\$3,969,000

Water & Sewer Supported Debt		
Series	Name	Amount Outstanding
1976	GO Water Bonds	\$10,000
2009	Comb Tax & Rev Ref Bonds	\$4,040,000
2012	Comb Tax & Rev C/O	\$4,210,000
2014	Comb Tax & Rev C/O	\$4,180,000
	TOTAL	\$12,440,000

CITY OF ANNA, TEXAS

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

City of Anna, Texas

A	B	C	D	E	F	G	H	I	J	K	L	M
Fiscal Year Ending 9/30	Estimated Growth Factor ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Existing General Obligation Debt Service	Existing I&S Tax-Supp. Notes Debt Service ⁽³⁾	Budgeted Paying Agent Fees ⁽³⁾	Less: Self-Supporting Debt Service	Existing Net General Obligation Debt Service	Less: I&S Fund Drawdown & Transfers ⁽⁴⁾	Net General Obligation Debt Service	Projected I&S Tax Rate ⁽⁵⁾	I&S Tax Rate Variance from Fiscal '14	Variance from Fiscal '14 in Dollars
2014		\$ 431,258,729	\$ 804,398	\$ 12,729	\$ 2,500	\$ 371,168	\$ 448,459	\$ 74,628	\$ 373,831	\$ 0.0910		
2015	14.55%	494,000,000	1,420,293	-	2,500	980,740	442,052	-	442,052	0.0923	0.0013	68,221
2016	0.00%	494,000,000	1,433,529	-	2,500	989,305	446,724	-	446,724	0.0932	0.0023	72,893
2017	0.00%	494,000,000	1,419,525	-	2,500	981,692	440,333	-	440,333	0.0919	0.0009	66,502
2018	0.00%	494,000,000	1,575,035	-	2,500	1,101,286	476,250	-	476,250	0.0994	0.0084	102,419
2019	0.00%	494,000,000	1,710,376	-	2,500	1,183,338	529,538	-	529,538	0.1105	0.0195	155,707
2020	0.00%	494,000,000	1,455,797	-	2,500	938,638	519,659	-	519,659	0.1084	0.0175	145,828
2021	0.00%	494,000,000	1,302,106	-	2,500	790,763	513,844	-	513,844	0.1072	0.0163	140,013
2022	0.00%	494,000,000	1,282,770	-	2,500	770,088	515,183	-	515,183	0.1075	0.0165	141,352
2023	0.00%	494,000,000	1,238,323	-	2,500	742,425	498,398	-	498,398	0.1040	0.0130	124,567
2024	0.00%	494,000,000	1,249,852	-	2,500	747,625	504,727	-	504,727	0.1053	0.0144	130,896
2025	0.00%	494,000,000	1,235,535	-	2,500	750,288	487,747	-	487,747	0.1018	0.0108	113,916
2026	0.00%	494,000,000	1,371,507	-	2,500	887,538	486,469	-	486,469	0.1015	0.0106	112,638
2027	0.00%	494,000,000	1,150,625	-	2,500	910,750	242,375	-	242,375	0.0506	(0.0404)	(131,456)
2028	0.00%	494,000,000	998,275	-	2,500	918,650	82,125	-	82,125	0.0171	(0.0738)	(291,706)
2029	0.00%	494,000,000	990,613	-	2,500	920,738	72,375	-	72,375	0.0151	(0.0759)	(301,456)
2030	0.00%	494,000,000	921,801	-	-	921,801	-	-	-	-	(0.0910)	(373,831)
2031	0.00%	494,000,000	921,830	-	-	921,830	-	-	-	-	(0.0910)	(373,831)
2032	0.00%	494,000,000	925,999	-	-	925,999	-	-	-	-	(0.0910)	(373,831)
2033	0.00%	494,000,000	934,183	-	-	934,183	-	-	-	-	(0.0910)	(373,831)
2034	0.00%	494,000,000	432,756	-	-	432,756	-	-	-	-	(0.0910)	(373,831)
			\$ 24,775,126	\$ 12,729	\$ 40,000	\$ 18,121,596	\$ 6,706,259	\$ 74,628	\$ 6,631,631			

(1) For illustration purposes only.

(2) Fiscal Year 2014 value is as reported by the Collin Central Appraisal District. Fiscal Year 2015 Value is preliminary as reported by the Appraisal District.

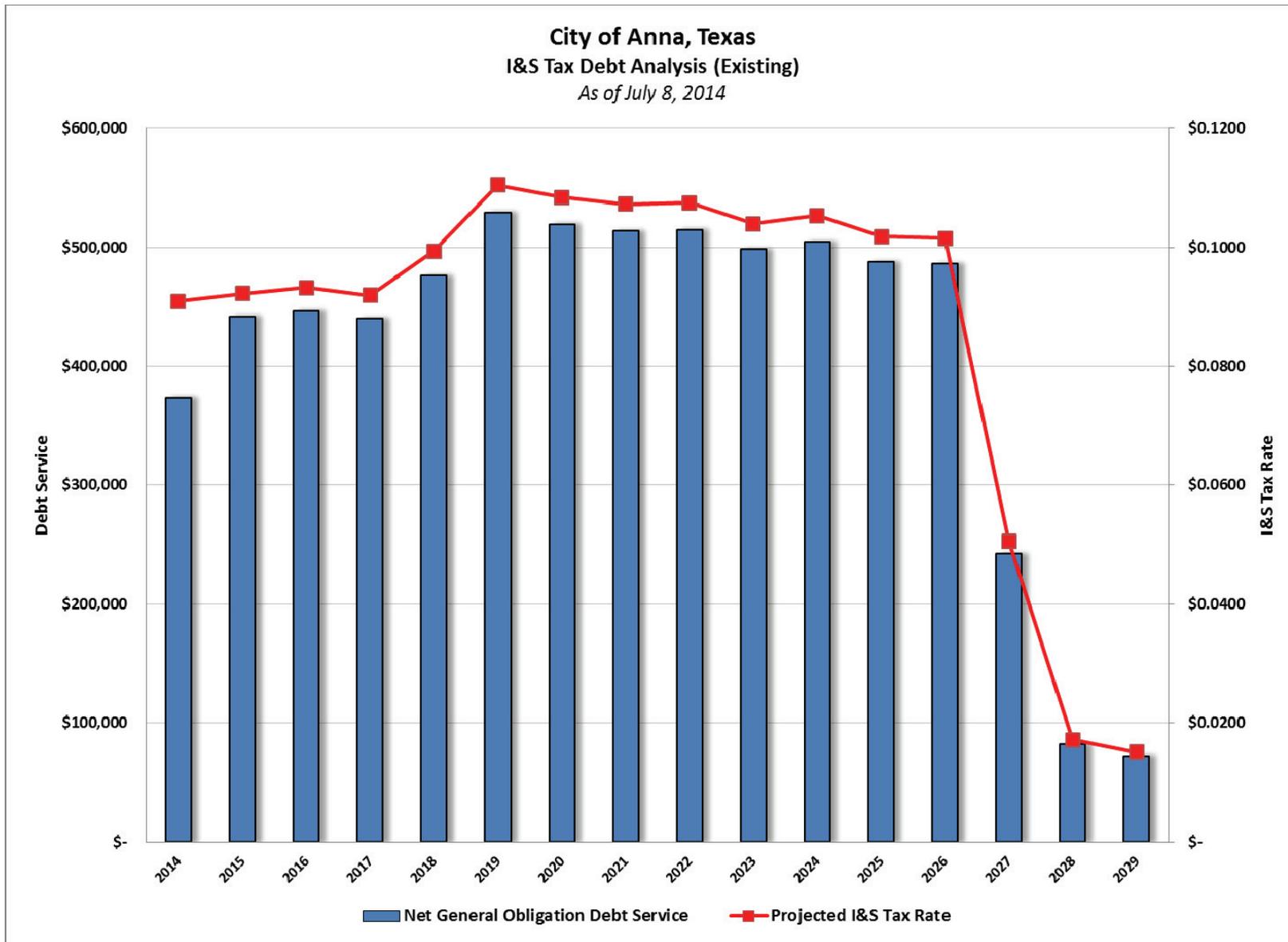
(3) As reported by the City.

(4) As reported by the City of Anna. Represents remaining balance of Series 2006 C/Os and other transfers. Amount shown for 2014 represents current budget.

(5) Tax Rate for 2014 is actual. Subsequent rates calculated at 97% tax collections.

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

City of Anna, Texas



CITY OF ANNA, TEXAS

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

City of Anna, Texas

- The City is currently subsidizing the Interest and Sinking (“I&S”) Fund Tax Rate by utilizing excess bond proceeds from the Series 2006 Certificates of Obligation and transfers.
- Excess funds in the I&S Fund run out after the Fiscal 2014 tax rate mitigation drawdown.
- The objective of this analysis is to refund debt for savings (when possible) and restructure principal payments in order to maintain the existing I&S Tax Rate.
- The assumed Taxable Assessed Valuation of \$494,000,000 (Tax Year 2014 / Fiscal Year 2015 as reported by the appraisal district) is not inflated over time.
- Extension of maturity may be required under this stress scenario of no growth and no tax increase for as long as possible.
- This proposed I&S Fund Debt Management program is expected to be implemented in 3 phases, the first one being in Fiscal Year 2015, when excess funds in the I&S Fund run out.

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

City of Anna, Texas

- PHASE 1 – October/November 2014 (subject to change)
 - Refunding of Series 2006 Certificates of Obligation and Series 2011 PPFCOs
 - Present Value Savings of Phase 1 is expected to be approximately \$72,000
 - Interest Rate of Refunding Bonds assumed at 3.00% for 12 years
 - NO year extension of original 2026 final maturity for either refunded obligation

- PHASE 2 – October/November 2016 (subject to change)
 - Refunding of Series 2007 Certificates of Obligation; maturities 2018 – 2027 (\$640,000)
 - Refunding of Series 2007 GO Refunding Bonds; maturities 2018 – 2027 (\$165,000)
 - Present Value Savings of Phase 2 are expected to be at or above \$0 – *Possible PV benefit*
 - Interest Rate of Refunding Bonds assumed at 4.00% for 11 years
 - No extension of original 2027 final maturity

CITY OF ANNA, TEXAS

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

City of Anna, Texas

- PHASE 3 – October/November 2017 (subject to change)
 - Refunding of Series 2009 Certificates of Obligation; maturities 2019 - 2029 (\$600,000)
 - Present Value Savings of Phase 3 are expected to be at or above \$0 – *Possible PV benefit*
 - Interest Rate of Refunding Bonds assumed at 4.50% for 12 years
 - No extension of original 2029 final maturity

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

City of Anna, Texas

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Fiscal Year Ending 9/30	Estimated Growth Factor ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Existing Net General Obligation Debt Service ⁽³⁾	Less: I&S Fund Drawdown ⁽⁴⁾	Net General Obligation Debt Service	Less: Tax Rate Mgmt Transfer	Series 2014 Refunding / Restructuring Savings	Series 2016 Refunding / Restructuring Savings	Series 2017 Refunding / Restructuring Savings	NET NEW General Obligation Debt Service	Projected I&S Tax Rate ⁽⁵⁾	I&S Tax Rate Variance from Fiscal '14	Variance from Fiscal '14 in Dollars
2014		\$ 431,258,729	\$ 448,459	\$ 48,128	\$ 400,331	\$ 26,500	\$ -	\$ -	\$ -	\$ 373,831	\$ 0.0910		
2015	14.55%	494,000,000	442,052	-	442,052	6,000	501	-	-	435,551	0.0909	(0.0001)	61,720
2016	0.00%	494,000,000	446,724	-	446,724	-	10,859	-	-	435,865	0.0910	(0.0000)	62,034
2017	0.00%	494,000,000	440,333	-	440,333	-	5,655	1,281	-	433,397	0.0904	(0.0005)	59,566
2018	0.00%	494,000,000	476,250	-	476,250	-	5,854	37,150	4,414	428,832	0.0895	(0.0015)	55,001
2019	0.00%	494,000,000	529,538	-	529,538	-	7,763	58,975	35,525	427,275	0.0892	(0.0018)	53,444
2020	0.00%	494,000,000	519,659	-	519,659	-	7,384	59,650	36,813	415,813	0.0868	(0.0042)	41,981
2021	0.00%	494,000,000	513,844	-	513,844	-	7,344	59,575	32,725	414,200	0.0864	(0.0045)	40,369
2022	0.00%	494,000,000	515,183	-	515,183	-	6,558	58,200	33,263	417,163	0.0871	(0.0039)	43,331
2023	0.00%	494,000,000	498,398	-	498,398	-	9,298	60,425	33,575	395,100	0.0825	(0.0085)	21,269
2024	0.00%	494,000,000	504,727	-	504,727	-	7,552	60,875	33,400	402,900	0.0841	(0.0069)	29,069
2025	0.00%	494,000,000	487,747	-	487,747	-	10,272	59,275	32,738	385,463	0.0804	(0.0105)	11,631
2026	0.00%	494,000,000	486,469	-	486,469	-	6,469	60,525	36,475	383,000	0.0799	(0.0110)	9,169
2027	0.00%	494,000,000	242,375	-	242,375	-	-	58,975	34,613	148,788	0.0311	(0.0599)	(225,044)
2028	0.00%	494,000,000	82,125	-	82,125	-	-	-	37,150	44,975	0.0094	(0.0816)	(328,856)
2029	0.00%	494,000,000	72,375	-	72,375	-	-	-	34,088	38,288	0.0080	(0.0830)	(335,544)
2030	0.00%	494,000,000	-	-	-	-	-	-	-	-	-	(0.0910)	(373,831)
2031	0.00%	494,000,000	-	-	-	-	-	-	-	-	-	(0.0910)	(373,831)
2032	0.00%	494,000,000	-	-	-	-	-	-	-	-	-	(0.0910)	(373,831)
2033	0.00%	494,000,000	-	-	-	-	-	-	-	-	-	(0.0910)	(373,831)
2034	0.00%	494,000,000	-	-	-	-	-	-	-	-	-	(0.0910)	(373,831)
			\$ 6,706,259	\$ 48,128	\$ 6,658,131	\$ 32,500	\$ 85,510	\$ 574,906	\$ 384,777	\$ 5,580,438			

(1) For illustration purposes only.

(2) Fiscal Year 2014 value is as reported by the Collin Central Appraisal District. Fiscal Year 2015 Value is preliminary as reported by the Appraisal District.

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

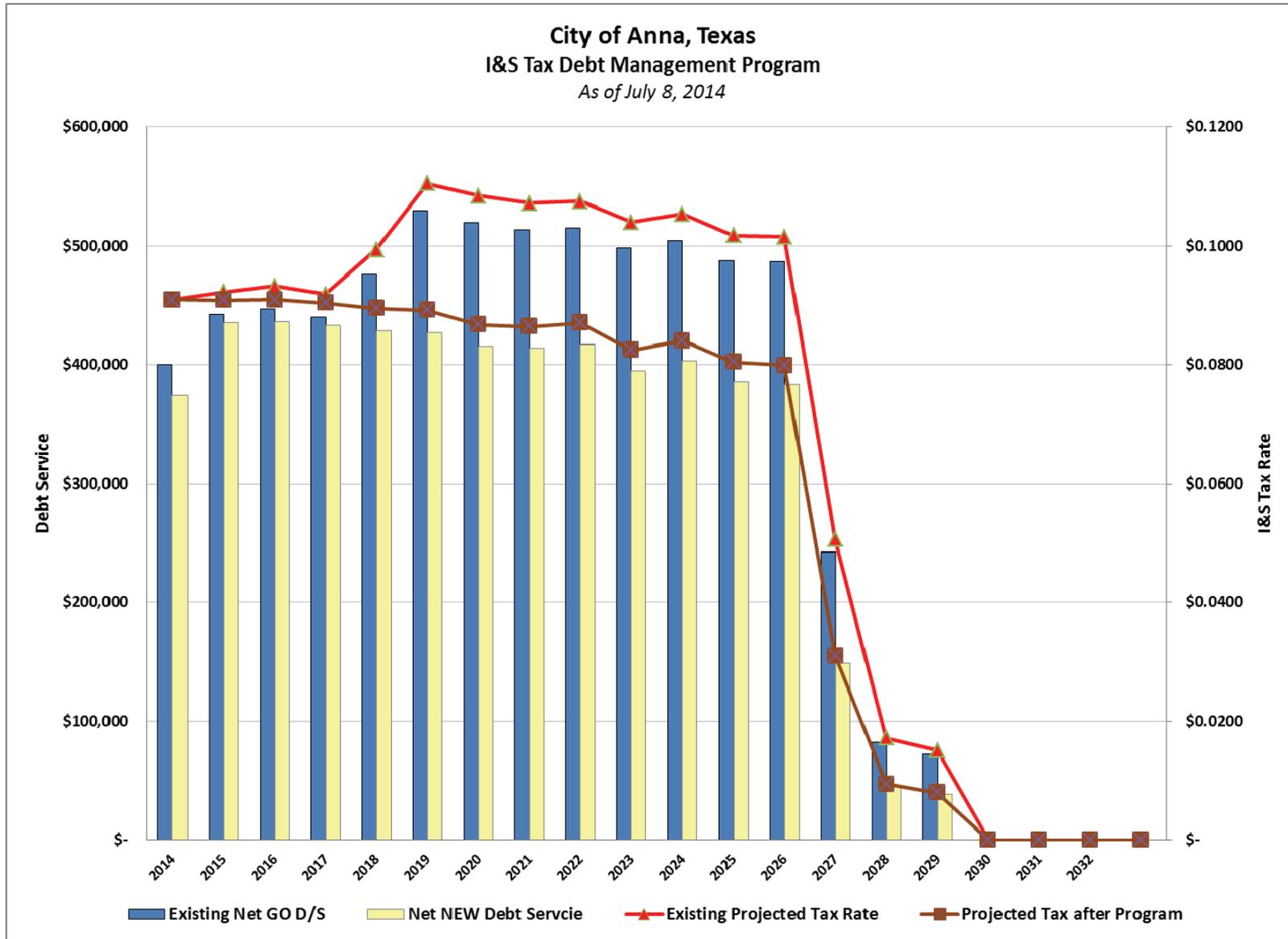
(4) As reported by the City of Anna. Represents remaining balance of Series 2006 C/Os and other transfers. Amount shown for 2014 represents current budget.

(5) Tax Rate for 2014 is actual. Subsequent rates calculated at 97% tax collections.

CITY OF ANNA, TEXAS

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

City of Anna, Texas



CITY OF ANNA, TEXAS

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

City of Anna, Texas

- Sustainability and feasibility of Proposed Debt Management Program
 - If the tax base growth is 0% after FY 2015 and the City does not issue additional tax supported debt, the 9 cent I&S tax rate can be maintained until Phase 3 of the Program is implemented.
 - A reduction of the current I&S tax rate will compromise the program.
 - This is a stress scenario of 0% growth. If the City's tax base continues to grow, the Program must be readjusted to structure savings based on the City's future CIP needs.

- Additional Debt Capacity - Driven by 3 factors:
 - City's willingness to pay
 - **Growth in the tax base**
 - **City's willingness to increase the I&S property tax rate**

- Credit Rating considerations
 - The City is currently rated "A1" by Moody's and "A" by Fitch Ratings, the outlook is stable.
 - [Healthy General Fund balance as a percentage of revenues – Moody's 2014 Review]
 - TAX BASE GROWTH ACCELERATES FOLLOWING RECENT SLOWDOWN – Moody's 2014 Review
 - STRONG FINANCIAL POSITION SUPPORTED BY HEALTHY GENERAL FUND BALANCE – Moody's 2014 Review
 - DEBT BURDEN MITIGATED BY WATER AND SEWER SYSTEM SUPPORT – Moody's 2014 Review
 - SOLID FINANCIAL POSITION despite growth pressures – Fitch 2013 Review
 - Diverse revenue sources (sales taxes) – Fitch 2013 Review
 - DEVELOPMENT RESUMES after a recessionary drop – Fitch 2013 Review

Outstanding Water & Sewer System Debt as of July 8, 2014

City of Anna, Texas

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Repayment Pledge
1976	WW&SS Rev Bonds	\$5,000	5.00%	Currently Callable	9/1/2014	W&S Revenues
1976	GO Water Bonds	\$10,000	5.00%	Currently Callable	1/1/2016	General Obligation
2005	Contract Rev Ref Bonds	\$2,085,000	4.42%	Non Callable	5/1/2028	GTUA Contract
2005	Contract Rev Bonds	\$537,500	4.64 – 5.74%	4/1/2015	10/1/2028	GTUA Contract
2006	Contract Rev Bonds	\$1,455,000	3.35 – 3.75%	12/1/2016	6/1/2026	GTUA Contract
2006	TWDB State Participation	\$2,168,750	5.68 – 5.83%	N/A	8/1/2040	GTUA Contract
2007	Contract Rev Bonds	\$1,810,000	3.35 – 4.10%	12/1/2017	6/1/2028	GTUA Contract
2007-A	Contract Rev Bonds	\$590,000	4.52 – 5.57%	5/1/2017	5/1/2027	GTUA Contract
2007-B	Contract Rev Bonds	\$870,000	4.52 – 5.57%	11/1/2017	5/1/2027	GTUA Contract
2007-C	Contract Rev Bonds	\$3,160,000	4.52 – 5.62%	11/1/2017	5/1/2032	GTUA Contract
2007	Contract Rev Bonds	\$1,105,000	4.42 – 5.62%	4/1/2017	10/1/2036	GTUA Contract
2008	Contract Rev Bonds	\$420,000	5.14%	Any date @ 101%	5/1/2027	GTUA Contract
2009	Comb Tax & Rev Ref Bonds	\$4,040,000	4.28% through 2/15/2018 15% thereafter	2/15/2018	2/15/2026	General Obligation
2012	Comb Tax & Rev C/O	\$4,210,000	1.50 – 2.50%	2/15/2019	2/15/2033	General Obligation
2014	Comb Tax & Rev C/o	\$4,180,000	2.00 – 3.65%	2/15/2024	2/15/2034	General Obligation
	TOTAL	\$26,646,250				

CITY OF ANNA, TEXAS

Water and Sewer Debt Management Program (Part 1 of 6)

City of Anna, Texas

- The City's water and sewer system debt obligations have been shifting from Greater Texoma Utility Authority ("GTUA") contract debt (53% of the total debt) to City of Anna direct obligations.
- The GTUA issues debt at higher interest rates and requires debt service reserve funds. The City of Anna (rated A1/A) can borrow at lower costs and without the need of reserve funds.
- The City has previously refunded GTUA obligations (Series 2009 Bonds) by issuing City general obligation bonds, thus allowing for lower borrowing costs and avoidance of debt service reserves.
- The debt burden on the water and sewer fund is above average in comparison to similar cities. However, the City is in growth mode once again after the recession.
- This proposed Debt Management program is expected to be implemented in several phases. It doesn't include new CIP needs as those have been funded by 2012 and 2014 Certificates.
- The model conservatively assumes refunding of City and GTUA obligations to achieve the debt management program goal of a gradual escalation/stabilization of debt payments.
- Extension of maturity is required under this stress scenario if the City wants to avoid sudden rate increases to pay debt.

Water and Sewer Debt Management Program (Part 2 of 6)

City of Anna, Texas

- PHASE 1 – November/October 2014 (subject to change)
 - Escrowing of maturities 2015 – 2018 (\$1,835,000) of the Series 2009 Tax & Revenue Refunding Bonds
 - Taxable transaction for maximum structuring and term flexibility
 - Present Value Cost of Phase 1 is estimated at approx. \$140,000
 - Interest Rate of Refunding Bonds assumed at 4.60% for 12 years
 - No extension of Bonds maturity, but rearrangement of principal payments toward the latter years 2019-2026.

- PHASE 2 – August 2017 (subject to change)
 - Refunding of all outstanding GTUA Anna Project Bonds except the Series 2005 which is Non Callable (\$485,000 Series 2007-A; \$715,000 Series 2007-B; \$3,010,000 Series 2007-C and \$345,000 Series 2008 Anna GTUA Contract Revenue Bonds)
 - Assumes the reserves associated with the Anna Project cannot be released since the 2005 series would remain outstanding
 - Present Value Savings of Phase 2 are expected to be negative – *Possible PV loss*
 - Interest Rate of Refunding Bonds assumed at 4.75% for 15 years
 - 5-year extension of maturity through 2032 for all the Series 2007A&B and Series 2008 bonds and no extension of maturity for the Series 2007C bonds

Water and Sewer Debt Management Program (Part 3 of 6)

City of Anna, Texas

- PHASE 3 – October/November 2017
 - Refunding of all outstanding Series 2009 bonds (\$2,205,000) before the interest rate reset on February 15, 2018
 - Present Value Savings of Phase 3 are expected to be at or above \$0 – *Possible PV benefit*
 - Interest Rate of Refunding Bonds assumed at 4.25% for 9 years
 - NO extension of original 2026 maturity

Water and Sewer Debt Management Program (Part 4 of 6)

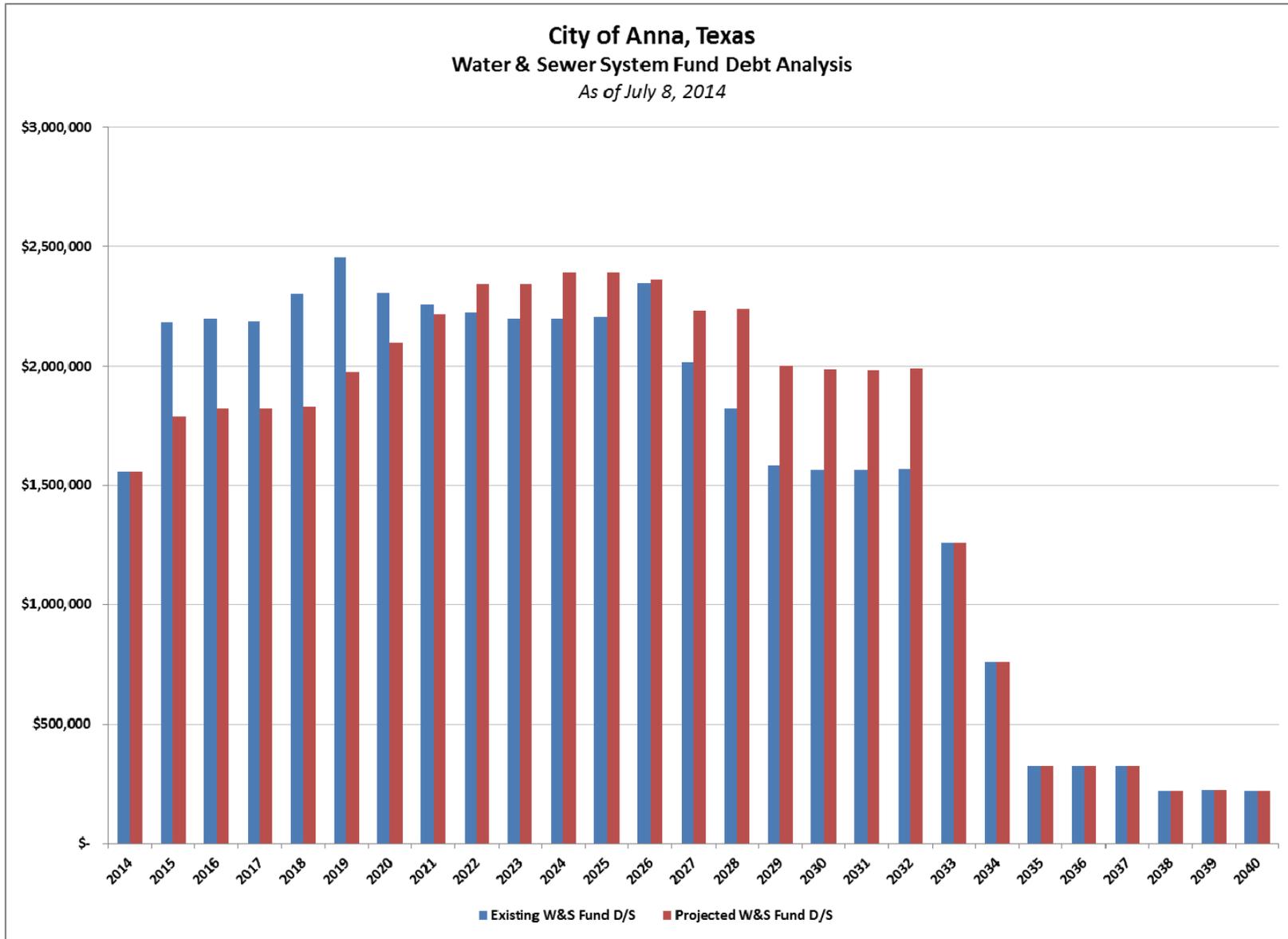
City of Anna, Texas

Fiscal Year Ending 30-Sep	B Existing W&S Fund Debt Service	C <i>Plus:</i> 1st QTR Series 2014 C/Os \$4.14mm Proj.	D <i>Less:</i> 4th QTR Series 2014-B W&S Fund Restructuring	E Debt Service after Series 2014	G <i>Less:</i>		H Debt Service after Series 2018
					F Series 2017A Refunding Savings	F Series 2017B Refunding Savings	
2014	\$ 1,559,632	\$ -	\$ -	\$ 1,559,632	\$ -	\$ -	\$ 1,559,632
2015	1,975,442	206,048	391,679	1,789,811	-	-	1,789,811
2016	1,986,183	209,788	374,983	1,820,987	-	-	1,820,987
2017	1,976,365	208,388	362,250	1,822,502	-	-	1,822,502
2018	2,092,613	211,938	378,661	1,925,889	4,098	89,884	1,831,907
2019	2,244,824	210,438	(281,420)	2,736,681	114,867	645,500	1,976,314
2020	2,099,500	208,938	(277,105)	2,585,542	214,886	273,994	2,096,663
2021	2,045,098	212,188	(277,445)	2,534,730	219,553	98,119	2,217,058
2022	2,011,967	210,188	(277,325)	2,499,479	223,188	(66,219)	2,342,510
2023	1,990,563	207,988	(281,630)	2,480,181	230,763	(93,338)	2,342,755
2024	1,956,708	240,063	(280,360)	2,477,130	227,140	(140,413)	2,390,403
2025	1,938,025	266,163	(278,630)	2,482,818	242,669	(153,031)	2,393,180
2026	1,916,005	428,475	(281,325)	2,625,805	241,427	23,919	2,360,460
2027	1,585,257	432,188	-	2,017,445	(214,708)	-	2,232,152
2028	1,392,279	430,463	-	1,822,741	(415,518)	-	2,238,259
2029	1,148,755	433,300	-	1,582,055	(420,312)	-	2,002,366
2030	1,136,374	430,426	-	1,566,801	(419,243)	-	1,986,043
2031	1,135,214	431,830	-	1,567,044	(417,592)	-	1,984,636
2032	1,138,527	432,686	-	1,571,213	(420,240)	-	1,991,453
2033	827,347	432,995	-	1,260,342	-	-	1,260,342
2034	327,040	432,756	-	759,796	-	-	759,796
2035	325,884	-	-	325,884	-	-	325,884
2036	326,514	-	-	326,514	-	-	326,514
2037	327,500	-	-	327,500	-	-	327,500
2038	219,397	-	-	219,397	-	-	219,397
2039	221,112	-	-	221,112	-	-	221,112
2040	219,597	-	-	219,597	-	-	219,597
	\$ 36,123,719	\$ 6,277,242	\$ (727,667)	\$ 43,128,628	\$ (589,020)	\$ 678,415	\$ 43,039,233

CITY OF ANNA, TEXAS

Water and Sewer Debt Management Program (Part 5 of 6)

City of Anna, Texas



CITY OF ANNA, TEXAS

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

City of Anna, Texas

- Sustainability and feasibility of Proposed Water & Sewer Fund Debt Management Program
 - Assumes NO additional capital needs through Fiscal Year 2018
 - The debt service will escalate a total of \$830,000 from 2014 through 2025 in a gradual manner versus high one-time increases.
 - This is a stress scenario therefore assumed rates and terms of refundings are conservative.

- Additional Debt Capacity - Driven by 3 factors:
 - City's willingness to pay
 - Growth in water sales and water customers
 - Water/Sewer rates the City is willing to charge

- Credit Rating considerations
 - The City's GO rating applies to this Program.
 - The City would not issue publicly traded Water & Sewer Revenue Bonds under this Program, refunding bonds would be sold with a tax pledge.

MOODY'S

INVESTORS SERVICE

New Issue: Moody's assigns A1 to City of Anna's (TX) \$4.2M Combination Tax and Revenue Certificates of Obligation, Series 2014.

Global Credit Research - 17 Jan 2014

A1 applies to \$8.4 million outstanding debt

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

Moody's Rating

ISSUE	RATING
Combination Tax and Revenue Certificates of Obligation, Series 2014	A1
Sale Amount	\$4,215,000
Expected Sale Date	02/03/14
Rating Description	General Obligation Limited Tax

Moody's Outlook NOO

Opinion

NEW YORK, January 17, 2014 --OPINION

Moody's Investors Service has assigned an A1 rating to the City of Anna's (TX) \$4.2 million Combination Tax and Revenue Certificates of Obligation, Series 2014. Concurrently, Moody's has affirmed the A1 rating on the city's \$4.2 million of outstanding GOLT debt. Proceeds from the sale will fund improvements to the city's water and sewer system.

SUMMARY RATING RATIONALE

The bonds are secured by an ad valorem tax pledge levied within the limits prescribed by law on all taxable property within the city as well as a pledge of surplus revenues (not to exceed \$1,000) of the city's waterworks and sewer system. Assignment of the A1 rating reflects the city's small-but-growing tax base with a favorable location in Collin County (Aaa, stable), healthy financial position with strong General Fund reserves, average socioeconomic profile, and manageable debt burden.

STRENGTHS:

- Healthy General Fund balance
- Location in Collin County positioned for long-term economic growth

CHALLENGES:

- Future growth could drive need for significant debt issuance
- Elevated overall debt burden including overlapping debt of Anna ISD

DETAILED CREDIT DISCUSSION

TAX BASE GROWTH ACCELERATES FOLLOWING RECENT SLOWDOWN

We expect the city's residential tax base to grow given a favorable location in Collin County about 40 miles north of the City of Dallas (GO Aa1 stable). The city is conveniently located to employment centers in Plano (GO Aaa),

Richardson (GO Aaa stable), and Sherman (not-rated) and affordable pricing continues to encourage strong demand for housing. Population increased a staggering 573.4% between 2000 and 2010 to 8,249. After rapid growth through 2009, the tax base registered three consecutive annual declines in fiscals 2010 through 2012 when new construction slowed and existing values fell. Growth has since resumed with a rebound in single family construction and full valuation grew 3.7% in 2013 and 14.5% in 2014 to \$431 million. The tax base remains primarily single-family homes (63%) and acreage (15%) with some commercial presence (11%). Residential development is expected to continue and officials anticipate some commercial development centered around the intersection of 75 and 455, where there is currently a CVS under construction. Resident income levels approximate state and national medians with median family income equal to 103% of the Texas median and 95% of the U.S. median (American Community Survey 2006-10). Collin County's unemployment rate was 5.3% as of October 2013 and below the 6.0% state and 7.0% national unemployment rates for the same period. The city's favorable location is a strength and we note that continued expansion and diversification of the tax base would likely result in positive pressure on the rating.

STRONG FINANCIAL POSITION SUPPORTED BY HEALTHY GENERAL FUND BALANCE

We believe that the city's financial position will remain strong due to conservative budgeting practices and healthy General Fund balance. The city has a formally adopted policy to maintain General Fund reserves equal to at least 25% of appropriations, but has historically maintained higher reserve levels. Surpluses in each of the last four fiscal years increased the General Fund balance to \$2.6 million or 64.7% of revenues in fiscal 2012, an increase of \$1.9 million from fiscal 2009. General Fund balance has remained above 64% of revenues for the last five years. General Fund operations are primarily supported by property taxes (50.3%), sales taxes (12.8%), and development fees (14.1%). The city has historically budgeted sales tax conservatively.

In fiscal 2012, the city budgeted a modest deficit but generated a \$312,000 surplus due to development-related revenues outperforming budget. Building permits were \$144,000 over budget and developer and impact fees were \$205,000 over budget. The fiscal 2013 budget increased appropriations 10.4% to \$3.7 million and was balanced assuming a modest one percent increase in sales tax revenue. Officials report unaudited ending General Fund balance of \$2.5 million or a still healthy 67.6% of budgeted revenues. The fiscal 2014 budget increased appropriations 10.7% to \$4.1 million and includes three new positions. We expect the city's financial position to remain a credit strength given conservative budgeting and healthy General Fund balance.

DEBT BURDEN MITIGATED BY WATER AND SEWER SYSTEM SUPPORT; SIGNIFICANT OVERLAPPING DEBT

The city's debt burden is expected to remain manageable given that the majority of debt service is supported by water and sewer system revenues. The city's debt burdens are 3.9% on a direct basis and 20.2% overall when including all outstanding debt. When excluding debt supported by the water and sewer system, the direct debt burden is a more manageable 1.0% of fiscal year 2014 full valuation. The overall debt burden remains a high 17.3% given the large amount of overlapping debt from Anna Independent School District (GO A1 negative), which has issued significant debt to keep up with enrollment growth. Payout is below average with 45.3% of principal repaid within ten years. While the city has no immediate plans for additional debt, the ten year Capital Improvement Plan is updated frequently to keep pace with population growth.

Anna has a modest employee pension burden based on participation in the Texas Municipal Retirement System, an agent multi-employer retirement plan administered by the State of Texas (GO Aaa stable). Reported unfunded pension liabilities consist of \$1.2 million as of the December 31, 2010 valuation. Moody's adjusted net pension liability (ANPL) for the city, under our methodology for adjusting reported pension data, was \$1.7 million. This was equivalent to 0.37 times fiscal 2011 operating revenues compared to approximately 1.0 times on average for all local governments. For more information on Moody's insights on employee pensions and the related credit impact on companies, governments, and other entities across the globe please visit Moody's on Pensions at www.moody.com/pensions.

WHAT COULD CHANGE THE RATING - UP

- Continued tax base growth and diversification
- Improvement in the city's socioeconomic profile

WHAT COULD CHANGE THE RATING - DOWN

- Trend of tax base declines

-Significant deterioration of General Fund balance or liquidity

KEY STATISTICS

FY 2014 Full valuation: \$431 million

FY 2014 Full value per capita: \$46,744

2006-2010 ACS Per Capita Income: \$23,475 (94% of state; 86% of U.S.)

2006-2010 ACS Median Family Income: \$59,899 (103% of state; 95% of U.S.)

FY 2012 General Fund balance: \$2.6 million (64.7% of General Fund revenues)

FY 2012 Unassigned General Fund balance: \$2.2 million (53.3% of General Fund revenues)

Net direct debt burden: 1.0%

Overall net debt burden: 17.3%

Payout (10 years): 45.3%

Post-sale parity debt: \$16.7 million

RATING 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.

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

Policy

12 Apr 2013 11:24 AM (EDT)

Fitch Ratings-Austin-12 April 2013: Fitch Ratings has affirmed the 'A' rating on the following city of Anna, Texas (the city) obligations:

--\$1.975 million combination tax and limited surplus revenue certificates of obligation (COs), series 2006;

--\$15,000 general obligation (GO) 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, Anna has maintained a sound financial position through conservative budgeting practices, as evidenced by regular operating surpluses and healthy fund balance levels.

GROWING BUT LIMITED ECONOMIC FOUNDATION: The local economy is primarily fueled by the housing industry, which has been impacted by the recession but is showing signs of recovery.

DEVELOPMENT RESUMES: After a recessionary drop development activity reportedly is accelerating. A return to the rapid growth pace of previous years would boost tax base growth 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 debt load currently is manageable due to the reasonable prospects for continued expansion of the tax base.

RATING SENSITIVITIES

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

CREDIT PROFILE

The city is located 40 miles north of Dallas in the relatively affluent Collin County (the county). Easy access to Dallas from U.S. Highway 75 and affordable land make this former farm community an attractive location for many first time homebuyers. Officials estimate that approximately 85% of the city's 9,200 residents commute outside the city for work.

RAPID GROWTH TEMPERED BY RECESSIONARY PRESSURES

The city experienced dramatic growth in its population base during the last decade, increasing at an average annual rate of 21% between 2000 and 2010 and making it one of the fastest growing cities in the region. Significant commercial and retail development followed.

With the onset of the recent recession, the city's expansion slowed down considerably. Single-family residential building permits, which annually exceeded 500 in 2003 and 2004, dropped precipitously to a low of 6 in 2009. Recent permits have improved dramatically, with 100 issued in 2011 and 350 in 2012 and expectations for continued growth in new single-family housing construction over the near to medium term.

Taxable assessed values (TAV) softened slightly since the recession, decreasing by an average annual rate of 1.4% since 2009. Positively, TAV registered a 3.7% increase for fiscal 2013, driven by renewed growth in the housing sector. The city's top 10 taxpayers represent a modest 7.4% of total TAV and include a mix of retail and commercial concerns. 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% rate hike since fiscal 2009.

Wealth levels are mixed. Market value per capita is average at \$51,000. Per capita money income is 90% of the Texas average and 82% of the U.S. average, but median household income is roughly 120% of the state and national averages. The unemployment rate in the county has trended downward after spiking in 2010. The county's January 2013 rate of 6% was well below both the Texas (6.9%) and U.S. averages (8.5%) 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 57% and economically sensitive sales taxes comprising 14% 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.

Fiscals 2011 and 2012 each ended with a modest surplus, boosting the 2012 general fund balance to \$2.6 million, or 71% of spending. The fiscal 2013 adopted budget was balanced, and another modest operating surplus is now anticipated due to better than expected sales tax collections. Given past practices and results, 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, overall debt levels are very high at approximately \$8,100 per capita and 15.8% of fiscal 2013 TAV. 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 average at 56% 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. No additional tax-supported bonds are planned for the foreseeable future.

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 59% assuming a 7% investment rate of return as of Dec. 31, 2011, up modestly from 53% the prior year. Other post-employment benefits (OPEB) are also provided by the city through TMRS, but limited to group-term life insurance benefits, which may be terminated by city council, resulting in no unfunded liability. Carrying costs related to long-term debt, pension and OPEB liabilities were manageable at 17.5% of fiscal 2012 governmental spending less capital outlays.

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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, S&P/Case-Shiller Home Price Index, IHS Global Insight, National Association of Realtors, Underwriter, Bond Counsel, Underwriter Counsel, and the Municipal Advisory Council of Texas.

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

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City of Anna, Texas

Financial Policies

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 Working Capital

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 working capital in the Utility Fund (a non-governmental type fund) of 25% of total appropriations. Working capital is defined as the short term assets available after covering short term liabilities.

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

If minimum fund balance falls below the goals stated above, the City Manager will develop a strategy to initially evaluate current government wide spending to determine areas where cost efficiencies may be realized and implement those efficiencies. Should the analysis prove insufficient to attain the goal, a multi-year strategy will be put in place to meet the goals through a combination of cost cutting, cost recovery, and revenue enhancing strategies.

Order of Expenditure of Funds

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

Financial Policies:

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

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

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

Quarterly Reports:

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

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

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.

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
	2 500	5 000

	1 500	3 000
	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

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 and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

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

Debt Service Funds Strategy:

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

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

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

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

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

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

Ensuring Liquidity:

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

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

Depository Agreements:

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

All depository balances shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Depositories will be required to sign a Depository Agreement with the City. The Agreement shall address any concerns in relation to acceptable collateral, levels of collateral, substitution and addition of collateral, and reporting and monitoring of collateral. The collateralized deposit portion of the Agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

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

Safekeeping and Custody:

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

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

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

Competitive Environment:

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

Authority to Invest:

The City Manager and Finance Director shall be the Investment Officers. The Investment Officers shall oversee and approve any deposit, withdrawal, investment, transfer, documentation, and otherwise manage City funds according to this Policy. No person may engage in an investment transaction or the management of funds except as provided under the terms of the Investment Policy, the Statement of Investment Strategy, and other operational procedures established by the City Manager.

In order ensure qualified and capable investment management, within twelve (12) months after taking office or assuming duties, each Investment Officer shall attend a training session relating to his/her investment responsibilities and receive not less than ten (10) hours of instruction. On an ongoing basis, all Investment Officers shall receive not less than ten (10) hours of instruction in each subsequent two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. Training will be conducted by an independent source approved by the Investment Committee and must include education in

investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Prudent Investment Management:

Each Investment Officer shall perform his/her duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

Standard of Care:

The standard of care used by the City shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The PFIA states:

"Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

Standard of Ethics:

Each Investment Officer shall act as custodian of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. An Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair his/her ability to make impartial investment decisions. Additionally, an Investment Officer shall file with the Texas Ethics Commission and the City Council a statement disclosing any personal business relationship with an entity seeking to sell investments to the City or any relationship with the second degree by affinity or third degree of consanguinity to an individual seeking to sell investments to the City.

Internal Controls:

The City Manager will establish a system of internal controls that shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by City staff. Controls deemed most important would include, but not be limited to:

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

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

Monitoring Market Value:

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

Effect of Loss of Rating:

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

Exemption for Existing Investments:

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

Performance:

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

Authorized Broker/Dealers

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

Investment Policy Certification:

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

Investment Committee:

An Investment Committee comprised of the City Manager, City Finance Director and the Finance/HR Supervisor 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. 669-2014

Ordinance Adopting the Budget for the 2014 - 2015 Fiscal Year

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF ANNA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015; APPROPRIATING MONEY TO AN INTEREST AND SINKING FUND TO PAY INTEREST AND PRINCIPAL ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF ANNA FOR THE 2014 – 2015 FISCAL YEAR.

WHEREAS, the budget, appended here as Exhibit A, for the fiscal year beginning October 1, 2014 and ending September 30, 2015, was duly presented to the City Council by the City Manager and a public hearing was ordered by the City Council and a public notice of said hearing was caused to be given by the City Council and said notice was published in the Anna-Melissa Tribune and said public hearing was held according to said notice; now, therefore,

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

SECTION 1. The appropriations for the fiscal year beginning October 1, 2014, and ending September 30, 2015 for the support of the general government of the City of Anna, Texas, be fixed and determined for said terms in accordance with the expenditures shown in the City's fiscal year 2014 - 2015 budget, a copy of which is appended hereto as Exhibit A;

SECTION 2. The budget, as shown in words and figures in Exhibit A, is hereby approved in all respects and adopted as the City's budget for the fiscal year beginning October 1, 2014, and ending September 30, 2015.

SECTION 3. That there is hereby appropriated the amount shown in said budget necessary to provide for an interest and sinking fund for the payment of principal and interest and the retirement of the bonded debt requirements of fiscal year 2014 - 2015 of the City of Anna.

SECTION 4. In addition to Exhibit A, and in accordance with Section 7.08 of the Anna City Charter, the budget also includes a contingency appropriation of \$135,286. All expenditures from this contingency appropriation shall be in accordance with Section 7.08 of the Anna City Charter.

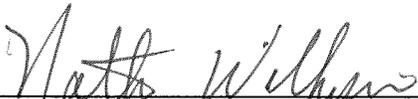
PASSED AND APPROVED this, the 9th day of September, 2014.

Ayes 5

Nays 0

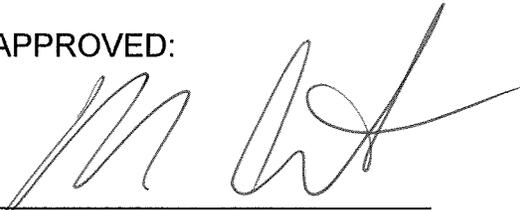
Abstained 0

ATTESTED:



City Secretary, Natha Wilkison

APPROVED:



Mayor, Mike Crist

