

City of
Anna
FY 2018 Budget

City of Anna

Fiscal Year 2017–2018

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$788,884, which is a 17.26 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$390,269.

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

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

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2017-2018	2016-2017
Property Tax Rate:	\$0.601288/100	\$0.629000/100
Effective Tax Rate:	\$0.550525/100	\$0.563030/100
Effective Maintenance & Operations Tax Rate:	\$0.443399/100	\$0.469058/100
Rollback Tax Rate:	\$0.601288/100	\$0.629000/100
Debt Rate:	\$0.122418/100	\$0.122418/100

Total amount of municipal debt obligations for City of Anna: \$27,920,250

- \$3,190,000 is directly secured by property taxes through the I&S rate
- \$12,144,000 is secured by a tax pledge and is supported by the I&S rate and water & sewer revenues
- \$12,586,250 in revenue and contractual debt obligations to the Greater Texoma Utility Authority is also secured by water & sewer revenues

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July 25, 2017

Honorable Mayor and Council Members:

In accordance with the City Charter and the laws of the state of Texas governing home rule cities, please accept this letter as my budget transmittal and executive summary of the draft fiscal year 2017-18 budget. The Annual Budget is the most important document that is adopted by the City Council each year. In developing this document, a significant amount of time is devoted by City Council Members and City Staff. An Annual Budget is developed through an extensive process of reviewing requests received from various City departments then prioritizing those requests in a manner that utilizes resources effectively, within fiscal constraints, while working to achieve the City’s strategic goals.

STRATEGIC GOALS

As part of the Strategic Plan, the City Council has identified seven (7) strategic goals that help frame the City’s operational work plans. The Strategic Plan is a working document that provides guidance to City Staff when making budgetary and operational decisions.

Fiscal Year 2018 Strategic Goals	
Goal 1	Pursue Targeted Economic Development
Goal 2	Improve the Curb/Aesthetic Appeal of our Community
Goal 3	Diversify Housing & Neighborhood Options
Goal 4	Promote our Community Brand
Goal 5	Encourage Inter-local Cooperation
Goal 6	Upgrade City Facilities and Infrastructure
Goal 7	Build Transportation Infrastructure

VALUE OF TAXABLE PROPERTY AND GROWTH

The City continues to see healthy increases in the value of existing property. Based on the certified taxable assessed value for the 2017 tax year, it is estimated that existing property values have increased by approximately 14% and just under \$62,000,000 was added to the tax roll.

We remain cautiously optimistic that we will experience modest, but slowing, appreciation in the value of existing properties and that additional value will be added to the tax roll as a result of new construction in the near term. New value added to the tax role will continue to be primarily from residential growth; however, a new Wal-Mart store that opened in April of 2017, and other commercial developments currently under construction off of FM 455 (White St.) are making a substantial contribution to the growth of our commercial tax base.

The growth in taxable value of real property corresponds to a significant increase in residential growth and population over the past few years.

According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population grew 9.5% in 2016 to 12,390 as of January 1, 2017.

We anticipate steady 7 to 10 percent growth over the next few years as the inventory of available lots increases. There are currently 759 residential lots under construction and another 2,744 in the planning phase or under design. The City has forecasted the construction of approximately 250 new single family homes during the 2018 fiscal year.

TAX RATE

For the 2016-17 fiscal year budget, the City Council reduced the tax rate to \$0.629 cents per \$100 of taxable assessed valuation marking the third straight year of reducing the tax rate. The proposed 2017-18 budget is funded with a property tax rate of \$0.601288 cents per \$100 of taxable assessed valuation. When compared with other cities in our area, the City of Anna still has one of lowest per-capita property tax levies.

The total tax rate is divided between General Fund maintenance and operations and the Debt Service Fund. Of the total tax rate, \$0.478870 cents will be dedicated to the General Fund maintenance and operations, and \$0.122418 cents will be dedicated to general obligation debt service. The portion of the tax rate dedicated to debt service will be about 20% of the overall City tax rate.

The average taxable single-family home value for the 2017 tax year is approximately \$181,000, an increase of \$20,000 from the previous year. At the proposed tax rate of \$0.601288 the municipal taxes paid on the average single family home will be \$1,088.

EMPLOYEE PAY AND BENEFITS

In September of 2016, the City updated its pay classification plan based on a comparison of similar positions in this market area. Since then, a number of cities in our market area have also adjusted their pay plans. This has resulted in significant market pressure and increased competition to hire and retain qualified employees. In response to this market pressure, the proposed budget includes funding to increase salaries, and in some cases adjust the pay plan, for city employees.

In June of 2017, the City amended the pay plan for police officers and established an annual step to increase an officer's salary each year as the officer's tenure with the department increases over a 7 to 10-year period. The step increase is conditioned on the officer's satisfactory prior year performance. The proposed budget includes funding for the new Police Department step pay plan.

A recent survey also revealed that salaries for fire fighters and fire shift captains are significantly below the market average for this area. The proposed budget includes funds to reclassify these positions so that the pay range is more in-line with the market.

All other employees will receive a 3% cost of living increase effective October 1st. Full-time employees are also eligible for a merit based pay increase (average 3%) on their hire anniversary date.

The City currently pays for health insurance for all City employees through a plan provided by the Texas Municipal League Intergovernmental Employee Benefit Pool (TMLIEBP). The fiscal year 2017-18 budget includes a 10% increase in the cost of health benefits provided to full-time employees.

STAFFING LEVELS

The City currently supports a staff of 63 full-time equivalent (FTE) employees allocated among the various operating departments. The proposed budget recommends the addition of seventeen (17) new full-time positions and one (1) part-time position. Staffing levels have been increased to maintain quality service delivery as our population and demand for services continues to grow.

FLEET REPLACEMENT AND MAINTENANCE

In order to improve the City's ability to budget for future fleet replacements, the proposed budget includes funding for an open-end or equity lease agreement with Enterprise Fleet Management for vehicle replacement and maintenance services. This will allow the City to replace vehicles in a more timely manner which reduces maintenance and fuel costs and allows the City to receive a larger amount of equity out of the sale of the vehicles. With this program, all maintenance costs will be fixed for non-emergency vehicles. Supervisors will also have access to a dashboard to track fuel costs per vehicle and receive maintenance alerts to ensure needed work is completed.

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, Finance, Development, EMS, Fire, Animal Control, Police, Municipal Court, Parks, and Street departments.

For the 2017-18 fiscal year, General Fund revenues are expected to total \$7,492,871 which is an increase of just under 25% over the previous

year's budget. The two largest revenue sources in the General Fund are property tax and sales tax. Property tax revenue to the General Fund is anticipated at \$4,269,004 (an increase of 15.97%), and sales tax revenue is projected at \$1,696,354 (an increase of 126%). The growth of this fund is largely the result of continuing residential and commercial development and population growth in Anna.

General Fund operating expenditures for the 2017-18 fiscal year are budgeted at \$7,492,871 reflecting a 25% increase over the previous year's budget.

Streets and Transportation Infrastructure

In November of 2016, a ballot proposition to reallocate a portion of the local option sales tax to the General Fund was approved. As a result, the portion of the sales tax revenue allocated to the General Fund increased from 1% to 1.25%. This reallocation was effective in April 2017. The revenue generated in FY 2018 by the additional 0.25% sales tax allocation is estimated at \$336,326. From the new revenue, projects recommended for funding in FY 2018 include:

- Engineering necessary for the bidding and construction phase of the Hackberry Ln. reconstruction project (between SH 5 and Slayter Creek) - \$23,090, and
- Chip and seal overlay project on existing streets - \$100,000

The remaining \$213K will be added to the Streets Department capital improvements budget. Funds not expended during FY 2018 will be placed in an assigned fund balance.

The City is evaluating the issuance for bonds in FY 2018 to pay for several new street projects including the reconstruction of Hackberry Ln. between SH 5 and Slayter Creek. Future revenue from the sales tax reallocation may be used to offset the bond payments.

Municipal Facilities

For the past several years, the City of Anna has been studying alternatives for the construction of new buildings and facilities as we continue to grow. We anticipate that the City will need to issue bonds to fund the construction of the various facility needs. The opening of a new retail center at the NE corner of FM 455 and US 75 is expected to substantially increase sales tax revenue to the General Fund. This new revenue may be used to off-set bond payments for new facilities.

Based only on a 1% sales tax allocation (excluding the additional 0.25% sales tax allocation for street projects), we estimate that the annual sales tax revenue from the primary retail anchor in FY 2018 will total about \$405K. The proposed budget transfers this revenue (estimated at \$405K) from the General Fund to a Capital Projects Fund for municipal facilities. These funds will remain in the Capital Projects Fund until allocated by the City Council.

Organization and Personnel

In order to maintain quality service delivery as our population continues to grow, the General Fund budget proposes the addition ten (10) new positions:

- An Accounting Technician position will be added to the Finance Department to help process accounts payable
- Two Police Sergeant positions will be added to the Police Department to provide needed supervision during the day and weekend shifts.
- A Deputy Fire Chief will be added to Fire Department to oversee life safety operations and to assist the Chief with overall administrative responsibilities. A

day-time Firefighter position will also be added to improve personnel coverage during the day and on weekends.

- Two Parks Maintenance Workers will be added in the Parks Department to assist park maintenance and to help improve the aesthetic appeal of our parks.
- A Superintendent, a Maintenance Worker, and a Traffic Safety Technician will be added to the Streets Department to increase staffing and the technical capability of Streets Department. The Traffic Safety Technician will be responsible for maintaining street lights in neighborhoods served by GCEC. If the City assumes responsibility for these street lights, the annual electricity bill from GCEC will decrease by approximately \$70,000 to \$80,000 – enough to cover the recurring annual cost of the Traffic Safety Technician.

In addition, a Parks Maintenance Worker II position will be reclassified as Crew Leader to reflect the increasing responsibilities of this position.

DEBT SERVICE FUND

The Debt Service Fund (sometimes referred to as the Interest and Sinking or I&S 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 source of revenue is assessed property taxes as established by ordinance.

The City of Anna currently holds just over \$15.3 million in outstanding tax supported debt. \$12.1 million of that amount was issued for water and

sewer infrastructure projects and can be payable from water and sewer revenues; however, to obtain more favorable financing terms, the debt has a tax pledge. The balance of tax supported debt, just under \$3.2 million, was issued for general fund purposes. In March of 2017, the Fitch Ratings upgraded the City of Anna bond rating from “A” to “AA-“ citing “The City’s exceptionally strong financial operations, solid expenditure flexibility and strong revenue growth prospects, as well as The City’s substantial independent ability to raise revenues.”

The total debt service on tax secured debt for FY 2018 is \$1,091,329. The I&S revenue is budgeted at \$1,091,329. Approximately \$674,435 in I&S revenue will be transferred to the Utility Fund to support debt service on tax pledged debt issued for water & sewer infrastructure. It is anticipated that approximately the same amount (\$674,435) in revenue generated from Utility Fund operations will be transferred to a Capital Projects Fund for future construction of municipal facilities.

In order to keep the Debt Service tax rate stable, the City of Anna and First Southwest, our financial advisor, have developed a series of planned refundings of existing debt. This plan is based upon very conservative assumptions in growth of the property tax base and interest rates. Additionally, the planned refundings are scheduled to coincide with interest rate resets and, where possible, refunding bonds that are callable and advance refundable. In this way, the plan will minimize the present value cost to the City. The next refunding and restructuring of debt is scheduled for the first quarter of FY 2017-18.

UTILITY FUND

The Utility Fund (sometimes referred to as the Water & Sewer Fund) is an enterprise fund that accounts for the water, sewer and solid waste services that are provided to city residents and customers located outside the city limits. All activities to maintain these services are accounted for in this fund, including operations, maintenance,

billing and collections, administration, financing, and related debt service. The Water & Sewer Fund includes the Administration, Water, Sewer, Solid Waste, and Utility Billing departments.

The Water & Sewer Fund’s principle source of revenues are charges to customers for water consumption, wastewater collection, refuse collection, and fees related to providing consumers with new water and wastewater services. Total fund revenues for FY 2017-18 are estimated at \$8,226,153 (an increase of 14.8%) and total expenditures are budgeted at \$8,226,153 (an increase of 14.8%).

Organization and Personnel

In order to maintain quality service delivery as our population continues to grow, the Utility Fund budget proposes the addition seven (7) new positions:

- An Engineering Construction Superintendent will be added to Public Works Administration to oversee capital projects and construction inspections
- Two Wastewater Maintenance Workers will be added to the Sewer Department to assist with operations and maintenance of our wastewater system.
- A Water Superintendent will be added to the Water Department to oversee operations of our water system.
- A Water Operator will be added to the Water Department to oversee water production operations
- A Water Maintenance Worker will be added to assist with operations and maintenance of our water system.
- A part-time Utility Billing Clerk will be added to the Utility Billing Department to assist with the increasing work load.

In addition, the Public Works Superintendent position will be reclassified as Assistant Director of Public Works, and the Wastewater Supervisor will be reclassified as Wastewater Superintendent to reflect the increasing administrative responsibilities of these positions.

Automated Meter Infrastructure (AMI)

The 2016-2017 budget included funding for the fully automated meter infrastructure (AMI) program. The new AMI system replaced all existing meters with smart meters that have improved accuracy, increased efficiency, and offered better service to our utility customers. The AMI customer web portal will be active by the close of 2017 and funding for the annual cost of the portal (\$1.50 per year per meter) is included in the proposed budget. The customer web portal provides customers with the option to view real time consumption data and set up customer driven consumption updates and alerts. This system will provide water customers more information and greater control over their water usage.

Debt Management

Currently the Utility Fund holds just under \$24.7 million in outstanding debt. The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan for the Utility Fund. Looking to the future, the City anticipates annual debt service increasing steadily with a spike in FY 2020 and again in FY 2026.

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 next refunding

and restructuring of debt is scheduled for the first quarter of FY 2017-18. These refundings will free up cash and reduce pressure on utility rates.

Regional Water Charges

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

This treated surface water supplements the City's water supply especially during the summer months when water consumption is highest. As our population grows and demand for water increases, we are using more and more treated surface water to supplement our well water. As we have forecasted consumption and production of our wells, we anticipate that that we will again exceed the MT/P allocation for treated surface water in FY 2018. When this happens, the MT/P amount will reset at the new consumption level, and City of Anna will be responsible for the cost of all the water we consume above the current MT/P amount. The increase in consumption coupled with an increase in the price of water supplied from NTMWD has resulted in a 52.4% increase in the budgeted cost for treated surface water.

Regional Wastewater Charges

The City's existing wastewater treatment plant is currently operating at permitted capacity. The Slayter Creek Wastewater Interceptor (SCWI) was completed in 2014, and allows the City to divert wastewater from the existing wastewater treatment plant into the North Texas Municipal Water District



(NTMWD) regional wastewater system. As the City grows, wastewater flowing through the SCWI into the NTMWD system will increase with our growth.

Since the SCWI became operational the City has diverted flow into the NTMWD system when the amount of wastewater flowing into the plant exceeds the plant’s permitted capacity. This typically happens when it rains and rainwater penetrates the sewer system increasing the amount of water flowing to the plant. The penetration of rainwater into the wastewater system is a phenomenon commonly referred to as “inflow & infiltration” or I&I. With the unprecedented amount of rain received in 2015 and 2016 it became apparent that the City was experiencing a significant inflow and infiltration or I&I problem. To address the I&I problem, the Public Works Department implemented an aggressive program to identify and repair I&I problems in the system. During the FY 2016-17 the City funded an engineering study to identify the primary sources of infiltration underground. That study should be complete by the close of 2017.

The City pays a transport and treatment charge to NTMWD for all the wastewater that we pass into their system. Depending on the amount of rainfall and I&I, the annual amount of these charges can vary significantly. FY 2017 has been an unusually dry year so the actual charges are significantly less than previous years in 2015 and 2016. The rate charged by NTMWD to transport and treat our wastewater is expected to increase by 14%. The FY 2017-18 budget includes a 5% increase in the budgeted cost for transport and treatment of wastewater.

Utility Rates

In order to ensure that our utility rates will continue to support our operating costs and debt service obligations, Staff hires a rate consultant to evaluate our utility system’s operation costs and debt payments, and recommend any rate adjustments that would be necessary to fully fund the cost of operating our system while maintaining an adequate financial reserve. Based on preliminary results from the most recent rate study, we do not anticipate the need for any water and sewer rate

increase this year. Should consumption patterns change and result in decreased consumption, The City’s water revenues may fall below the budget estimate. Staff will monitor revenues throughout FY 2017-18 and recommend any action should actual revenue not meet budgeted projections.

This budget does not include utility system depreciation costs. The city’s auditor will make adjustments for depreciation expense in The City’s annual audit.

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. Information on the revenue and expenditures for the various funds is provided within this budget document.

FUND	FY 2017-18 PROJECTED REVENUE
Special Revenue Fund	\$14,317
Grant Fund	\$367,087
Eastside Park Trust Fund	\$0
Fire Trust Fund	\$16,200
Park Trust Fund	\$147,000
State and Federal Seizure Fund	\$0
Tax Increment Reinvestment Fund	\$0
Roadway Impact & Development Fee Funds	\$258,350
Water Impact Fee & Development Fee Funds	\$360,000
Sewer Impact Fee & Development Fee Funds	\$480,000

FUND	FY 2017-18 PROJECTED EXPENDITURES
Special Revenue Fund	\$13,720
Grant Fund	\$367,087
Eastside Park Trust Fund	\$0
Fire Trust Fund	\$9,800
Park Trust Fund	\$260,500
State and Federal Seizure Fund	\$0
Tax Increment Reinvestment Fund	\$0
*Roadway Impact Fee & Development Fee Funds	\$109,350
*Water Impact Fee & Development Fee Funds	\$162,000
*Sewer Impact Fee & Development Fee Funds	\$162,000

* Expenses from the Roadway, Water, and Sewer Impact and Development Fee Funds are reimbursements based upon agreements negotiated between the City and a developer to reimburse the developer for the construction of capital improvements that benefit the City.

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 vision and goals outlined in its Strategic Plan. The 2017-18 fiscal year budget is designed to preserve and enhance the quality of existing services and respond appropriately to our city's continuing growth and development.

Respectfully Submitted,



Philip Sanders
City Manager

City Organization

Michael Crist

Mayor

Justin Burr

Place 1, Mayor Pro Tem

Vacant

Place 4

Rene Martinez

Place 2

Nathan Bryan

Place 5

John Beazley

Place 3

Lee Miller

Place 6, Deputy Mayor Pro Tem

Philip Sanders

City Manager

Kenneth Jenks

Chief of Police/Deputy City Manager

Maurice Schwanke

Director of Planning and Development

Dana Thornhill

Director of Finance

Joseph Johnson

Director of Public Works

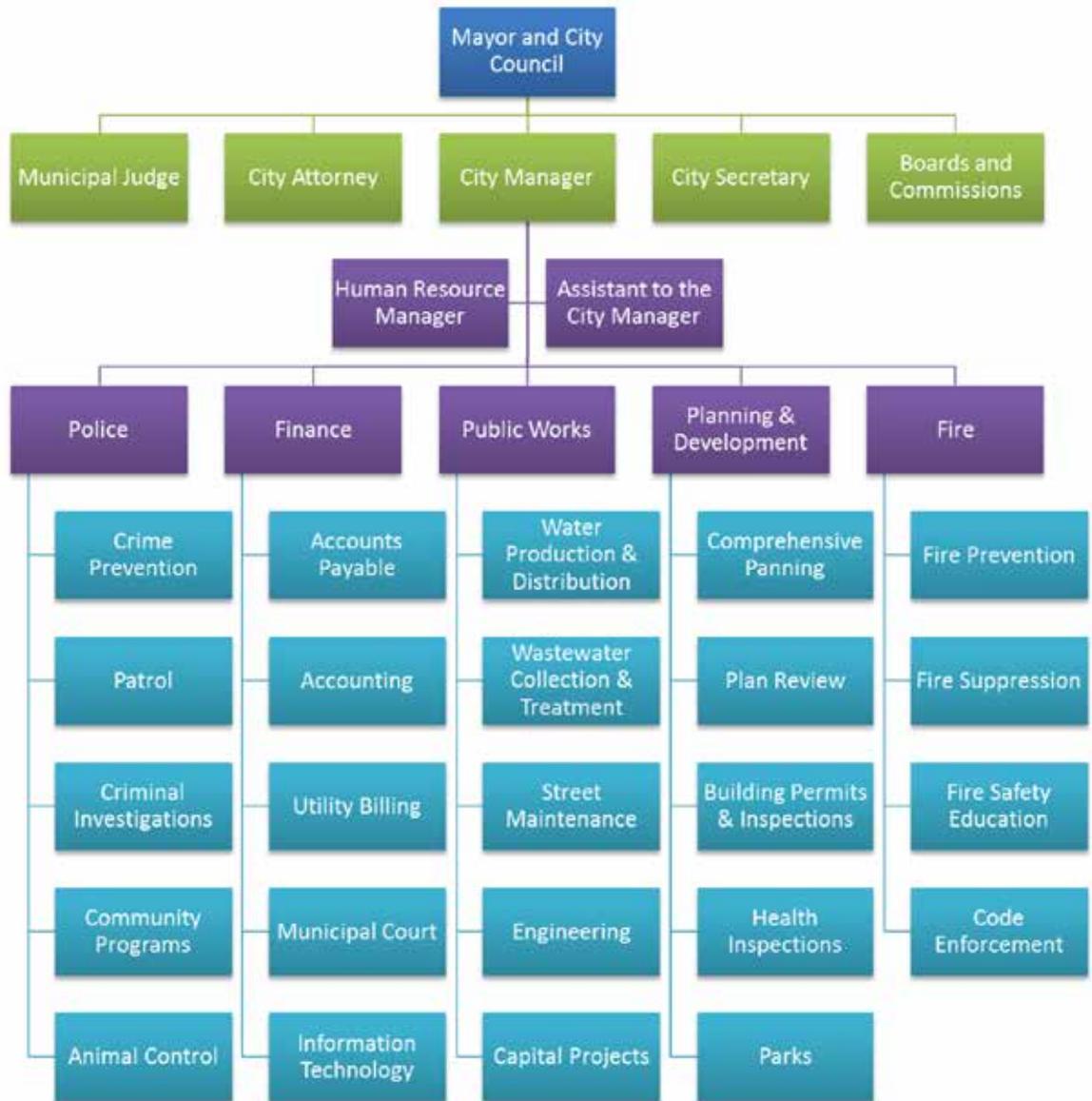
Carrie Smith

City Secretary

Tim Gothard

Fire Chief

City Organization Chart



Strategic Vision and Goals

Our Strategic Vision

Anna is a community of friends and family working together to build a safe and sustainable future.

Our Guiding Principles

Fiscal Responsibility

We believe that fiscal responsibility and the prudent stewardship of public funds is essential for confidence in city operations.

Accountability

We are responsible, committed, and accountable to the public who trust us to carry out our duties with integrity.

Customer Focus

We are a team, dedicated to serving our citizens and residents. Our currency is the goodwill of the public. Goodwill is earned or lost with every contact and conversation.

Transparency

We are open and fair in sharing information with the public about our policies, procedures, programs, and practices.

Innovation

We provide unique approaches and creative solutions to the problems and opportunities before us.

Strategic Goals and Objectives

- ***Pursue Targeted Economic Development***
- ***Improve Curb/Aesthetic Appeal of our Community***
- ***Diversify Housing and Neighborhood Options***
- ***Promote Our Community Brand***
- ***Encourage Inter-Local Cooperation***
- ***Upgrade City Facilities and Infrastructure***
- ***Build Transportation Infrastructure***

Strategic Implementation Strategy

FY 2018 Strategic Plan Implementation Strategy

Pursue Targeted Economic Development

1. Attract professional jobs
 - Develop a professional business park in Anna and fill it up with tenants.
 - Focus on attracting jobs in the medical industry.
 - Explore opportunities to build the professional workforce in Anna through partnerships with businesses and educational institutions.
2. Promote downtown development
3. Study land use and create a road map to optimal future economic growth in each area
 - Create zoning overlay districts in the downtown and along major transportation corridors that promote quality development and attract high-quality businesses.

Improve Curb/Aesthetic Appeal of the Community

1. Focus on aesthetic improvements to major transportation corridors
 - Implement a way-finding community signage program.
 - Design and construct landscape and monument enhancements at inter-changes along US 75 as they are built or reconstructed.
 - Design and construct landscape enhancements within the FM 455 median between US 75 and SH5.
 - Develop design standards for future local median divided roadways.
2. Improve and expand the City's parks and opens spaces.
 - Continue focus on maintenance and operation of existing parks and facilities in order to create an excellent "customer experience".
 - Focus on improvements to Natural Springs Park (ponds, restrooms, parking areas, office space)
 - Evaluate feasibility of City recreation programs (youth and adult).
 - Update the City's Parks Master Plan.

Diversify Housing & Neighborhood Options

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

Promote Community Brand

1. Be recognized in regional and national publications for our community brand.

Encourage Community Partnerships and Inter-Local Cooperation

1. Form stronger relationships with the Greater Anna Chamber of Commerce, Anna ISD, Collin County Commissioner Court, North Central Texas Council of Governments, and other similar community organizations and partners
 - As time permits, attend and become involved in meetings of our various community partners.
 - As appropriate, serve on boards, advisory commission, study groups, etc.
2. Promote community functions that foster civic pride
3. Support and promote community volunteer programs

Upgrade City Facilities and Infrastructure

1. Develop financing plan for the reconstruction of the Central Fire Station #1; remodel and expansion of Police Department facilities; and future construction of: Fire Station #2.
2. Construct a new Anna City Hall that consolidates city offices and provides sufficient space for staff, accommodates future growth, improves operational efficiency, and serves as an anchor to our downtown.
3. Make improvements to city infrastructure that are necessary to accommodate the growth of our community.
 - Complete capacity, management, operations, and maintenance (CMOM) program for the wastewater system.
 - Focus on I&I detection and repair.
 - Complete storm water/drainage study & develop a master plan
 - Construct the Foster Crossing water line project and the Collin Pump Station activation project
 - Construct the US 75 utility relocation project
 - Continue transition to a complete automated metering infrastructure system.

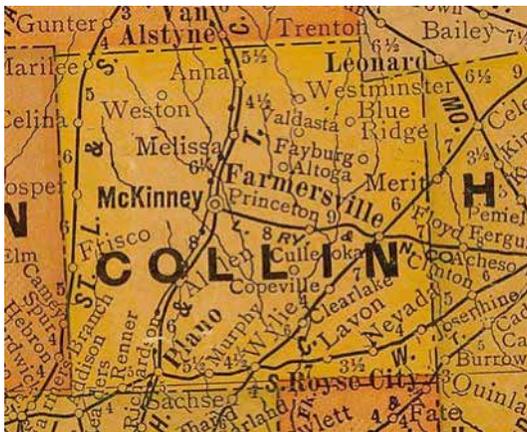
Build Transportation Infrastructure

1. Continue coordination and cooperation with TxDOT on the reconstruction of US 75 from SH 121 to the Collin County Line.
2. Continue coordination and cooperation with TxDOT on the reconstruction of SH5 from SH121 to the Collin County Line.
3. Construct the Hackberry Lane Reconstruction Project (SH 5 to Slayter Creek)
4. Secure funding to complete design and right-of-way acquisition for the Ferguson Parkway project (Taylor to Outer Loop) so that it is shovel-ready pending additional funding opportunities.
5. Complete street audit/condition assessment/prioritization for existing streets.
6. Complete design and proceed with right-of-way acquisition for extension of Rosamond Parkway to US 75.
7. Identify and apply for viable grant funding opportunities through NCTCOG and TxDOT for major transportation projects.
8. Adopt 50% of the NCTCOG metropolitan transportation plan policy bundle voluntary measures to obtain transportation development credits that can be leveraged as cash match for transportation projects.
9. Prioritize and attend key transportation meetings with Collin County, TxDOT, and NCTCOG and pursue cooperative opportunities.

City Statistics

Date of Incorporation	1913
Date of Home Rule Charter Adoption	7-May-05
Form of Government	Council/Mayor
Estimated Population as of January 1, 2017	12,390
Area in Square Miles	15.6
Planning Area in Square Miles (Including ETJ)	61.1
Fire Protection	
Number of Full Time Equivalents	11
Number of Volunteers	22
Calls for Service (entire Fire District 2016 Calendar Year)	1,234
Fire Inspections (2016 Calendar Year)	115
Police Protection	
Sworn Officers	17
Civilian Employees	1
Calls for Service (2016 Calendar Year)	11,677
Arrests (2016 Calendar Year)	327
Water and Sewer Utility	
Active Residential Accounts	4,753
Active Non-Residential Accounts	182
Average Daily Water Production (2016)	1,007,258
Ground Storage Capacity (gallons)	1,000,000
Elevated Storage Capacity (gallons)	1,500,000
Ground (Well) Water Production Capacity (gallons per day)	1,656,000
Water Distribution Capacity (gallons per day)	2,520,000
Waste Water Treatment Capacity (gallons per day)	500,000
Building Permits	
Residential Building Permits (2016 Calendar Year)	324
Residential Market Value (2017 Certified Tax Roll)	\$714,042,412
Non-Residential Building Permits	13
Non-Residential Market Value (2017 Certified Tax Roll)	\$462,978,619
Parkland Acreage	
Acres of Developed Parkland	112
Acres of Undeveloped Parkland	85

Community Profile



County: Collin

Location: Anna is located on State Highway 5, Farm Road 455, and U.S. Highway 75 eleven miles northeast of McKinney and approximately 40 miles north of Dallas in north central Collin County.

Area: Approximately 15 square miles

Form of Government: Council/Manager

Number of Council: 7

History of Anna

Anna sprang to life in the mid-1800's with the arrival of pioneers staking their claim to a better life along the railroad and the Texas high plains.

Although Collin McKinney settled within a few miles of the future townsite in 1846, John L. Greer, who arrived in 1867, is credited with building the first home and store in the new community.

The Houston and Texas Central Railway, at that time built between Dallas and Denison, passed through the area in 1873. By the time Anna was platted in 1883, it had a population of twenty, two stores, a steam gristmill, and a Baptist church. A post office also opened in that year. By 1890, the town had a population of 100 to 200. In the mid-1980's Anna had 855 residents, several businesses, and a strong sense of community.

Anna was incorporated in 1913, with John L. Greer as first mayor. The Census shows the population increased to 1,225 By 2000 and to 8,249 by 2010. Today the estimated population is approximately 13,000.

(Source: City of Anna and Anna Chamber of Commerce)

Local Economy

The City of Anna's economic outlook continues to improve due to the overall improvement in the economy and continued residential and commercial growth. This is evidenced by local economic indicators such as an increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. Please see General Fund revenue section beginning on page 28 for historical information on taxable assessed value, tax rate, sales tax, and building permits.

The Anna Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment. A new Walmart Super Center opened in April 2017. This will have a significant impact on the City's sales tax revenue. The Walmart store is the primary anchor of a 30-acre retail site that we anticipate will fill quickly.

Anticipated growth is expected to continue for the north Collin County region. This has improved the overall connectivity and mobility to and within Anna, but also will bring continued growth and new development.

DEMOGRAPHICS

Employment

ANNA CENSUS 2010 DATA

Population (16 years and older)	5,084
In Labor Force	3,742
Civilian Labor Force	3,719
Employed	3,583
Employed In:	
Management, Business, Science, and Arts	1,198
Service Occupations	607
Sales and Office Occupations	996
Natural resources, constr. & maint.	358
Production, transp. & material moving	424
Unemployed	136
Armed Forces	23
Not in Labor Force	1,342

(Source: Census 2010)

Education

ANNA ISD

Number of Enrolled Students:	3,438
Rattan Elementary	586
Bryant Elementary	642
Harlow Elementary	505
Anna Middle School	786
Anna High School	919

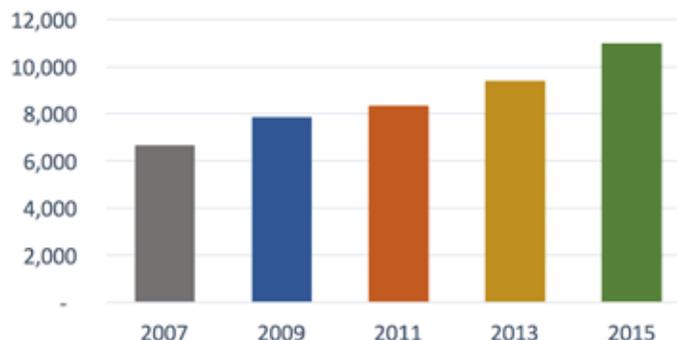
AREA UNIVERSITIES AND COLLEGES

- Collin County College at Allen (Allen)
- Collin College Preston Ridge Campus (Frisco)
- Collin College Higher Education Center (McKinney)
- Collin College Central Park Campus (Plano)
- Grayson County College (Denison)
- Texas A&M University (Commerce)
- Southern Methodist University (Dallas)
- Southern Methodist University at Legacy (Plano)
- University of Dallas (Plano)
- Austin College (Sherman)
- University of Texas at Dallas (Richardson)
- University of North Texas (Denton)
- Texas Women's University (Denton)

POPULATION

	2010	2011	2012	2013	2014	2015	2016
City of Anna	8,100	8,300	8,580	9,360	10,350	10,980	11,320
Collin County	738,745	764,424	788,580	811,308	836,947	862,215	939,585

City of Anna Population Growth



	Year	City of Anna	Collin County
Total Number of Households:	2010	2,351	268,042
	2011	2,408	276,234
	2012	2,576	283,025
	2013	2,827	289,752
	2014	3,022	296,878
	2015	3,154	305,827
Median Household Income:	2010	58,730	80,504
	2011	62,230	82,758
	2012	65,370	83,238
	2013	68,297	82,762
	2014	63,556	84,233
	2015	69,663	100,839
Average Household Income:	2010	69,850	101,911
	2011	71,432	103,623
	2012	72,647	104,020
	2013	74,789	104,541
	2014	73,765	106,923
	2015	75,008	122,033
Per Capita Income:	2010	23,475	37,362
	2011	23,004	37,825
	2012	23,895	37,797
	2013	25,332	37,839
	2014	24,937	38,575
	2015	24,974	38,883

(Source: United States Census Bureau American Fact Finder, Collin County, and the City of Anna Budget Document)

ANNA RECOGNIZED AS ONE OF THE SAFEST CITIES

During FY 2017, Anna was recognized as being on of the top 50 safest cities by the National Council for Home Safety and Security and Safewise. To determine the safest cities in Texas, both sources used the FBI Uniform Crime Report statistics.



Budget Process

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

The budget begins with a transmittal letter written by the City Manager to the City Council. The purpose of this letter is to officially present the budget to the City Council and provide an executive summary highlighting budget conditions and trends for the City of Anna.

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

General Budget process, practice, and administration

The budget follows a FY beginning on October 1 and ending on September 30. Each year the budget is adopted by the Council, which sets the legal spending limits for the government

during the upcoming FY. In order to prepare for and adopt the budget on time, the City must follow a schedule allowing for sufficient time to adequately evaluate current and past budgets, current economic conditions, and project revenues and expenditures for the upcoming budget. The budget is developed by line items at the department level and adopted at the fund level.

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

Throughout the year the Finance Department provides periodic and regular reports to department directors. These reports are used to analyze current and projected revenues and expenditures. In this way, department heads are able to control their expenditures, maintain their budgets, and project future expenditures throughout the year. This is crucial to the budget process as conditions and situations may change throughout the year. Once the budget is adopted, it can only be amended under certain provisions established through the City's charter. If amendments are required it is imperative that budget amendments be accurate and only occur 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 process is ongoing, the bulk of the work begins at the end of the 2nd quarter of each fiscal year. Beginning in April, department directors submit their proposed operating budgets and capital improvements plans to the City Manager. This includes the estimated cost for all projects currently in the capital plan and 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. The City Council conducts workshop sessions throughout April, May, June, and July to discuss departmental budgets, review supplemental requests, and review priorities. The workshop meetings with the Council are public meetings where citizens can come to participate and hear a review of 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 Plan, staff will present a preliminary draft of a balanced budget to the City Council in late July. Once the Council has reviewed the preliminary draft, a final workshop will be held in early August when the budget has been made available for public review. Once the budget is made available, a public hearing will be held on the budget where citizens can express their views

on particular budget items. The hearing typically occurs in late August.

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Anna for its annual budget for the fiscal year beginning October 1, 2016. In order to receive this award the governmental unit must publish a budget document that meets the program criteria as a policy document, an operations guide, as a financial plan, and as a communications device.

While the City of Anna has received this award for four consecutive years, it is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we intend to submit it to GFOA to determine its eligibility for another award.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Anna
Texas**

For the Fiscal Year Beginning

October 1, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director

FY 18 Budget Calendar

APR							MAY						
S	M	T	W	T	F	S	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													

30

- 3 - Activate budgeting program
- 3 - Submit 5 year CIP to City Manager
- 28 - Departmental FY 18 budget projections due
- 9 - Council Workshop-Preliminary Revenue Estimates
- 23 - Review Draft Admin Budgets

- 1 - Read only status in budgeting program
- 8-19 City Manager and Finance Department to meet with Department Directors to discuss proposals
- 9 - Council Workshop-Preliminary Revenue Estimates
- 23 - Review Draft Admin Budgets

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

- 13 - Council Workshop-Draft Public Safety & Court Budgets
- 27 - Council Workshop-Draft Planning, Streets, & Park Budgets
- 1-30 City Manager and Finance Department to refine budget proposals and produce working draft of the budget
- 11 - Council Workshop-Draft Water, Sewer, & UB Budgets
- 25 - Chief Appraiser deadline to certify appraisal rolls
- 25 - Council Workshop-Present Draft Budget
- 25 - City Council Regular Meeting-Resolution of Date, Time, and Place of Public Hearing on the Budget

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

- 3 - Publish Notice of Public Hearing on Budget
- 4 - Budget available for Public Review on City Website
- 8 - City Council-Review Proposed Budget/Vote on Max Tax Rate
- 10 - Publish Notice of Public Hearing on Budget/Tax Rate
- 10 - County Publishes Notice of 2016 Tax Year Rates
- 18 - 72 hr. open meeting notice-Budget/TaxRate
- 22 - Council-Public Hearing on Budget/1st Hearing on Tax Rate
- 24 - Publish Notice of 2nd Public Hearing on Proposed Tax Rate

- 1 - 72 hr. open meeting notice - Tax Rate
- 5 - Special Meeting-2nd Hearing on Tax Rate
- 8 - 72 hr. open meeting notice - Budget/Tax Rate
- 12 - City Council-Adopt Budget and Tax Rate and ratify if needed
- 13 - Make all necessary website postings

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

Description of Fund Structure

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

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

Basis of Budgeting

Budgetary basis refers to the basis of accounting used to estimate financing sources and uses in the budget. Accrual basis of accounting is used to estimate financing sources and uses in the budget. Accrual basis of accounting indicates revenues are recorded as they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursement has been made at the time or not). Modified accrual is the method under which revenues and other financial resource increments are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available" to finance expenditures of the current period. "Available"

means collectible in the current period or soon enough thereafter to be used to pay the liabilities of the current period.

The City of Anna accounts and budgets for all Governmental Funds using the modified accrual basis of accounting except where the accrual basis is specified by generally accepted accounting principles. The Proprietary/Enterprise Funds are accounted for using the accrual basis of accounting in accordance with generally accepted accounting principles.

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

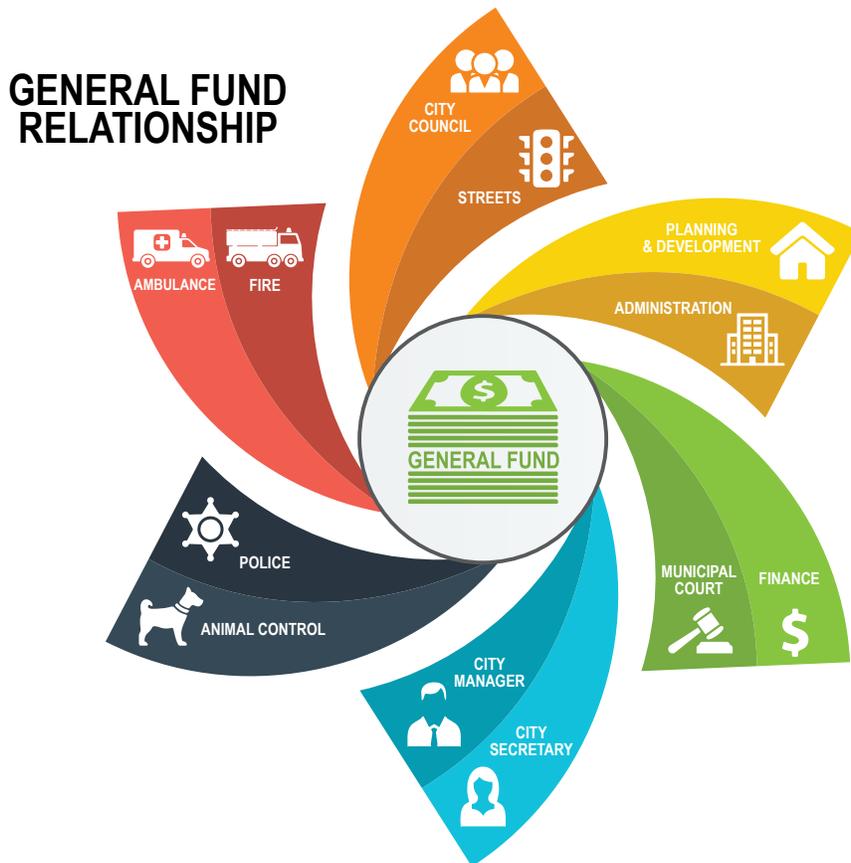
as streets, sidewalks, park projects, etc. Revenues for this fund are restricted for the project. Revenue sources include bond proceeds, fund transfers, and intergovernmental revenue from other governmental entities such as TxDOT and Collin County.

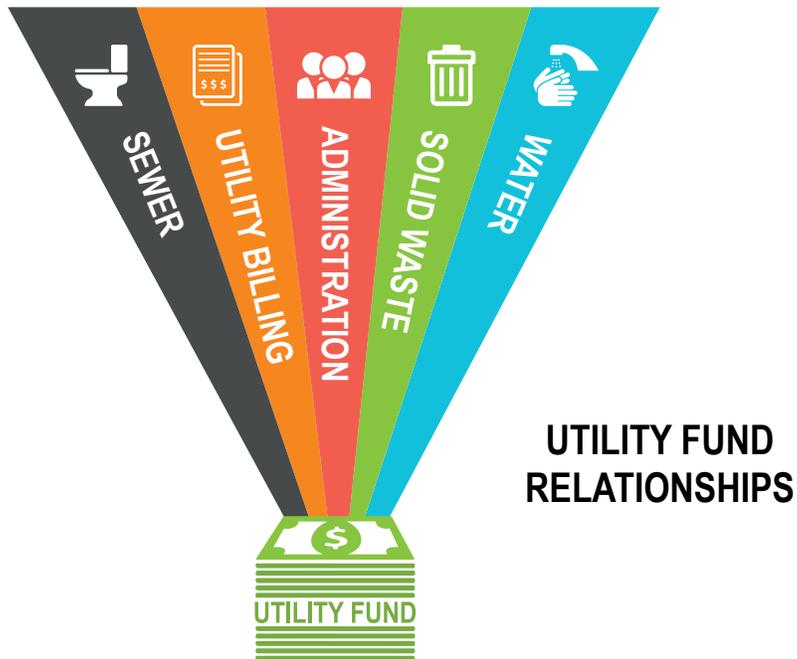
Restricted Revenue Trusts Funds– With the exception of capital projects, this accounts for revenue sources that are legally restricted to expenditures for a specific purpose and in accordance with the enabling legislation.

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.

Below are two diagrams representing the departments that make up the General Fund and the Utility Fund, as well as a chart which shows the funds that support and/or are managed by each department.





Budgeted Fund Relationships

The chart below shows the budgeted departments and the funds they are supported and/or managed by.

Budgeted Departments	General Fund	Utility Fund	Restricted Revenue Funds	Capital Projects Funds
GOVERNMENTAL FUNDS				
Administration	✓			
City Council	✓			
City Manager	✓			
City Secretary	✓			
Finance	✓			
Development	✓			
Police	✓		✓	
Animal Control	✓			
Fire	✓		✓	
Ambulance	✓		✓	
Municipal Court	✓		✓	
Streets	✓		✓	✓
Planning & Development	✓			
ENTERPRISE FUND				
Public Works Administration		✓		
Water		✓	✓	✓
Sewer		✓	✓	✓
Solid Waste		✓	✓	✓
Utility Billing				

Fund Balance

The typical measure of financial health for each fund is fund balance at year end. The fiscal policies which are presented in the supplemental information section of the budget will discuss those measures in more detail.

The Governmental Accounting Standards Board (GASB) has issued a statement regarding the classification of fund balance. Fund balance in the Governmental Funds is classified as non-spendable, restricted, committed, assigned, and unassigned

Non-spendable funds are amounts loaned to the Capital Projects Fund (a governmental fund) for land purchased for a new City Hall. It is expected that amount will be repaid when bonds are issued for the project. Restricted funds include those funds restricted for a specific purpose. Committed funds are those committed by council action as contingency appropriation performed by an

ordinance. Assigned funds are those intended for specific purposes and are not restricted or committed. The assigned fund balance is for future capital projects.

The overall increase in fund balance is driven by an increase in restricted funds related to commercial and residential development and an amount that will be transferred from the Utility Fund in FY 2018 and assigned for future capital projects.

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

A schedule of estimated and projected fund balance is below.

Schedule of Fund Balance

	2016 Audited Fund Balance	2017 Projected Fund Balance	2018 Proposed Fund Balance	% Change FY 17 to FY 18
Total Governmental Funds	\$5,029,270	\$5,059,650	\$6,268,131	24%
<i>Non-spendable</i>	\$598,423	\$605,859	\$605,859	0%
<i>Restricted</i>	\$2,303,792	\$1,833,360	\$1,986,378	8%
<i>Committed</i>	\$185,788	\$185,788	\$224,786	21%
<i>Assigned</i>	\$0	\$431,535	\$1,486,998	245%
<i>Unassigned</i>	\$1,941,267	\$2,003,108	\$1,964,110	-2%
Utility Fund	\$9,064,951	\$9,638,501	\$8,429,532	-13%
<i>Working Capital</i>	\$1,416,607	\$2,491,557	\$2,491,557	0%
<i>Working Capital* (GTUA)</i>	\$2,287,335	\$3,297,014	\$3,310,648	0%
<i>Restricted Cash for System Improvements</i>	\$5,361,009	\$3,849,930	\$2,627,327	-32%

*Including current GTUA Debt & Funds held at GTUA

FY18 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. The Utility Fund includes capital projects related to our water and sewer infrastructure. In late 2012 and early 2014, the City issued bonds for water and sewer infrastructure projects. These bond funds are held in reserve to complete the proposed projects. Below is a consolidated schedule of revenues and expenditures by fund.

	General	Debt Service	Restricted	Capital Improvements	Utility	Component Units	Combined Totals
Revenues							
<i>Property Tax</i>	\$4,269,004	\$1,092,729	\$0	\$0	\$0	\$0	\$5,361,733
<i>Other Taxes (Sales and other)</i>	\$1,726,054	\$0	\$0	\$0	\$0	\$822,615	\$2,548,669
<i>Franchise Fees</i>	\$460,000	\$0	\$8,400	\$0	\$0	\$0	\$468,400
<i>Development</i>	\$674,500	\$0	\$0	\$0	\$0	\$0	\$674,500
<i>Fines</i>	\$89,000	\$0	\$3,328	\$0	\$0	\$0	\$92,328
<i>Intergovernmental</i>	\$0	\$0	\$10,989	\$0	\$0	\$0	\$10,989
<i>Water Sales and Fees</i>	\$0	\$0	\$0	\$0	\$3,787,856	\$0	\$3,787,856
<i>Sewer Sales and Fees</i>	\$0	\$0	\$0	\$0	\$2,653,438	\$0	\$2,653,438
<i>Trash sales and Fees</i>	\$0	\$0	\$0	\$0	\$930,013	\$0	\$930,013
<i>Transfer In</i>	\$0	\$0	\$71,134	\$1,080,321	\$674,435	\$0	\$1,825,890
<i>Fund Balance Allocation</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Bond Proceeds</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Grant Revenue</i>	\$0	\$0	\$295,953	\$0	\$0	\$0	\$295,953
<i>Impact/Developer Fees</i>	\$0	\$0	\$467,800	\$0	\$840,000	\$0	\$1,307,800
<i>Contributed Capital</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Other</i>	\$274,313	\$0	\$1,500	\$0	\$322,187	\$73,646	\$671,646
Total Revenues	\$7,492,871	\$1,092,729	\$859,104	\$1,080,321	\$9,207,929	\$896,261	\$20,629,215
Expenditure/Expense							
<i>Payroll</i>	\$4,340,997	\$0	\$355,644	\$0	\$1,645,052	\$77,155	\$6,418,848
<i>Supplies</i>	\$400,783	\$0	\$5,264	\$0	\$107,793	\$2,900	\$516,740
<i>Maintenance</i>	\$281,900	\$0	\$9,000	\$0	\$345,800	\$10,000	\$646,700
<i>Services</i>	\$1,475,782	\$0	\$21,399	\$0	\$5,545,362	\$770,973	\$7,813,516
<i>Capital Expenditures</i>	\$516,389	\$0	\$259,800	\$0	\$49,487	\$0	\$825,676
<i>Other Uses of Funds</i>	\$0	\$0	\$109,350	\$0	\$0	\$0	\$433,350
<i>Developer Reimbursmnt</i>	\$0	\$0	\$0	\$0	\$324,000	\$0	\$324,000
<i>Transfer Out</i>	\$477,020	\$674,435	\$0	\$0	\$674,435	\$0	\$1,825,890
<i>Debt Service</i>	\$0	\$418,294	\$0	\$0	\$0	\$0	\$418,294
Total Expenditure/Expense	\$7,492,871	\$1,092,729	\$760,457	\$0	\$8,691,929	\$861,028	\$18,899,014



Three Year (FY 16 – FY 18) Consolidated Financial Schedule

The following schedule illustrates the total financial sources and uses for City of Anna since FY 16. The FY 16 amounts are actual financial results while the FY 17 amounts represent the budgeted amounts. The FY 18 amounts are those proposed in this budget.

	FY 16 Actual			FY 17 Budget			FY 18 Adopted			FY 16 Actual			FY 17 Budget			FY 18 Adopted			FY 16 Actual			FY 17 Budget			FY 18 Adopted		
Revenues	General			Debt Service			Restricted Revenue			Capital Improvements			Utility			Component Units			Combined Totals								
Property Tax	3,314	3,681	4,269	665	890	1,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,979	4,571	5,360			
Other Taxes*	1,219	1,201	2,186	-	-	-	10	-	8	-	-	-	-	-	-	771	725	823	2,000	1,926	3,017						
Development	759	440	675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	759	440	675						
Fines	84	100	89	-	-	-	6	6	3	-	-	-	-	-	-	-	-	-	90	106	92						
Intergovernmental	193	196	-	-	-	-	11	11	11	-	-	-	-	-	-	-	-	-	205	206	11						
Water Sales and Fees	-	-	-	-	-	-	-	-	-	-	-	-	3,456	3,431	3,788	-	-	-	3,456	3,431	3,788						
Sewer Sales and Fees	-	-	-	-	-	-	-	-	-	-	-	-	2,100	2,274	2,653	-	-	-	2,100	2,274	2,653						
Trash sales and Fees	-	-	-	-	-	-	-	-	-	-	-	-	818	846	930	-	-	-	818	846	930						
Transfer In	-	-	-	-	-	-	-	-	71	296	432	1,080	187	467	674	-	725	-	483	1,624	1,826						
Fund Balance Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,850	-	-	1,850	-						
Grant Revenue	99	254	-	-	-	-	29	290	296	-	-	-	-	-	-	-	-	-	128	544	296						
Impact/Developer Fees	-	-	-	-	-	-	368	355	468	-	-	-	-	800	840	-	-	-	368	1,155	1,308						
Contributed Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Other	177	141	274	1	-	1	3	-	2	0	-	-	313	145	322	86	65	74	581	350	673						
Total Revenues	5,846	6,013	7,493	666	890	1,093	427	661	859	296	432	1,080	6,874	7,964	9,208	857	3,365	896	14,965	19,323	20,629						

Expenditure/Expense	General			Debt Service			Restricted Revenue			Capital Improvements			Utility			Component Units			Combined Totals		
Payroll	3,250	3,815	4,341	-	-	-	-	4	356	-	-	-	910	1,013	1,148	-	-	77	4,159	4,832	5,922
Supplies	235	370	401	-	-	-	2	-	5	-	-	-	87	110	93	1	3	3	325	483	502
Maintenance	262	186	282	-	-	-	1	-	9	-	-	-	452	405	353	4	22	10	719	613	654
Services	1,391	1,329	1,476	-	-	-	14	10	21	110	-	-	2,862	4,698	5,138	794	484	771	5,172	6,520	7,406
Capital Expenditures	204	314	516	-	-	-	154	385	260	598	-	-	1,324	102	-	109	3,896	-	2,390	4,696	776
Other Uses of Funds	-	-	-	-	-	-	-	79	109	-	-	-	-	-	-	-	-	-	-	79	109
Developer Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	324	-	-	-	-	-	-
Transfer Out	-	-	477	187	467	674	-	-	-	3	-	-	84	34	432	-	-	-	274	502	1,583
Debt Service	-	-	-	429	422	418	-	-	-	-	-	-	-	-	-	-	-	-	429	422	418
Total Expenditure/Expense	\$5,341	\$6,013	\$7,493	\$616	\$890	\$1,093	\$171	\$477	\$760	\$712	\$0	\$0	\$5,720	\$6,362	\$7,488	\$908	\$4,405	\$861	\$13,468	\$18,146	\$17,371

PRESENTED IN 1,000'S

Staffing Schedule

The Schedule below includes the staffing levels for the entire City since FY 2014. Each number represents a Full Time (FTE) rather than an actual individual person. For example, the seasonal laborer position is actually 2 people employed for only a portion of the year. The 2 individuals would equate to one full time equivalent. This budget authorizes 10 new positions funded by the General Fund, 6.5 new positions funded by the Utility Fund, and 1 new position funded by the Community Development Corporation.

General Fund	FY 14	FY 15	FY 16	FY 17	FY 18
City Manager	1	1	1	1	1
EDC/CDC Director	0.5	0.5	0.5	0.5	0
Assistant to the City Manager	0.5	0.5	0.5	0.5	1
Receptionist	0.5	0.5	0.5	0.5	0.5
City Secretary	1	1	1	1	1
Director of Finance	1	1	1	1	1
Accountant II	0	1	1	1	1
Finance/Budget Analyst	0	1	1	1	1
Accounting Technician	0	0	0	0	1
HR Manager	0	0	0	1	1
HR Administrator	0	1	1	0	0
Finance/HR Supervisor	1	0	0	0	0
HR Coordinator/Finance Asst	1	0	0	0	0
Director of Planning	1	1	1	1	1
Planner II	1	1	1	1	1
Planner I	1	1	1	1	1
Administrative Assistance	1	1	1	1	1
Fire Chief	1	1	1	1	1
Fire Marshal/Code Enf Officer	1	1	1	1	1
Fire Shift Captain	3	3	3	3	3
Fire Fighter	1	1	1	3	4
Fire Fighter Day Shift	0	1	1	1	1
Deputy Fire Chief	0	0	0	0	1
Police Chief	1	1	1	1	1
Police Records Administrator	1	1	1	1	1
Police Lieutenant	0	1	1	1	1
Police Sergeant	1	2	2	3	4
Police Officer	10	10	9	8	9
Child & Family Violence Investigator	0	0	0	1	1
School Resource Officer	0	0	2	2	1
Court Administrator	0	1	1	1	1
Municipal Court Clerk	1	0	0	0	0
Park and Recreation Superintendent	1	0	1	1	1
Crew Leader - Parks	0	1	1	0	1
Maintenance Worker II Parks	0	0	0	1	0
Maintenance Worker I Parks	1	1	1	2	4
Maintenance Worker I Streets	0	0	2	2	3
Seasonal Laborer Parks	1	0	1	1	1
Streets Superintendent	0	0	0	0	1
Streets Supervisor	0	0	1	1	1
Traffic Safety Tech	0	0	0	0	1
Total General Fund	33.5	36.5	42.5	46.5	55.5

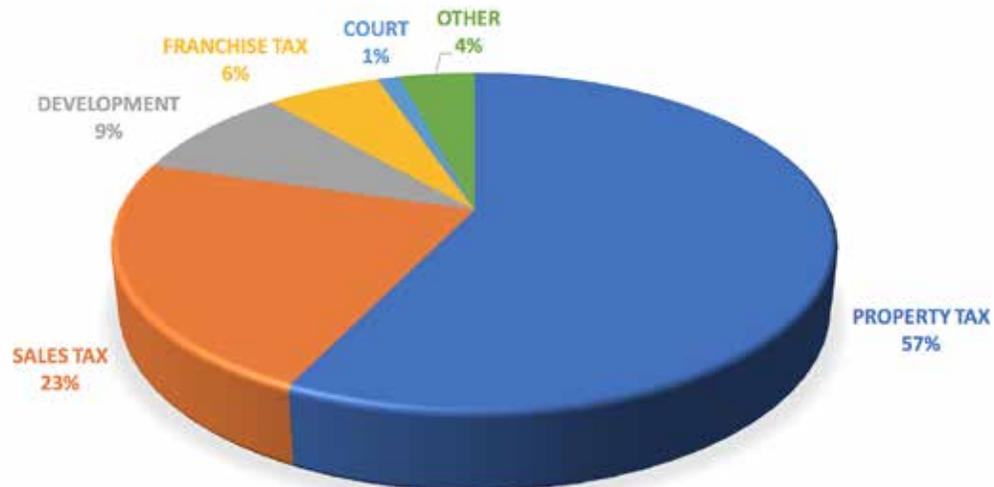
Utility Fund	FY 14	FY 15	FY 16	FY 17	FY 18
Director of Public Works	1	1	1	1	1
PW Superintendent	0	0	1	1	0
Assistant Director of PW	0	0	0	0	1
Engineering Construction Superintendent	0	0	0	0	1
Administrative Assistant	1	1	1	1	1
Construction Inspector	0	1	2	2	2
Field Supervisor - Public Works	1	1	0	0	0
Crew Leader - Public Works	1	1	0	0	0
Water Operator	0	0	0	0	1
Water Superintendent	0	0	0	0	1
Water Supervisor	0	0	1	1	1
Maintenance Worker II Water	0	1	1	1	1
Maintenance Worker I Water	8	7	2	2	3
Maintenance Worker II Wastewater	0	0	0	0	1
Maintenance Worker I Wastewater	0	0	1	2	3
Wastewater Superintendent	0	0	0	0	1
Wastewater Supervisor	0	0	1	1	0
Senior Wastewater Plant Operator	1	1	1	1	1
Wastewater Operator	1	1	1	0	0
Customer Service Manager	1	1	1	1	1
Senior Utility Billing Clerk	1	1	1	1	1
UB Clerk	0	0	0	0	0.5
Service Order Technician	0	0	0	1	1
Receptionist	0.5	0.5	0.5	0.5	0.5
Total Utility Fund	16.5	17.5	15.5	16.5	23
Community Development Corporation	FY 14	FY 15	FY 16	FY 17	FY 18
CDC Chief Administrative Officer	0	0	0	0	1
Total Community Development Corporation	0	0	0	0	1
Total City Operations	50	54	58	63	79.5

General Fund

Revenue

The City of Anna finances its general fund activities from three types of revenue; taxes, fines & fees, and user charges. These include property and sales taxes, licenses & permits, and fines. Beneficiaries of General Fund Services are not generally required to pay a fee commensurate with the value of the services received. The top four revenue sources are (1) property taxes, (2) sales tax, (3) franchise tax, and (4) development fees. Most franchise taxes in the City of Anna are not locally controlled and are subject to state law. The focus will be on the three locally controlled revenue sources, property taxes, sales tax, and development fees which constitute approximately 89% of FY 2018 revenues.

FY 2018 PROPOSED GENERAL FUND REVENUE

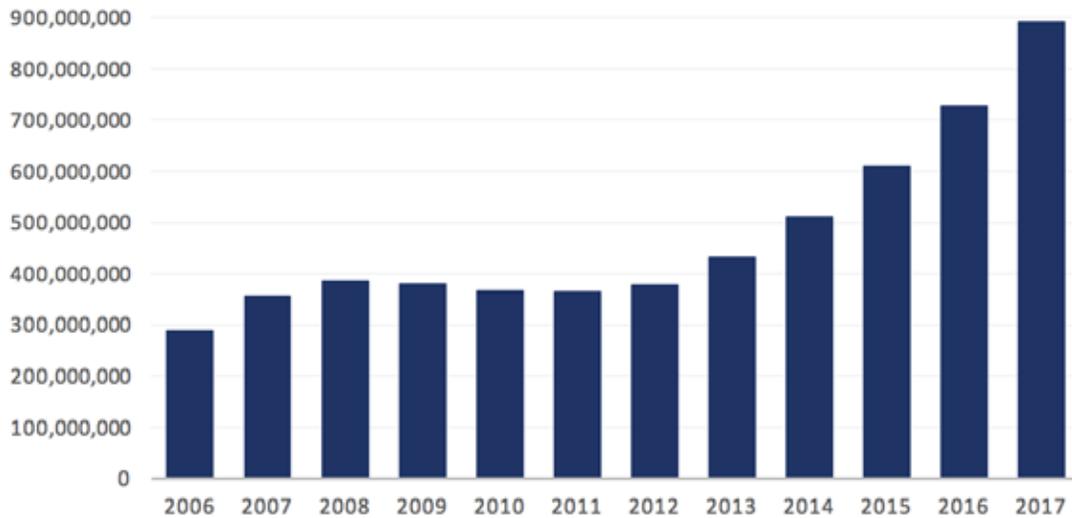


Property Tax

The Ad Valorem Property Tax revenue (57.2%) is a function of the tax rate the City formally adopts each year. The Collin Central Appraisal District (CCAD) establishes the value of each property within the City of Anna and the City applies the maintenance and operations portion of the rate to the certified value provided by CCAD. The certified taxable assessed value for the tax year 2017 is \$891,474,571. This represents an increase of 22.68% and is due, in part, to the addition of just under \$62 million in new value and an increase of approximately 14% in the taxable assessed value of existing properties.

After four years of declining property values between 2009 and 2012, property values eventually stabilized in 2013 when the total taxable value exceeded for the first time the previous peak for taxable value set in 2008. Beginning in 2013, strong population growth and new construction has delivered increasing demand for new homes and led to growth in the taxable value each year. Continued growth and new construction in 2016 has contributed to a significant increase in total taxable value for the 2017 tax year. We remain guardedly optimistic that a trend of market appreciation and modest growth will continue in the coming years.

Taxable Assessed Value Over Time





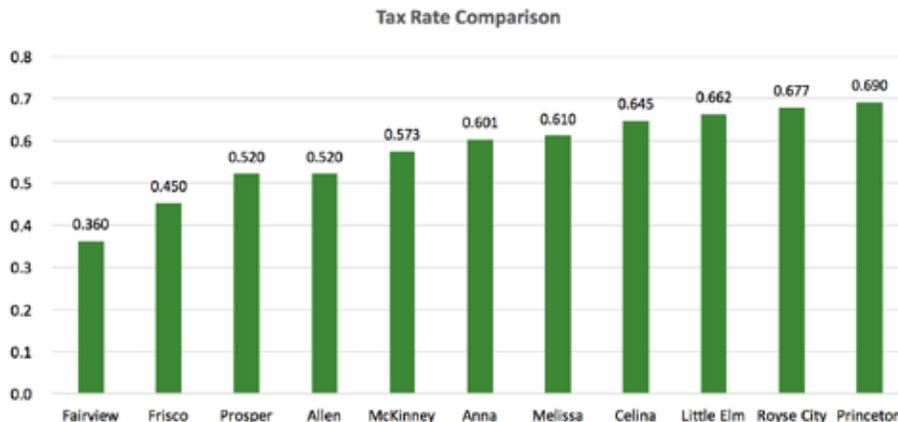
The growth in taxable value corresponds to a significant increase in population over the past year. According to the most recent population estimates published by the North Central Texas Council of Governments, the City of Anna population as of January 1, 2017 was 12,390.

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

Tax Year	Assessed Value	Total Tax Rate	M&O Rate	Debt Service Rate	Total Property Tax Revenue
2000	29,991,809	0.529900	0.256300	0.273500	\$150,809.00
2001	35,320,292	0.579900	0.151100	0.428800	\$182,838.00
2002	52,462,163	0.499700	0.499700	0.000000	\$288,103.00
2003	79,351,888	0.499700	0.499700	0.000000	\$407,430.00
2004	136,234,607	0.499700	0.499700	0.000000	\$693,504.00
2005	211,508,957	0.525000	0.525000	0.000000	\$1,148,140.00
2006	288,590,455	0.525000	0.525000	0.086300	\$1,541,817.00
2007	356,238,071	0.575000	0.466700	0.108200	\$2,015,950.00
2008	383,961,925	0.575000	0.479400	0.095500	\$2,207,626.00
2009	378,153,710	0.622733	0.529939	0.092800	\$2,354,888.00
2010	365,119,804	0.650332	0.554225	0.096107	\$2,374,491.00
2011	362,969,678	0.650332	0.559367	0.090965	\$2,360,508.00
2012	376,578,308	0.650332	0.559367	0.090965	\$2,449,009.00
2013	430,704,884	0.650332	0.559367	0.090965	\$2,801,012.00
2014	510,888,329	0.649000	0.545826	0.103174	\$3,315,665.00
2015	609,657,456	0.639000	0.532341	0.106659	\$3,895,711.00
2016	726,642,896	0.629000	0.506582	0.122418	\$4,570,584.00
2017 Certified	891,474,571	0.601288	0.478870	0.122418	\$5,360,330.00

Tax Rate

Below is a summary of the 2016 tax year tax rates of our comparison cities to our proposed 2017 tax rate.



Sales Tax

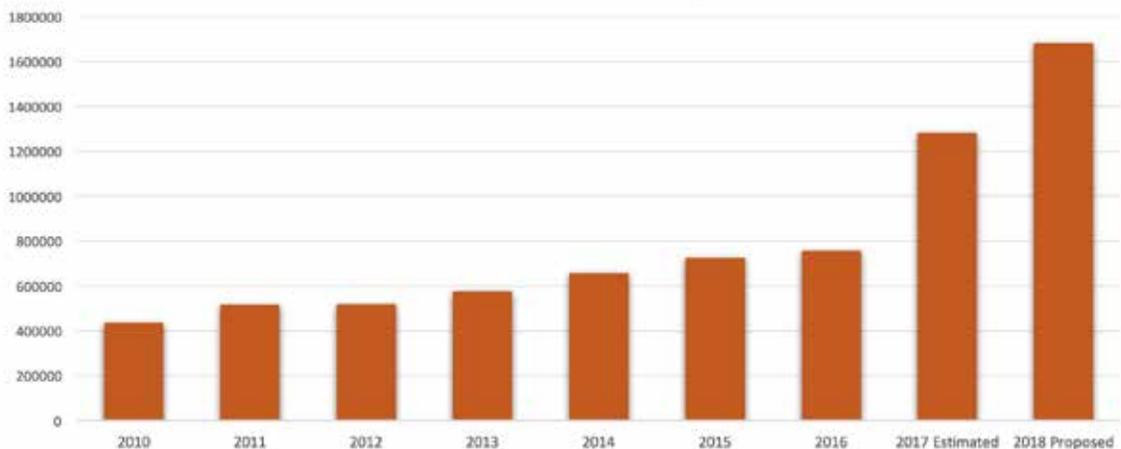
Sales tax revenue accounts for 22.4% of General Fund Revenue. The City currently levies a 2% sales tax that is in addition to the 6.25% the state levies. In November of 2017, a ballot proposition to reallocate a portion of the local option sales tax to the General Fund was approved. As a result, the portion of the sales tax revenue allocated to the General Fund increased from 1% to 1.25%, with .25% being dedicated to streets projects. This reallocation was effective in April 2017. The remaining .75% goes to fund the Community Development Corporation. As the City has grown, so has the sales tax base. The estimated sales tax for FY 2017 reflects an increase in sales tax of approximately 66% over FY 2016 and a projected increase of approximately 32% for FY 2018. Since 2010 the City has seen average annual sales tax growth of approximately 18%.

The City has historically taken a conservative approach to budgeting sales tax revenue. In years with declining values, sales tax was a bright spot in mitigating declining property tax revenue. As a result, the approach is to budget conservatively for growth in sales tax. In past year's, the City estimated no growth over the prior year when projecting for the next year's sales tax revenue. This allowed the City to fund supplemental requests and budget amendments later in the fiscal year if sales tax exceeds expectations. However, due to the addition of Wal-Mart and the current trend in

sales tax, the City did project an increase of just over 32% for FY 2018 over the proposed FY 2017. Wal-Mart opened in late April 2017 for business. The City will continue to monitor and analyze the potential revenue source.

General Fund Sales Tax Revenue		
Fiscal Year	Sales Tax Revenue	% Change
2000	\$37,586	-12.06%
2001	\$43,827	16.60%
2002	\$61,160	39.55%
2003	\$79,132	29.38%
2004	\$115,843	46.39%
2005	\$155,399	34.15%
2006	\$225,886	45.36%
2007	\$293,934	30.12%
2008	\$336,730	14.56%
2009	\$384,642	14.23%
2010	\$433,376	12.67%
2011	\$515,379	18.92%
2012	\$516,025	10.64%
2013	\$574,679	11.37%
2014	\$655,821	14.12%
2015	\$724,221	10.43%
2016	\$771,155	6.48%
2017 Est.	\$1,280,861	66.10%
2018 Proposed	\$1,696,354	32.44%

Sales Tax History



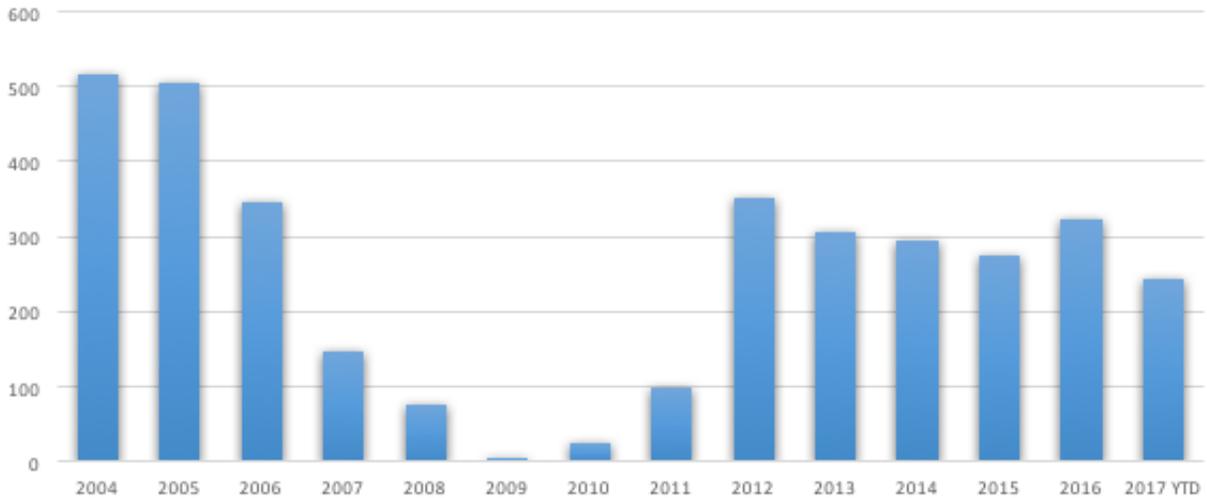
Development

Development revenue is driven by building activity in the City. Development revenue is a combination of building permits, zoning fees, plat fees, contractor registration fees, and all other fees related to the permitting and approval of construction activity in the City. The City experienced a sharp decline in building permits from 2006 through 2010 that coincided with the recession. As the economy improved, we saw strong growth in single family permits through 2012; however, lot inventory began to diminish as developers had not added inventory to keep up with demand. As that inventory diminished we observed modest drop in building activity. In 2016, as the developers began increasing the lot inventory to keep up with the continually increasing demand for housing in Anna, the City began to see

a strong growth once again in single family permits. To date in FY 2017, the City has received 243 building permit applications for single family homes which is up significantly over the prior year. The FY 2018 budget reflects a conservative increase of 250 building permits for purposes of budgeting revenue and expenditures.

We anticipate that new home construction will continue to increase as subdivisions that are under construction or in various stages of the development process are completed and become available in the market. There are currently six residential developments under construction that will add over 759 single family lots to our inventory over the next 12 to 18 months. In addition, there are 2,744 lots that are currently in the planning phase.

Building Permits by Year



Illustrated below is a brief history of revenue sources for the City of Anna. Proposed revenue for FY 2018 is up 24.62% over the budgeted amount for FY 2017. The estimate for FY 2017 is based upon performance over the first 3 quarters of the fiscal year including historical and seasonal trends. Property tax revenues are up approximately .7% with sales tax increasing approximately 71%.

These increases are driven by population growth and associated growth in commercial development. The decrease in other revenue is related to all grant funding being moved to a separate Grant fund. This assists staff in managing operational revenues separate from grant funding and allows for all grants to be budgeted and tracked in one fund which is also beneficial for auditing purposes.

General Fund Revenue Summary

	FY 16 ACTUAL	FY 17 BUDGET	FY 17 ESTIMATE	FY 18 PROPOSED	% CHANGE
PROPERTY TAX	\$3,314,026	\$3,681,042	\$3,706,170	\$4,269,004	15.97%
SALES TAX - GENERAL	\$771,155	\$750,000	\$1,121,040	\$1,360,028	81.34%
SALES TAX - STREETS	\$0	\$0	\$159,821	\$336,326	0%
DEVELOPMENT	\$759,102	\$440,100	\$884,500	\$674,500	53.26%
FRANCHISE FEES	\$446,273	\$450,000	\$460,000	\$460,000	2.22%
COURT FEES	\$84,360	\$100,000	\$89,000	\$89,000	-11.00%
OTHER	\$470,646	\$591,423	\$742,497	\$304,013	-48.60%
Total	\$5,845,562	\$6,012,565	\$7,163,028	\$7,492,871	24.62%

General Fund

Expenditures

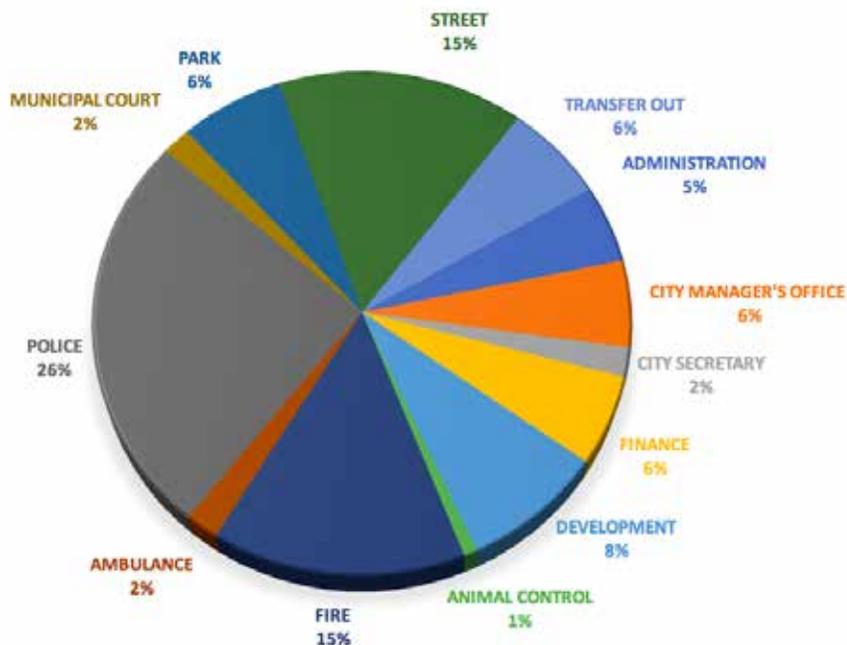
The General Fund accounts for the expenditures associated with operating the general government services one typically expects from their municipal government and are funded in part or in whole with property taxes. These services include public safety, parks, streets, planning, and the general administrative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

The chart below illustrates the percentage of the budget attributed to each department. For FY 2018, public safety will account for 44% of the budget. This includes police, fire, ambulance services, and animal control.

The proposed FY 2018 budget has an increase of 24.6% over the FY 2017 budget. Generally, the increase can be attributed to (1) new positions funded in the budget, (2) market adjustments for wages, (3) equipment replacement, (4) increases in employee benefit costs, (5) increased funding for street projects and (6) a transfer out for municipal facilities. These changes are detailed in the departmental summaries that follow.

The table on the following page illustrates a brief history for each department from FY 2016 through FY 2018. The table includes actual costs from FY 2016, budgeted and estimated costs for FY 2017, proposed budget for FY 2018, and the percent change from the FY 2017 budget.

FY 2018 PROPOSED GENERAL FUND BUDGET



General Fund Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
ADMINISTRATION	\$280,118	\$305,684	\$325,246	\$368,122	20.43%
CITY COUNCIL	\$16,588	\$30,025	\$31,271	\$36,625	21.98%
CITY MANAGER'S OFFICE	\$309,587	\$321,845	\$326,296	\$415,328	29.05%
CITY SECRETARY	\$106,881	\$126,847	\$127,341	\$143,838	13.40%
FINANCE	\$403,522	\$432,876	\$386,398	\$428,440	-1.02%
DEVELOPMENT	\$640,442	\$557,637	\$674,036	\$627,318	12.50%
ANIMAL CONTROL	\$48,866	\$56,799	\$56,799	\$56,799	\$0
FIRE	\$708,963	\$966,161	\$936,178	\$1,099,039	13.75%
AMBULANCE	\$135,968	\$143,173	\$143,173	\$142,270	-0.63%
POLICE	\$1,714,448	\$1,913,883	\$1,819,167	\$1,923,135	0.48%
MUNICIPAL COURT	\$110,420	\$122,226	\$127,351	\$133,573	9.28%
PARK	\$265,825	\$371,141	\$348,620	\$485,752	30.88%
STREET	\$599,689	\$664,268	\$684,293	\$1,155,613	73.97%
XFER TO GRANT FUND	\$0	\$0	\$0	\$71,134	0.00%
XFER FOR MUNICIPAL FACILITIES	\$0	\$0	\$117,785	\$405,886	245%
TOTAL	\$5,341,317	\$6,012,565	\$6,103,954	\$7,492,871	24.62%

Departmental Summaries

Each departmental summary includes its purpose, FY 2017 accomplishments, and FY 2018 goals. A summary of expenditures are included as well as new programs or noteworthy changes from the FY 2017 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

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
PAYROLL	\$3,249,611	\$3,815,107	\$3,621,885	\$4,340,997	13.78%
SUPPLIES	\$235,163	\$369,531	\$358,169	\$400,783	8.46%
MAINTENANCE	\$262,203	\$185,750	\$180,150	\$281,900	51.76%
SERVICES	\$1,390,526	\$1,328,565	\$1,500,983	\$1,475,782	11.08%
CAPITAL EXPENDITURES	\$203,813	\$313,612	\$313,612	\$516,389	64.66%
TRANSFER OUT	\$0	\$0	\$129,155	\$477,020	0.00%
TOTAL	\$5,341,317	\$6,012,565	\$6,103,954	\$7,492,871	24.62%

10-400 Administration

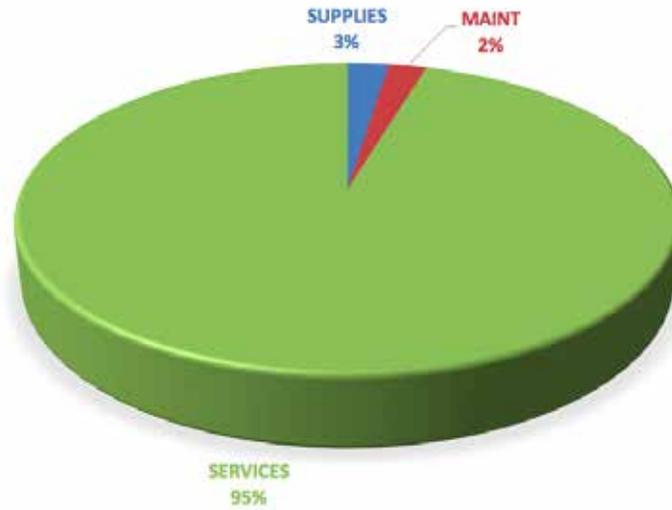
Purpose / Description

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 & Noteworthy for FY 2018

- Lakeview Estates Economic Development Agreement
 - The City negotiated a Chapter 380 agreement with Bloomfield Homes whereby the City will reimburse Bloomfield Homes a portion of the cost to build Ferguson Parkway. The agreement requires the City to reimburse ad valorem taxes due from the incremental value of Lakeview Estates for 15 years, up to a maximum reimbursement of approximately \$300,000. The reimbursement grant for FY 2018 is estimated at approximately \$61,000.
- Bloomfield Homes Use Tax Reimbursement Agreement
 - In lieu of sales tax paid to another governmental agency, Bloomfield Homes has agreed to pay a Use Tax to the City of Anna on the sale of building materials used inside the city limits. As consideration for paying the Use Tax, and to offset the administrative costs, the City has agreed to reimburse a portion of the Use Tax to Bloomfield Homes. The reimbursement grant for FY 2018 is estimated at \$18,240.

FY18 PROPOSED ADMIN BUDGET



Admin Expenditure Summary

	2016	2017	2018		
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SUPPLIES	\$8,103	\$10,550	\$8,100	\$8,900	-15.64%
MAINT	\$6,727	\$14,100	\$14,100	\$8,100	-42.55%
SERVICES	\$265,289	\$281,034	\$291,676	\$348,962	24.17%
CAP EX	\$0	\$0	\$11,370	\$0	0.00%
TOTAL	\$280,119	\$305,684	\$325,246	\$365,962	19.72%

10-403 City Council

Purpose / Description

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

New & Noteworthy for FY 2018

- The City Council computer tablets will be replaced in FY 2018

FY 2018 PROPOSED CITY COUNCIL BUDGET



City Council Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
SUPPLIES	\$2,273	\$3,500	\$2,500	\$9,500	171.43%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$14,315	\$26,525	\$28,771	\$27,125	2.26%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$16,588	\$30,025	\$31,271	\$36,625	21.98%

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's Office includes an Assistant to the City Manager and the Human Resources Manager. The Assistant to the City Manager serves as the City's public relations manager, and provides oversight of the City's Economic and Community Development Corporations.

FY 2017 Accomplishments

- Managed implementation of the FY 2016-2017 Budget and Strategic Goals
- Worked with the City Council on an update of the City's Strategic Plan and on the development of organizational Guiding Principles, Vision and Mission Statements
- Completed the community branding project
- Redesign the City website and optimize interface for mobile devices/tablets (ongoing)
- Partnered with the economic development corporations on the purchase and development of land for a new business park
- Coordinated successful election to reallocate the local option sales tax to increase funding for street and transportation projects
- Coordinated acquisition of easements for critical infrastructure projects
- Continued coordination with TxDOT and other governmental partners on priority transportation projects including the reconstruction of FM 455 and US 75
- Develop financing plan and schedule for: reconstruction of Fire Station #1, construction/expansion of Police department facilities, and construction of new city offices (ongoing)
- Implemented an employee performance measurement and applicant tracking module
- Initiated an employee engagement survey, and implemented new employee recognition programs and changes to personnel policies in response to the survey
- Standardized the new employee orientation and onboarding programs
- Adopted new options for employees to invest in a tax-deferred retirement program

FY 2018 Objectives

- Manage implementation of the FY 2017-2018 Budget and Strategic Goals
- Continue to promote fiscally responsible practices in the management of city operations
- Implement the new community brand
- Ensure quality and timeliness of website and social media content
- Partner with the economic development corporations and pursue activities and projects that promote business and the job growth within the City of Anna
- Coordinate timely completion of water and sewer capital projects
- Complete bond sale to fund new street and transportation projects
- Complete bond sale to fund construction of new community and municipal facilities
- Commence architectural design for new community and municipal facilities as directed by the City Council
- Continue coordination with TxDOT and other governmental partners on priority transportation projects including reconstruction of US 75 and future reconstruction of State Highway 5
- Continue implementation of programs to improve employee engagement
- Expand the employee orientation and onboarding programs
- Implement time and attendance program to streamline bi-weekly payroll processes

New & Noteworthy for FY 2018

- The Human Resource Manager position moved from Finance Department to the City Manager's Office
- A full-time CDC Chief Administrative Officer will be hired to manage the City's economic development efforts and provide staff support to the Community Development Corporation. This new position will be funded in the Community Development Corporation Budget
- The Assistant to the City Manager position will manage the City's public relations and marketing efforts and will supervise the CDC Chief Administrative Officer
- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments

FY 2018 PROPOSED CITY MANAGER OFFICE BUDGET



City Manager Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$301,107	\$310,645	\$312,046	\$401,938	29.39%
SUPPLIES	\$837	\$1,200	\$1,500	\$0	-100.00%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$7,643	\$10,000	\$12,750	\$15,550	55.50%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$309,587	\$321,845	\$326,296	\$417,488	29.72%

City Manager FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
City Manager	1	1	1	1	1
Assistant to the City Manager	0.5	0.5	0.5	0.5	1
EDC/CDC Director	0.5	0.5	0.5	0.5	0
HR Manager	0	0	0	0	1
Receptionist	0.5	0.5	0.5	0.5	0.5
TOTAL	2.5	2.5	2.5	2.5	3.5

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 2017 Accomplishments

- Fully implemented agenda management program
- Coordinated the May 2017 General Election
- Implemented program for more efficient responses to Public Information Requests
- Provided support to the City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings
- Provided support to City Staff by ensuring official City documents are accessible

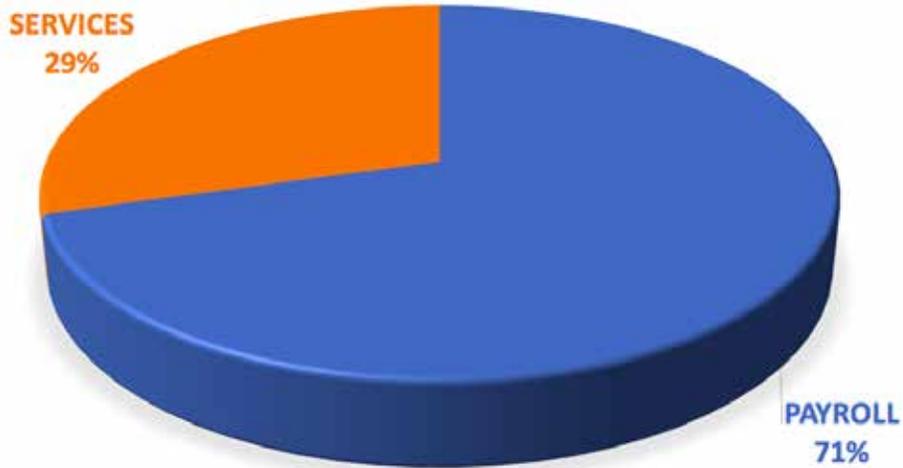
FY 2018 Objectives

- Continue to digitize municipal records
- Conduct May 2018 General Election
- Continue to provide support to City Council by attending all public meetings and hearings, and keeping minutes of the proceedings of all public meetings and hearings

New & Noteworthy for FY 2018

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

FY18 PROPOSED CITY SECRETARY BUDGET



City Secretary Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$92,240	\$94,888	\$94,682	\$101,039	6.48%
SUPPLIES	\$0	\$700	\$550	\$650	-7.14%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$14,641	\$31,259	\$32,109	\$42,149	34.84%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$106,881	\$126,847	\$127,341	\$143,838	13.39%

City Secretary FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
City Secretary	1	1	1	1	1
TOTAL	1	1	1	1	1

City Secretary Performance Measures

Records Management

The program is to preserve, protect and manage City records making them accessible and maintained efficiently and cost-effectively, in compliance with state and city laws. Daily the City creates new records that require archiving.

- Successfully disposed 46 boxes of expired records in accordance with state and federal laws.
- Continuing work on records management policies and procedures for City departments.

	2016	2017	2018
Training Sessions Provided	0	0	2
Department Inventory	0	1	1
Number of Resolutions	128	125	130
Number of Ordinances	28	23	30

Public Information Requests

In order to assure professional and timely processing of PIR's, The Assistant City Attorney and the City Secretary work with other departments to ensure compliance with state and city laws.

- Completed a total of 360 public information requests in FY 2017, a 16.9% increase over last year.

Performance Measure	2016	2017	2018 est.
Percentage of Open Records Requests Responded to within 10 days	100%	100%	100%

Boards and Commissions

The City Secretary's Office coordinates the annual Board appointment process including training of newly appointed and reappointed Board members regarding laws and procedures relating to their appointment.

Performance Measure	2016	2017	2018
Percentage of Newly Appointed and Reappointed Board Members	100%	100%	100%
Percentage of Appointees Completing Open Meetings Training required by the Open Meetings Act	100%	100%	100%

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 2017 Accomplishments

- Received the GFOA Distinguished Budget Presentation Award
- Submitted the Comprehensive Annual Financial Report for the GFOA Certificate of Achievement for Financial Excellence in Reporting
- Worked with the IT contract company to establish a replacement schedule for IT items
- Improved internal controls
- Improved efficiency in financial reporting
- Began restructuring bank accounts and general ledger accounts to work toward establishing pooled cash
- Received a “clean” audit for the fiscal year ending FY 2016
- Continued to work to ensure financial transparency

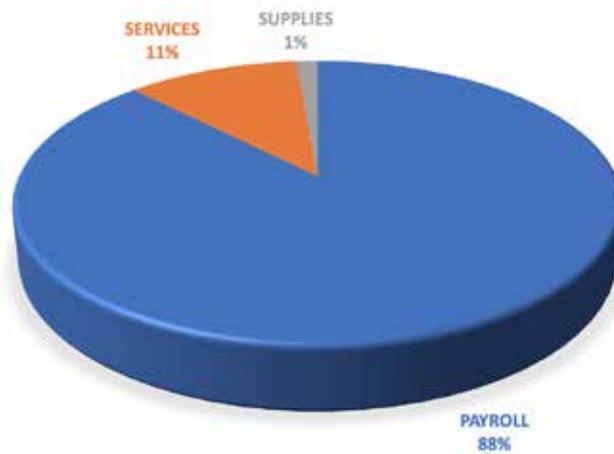
FY 2018 Objectives

- Continue to work toward improved efficiencies in processes
- Maintain GFOA budget and CAFR awards
- Evaluate financial management, and reporting software needs of the City, and make recommendations for upgrades and new software as necessary
- Partner with a fleet management company to better manage and budget for vehicle maintenance, purchases, and replacement
- Continue to evaluate and improve internal controls
- Finalize pooled cash accounting which will allow the City to increase interest revenue earned
- Create a Quarterly Financial Report
- Complete review of financial policies and procedures and develop a Financial Procedures Manual
- Finance Director to obtain the Certified Government Finance Officer Certification

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City’s costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- An Accounting Technician position has been added to help process accounts payable and keep up with growing demand for service.
- The Human Resource Manager position moved from Finance Department to the City Manager’s Office

FY 2018 PROPOSED FINANCE BUDGET



Finance Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
PAYROLL	\$346,641	\$367,571	\$310,600	\$375,712	2.21%
SUPPLIES	\$3,320	\$5,300	\$6,924	\$5,950	12.26%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$53,561	\$60,005	\$68,874	\$46,778	-22.04%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$403,522	\$432,876	\$386,398	\$428,440	-1.02%

Finance FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Finance Director	1	1	1	1	1
Accountant II	0	1	1	1	1
Finance/Budget Analyst	0	1	1	1	1
Account Technician	0	0	0	0	1
HR Manager	0	0	0	1	0
HR Administrator	0	1	1	0	0
Finance/HR Supervisor	1	0	0	0	0
HR Coordinator/Finance Asst	1	0	0	0	0
TOTAL	3	4	4	4	4

FINANCE DEPARTMENT PERFORMANCE MEASURES

Financial Management

To ensure long-term financial success of the City, sufficient reserves are required to maintain City operations through unforeseen events. The City policy for the General Fund is to maintain a minimum of 25% of total appropriations in the Unassigned Fund Balance category, as well as 25% of total appropriations in the Utility Fund. This is also a critical element utilized by bond rating agencies in determination of the City’s bond rating. Financial planning and conservative budgeting has allowed the City to maintain reserves well above the goal of 25%. Since FY 2017, the City growth of the City has also allowed for the Utility Fund to reach the goal of 25%.

GENERAL FUND	2016	2017 Est.	2018 Est.
Total Expenditures	\$5,341,317	\$6,103,954	\$7,492,871
Ending Unassigned Fd Balance	\$3,114,627	\$4,288,179	\$4,288,179
% of Total Appropriations	58.3	68.8	57.2
G.O. Bond Rating:			
Moody's Investor Service	A1	A1	Aa3
Fitch	A	AA-	AA-
UTILITY FUND 2016	2016	2017 Est.	2018 Est.
Total Expenditures	\$ 6,873,924	\$ 8,228,005	\$8,367,438
Working Capital (Excluding GTUA)	\$ 1,416,607	\$ 2,491,557	\$ 2,491,557
% of Total Appropriations	20.6	30.3	29.8

Awards

The City’s submits its’ Annual Budget document to be judged against criteria set by the Government Finance Officers Association (GFOA). The budget document is evaluated on how well it serves as a policy document, a financial plan, an operations guide, and as a communication device. The City plans to continue its participation in this program and others in future years.

	2015	2016	2017
Reporting Distinguished Budget Presentation Award			

Although not an award, but an indication of the value of financial management the City, the external audit for the period ending September 30, 2016 resulted in no deficiencies or “management comment items”.

10-420 Development

Purpose / Description

The Development Department promotes sustainable development consistent with the City's Strategic Plan 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 2017 Accomplishments

- Initiated update to the City's Comprehensive Plan
- Improved development review process by providing a predictable and consistent review and reporting schedule
- Conducted semi-annual (or as needed) meetings with builders to discuss procedure changes and to listen to and address concerns.
- Submitted application for TxDOT Green Ribbon program
- Assisted with submission of the Transportation Alternatives Program grant application

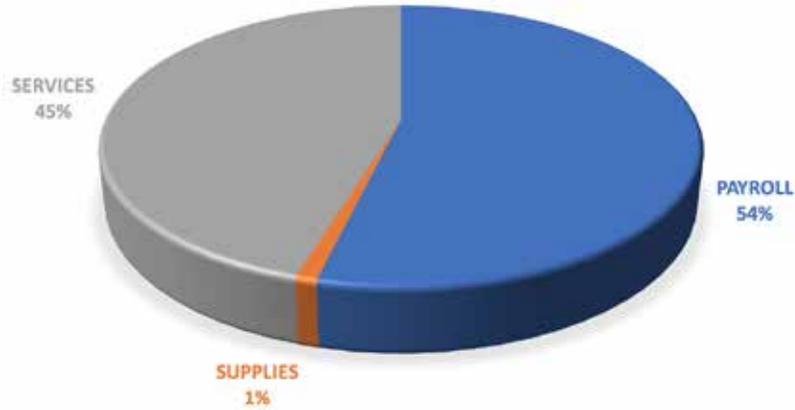
FY 2018 Objectives

- Continue and complete update of the City's Comprehensive Plan
- Continue to improve and streamline process for the issuance of permits and processing development applications.
- Develop a Downtown Wayfinding Plan consistent with our Strategic Plan
- Draft development regulations for the downtown district consistent with the updated Comprehensive Plan
- Develop schematic design for 4th Street streetscape improvements.

New & Noteworthy for FY 2018

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

FY 2018 PROPOSED DEVELOPMENT BUDGET



Development Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$288,232	\$324,419	\$318,318	\$335,771	3.50%
SUPPLIES	\$5,302	\$4,920	\$4,710	\$6,180	25.61%
MAINT	\$513	\$2,800	\$800	\$2,800	0.00%
SERVICES	\$346,394	\$225,498	\$350,208	\$282,567	25.31%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$640,442	\$557,637	\$674,036	\$627,318	12.50%

Development FTE Schedule

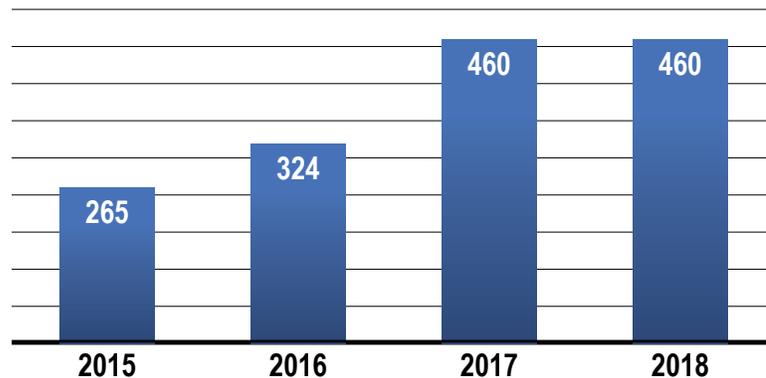
Description	FY14	FY15	FY16	FY17	FY18
Director of Planning	1	1	1	1	1
Planner II	1	1	1	1	1
Planner I	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
TOTAL	4	4	4	4	4

Development Performance Measures

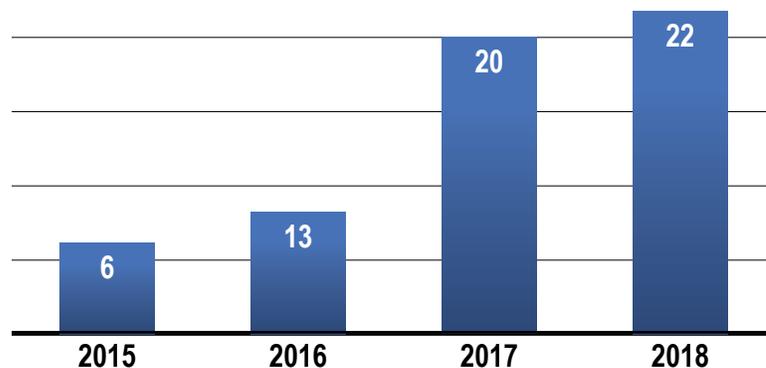
Building Permit Plan Review Time

Developers and individuals who desire to do construction projects must fill out a permit application and submit plans and other supporting documents, which are reviewed by the permit staff and a plans examiner. This is the application procedure when applying for any type of building permit in the City of Anna. The goal is to provide for regulated growth with quality assurance, comply with all applicable building codes and city regulations, and build relationships with excellent customer service. While single-family development made up most of the work load for many years, the division now works with a much more diverse project load. Plan review is our opportunity to make sure that compliance is achieved with all applicable building, local, and life safety code requirements before proceeding with construction.

SINGLE FAMILY PERMITS RECEIVED



COMMERCIAL PERMITS RECEIVED



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 2018 PROPOSED ANIMAL CONTROL BUDGET



New & Noteworthy for FY 2018

No changes expected for FY 2018

Animal Control Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
SERVICES	\$48,866	\$56,799	\$56,799	\$56,799	0.00%
TOTAL	\$48,866	\$56,799	\$56,799	\$56,799	0.00%

10-543 Fire

Purpose / Description

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

FY 2017 Accomplishments

- Conducted 4th annual Operation Santa
- Developed Department Honor Guard Program
- Completed hydrant testing, mapping & painting
- Continued emergency management training with City Staff
- Hosted seven firefighting education and training courses provided by TEEX & Collin College.
- Applied for and received thirteen training grants from the Texas Forest Service

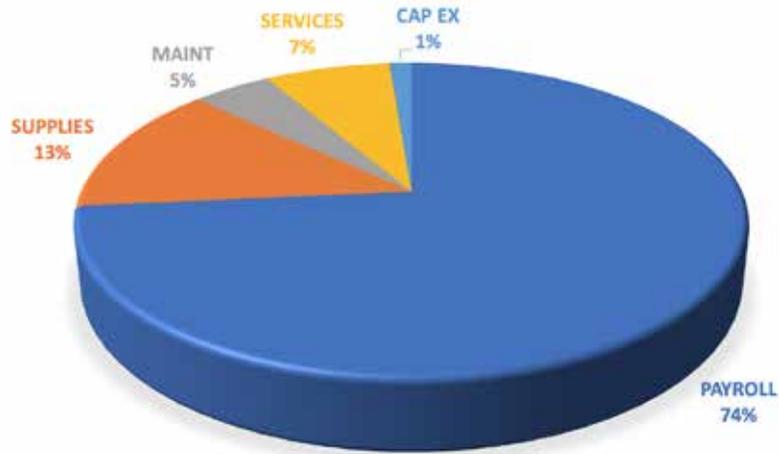
FY 2018 Objectives

- Begin the process to become a recognized Department through the Texas Fire Chief's Association Best Practices Recognition program
- Review & Update fire prevention and safety programs
- Continue to provide Emergency Management training to City staff
- Continue to assist Public Works with fire hydrant mapping and testing
- Enhance professional staff development
- Maintain a proactive EMS program
- Continue to recruit and develop quality personnel

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments for administrative staff
 - Funding to reclassify and increase pay for Firefighter and Fire Captain positions based on market wage study
- A Deputy Fire Chief will be added to Fire Department to oversee life safety operations and to assist the Chief with overall administrative responsibilities
- A day-time Firefighter position will also be added to improve personnel coverage during the day and on weekends
- Funding to provide enhanced health screenings for employees and volunteers

FY 2018 PROPOSED FIRE BUDGET



Fire Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$539,184	\$711,391	\$693,750	\$807,835	13.56%
SUPPLIES	\$66,796	\$134,320	\$130,500	\$147,900	10.11%
MAINT	\$37,170	\$41,100	\$39,500	\$50,000	0.00%
SERVICES	\$65,813	\$71,350	\$64,428	\$79,310	11.16%
CAP EX	\$0	\$8,000	\$8,000	\$13,994	0.00%
TOTAL	\$708,963	\$966,161	\$936,178	\$1,099,039	13.75%

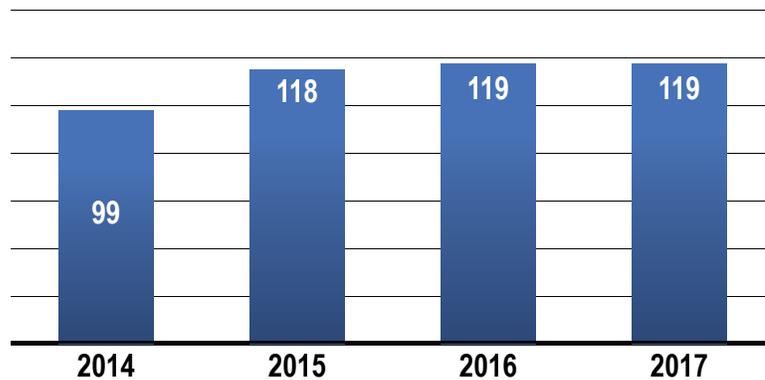
Fire FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Fire Chief	1	1	1	1	1
Deputy Chief	0	0	0	0	1
Fire Marshal/Code Enf Officer	1	1	1	1	1
Fire Shift Captain	3	3	3	3	3
Fire Fighter Day Shift	0	1	1	1	2
Fire Fighter	1	1	1	3	3
TOTAL	6	7	7	9	11

Fire Department Performance Measures

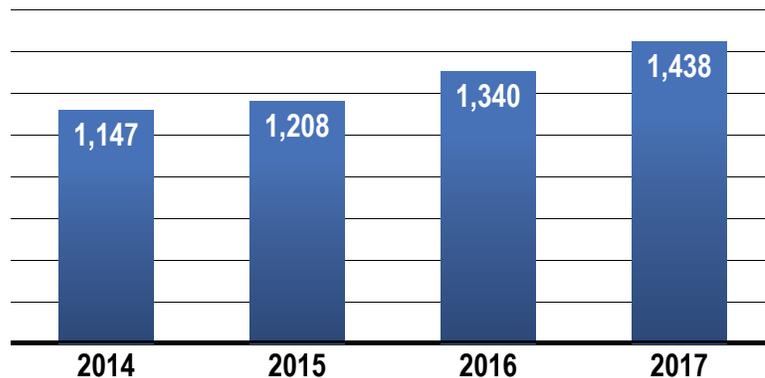
The Fire Marshal inspects new buildings as part of the process to certify them for occupancy. The Fire Department reviews building plans before construction to ensure that the building will be constructed with proper fire safety systems such as sprinkler systems, alarm systems, exits, and fire mains. In addition, to ensure that all citizens and visitors are safe, the Fire Department will inspect all commercial, retail and assembly occupancy structures annually.

INSPECTIONS COMPLETED



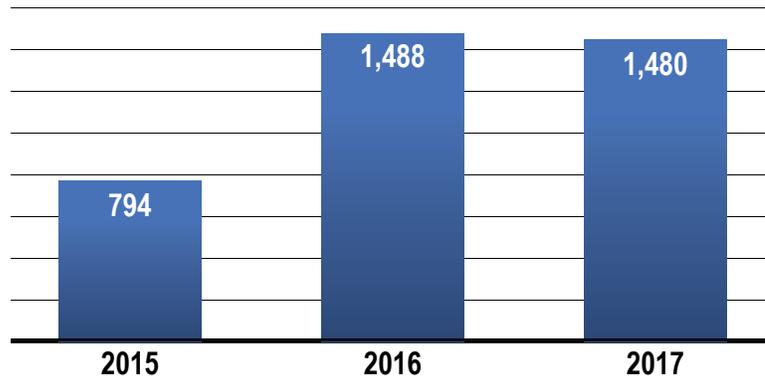
In order to ensure that all citizens are protected by a quality service, the Fire Department will respond safely and efficiently to all incidents inside our response area. As the chart below reflects, the number of incidents continue to increase as the population continues to grow. This is projected to continue into the future. The incidents in the chart below reflect calls for fires, gas leaks, chemical spills, accidents, and public assistance.

TOTAL INCIDENTS



The Fire Department strives to recruit professional firefighters. In order to maintain training and educational requirements full-time firefighters are required to maintain twenty hours of professional training annually.

TRAINING HOURS



Performance measures are set upon our Department Mission Statement which is:

Provide a quality service to our customers through: Dedication, Training and Professionalism

10-544 Ambulance

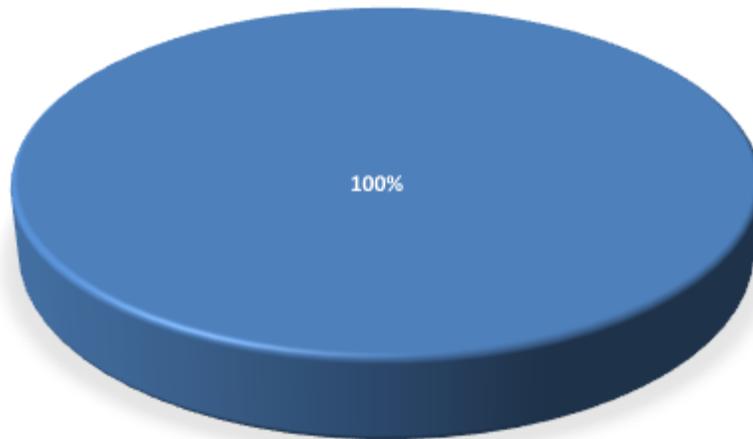
Purpose / Description

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.

New & Noteworthy for FY 2018

No changes expected for FY 2018

FY 2018 PROPOSED AMBULANCE BUDGET



Ambulance Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SERVICES	\$135,968	\$143,173	\$143,173	\$142,270	-0.63%
TOTAL	\$135,968	\$143,173	\$143,173	\$142,270	-0.63%

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 2017 Accomplishments

- Hosted annual National Night Out and Child ID fair
- Participated in and supported Anna Glow Fest, Christmas Parade, and Fourth of July events
- Participated with AISD in book reading and bully prevention programs
- Participated in National Click-it or Ticket Campaign
- Participated in TxDOT's Impaired Driver program (DWI Enforcement campaigns)
- Replaced in car video system and mobile computers in police vehicles
- Continued the SRO program in partnership with Anna ISD
- Completed the radio compliance upgrade project
- One-half of the Department's Officers received mental health crisis intervention (CIT) certification
- Received grant funds to create a new Family Violence/Child Abuse Investigator position
- Restructured the Police Department pay plan to include an annual step increase for Officer, Sergeant and Lieutenant positions

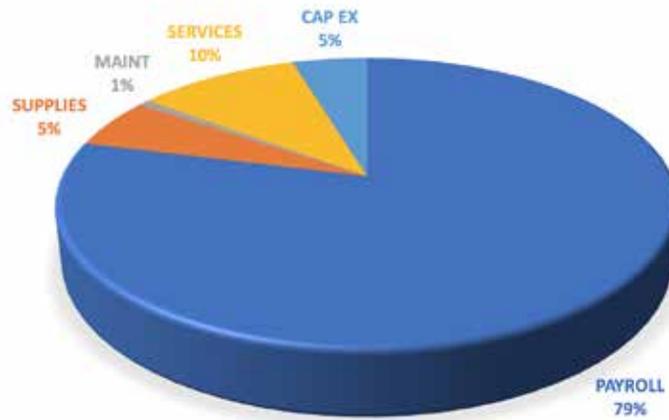
FY 2018 Objectives

- Host annual Child ID Fair
- Continue participation in National Night Out, Glow Fest, July 4th, and the Christmas Parade events
- Complete mental health crisis intervention training (CIT) certification for all Police Officers
- Investigate partnership with Boy Scouts of America to establish a Police Explorer Post
- Review internal Department Policies and update as necessary
- Continue efforts to become a recognized Department through the Texas Police Chiefs Association Best Practices Recognition program

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
 - Funding for step increases for Officer, Sergeant and Lieutenant positions
- Two Police Sergeant positions will be added to the Police department to provide needed supervision during the day and weekend shifts.
- One SRO position that was previously funded by Anna ISD will be eliminated. The new Anna ISD Police department will begin hiring their own SRO's.

FY 2018 PROPOSED POLICE BUDGET



Police Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$1,319,878	\$1,510,637	\$1,420,772	\$1,518,140	0.50%
SUPPLIES	\$80,155	\$110,841	\$107,385	\$106,953	-3.51%
MAINT	\$34,022	\$11,000	\$13,000	\$14,000	27.27%
SERVICES	\$131,013	\$170,793	\$167,398	\$194,433	13.84%
CAP EX	\$149,380	\$110,612	\$110,612	\$89,609	-18.99%
TOTAL	\$1,714,448	\$1,913,883	\$1,819,167	\$1,923,135	0.48%

Police FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
<i>Police Chief</i>	1	1	1	1	1
<i>Records Administrator</i>	1	1	1	1	1
<i>Police Lieutenant</i>	0	1	1	1	1
<i>Police Sergeant</i>	1	2	2	2	4
<i>Police Officer</i>	10	10	9	9	9
<i>Child & Family Violence Inv.</i>	0	0	0	1	1
<i>School Resource Officer</i>	0	0	2	2	1
TOTAL	13	15	16	17	18

Police Department Performance Measures

Crime Rates

Each year, cities and police departments throughout the country calculate, examine and make necessary changes in reporting the previous year's crime rate statistics. Generally, crime trends in America are based upon two factors:

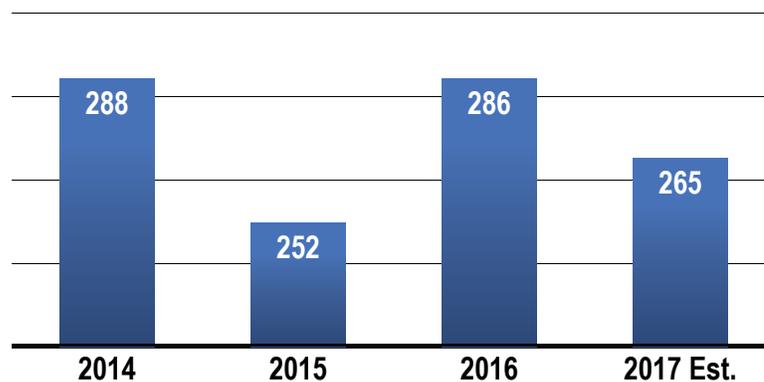
- Crime Volume – the aggregate sum of the Crime Index; and
- Crime Rates – the rate at which crimes are expressed as a number per 1,000 residents. This figure compensates for the changes in population.

Projections for 2017 are based on prior call history, projections made by the department and other factors.

Part I Crimes (Major Crimes)

In the 2016 calendar year, the Anna Police Department experienced an increase in Part I crimes, then in 2017 saw a decrease of approximately 7%. Part I crimes are those serious offenses which include Murder, Rape, Aggravated Assault, Robbery, Arson, Burglary, Larceny-Theft and Motor Vehicle Theft. Part II crimes generally refer to those crimes that include, but are not necessarily limited to Forgery, Fraud, Stolen Property, Criminal Mischief, Liquor Law violations and Weapons offenses.

PART I CRIMES



*Statistical information based on reports from various information sources

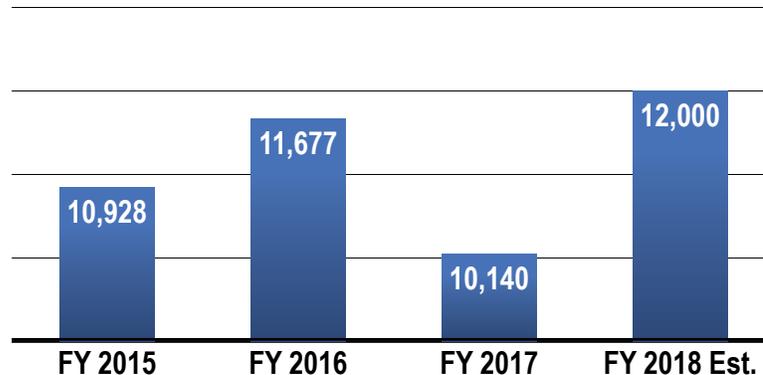
**Numbers are based on data accumulated in a calendar year and are typically posted the following year.

The City of Anna experienced an increase of roughly 13.5% in the Uniform Crime Index-defined Part 1 crimes from 2015. The increase is based upon raw number comparisons. Many of the Part 1 offenses are considered “crimes of passion” or heat of the moment type incidents, which in most cases, cannot be predicted. The unpredictability of these crimes adds to the difficulty of reducing or preventing such offenses. The increase correlates with the higher number of calls for service and increased population; however, the number of Part 1 crimes remain consistent and represent the Police Department’s proactive community commitment. Anna continues to rate among the top 25 “Safest Places to Live in Texas” according to three different surveys.

Calls for Service / Self-Initiated Activity

Fiscal year 2017 experienced a 13% decrease in total calls for service and officer self-initiated activity as follows:

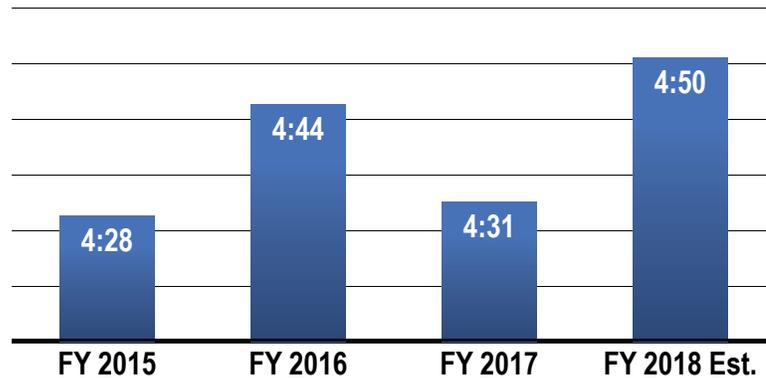
CALLS FOR SERVICE



The decrease is attributed to officers being assigned more dispatched calls for service resulting in the officers having less time for self-initiated activities such as traffic enforcement, preventative patrols, and self-initiated investigations/follow ups. Another factor contributing to this decline is a result of staffing shortages due to injuries, illnesses, and turnover.

AVERAGE RESPONSE TIME

In Minutes

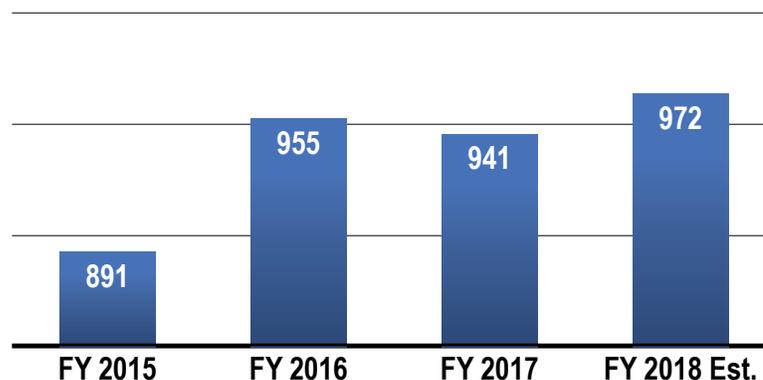


Average response time is generally determined from the time Collin County dispatch receives the initial call to the time the officer arrives on scene. Because of multiple variables that occur outside of our agency's control, including the number of minutes the call sits "pending" in the queue and the number of minutes it takes the call taker to gather necessary information, our listed response times are measured from the time dispatch airs the call to the time the officer arrives on scene. The goal is to maintain an average response time under five (5) minutes. Response time is affected by the amount of time an officer remains on a call for service and the number of officers available to take calls at any given time.

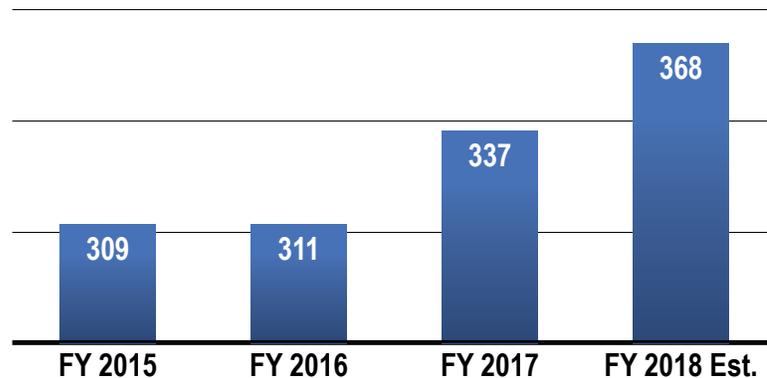
Offense Reports and Arrests

The Anna Police Department continually examines the number of offense and information reports officers submit and the number of arrests made. While Part I crimes measure only a few offense categories, the total number of reports submitted provides a better summary of the crimes and incidents that occur in the city. The increase from 2015 to 2016 is representative of the calls for service and is in part related to the increase in arrests made during the same period. In 2017, the City experienced a slight decrease in reportable offenses; however, the number of cases that resulted in or required an arrest increased 9% over the three-year period. The increase is partly attributed to the population growth, but more importantly is a result of investigators effectively clearing more crimes by arrest.

REPORTS SUBMITTED



ARRESTS MADE

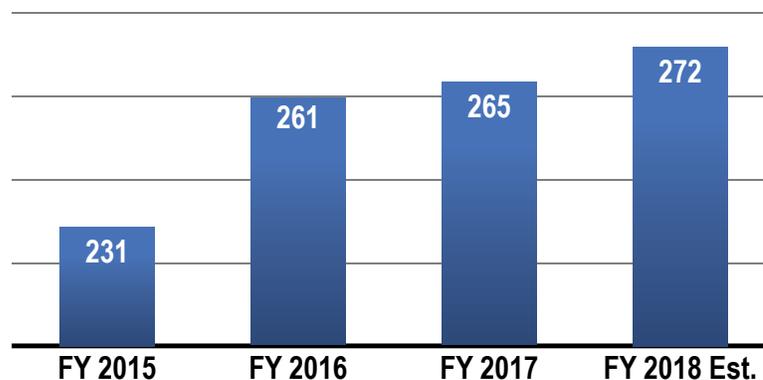


Although we make every attempt to use arrest as a last resort, it is a measurement of police officer activity. In FY 2018, we are projecting the number of arrests to increase as call demand increases.

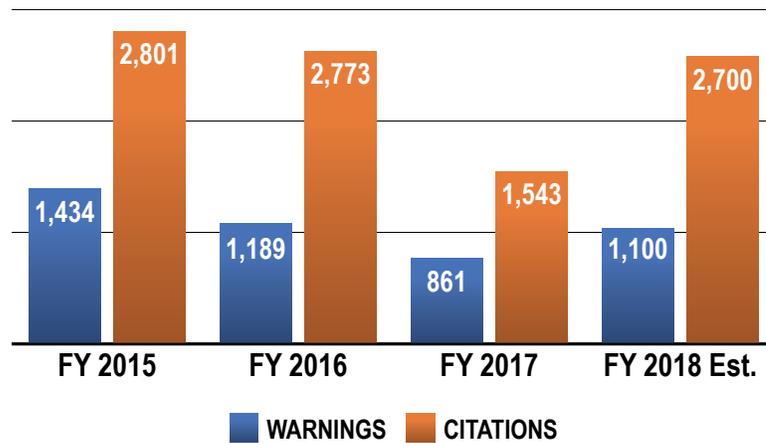
Traffic

As the City and surrounding areas continue to grow, so does traffic volume. The higher the volume the greater the chances for traffic crashes. The chart below represents the number of traffic crashes our police officers submitted to TxDOT, and does not represent the number of crash related calls for service Anna police officers responded to. Crashes under \$1,000 and those on that occur on private property are examples of crashes where an officer responds, but may not take a report. With the number of roadway construction projects on-going in the City, we anticipate the number of crash related calls for service will increase in FY 2018.

ACCIDENT REPORTS SUBMITTED



CITATIONS & WARNINGS ISSUED



Citations are also monitored by the department. The goal of traffic enforcement related activities is to educate the motoring public of the dangers associated with negative driving behaviors. In FY 2017, Anna police officers investigated three fatality accidents where the primary causes were speed and drive inattention.

The department received numerous complaints throughout the City from home owners, businesses, and home owner associations relating to traffic complaints, most often speeders and persons who disregard traffic control devices (stop signs/stop lights). In FY 2017, the City experienced a decrease in citations and warnings issued, not because of a lack of traffic volume, but because of staffing shortages and the amount of available time officers were able to dedicate to traffic enforcement related activities. There is an increase in the projected number of citations for FY 2018 because of the increased traffic volume and increased staffing levels.

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 2017 Accomplishments

- Continued to work with AMS and the Police Department on collection of warrants
- Continued to partner with a collection agency to increase warrant collections
- Improved reliability of court data and payment service on kiosk
- Cross trained UB office staff to help with the processing of cases
- Increased community awareness of Municipal Courts' Week

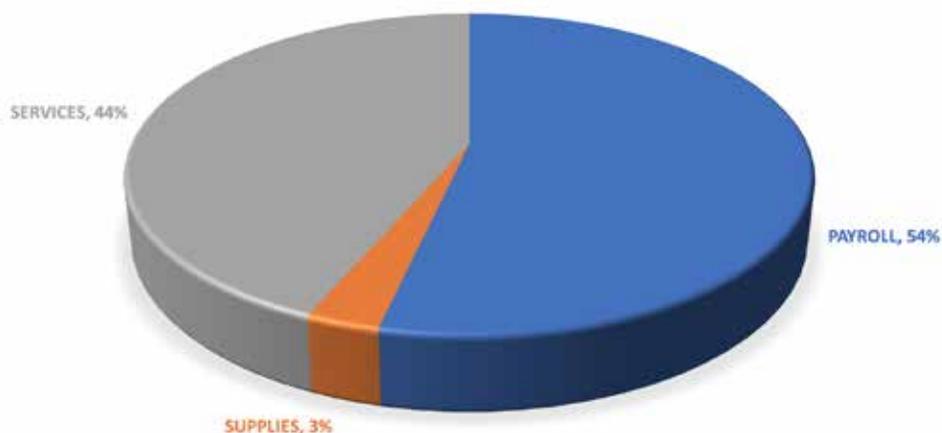
FY 2018 Objectives

- Continue work towards Level III Court Certification
- Implement and plan to participate in the Texas Warrant Round-up
- Continue to work with AMS and the Police Department on collection of warrants
- Evaluate system to allow defendants to receive notification of citation and pay ticket via smartphone

New & Noteworthy for FY 2018

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

FY 2018 PROPOSED COURT BUDGET



Municipal Court Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$65,357	\$68,164	\$67,507	\$71,518	4.92%
SUPPLIES	\$4,398	\$4,950	\$3,800	\$3,950	-20.20%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$40,664	\$49,112	\$56,044	\$58,105	18.31%
CAP EX	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$110,420	\$122,226	\$127,351	\$133,573	9.28%

Municipal Court FTE Schedule

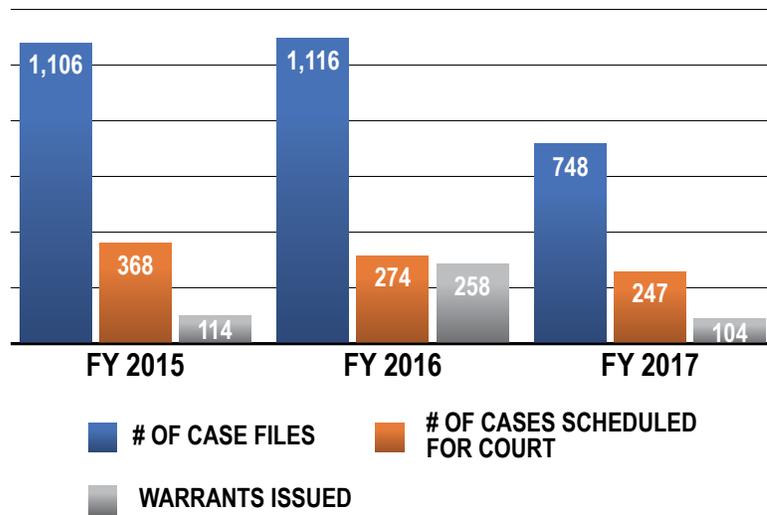
Description	FY14	FY15	FY16	FY17	FY18
<i>Court Administrator</i>	0	1	1	1	1
<i>Municipal Court Clerk</i>	1	0	0	0	0
TOTAL	1	0	0	0	0

Municipal Court Performance Measures

Traffic offenses constitute the majority of the total tickets issued. The Municipal Court also receives tickets for theft under \$100, animal violations, and code enforcement violations. The following chart outlines the population, cases filed, tickets issued, warrants issued, and revenue per fiscal year (FY).

FY	Population	Cases Filed	% Cases Closed	Warrants Issued	% Warrants Closed	Rev
2016 - 2017	11,320	753	74.1%	118	73.7%	\$73,918
2015 - 2016	10,980	1,119	65.5%	258	37.2%	\$94,344
2014 - 2015	10,350	1,106	75.1%	114	60.5%	\$103,663
2013 - 2014	9,360	751	75.6%	150	52.0%	\$75,146

ACTIVITY WORKLOAD



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 2017 Accomplishments

- Develop plans for and construct a new Parks Department office, breakroom and restroom at Natural Springs Park (on going)
- Applied for grant funding for improvements to Natural Springs Park through the Collin County Parks and Open Space Grant Program and was awarded \$45,000 for trails
- Improved the maintenance and operation of existing parks and facilities
- Constructed new entry feature for Slayter Creek Park
- Constructed drainage improvements at Natural Springs Park
- Processed over 50 Pavilion/Gazebo/field rentals.
- Constructed drainage improvements along Slayter Creek Trail

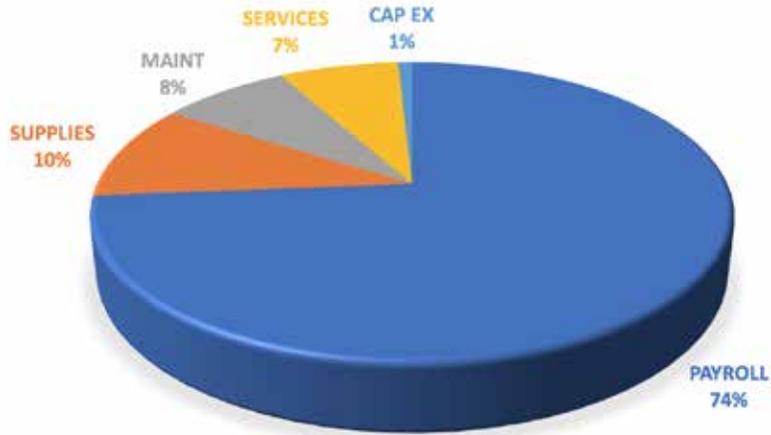
FY 2018 Objectives

- Continue to improve the maintenance and operation of existing parks and facilities to create an excellent customer experience
- Make improvements to Natural Springs Park (ponds, restrooms, parking areas, office space)
- Continue to evaluate feasibility of City recreation programs (youth and adult)
- Repairing trail surface in several areas of Slayter Creek Park

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- Two Parks Maintenance Workers will be added in the Parks Department to assist with maintenance and to help improve the aesthetic appeal of our parks.

FY 2018 PROPOSED PARKS BUDGET



Parks Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$149,264	\$256,205	\$232,310	\$358,171	39.80%
SUPPLIES	\$40,052	\$44,950	\$46,500	\$50,050	11.35%
MAINT	\$33,984	\$32,000	\$32,000	\$38,200	19.38%
SERVICES	\$42,525	\$37,986	\$37,810	\$35,246	-7.21%
CAP EX	\$0	\$0	\$0	\$4,085	0.00%
TOTAL	\$265,825	\$371,141	\$348,620	\$485,752	30.88%

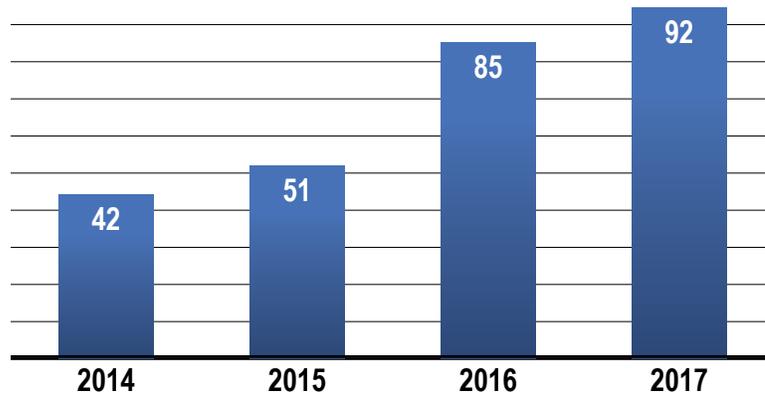
Parks FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
<i>Parks Superintendent</i>	1	0	1	1	1
<i>Maintenance Worker II</i>	0	0	0	1	0
<i>Maintenance Worker I</i>	1	1	1	2	4
<i>Crew Leader - Parks</i>	0	1	1	0	1
<i>Seasonal Laborer</i>	1	0	1	1	1
TOTAL	3	2	4	5	7

Parks Department Performance Measures

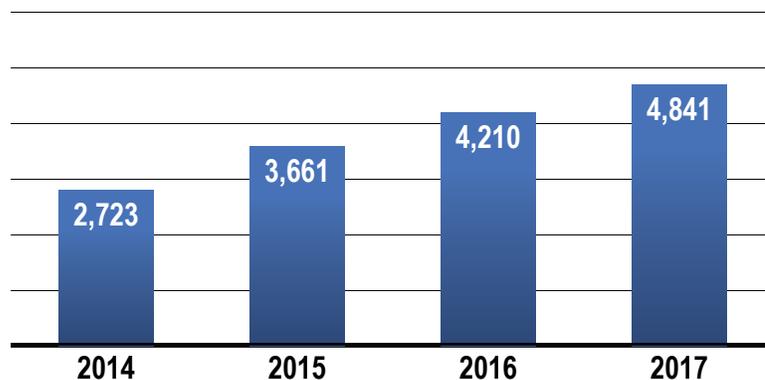
The City of Anna parks facilities are used for a variety of functions that include rentals of the pavilion, gazebos, softball fields, baseball fields and special events.

OF RENTALS



Maintenance of parks has a large effect on the aesthetic value of a city, as well as the experience for the citizens. Parks grounds are maintained on a weekly basis and consist of approximately 4,841 acres per year. During FY 2017, the increase is due to the City mowing earlier in the year due to warm weather and having additional staff to provide the attention required for well-groomed grounds. In addition to the park acres, the department also maintains city right-of-way's, medians, well sites, railroads and city buildings. Grounds maintained for each year is the total number of acres for all sites times the frequency. During FY 2017, 191 acres were maintained on a weekly basis. Depending on weather and the season every acre may get mowed 2-3 times a month depending on growth rates/weather patterns. City buildings also are maintained on a weekly basis.

ACRES OF PARKS / GROUNDS MAINTAINED



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 2017 Accomplishments

- Continued street audit with MicroPaver auditing software.
- Purchased new roller for large asphalt repairs.
- Sidewalk repairs formerly completed by contractors are now completed in-house.
- Continued street sign replacement for TMUTCD compliance.
- Reconstructed Fern Street and 3rd Street.
- Completed preliminary engineering for drainage and road improvements at Easton and 4th.
- Completed temporary repairs on Pecan Grove creek erosion.
- Assisted Parks with implementation of drainage improvements at Slayter Creek Park.
- Coordinated with Collin County on the reconstruction of CR 370 to two-course asphalt.
- Developed engineering and construction plans for improvements to Hackberry Lane between SH 5 and Slayter Creek.

FY 2018 Objectives

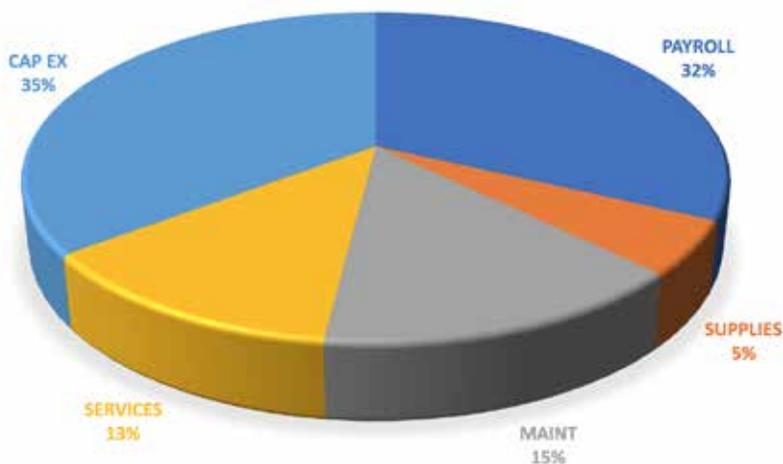
- Adopt erosion control and storm drainage design manual.
- Develop an Adopt-A-Street program.
- Work with TxDOT, NCTCOG and the RTC to secure funding for priority local street projects including:
 - o Ferguson Road between Taylor and the Collin County Outer Loop
 - o Hackberry Ln. between SH 5 and Slayter Creek
 - o Rosamond Parkway between AHS and US 75
- Complete street and regulatory sign compliance by 2018 calendar year per TMUTCD.
- Begin preliminary work in preparation for the City of Anna becoming an MS4 in 2020.
- Develop Stormwater Master Plan.

New & Noteworthy for FY 2018

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

- Three (3) new positions, a Superintendent, a Maintenance Worker, and a Traffic Safety Technician, will be added to the Streets Department to increase staffing and the technical capability of Streets Department. The Traffic Safety Technician will be responsible for maintaining street lights in neighborhoods served by GCEC.
- New revenue from the sales tax reallocation election (estimated at \$336K for FY 2018) will be budgeted in the Streets Department for the following projects:
 - o Engineering necessary for the bidding and construction phase of the Hackberry Ln. reconstruction project (between SH 5 and Slayter Creek) - \$23,090
 - o Chip and seal overlay project on existing streets - \$100,000
 - o Capital improvements for streets - \$213,236
 - o In the event there is any remaining funds at the end of the fiscal year, the funds will be earmarked as an assigned fund balance for streets projects

FY 2018 PROPOSED STREET BUDGET



Street Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
PAYROLL	\$147,707	\$171,187	\$171,900	\$370,874	116.65%
SUPPLIES	\$23,928	\$48,300	\$45,700	\$60,750	25.78%
MAINT	\$149,787	\$84,750	\$80,750	\$168,800	99.17%
SERVICES	\$223,834	\$165,031	\$190,943	\$146,488	-11.24%
CAP EX	\$54,433	\$195,000	\$195,000	\$408,701	109.59%
TOTAL	\$599,689	\$664,268	\$684,293	\$1,155,613	73.97%

Street FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
<i>Streets Superintendent</i>	0	0	0	0	1
<i>Streets Supervisor</i>	0	0	1	1	1
<i>Traffic Safety Technician</i>	0	0	0	0	1
<i>Maintenance Worker I</i>	0	0	2	2	3
TOTAL	0	0	3	3	6

Streets Performance Measures

This division is responsible for providing our citizens with safe and well-maintained transportation and storm conveyance systems. Management of our streets infrastructure includes proactive maintenance, timely repair, and forward planning. These goals are accomplished through effective management and may be measured by our fiduciary financial approach, responsive customer service, and priority mitigation of potential risks to traffic systems.

Performance Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target
Maintain roadways within annual operating budget.	100%	100%	100%	100%	100%
Respond to customer work orders within 1 business day.	80%	90%	95%	98%	100%
Emergency calls responded to within 4 hours.	100%	100%	100%	100%	100%

Restricted Revenue Trusts

The Restricted Revenue Trust Funds are separated in different funds due to being restricted for a specific purpose and to separate these funding sources from operating funds. In prior fiscal years, these funds were incorporated within the General Fund or Utilities Fund. With the exception of Water & Sewer Improvement Funds, 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:

- Special Revenue Fund
- Grant fund
- Eastside Park Trust
- Fire Trust
- Park Trust
- State Seizure and Federal Seizure Funds
- Tax Increment Reinvestment Fund
- Street Capital Improvement Fund
- Water & Sewer Improvement Funds (Impact and Developer Fees)

Special Revenue Fund

These funds are used to account for funds that have external legal restrictions associated with their use. This fund includes the following types of revenues: Court Technology fees, Court Building Security fees, Child Safety fees, and Cable Public Education Government (PEG) Fees.

The Court Technology fees account for a portion of court fines to support the use of technology in

the court room. The FY 2018 budget includes the annual software licensing of the ticket writers. The Building Security fees are 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 Child Safety fees account for a portion of Collin County court fees that can be used to fund various programs designed to enhance child safety as outlined in State Code. As the City does not operate a school crossing guard program, the funds will be used on other public safety programs in accordance with State Code. The FY 2018 budget is being used for the Child Abuse Task Force membership.

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. These funds will be held in reserve until they can support an eligible expenditure. There are no funds budgeted to be spent in FY 2018.

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
COURT TECHNOLOGY FEES	\$3,199	\$3,000	\$1,900	\$1,900	-57.89%
COURT BUILDING SECURITY FEES	\$2,469	\$2,500	\$1,428	\$1,428	-75.07%
CHILD SAFETY FEES	\$11,493	\$10,500	\$10,989	\$10,989	4.45%
PEG FEES	\$9,781	\$0	\$8,400	\$8,400	N/A
TOTAL REVENUE	\$26,941	\$16,000	\$22,717	\$22,717	-11.76%

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
COURT TECHNOLOGY EXP	\$6,730	\$1,500	\$1,720	\$1,720	12.79%
COURT BUILDING SECURITY EXP	\$0	\$3,780	\$3,780	\$4,000	5.50%
CHILD SAFETY EXP	\$7,500	\$8,000	\$8,000	\$8,000	0.00%
PEG EXP	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENSE	\$14,230	\$13,280	\$13,500	\$13,720	3.31%

Grant Fund

The Grant Fund was created in FY 2018 in order to track grant awards previously budgeted in multiple funds in one fund separate from operating funds. Due to the fund being established in FY 2018, only the proposed FY 2018 budget is shown below. The fund is used to account for funds received from other state or federal government agencies that have restricted legal requirements and multi-year budgets. In the event matching funds are required for a grant, the City's matching portion is transferred from the applicable operating fund.

In FY 2018, the grants included in this fund are the Child Abuse Investigator/Family Violence Grant, a School Resource Officer Grant, a S.A.F.E.R. grant to fund two full-time fire fighter positions, grant projects funded through the Texas Forestry Service, and funds from the Law Enforcement Officer Standards and Education, LEOSE funds. LEOSE funds and Texas Forestry Service grants received by the City of Anna will be used for acceptable training programs.

GRANT REVENUE	DEPARTMENT	PROPOSED 2018
CHILD ABUSE/FV INV GRANT	POLICE	\$79,871
SRO GRANT	POLICE	\$84,396
SAFER GRANT	FIRE	\$120,500
LEOSE	POLICE	\$1,479
TX FORESTRY SERVICE GRANT	FIRE	\$8,200
BULLET PROOF VEST GRANT	POLICE	\$1,507
TRANSFER IN GENERAL FUND		\$71,134
TOTAL REVENUE		\$367,087
GRANT EXPENSE	DEPARTMENT	2018
CHILD ABUSE/FV INV GRANT	POLICE	\$106,735
SRO GRANT	POLICE	\$100,825
SAFER GRANT	FIRE	\$146,834
LEOSE	POLICE	\$1,479
BULLET PROOF VEST GRANT	POLICE	\$3,014
TX FORESTRY SERVICE GRANT	FIRE	\$8,200
TOTAL EXPENSE		\$367,087

The Eastside Park Trust

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

Fire Trust

The Fire Trust accounts for voluntary fees negotiated with developers for support of the Anna Fire Department. Fire Trust revenues and expenditures are illustrated below. The FY 2017 budget anticipated a decline in revenues; however, due to the continued growth the City is experiencing, developer fee revenue increased significantly. The FY 2018 budget reflects a conservative estimate for these fees. During FY 2018, it is anticipated that the Fire Trust will be used to purchase necessary tools and equipment.

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
DEVELOPER FEES	\$15,800	\$9,200	\$36,000	\$16,200	76.09%
SALE OF ASSETS	\$0	\$0	\$0	\$0	0.00%
GRANT REVENUE	\$28,572	\$0	\$0	\$0	0.00%
TRANSFERS IN	\$0	\$0	\$0	\$0	0.00%
INTEREST REVENUE	\$385	\$0	\$300	\$0	0.00%
TOTAL REVENUES	\$44,757	\$9,200	\$36,300	\$16,200	76.09%
EXPENDITURES					
	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
TOOLS & EQUIPMENT	\$0	\$0	\$0	\$9,800	0.00%
MACHINERY & EQUIPMENT	\$29,969	\$16,000	\$16,000	\$0	-100.00%
MOTOR VEHICLES	\$66,355	\$0	\$0	\$0	0.00%
OTHER CAPITAL	\$0	\$0	\$8,000	\$0	0.00%
TOTAL EXPENSE	\$96,325	\$16,000	\$24,000	\$9,800	-38.75%

Park Trust

The Park Trust is funded by park development fees as stipulated in either developer agreements or the subdivision ordinance and are used to fund the City's master parks plan through development, improvement, or maintenance of the City's parks. Park Trust revenues and expenditures are illustrated below. Estimated and proposed revenues are the result of building activity in the City. In FY 2018, the proposed expenditures in the Parks Trust include improvements to Natural Springs for the driveway and parking lot and dredging the upper and lower ponds.

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
DEVELOPER FEES	\$115,750	\$150,000	\$513,500	\$193,250	28.83%
GRANT REVENUE	\$0	\$289,500	\$45,000	\$0	-100.00%
INTEREST REVENUE	\$1,579	\$0	\$1,500	\$1,500	0.00%
TOTAL REVENUES	\$117,329	\$439,500	\$560,000	\$194,750	-55.69%
	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
TOOLS & EQUIPMENT	\$1,850	\$0	\$0	\$0	0.00%
MAINT & REPAIR - GROUNDS	\$863	\$0	\$0	\$9,000	0.00%
OTHER SERVICES	\$0	\$0	\$9,000	\$0	-100.00%
OTHER SUPPLIES-MISC.	\$0	\$0	\$0	\$1,500	0.00%
LAND & IMPROVEMENTS	\$0	\$0	\$45,000	\$250,000	0.00%
DEVELOPER REIMBURSEMENTS	\$0	\$43,500	\$0	\$0	-100.00%
OTHER CAPITAL EXPENDITURES	\$58,041	\$369,000	\$208,063	\$0	-100.00%
TOTAL EXPENSE	\$60,754	\$412,500	\$262,063	\$260,500	-36.85%

State and Federal Seizure Funds

Police Seizure Funds are funds recognized from revenues generated from property seized in connection with illegal activity, once they are forfeited after prosecution. Funds can only be used in accordance with applicable state and federal laws. These funds can only be used to support the Police Department. Typically, the City has used these funds only for capital purchases in the Police Department, not to supplement operations. Seizure funds are held in reserve until a sufficient balance can support a specific need. No expenditures are budgeted for FY 2018.

Street Capital Improvement Funds

The City has three funds for street capital improvements. These funds account for fees negotiated with developers for the improvements of streets and roadway impact fees. There are two funds set up to track the two different service areas separately and one set up to track the developer agreements. The City is working to build up this fund for the strategic roadway improvements. The developer reimbursement is based upon an agreement negotiated between the City and a developer to reimburse the developer for roadway improvements that benefit the City. The projected revenue to be received during FY 2018 for street capital improvements is projected to be \$258,350 with \$109,350 being reimbursed back to the developers.

Water & Sewer Improvement Funds (Impact and Developer Fees)

The city maintains four funds to account for water and sewer impact and water and sewer developer fees to be used in accordance with applicable laws, regulations, and ordinances. These funds are typically held in reserve for the use of one time expenditures and not to supplement operations. The projected revenue to be received during FY 2018 for water and sewer improvements is \$840,000 with \$324,000 being reimbursed back to the developer.

Tax Increment Reinvestment Fund

The Tax Increment Reinvestment Fund was created to account for the tracking of property tax revenues and associated expenses for the city's tax increment financing agreements. No expenditures are budgeted for FY 2018.

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

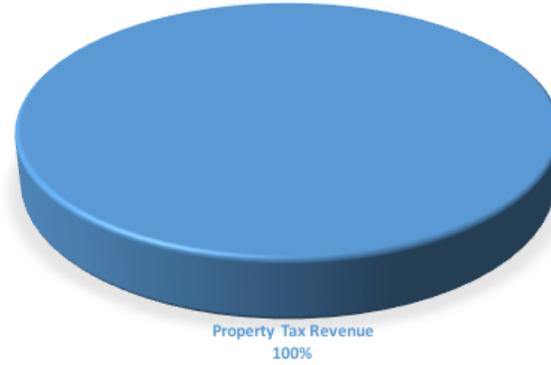
support the debt if surplus revenues from the water and sewer operations are not sufficient to make the debt payments. Of the outstanding Debt Service Obligations for FY 2018, 79% is related to tax secured debt issued for water and sewer projects.

The total debt service on tax secured debt for FY 2018 is \$1,091,329. The I&S revenue is budgeted at \$1,091,329. Approximately \$674,435 in I&S revenue will be transferred to the Utility Fund to support debt service on tax pledged debt issued for water & sewer infrastructure. It is anticipated that approximately the same amount is excess revenue generated from Utility Fund operations will be transferred to the Capital Projects Fund to fund future construction of municipal facilities.

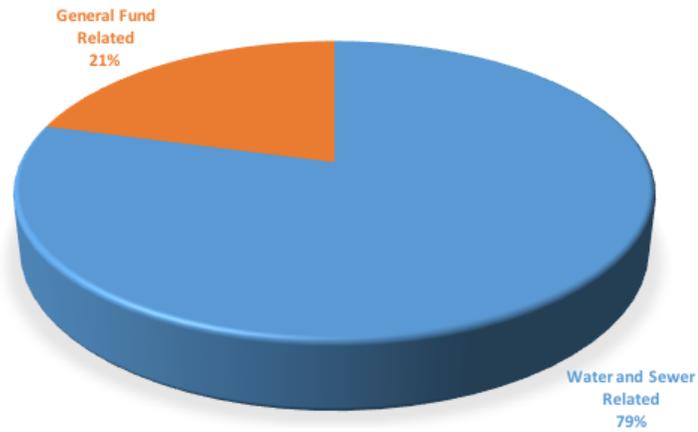
Debt Service Revenue Detail

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
Property Tax Revenue	\$664,863	\$889,542	\$907,048	\$1,091,329	22.68%
Other Sources	\$1,070	\$0	\$0	\$1,400	0.00%
Total	\$665,933	\$889,542	\$907,048	\$1,092,729	22.84%

FY 2018 PROPOSED DEBT SERVICE REVENUE



FY 2018 OUTSTANDING TAX SECURED DEBT



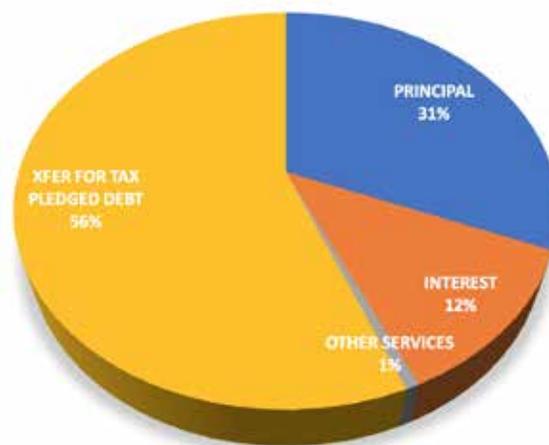
Debt Service Fund

Obligations

The City of Anna currently holds just over \$15.3 million in outstanding tax supported debt. Of the outstanding tax supported debt, \$12.1 million was issued for water and sewer infrastructure projects and is payable from water and sewer revenues; however, to obtain more favorable financing terms, the debt has a tax pledge. The balance of tax supported debt, just under \$3.2 million, was issued for general fund purposes. In April of 2017, The City's certificate of obligation debt rating received a rating increase by Fitch Ratings' from A to AA-, citing "exceptionally strong financial operations, solid expenditure flexibility and strong revenue growth prospects, as well as the city's substantial independent ability to raise revenues."

FY 2018 Proposed Debt Service Budget

The debt service obligations since FY 2016 are detailed below, including expenditures for Utility Fund Debt with a tax pledge. The transfer for tax pledged debt is a transfer to the Utility Fund to support debt service obligations for the water & sewer debt with a tax pledge. The transfer to support tax pledged debt will be used solely to support debt service on combination tax and revenue certificates (Bonds) issued for water and sewer infrastructure and accounted for in the Water & Sewer Fund.



Details of the debt service obligations are below:

Debt Service Expenditure Details

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PRINCIPAL	\$307,000	\$267,000	\$328,000	\$297,000	11.24%
INTEREST	\$118,788	\$152,618	\$87,349	\$114,738	-24.82%
OTHER SERVICES	\$3,265	\$2,500	\$10,806	\$6,556	162.24%
XFER FOR TAX PLEDGED DEBT	\$187,000	\$467,424	\$467,424	\$674,435	44.29%
Total	\$616,053	\$889,542	\$893,579	\$1,092,729	22.84%

Debt Management Plan

The City has worked closely with our financial advisors, First Southwest, to develop a sound debt management plan. Looking to the future, The City anticipates spikes in our debt service from in FY 2020 and FY 2026. Left unaddressed, this could lead to a spike in I&S tax rates as well.

The table below illustrates the total annual debt service for all tax pledged debt through FY 2034.

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

Outstanding Debt Schedule - Tax Pledged Debt

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/18	504,000	583,579	1,087,579	7.50%
9/30/19	706,000	689,387	1,395,387	28.30%
9/30/20	1,047,000	642,275	1,689,275	21.06%
9/30/21	966,000	579,264	1,545,264	-8.53%
9/30/22	995,000	523,226	1,518,226	-1.75%
9/30/23	1,034,000	463,576	1,497,576	-1.36%
9/30/24	1,095,000	399,940	1,494,940	-0.18%
9/30/25	1,171,000	332,021	1,503,021	0.54%
9/30/26	1,380,000	257,086	1,637,086	8.92%
9/30/27	896,000	200,760	1,096,760	-33.01%
9/30/28	830,000	168,275	998,275	-8.98%
9/30/29	855,000	135,613	990,613	-33.85%
9/30/30	815,000	106,801	921,801	-38.34%
9/30/31	840,000	81,830	921,830	-38.67%
9/30/32	870,000	55,999	925,999	-43.44%
9/30/33	905,000	29,183	934,183	-14.82%
9/30/34	\$425,000	\$7,756	432,756	-56.65%
TOTAL	15,334,000	5,256,571	20,590,571	

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

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

Outstanding Debt Schedule - GO Debt

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE
9/30/18	297,000	114,738	411,738	-0.87%
9/30/19	276,000	135,437	411,437	-0.07%
9/30/20	292,000	121,457	413,457	0.49%
9/30/21	309,000	108,288	417,288	0.93%
9/30/22	315,000	95,939	410,939	-1.52%
9/30/23	335,000	82,939	417,939	1.70%
9/30/24	341,000	68,987	409,987	-1.90%
9/30/25	361,000	54,181	415,181	1.27%
9/30/26	373,000	38,573	411,573	-0.87%
9/30/27	161,000	25,010	186,010	-54.81%
9/30/28	65,000	14,625	79,625	-57.19%
9/30/29	65,000	4,875	69,875	-12.24%
TOTAL	3,190,000	865,048	4,055,048	

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

The proposed budget has an ad valorem tax rate of \$0.601288 per \$100 Taxable Assessed Value. Of that amount, \$0.122418 is dedicated to I&S, or Debt Service.

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

1. The City has levied an Interest and Sinking Fund tax rate of \$0.122418 in Tax Year 2017.
2. The City's tax base is now at \$891,474,571 which means the City is not dependent on future refundings and restructurings to manage its I&S tax rate.
3. Assuming 0% growth, no debt refundings/ restructurings and no new debt; the City could cover all of its I&S tax-supported obligations through maturity in 2034 at current revenue levels.
4. The City still plans to implement the following refundings in early FY 2018:
 - a. Refunding of Series 2009 Certificates on or before February 15, 2018 to avoid interest rate reset to 15%. NO EXTENSION OF ORIGINAL MATURITY.

If completed, the refundings referenced in time would support capacity for future general fund bond issues for needs that arise as the City continues to grow and develop. All refundings will be carefully analyzed by staff, our financial advisors, and the City Council. The City's debt management plan is a joint effort with our financial advisors. Additionally, with Wal-Mart opening in April 2017, there may be the opportunity to use sales tax revenue to support General Fund operations and create capacity to fund new debt without increasing the overall tax rate. There are a number of future capital facility needs that would be funded through debt. The financing strategy has been reviewed by Council and staff and will be reevaluated once Wal-Mart revenues have been analyzed and the refundings have occurred. The items presented here have been developed with our advisors and are only for planning purposes. Actual results and actions will be dependent upon the economic conditions at the time refundings are considered.

Utility Fund

Revenue

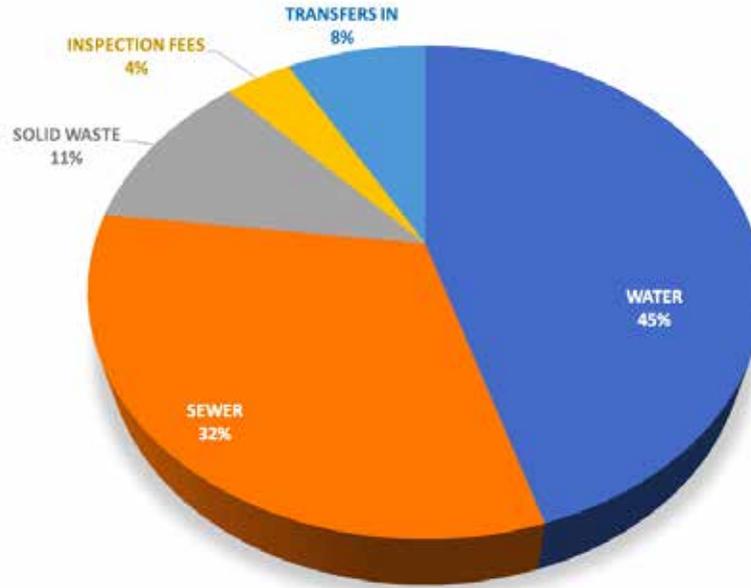
The Utility Fund is an enterprise fund that accounts for the water, sewer, inspection fees, and solid waste collection services that are provided to The City's residents including some customers outside The City. Enterprise Funds are used to account for operations that are financed and operated in a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

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 2018 proposed revenue also includes inspection fees for public infrastructure inspections. Rather than contract for this service, the city hired construction inspectors beginning in FY 2015 to inspect public infrastructure projects funded through public and/or private development. Additionally, the Utility Fund includes a transfer from the Debt Service Fund to support debt service on debts issued for water & sewer infrastructure that includes a tax pledge.

The City of Anna utility rates include a base charge and a volumetric rate for water consumption beyond 2,000 gallons per month. The base rate provides stability in our revenue as water sales are more volatile than other revenue sources and change based upon the climate and precipitation. Customer growth has helped ease pressure on utility rates and water and sewer rates are projected to remain unchanged for FY 2018. However, GTUA water costs are projected to increase 52% as rates and demand for treated surface water are projected to increase in FY 2018.

FY 2018 PROPOSED REVENUE



Utility Fund Revenue Summary by Department

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
WATER	\$3,455,636	\$3,430,964	\$3,739,100	\$3,787,856	10.40%
SEWER	\$2,099,783	\$2,274,144	\$2,379,995	\$2,653,438	16.68%
SOLID WASTE	\$818,317	\$846,000	\$872,486	\$930,013	9.93%
INSPECTION FEES	\$313,188	\$145,000	\$769,000	\$322,187	122.20%
TRANSFERS IN	\$187,000	\$467,424	\$467,424	\$674,435	44.29%
TOTAL	\$6,873,924	\$7,163,532	\$8,228,005	\$8,367,929	16.81%

Utility Fund

Expenditures

The Utility Fund accounts for all the costs associated with providing and maintaining utility services. These services are provided by the Admin, Water, Sewer, Solid Waste, and Utility Billing departments. Departmental summaries are provided with expenditures categorized by type. Like the General Fund, these types are payroll, supplies, maintenance, and capital expenditures; however, the Water & Sewer Fund includes transfers to the capital project fund to support future facility needs.

The chart below illustrates the percentage of costs associated with each department. The tables below illustrates a brief history from FY 2016 through FY 2018. The table includes actual costs from FY 2016, budgeted and estimated costs for FY 2017, proposed budget for FY 2018, and the percent change from the FY 2017 budget.

The departmental summaries provide greater detail on increased expenditures; however, the bulk of

the increase is due to the addition of 6.5 FTE's to the Utility Fund and an increase in services for GTUA water purchases.

The table below illustrates the total increase of 16.81% is primarily due to payroll costs and the transfer to capital projects. The changes will be discussed in the departmental summaries.

Utility Fund Expenditure Summary by Department

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
ADMINISTRATION	\$575,689	\$583,571	\$552,057	\$740,765	26.94%
WATER	\$2,600,965	\$2,591,239	\$2,472,737	\$3,170,478	22.35%
SEWER	\$2,768,502	\$2,519,165	\$2,040,092	\$2,617,387	3.90%
SOLID WASTE	\$693,798	\$731,000	\$736,352	\$785,319	7.43%
UTILITY BILLING	\$240,278	\$307,022	\$313,425	\$379,545	23.62%
XFER TO CAPITAL PROJECTS	\$15,000	\$431,535	\$467,424	\$674,435	56.29%
TOTAL	\$6,894,230	\$7,163,532	\$6,582,086	\$8,367,929	16.81%

Utility Fund Expenditure by Type

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	BASE	% CHANGE
PAYROLL	\$967,013	\$1,148,116	\$1,141,587	\$1,645,052	43.28%
SUPPLIES	\$81,982	\$93,173	\$100,637	\$107,793	15.69%
MAINT	\$408,199	\$352,900	\$304,100	\$345,800	-2.01%
SERVICES	\$5,189,461	\$5,137,808	\$4,568,338	\$5,545,362	7.93%
CAP EX	\$232,577	\$0	\$0	\$49,487	0.00%
XFER TO CAPITAL PROJECTS	\$15,000	\$431,535	\$467,424	\$674,435	56.29%
TOTAL	\$6,894,230	\$7,163,532	\$6,582,086	\$8,367,929	16.81%

60-400 Administration

Purpose / Description

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

FY 2017 Accomplishments

- Hosted National Public Works Week event and continued community outreach programs.
- Completed design of the following projects:
 - o Hackberry Rd.
 - o US 75 Utility Relocation Project
 - o Foster Crossing Water Line
- Completed design and began construction on the following projects:
 - o Water Disinfection Upgrades
 - o Hackberry Elevated Storage Tank
 - o Throckmorton Creek Wastewater Interceptor
 - o Sherley Above Ground Storage Tank Rehabilitation
- Coordinated with TxDOT, NCTCOG and Collin County on Transportation Priorities including Ferguson Parkway. As a result, \$70+ million was allocated towards TxDOT projects affecting the City of Anna
- Began developing new design standards and details
- Created a page on our website containing forms and standards pertinent to infrastructure construction

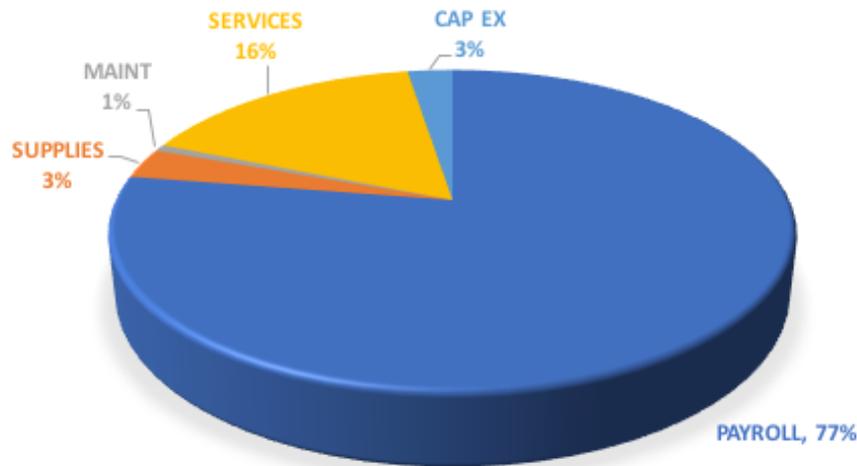
FY 2018 Objectives

- Adopt new construction design standards and details
- Adopt a storm drainage design and erosion control manual
- Complete the following projects:
 - o Foster Crossing Water Line
 - o Hackberry Rd. Reconstruction
 - o Asphalt Rehabilitation
 - o US 75 Utility Relocation
- Complete design and right-of-way acquisition for Rosamond Parkway and seek funding opportunities for construction
- Continue coordination with TxDOT, NCTCOG and Collin County related to transportation projects
- Continue to host National Public Works Week and expand community outreach programs
- Begin engineering for SH5 utility relocation project

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City’s costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- The Public Works Superintendent position is reclassified as Assistant Director of Public works
- An Engineering Construction Superintendent will be added to oversee capital projects and construction inspections

FY 2018 PROPOSED ADMIN BUDGET



Admin Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$380,256	\$435,592	\$435,592	\$574,000	31.77%
SUPPLIES	\$15,831	\$20,950	\$19,000	\$22,720	8.45%
MAINT	\$3,336	\$3,500	\$3,300	\$4,900	40.00%
SERVICES	\$87,461	\$123,529	\$94,165	\$120,289	-2.62%
CAP EX	\$88,805	\$0	\$0	\$18,856	0.00%
TOTAL	\$575,689	\$583,571	\$552,057	\$740,765	26.94%

Administration FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Director of Public Works	0	0	1	1	1
Asst Director of Public Works	0	0	0	0	1
PW Superintendent	0	0	1	1	0
Engineering Construction Superintendent	0	0	0	0	1
Construction Inspector	0	0	2	2	2
Administrative Assistant	0	0	1	1	1
TOTAL	0	0	5	5	6

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 2017 Accomplishments

- Reduced water loss through meter replacements, improved record keeping and field monitoring.
- Completed TCEQ site survey completed with no significant findings.
- Completed SCADA upgrades allowing the water system to operate more efficiently.
- Managed water system through a period of record growth and increased call for service.
- Improved customer service through staff training and new Service Order Technician.
- Completed installation of the Automated Metering System.
- Completed the Hackberry elevated storage project and the Sherley above ground storage project
- Construct Water Disinfection Upgrades (on going)

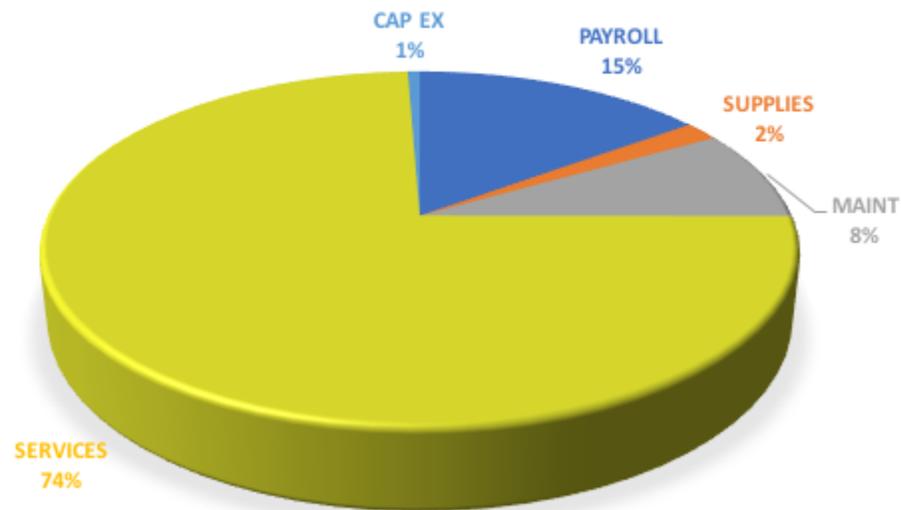
FY 2018 Objectives

- Apply for "Superior" water system rating with the TCEQ.
- Complete the construction of the following projects:
 - Foster Crossing Water Line Project
 - Collin Pump Station Activation Project
 - US 75 Utility Relocation Project
- Complete GPS location of existing valves and add additional valves.
- Update and improve water maps including Master Plan maps.
- Complete SCADA upgrades to improve operational efficiency.

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- A Water Superintendent will be added to the Water Department to oversee operations of our water system
- A Water Operator will be added to the Water Department to oversee water production operations
- A Water Maintenance Worker will be added to assist with operations and maintenance of our water system.
- Increased cost for purchase of treated surface water through regional partnership with Greater Texoma Utility Authority (GTUA)

FY 2018 PROPOSED WATER BUDGET



Water Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$216,735	\$248,883	\$269,450	\$473,652	90.31%
SUPPLIES	\$39,351	\$46,004	\$54,408	\$56,104	21.95%
MAINT	\$332,647	\$265,200	\$252,800	\$264,100	-0.41%
SERVICES	\$1,986,036	\$2,031,152	\$1,896,079	\$2,357,235	16.05%
CAP EX	\$26,196	\$0	\$0	\$19,387	0.00%
TOTAL	\$2,600,965	\$2,591,239	\$2,472,737	\$3,170,478	22.35%

Water FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Water Superintendent	0	0	0	0	1
Water Supervisor	0	0	1	1	1
Maintenance Worker II	0	1	1	1	1
Maintenance Worker I	8	7	2	2	3
Water Operator	0	0	0	0	1
Field Supervisor - PW	1	1	0	0	0
Crew Leader - PW	1	1	0	0	0
TOTAL	10	10	4	4	7

Water Performance Measures

This division is responsible for providing our citizens high-quality and uninterrupted access to drinking water. Management of our water resources includes proactive maintenance, timely repair, forward planning, water loss reduction, and promoting water conservation through public outreach. These goals are accomplished through effective management and may be measured by our fiduciary financial approach, responsive customer service, and high water quality standards.

Performance Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target
Operate and maintain the water system within operating budget.	100%	100%	100%	100%	100%
Respond to customer work orders within 1 business day.	80%	95%	95%	95%	100%
Emergency calls and water quality responded to within 4 hours.	100%	100%	100%	100%	100%

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 2017 Accomplishments

- Continued "Cease the Grease" public education program and promoted at Public Works Week.
- Reduced storm water inflow by locating and repairing numerous inflow points.
- Initiated the Inflow and Infiltration Study
- Renewed the WWTP TPDES Permit
- Increased number of in-house lift station repairs
- Complete the Throckmorton Creek Trunk Sewer Project (on going)

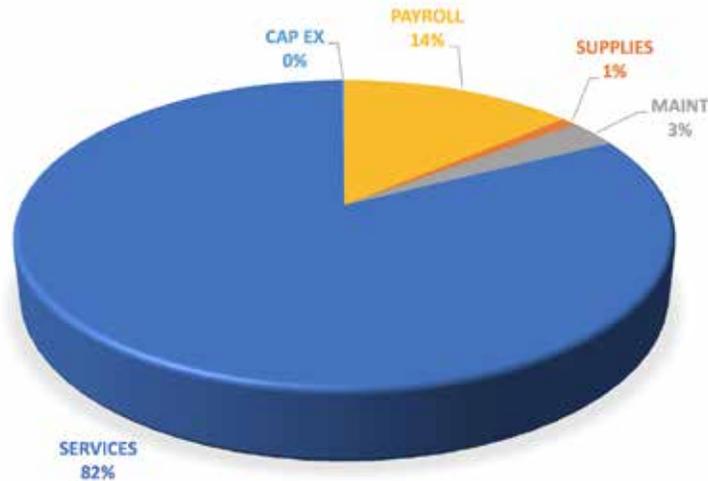
FY 2018 Objectives

- Complete Inflow and Infiltration engineering study.
- Create and implement Capacity, Management, Operation and Maintenance (CMOM) program.
- Continue inflow and infiltration repairs.
- Increase preventative maintenance on wastewater collection system.
- Continue to pursue membership status in NTMWD UEFIS.
- Remove 2 lift stations from service (Throckmorton and Rattan).
- Update and improve wastewater maps including Master Plan maps.

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- Two Wastewater Maintenance Workers will be added to the Sewer Department to assist with operations and maintenance of our wastewater system
- The Wastewater Supervisor position is reclassified as Wastewater Superintendent

FY 2018 PROPOSED SEWER BUDGET



Sewer Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$224,058	\$259,629	\$252,795	\$359,746	38.56%
SUPPLIES	\$23,352	\$19,444	\$20,304	\$23,144	19.03%
MAINT	\$71,697	\$83,400	\$47,200	\$76,000	-8.87%
SERVICES	\$2,331,819	\$2,156,692	\$1,719,793	\$2,154,020	-0.12%
CAP EX	\$117,576	\$0	\$0	\$4,477	0.00%
TOTAL	\$2,768,502	\$2,519,165	\$2,040,092	\$2,617,387	3.90%

Sewer FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Wastewater Superintendent	0	0	0	0	1
Wastewater Supervisor	0	0	1	1	0
Senior Wastewater Operator	1	1	1	1	1
Wastewater Operator	1	1	0	0	0
Maintenance Worker II	0	0	0	0	1
Maintenance Worker I	0	0	2	2	3
TOTAL	2	2	4	4	6

Sewer Performance Measures

This division is responsible for protecting the environment and the public health by providing well maintained infrastructure for wastewater conveyance and treatment. Management of our wastewater infrastructure includes proactive maintenance, timely repair, forward planning, and sanitary sewer overflow prevention through maintenance and public outreach. These goals are accomplished through effective management and may be measured by our fiduciary financial approach, responsive customer service, and priority mitigation of potential risks to the environment.

Performance Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target
Operate and maintain wastewater system within operating budget.	100%	100%	100%	100%	100%
Respond to customer work orders within 1 business day.	80%	85%	95%	100%	100%
Emergency calls sewer backups responded to within 4 hours.	100%	100%	100%	100%	100%

60-708 Solid Waste

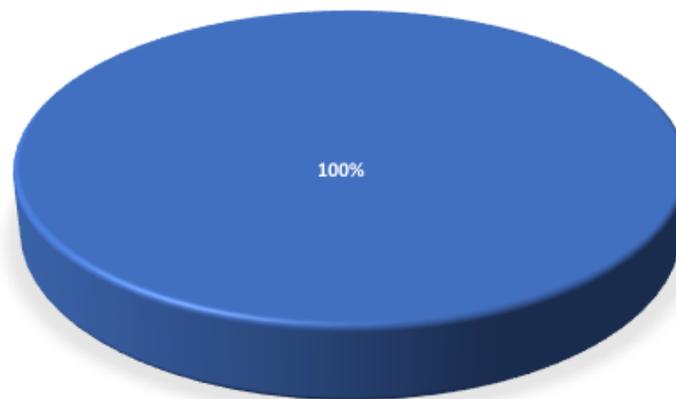
Purpose / Description

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

New & Noteworthy for FY 2018

- Increase in costs are by increase in solid waste customers

FY 2018 PROPOSED SOLD WASTE BUDGET



Solid Waste Expenditure Summary

	2016	2017	2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED
PAYROLL	\$0	\$0	\$0	\$0
SUPPLIES	\$0	\$0	\$0	\$0
MAINT	\$0	\$0	\$0	\$0
SERVICES	\$693,798	\$731,000	\$736,352	\$785,319
CAP EX	\$0	\$0	\$0	\$0
TOTAL	\$693,798	\$731,000	\$736,352	\$785,319
				% CHANGE
				0.00%
				0.00%
				0.00%
				7.43%
				0.00%
				7.43%

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 2017 Accomplishments

- Worked with Public Works Department on the implementation of the new AMI system
- Worked with the consultant to update the utility rate model
- Established additional online payment method
- Continued to partner with AMS collection agency to increase collection on delinquent UB accounts

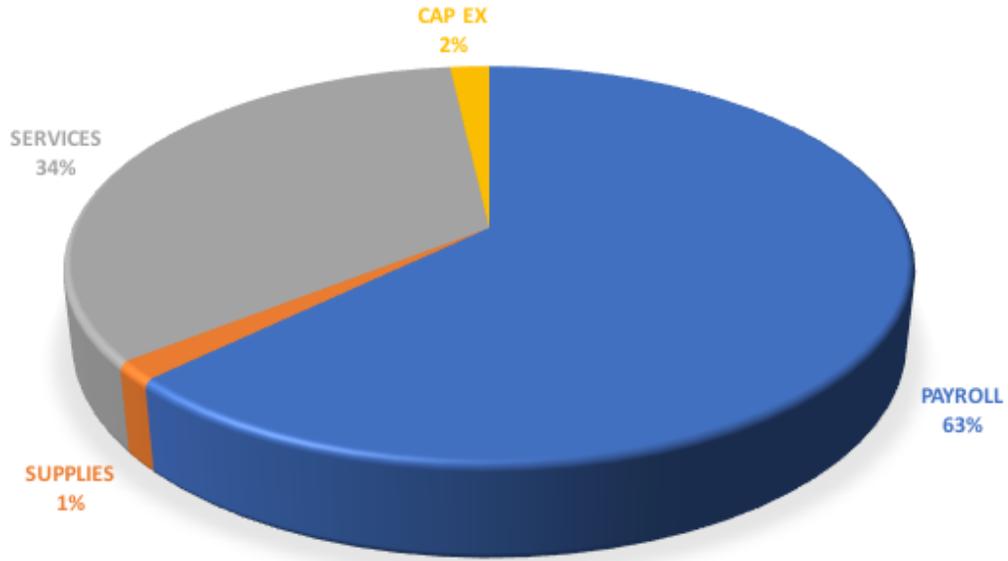
FY 2018 Objectives

- Provide all UB forms on City website in a user-friendly format (coordinate with updating website)
- Continue working with AMS on delinquent account collections
- Continue to explore improvements to payment options for paying utility bills
- Ensure all staff is knowledgeable with the customer portal for the Neptune Meter System
- Work to increase confidence of citizens in the Utility Billing Department

New & Noteworthy for FY 2018

- Increased payroll costs
 - The City's costs for insurance benefits increased
 - Funding of COLA and merit based wage adjustments
- A part-time Utility Billing Clerk will be added to the Utility Billing Department to assist with the increasing work load
- Increased cost for processing utility bills and on-line payments

FY 2018 PROPOSED UTILITY BILLING BUDGET



Utility Billing Expenditure Summary

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
PAYROLL	\$145,964	\$204,012	\$183,750	\$237,654	16.49%
SUPPLIES	\$3,447	\$6,775	\$6,925	\$5,825	-14.02%
MAINT	\$519	\$800	\$800	\$800	0.00%
SERVICES	\$90,348	\$95,435	\$121,950	\$128,499	34.65%
CAP EX	\$0	\$0	\$0	\$6,767	0.00%
TOTAL	\$240,278	\$307,022	\$313,425	\$379,545	23.62%

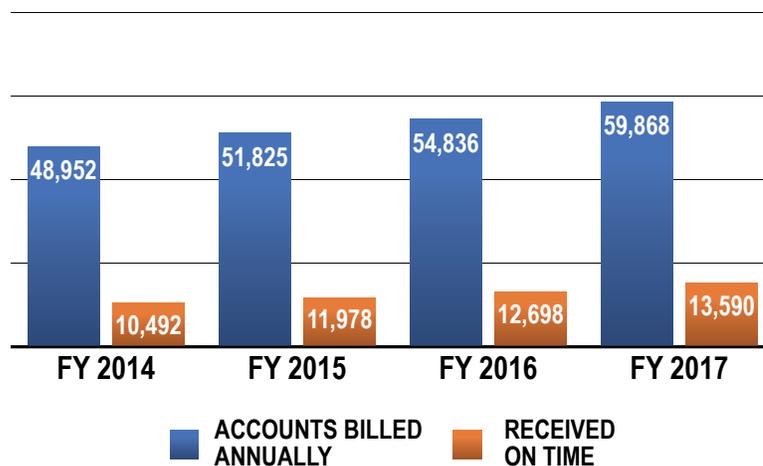
Utility Billing FTE Schedule

Description	FY14	FY15	FY16	FY17	FY18
Customer Service Manager	1	1	1	1	1
Senior Utility Billing Clerk	1	1	1	1	1
Service Order Technician	0	0	0	1	1
UB Clerk	0	0	0	0	0.5
Receptionist	0.5	0.5	0.5	0.5	0.5
TOTAL	2.5	2.5	2.5	3.5	4

Utility Billing Performance Measures

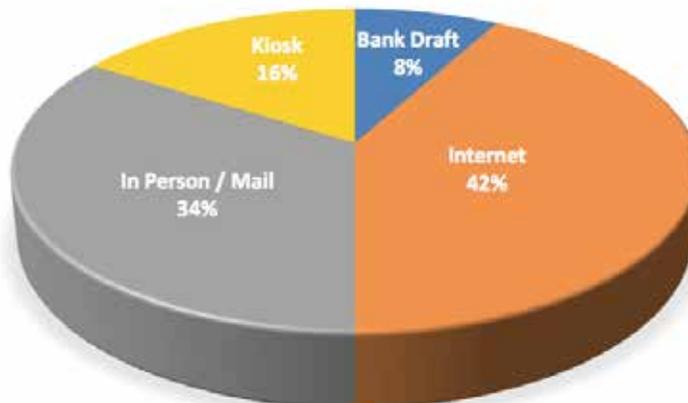
The Utility Billing Department provides residential, commercial and industrial billing for water, sewer and sanitation. The total number of all utility accounts has grown steadily with the City's population. City efforts to improve on-time utility bill payments included providing a kiosk for citizens to pay outside of the Municipal Annex, promotion of on-line credit card payments, as well as the ability to provide bank drafting. The City also allows establishments of payment plans to citizens when needed. The chart below reflects the total number of utility accounts and how they have grown steadily as the City's population continues to grow, as well as, the number of accounts annually where payments are received on time. The City will continue to look for ways to improve upon the number of accounts paid on time.

UTILITY ACCOUNTS BILLED ANNUALLY



Below is a chart reflecting the current modes of payments and the current percent for each type. The City will continue to research additional modes of payments and ways to encourage online payments and bank drafting to increase the number of accounts that pay on time.

UTILITY BILLING MODES OF PAYMENT



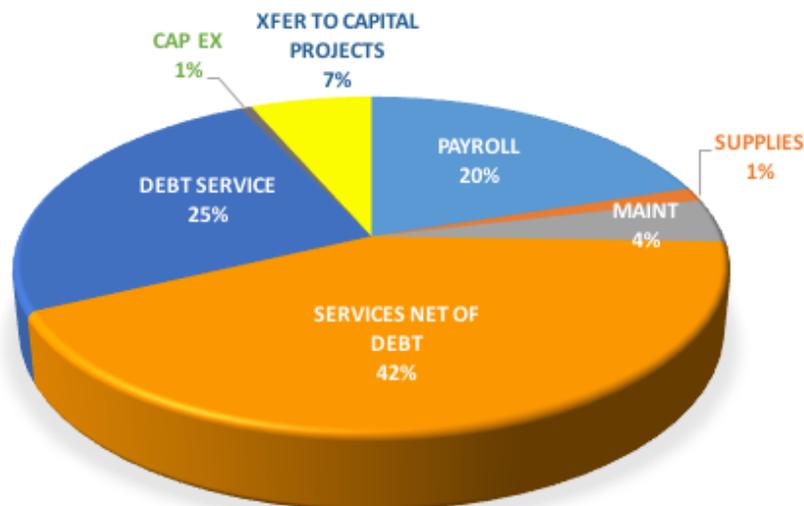
Utility Fund

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 2018 budget includes a transfer of \$674,435 from Debt Service Fund revenues to support tax pledged debt in the Utility Fund. It is anticipated that approximately the same amount in excess revenue generated from Utility Fund operations will be transferred to the Capital Projects Fund to fund future construction of municipal facilities. In FY 2018, debt service accounts for 25% of the Utility Fund budget. In the department summaries, debt is split between the water and sewer departments and is grouped with "services" for purposes of categorizing expense types. However, Utility Fund debt it is highlighted here to illustrates its specific share of the budget.

FY 2018 UTILITY FUND SHOWING DEBT



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 \$24.7 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 2020 and 2026. Left unaddressed, this could lead to increases in utility rates to support the debt payments.

In order to appropriately manage Utility Fund debt, the City and First Southwest developed a plan to take advantage of call dates and pursue advance refundings of the City's outstanding Utility Fund debt. Every effort has been made to minimize the present value costs to the City. The current plan makes very conservative assumptions regarding interest rates and was reviewed and analyzed in conjunction with a utility rate study to evaluate the current water and sewer rates. Depending on market conditions and the City's growth, refundings are slated for early in FY 2018. These refundings will also free up cash and reduce pressure on utility rates.

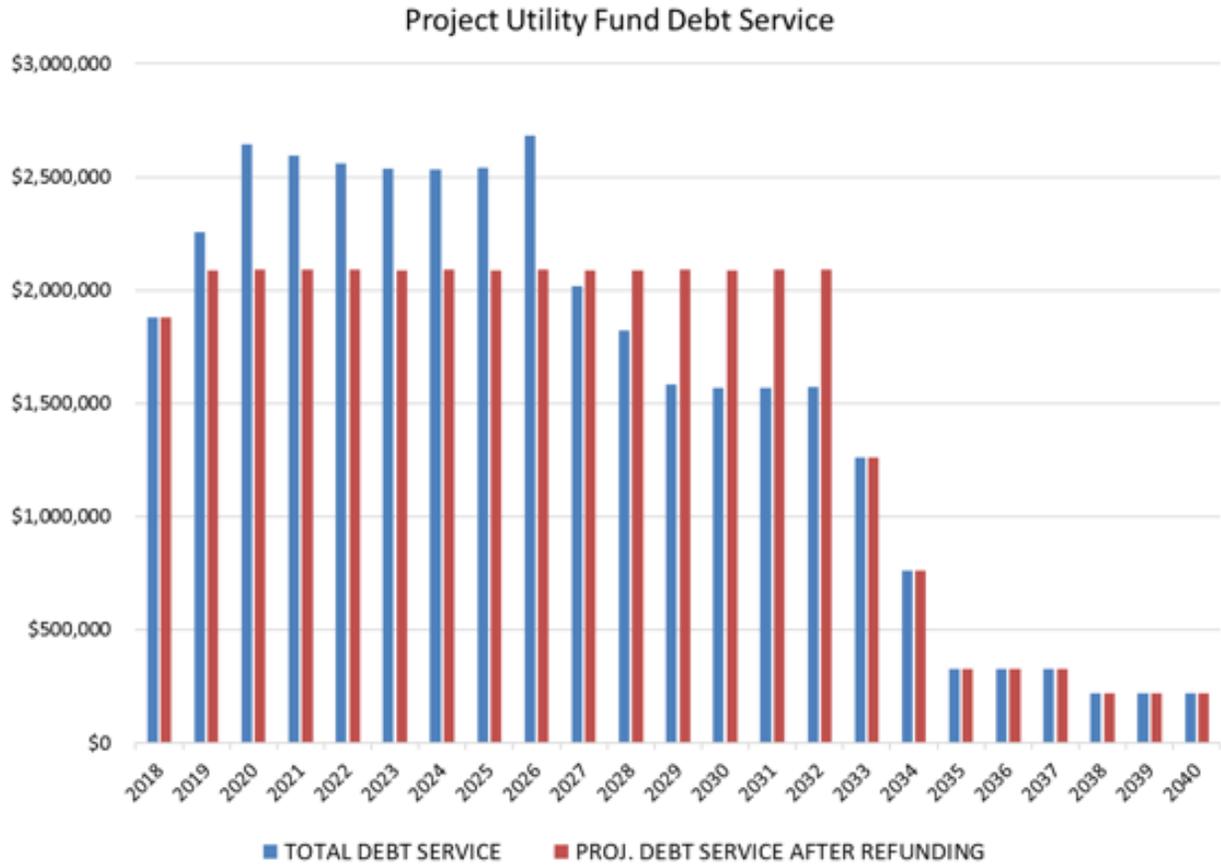
The following table outlines the current and future debt payments. The table along with the subsequent chart details the debt payments through 2040.

Utility Fund Outstanding Debt Schedule

PERIOD ENDING	PRINCIPAL	INTEREST	INTEREST REDUCTION & RECOVERY	TOTAL DEBT SERVICE	PROJ. DEBT SERVICE AFTER REFUNDING	% CHANGE
9/30/2018	\$784,500	\$1,094,606		\$1,879,106	\$1,879,106	4%
9/30/2019	\$996,250	\$1,155,882	\$103,742	\$2,255,874	\$2,087,644	11%
9/30/2020	\$1,443,750	\$1,098,127	\$103,742	\$2,645,619	\$2,089,282	0%
9/30/2021	\$1,473,250	\$1,017,507	\$103,742	\$2,594,499	\$2,090,407	0%
9/30/2022	\$1,518,750	\$936,862	\$103,742	\$2,559,354	\$2,092,382	0%
9/30/2023	\$1,580,250	\$851,771	\$103,742	\$2,535,763	\$2,088,816	0%
9/30/2024	\$1,669,000	\$761,356	\$103,742	\$2,534,098	\$2,092,008	0%
9/30/2025	\$1,772,500	\$665,498	\$103,742	\$2,541,740	\$2,088,224	0%
9/30/2026	\$2,122,000	\$560,456		\$2,682,456	\$2,089,878	0%
9/30/2027	\$1,553,750	\$463,695		\$2,017,445	\$2,087,673	0%
9/30/2028	\$1,423,750	\$398,991		\$1,822,741	\$2,088,837	0%
9/30/2029	\$1,240,000	\$342,055		\$1,582,055	\$2,091,406	0%
9/30/2030	\$1,273,750	\$293,051		\$1,566,801	\$2,088,557	0%
9/30/2031	\$1,325,000	\$242,044		\$1,567,044	\$2,090,791	0%
9/30/2032	\$1,382,500	\$188,713		\$1,571,213	\$2,091,728	0%
9/30/2033	\$1,127,500	\$132,842		\$1,260,342	\$1,260,342	-40%
9/30/2034	\$661,250	\$98,546		\$759,796	\$759,796	-40%
9/30/2035	\$248,750	\$77,134		\$325,884	\$325,884	-57%
9/30/2036	\$263,750	\$62,764		\$326,514	\$326,514	0%
9/30/2037	\$280,000	\$47,500		\$327,500	\$327,500	0%
9/30/2038	\$185,000	\$34,397		\$219,397	\$219,397	-33%
9/30/2039	\$197,500	\$23,612		\$221,112	\$221,112	1%
9/30/2040	\$207,500	\$12,097		\$219,597	\$219,597	-1%
TOTAL	\$24,730,250	\$10,559,504	\$726,193	\$36,015,947	\$34,796,881	



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



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

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

1. The City's budgeted rates and charges are sufficient to cover both the contract revenue obligations as well as the general obligations debt issued for water and sewer system improvements.
2. The City will continue to move the Greater Texoma Utility Authority ("GTUA") contract bonds onto the City's balance sheet through the issuance of Combination Tax and Revenue Refunding Bonds.
 - a. The next refunding is tentatively scheduled for early FY 2018
 - City expects to take out the Anna Project contract bonds and get access to the debt service reserve funds, and surplus project funds currently held by GTUA for the benefit of the Anna projects.
3. Refunding of the Series 2009 Combination Tax and Revenue Refunding Bonds in early FY 2018, but before February 15, 2018 to avoid interest rate reset to 15%.
4. It is the City's current intent to maintain water and sewer system annual debt service at a maximum level of approximately \$2 million per year.
5. Upcoming refundings would have the goal of reducing debt service payments in fiscal years 2019 – 2026.

Capital Improvements

The Capital Improvements section includes improvements that benefit both the General and Utility Fund. General Fund Capital Improvements are set aside in a dedicated Capital Improvements Fund to account for financial resources to be used for the acquisition and construction of major capital facilities that benefit the General Fund. While most Utility Fund Capital Improvements are accounted for within the Utility Fund, funds that are set aside for future major capital facilities are also accounted for in a separate Capital Improvements Fund. The separation of capital improvements into separate distinct funds is related to governmental accounting.

Capital Improvements are the result of long term planning that occurs in the Capital Improvements Plan (CIP). Each year projects are updated and projected across a 5-year time horizon and beyond. These projects are given priority based upon a combination of factors including community needs/interests and available funding. Capital projects may be funded with bonds, grants, fund balance, special restricted revenue or other sources of capital including private investment.

CIP Impact on Operating Budgets

When certain types of capital projects are developed and completed, they have ongoing financial impacts upon the City's operating budgets. These impacts can take the form of personnel costs, or operating costs such as maintenance, supplies, electricity, fuel, janitorial services, etc. Typically, replacement capital projects/assets do not have an immediate impact on the City's current or future budgets if they are replacing an existing asset.

FY 2017-18 Major CIP Projects

In FY 2018, the Capital Improvements projects the City will begin working on include the following projects:

- Collin Pump Station Activation
- Foster Crossing Water Line Project
- East Hackberry Reconstruction
- Existing Road Resurfacing
- Ferguson Road (Hackberry to Rosamond)
- Hackberry West (Ferguson to U.S. 75)
- Rosamond West (Existing terminus to U.S. 75)
- Improvements to Natural Springs Park

Additional projects for annual street rehabilitation included in the capital projects summary are funded in the regular operating budget for the Streets Department presented previously and are not included here.

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

The table below highlights the description of the FY 2018 CIP projects, description, estimated cost, potential funding sources, and any impact on operating budgets. The summary of the 5 year CIP will follow.

Project	Description	FY18 Estimated* Budget	Funding Source	Operating Impact
Collin Pump Station Activation	Collin Pump Station is a surface water take point. The Foster Crossing Water Line along with the activation of this pump station will allow surface water to be pumped into newer sections of the system reducing potential water quality issues that could be caused by introducing unblended surface water in the older section of town.	\$442,000	2014 Certificates of Obligation and Water Impact Fees	The operational expense that will be incurred from the Collin Pump Station activation on the operating budget would be cost associated with electricity and chemical costs. However, staff feels this cost can be absorbed within the current budget. Therefore, there is no true impact to the operating budget.
Foster Crossing Water Line	Installation of 6,750 linear feet of twelve-inch water line generally along Foster Crossing between the existing 18" line along the DART rail and the Pecan Grove Subdivision.	\$713,003	2014 Certificates of Obligation	No operational impact to the FY 2018 budget.
Foster Crossing Water Line B (Extension to U.S. 75)	This project would extend the Foster Crossing Water Line to US 75 from Pecan Grove. The line would serve future development and enable the City to fully utilize the Collin Pump Station located near the Collin County Outer Loop.	\$583,600	Water Impact Fees	No operational impact to the FY 2018 budget.
U.S. 75 Utility Relocation - CCOL to FM 455	Relocation of water and sewer lines in conflict with improvements to US 75 as proposed by the Texas Department of Transportation.	\$1,867,571	TxDOT and Collin County reimbursements	No operational impact to the FY 2018 budget.
East Hackberry Reconstruction (SH5 to Slayter Creek)	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. As of 10/1/16 the road is fully designed. Next steps will be to bid and construct.	\$923,825	Roadway Impact Fees and Future Debt Issuance	No operational impact to the FY 2018 budget. Future debt payments will be funded by the .25% sales tax dedicated to roadway and transportation projects
Existing Road Resurfacing	Major street rehabilitation project beyond the usual \$100,000+ that is normally spent on road rehabilitation.	\$1,500,000	Future Debt Issuance	No operational impact to the FY 2018 budget. Future debt payments will be funded by the .25% sales tax dedicated to roadway and transportation projects
Ferguson Road (Hackberry to Rosamond)	Design and acquire right-of-way for Ferguson between Hackberry and future Rosamond. Road is a future 6-lane divided in 120' of right-of-way.	\$695,800	Future Debt Issuance	No operational impact to the FY 2018 budget. Future debt payments will be funded by the .25% sales tax dedicated to roadway and transportation projects
Hackberry West (Ferguson to U.S. 75)	Design and acquire right-of-way for 1 mile of roadway connecting Hackberry between Avery Pointe (near Ferguson) and US 75. Road is a future minor collector.	\$596,500	Future Debt Issuance	No operational impact to the FY 2018 budget. Future debt payments will be funded by the .25% sales tax dedicated to roadway and transportation projects
Rosamond West (Existing terminus to U.S. 75)	Design and acquire right-of-way for a new roadway between existing Rosamond (near SH 5) and FM 2862. Rosamond is a future 6-lane divided major collector in 120' of right-of-way.	\$796,500	Future Debt Issuance	No operational impact to the FY 2018 budget. Future debt payments will be funded by the .25% sales tax dedicated to roadway and transportation projects

CAPITAL IMPROVEMENTS PLAN

Capital Projects	FY18	FY 19	FY 20	FY 21	FY 22	TBD	Total
BUILDINGS	-	-	-	-	-	35,559,050	35,559,050
New City Hall	-	-	-	-	-	17,000,000	17,000,000
Fire Station #2	-	-	-	-	-	3,848,000	3,848,000
New Police Station	-	-	-	-	-	7,550,000	7,550,000
Fire Station #1	-	-	-	-	-	7,161,050	7,161,050
WATER AND WASTEWATER	3,606,174	1,400,000	4,075,000	-	-	292,807	9,373,981
Collin Pump Station Activation	442,000	-	-	-	-	-	442,000
East Hackberry Waterline	-	-	-	-	-	147,807	147,807
Foster Crossing Water Line	713,003	-	-	-	-	-	713,003
Foster Crossing Water Line B (Extension to US 75)	583,600	-	-	-	-	-	583,600
Grayson Pump Station	-	-	3,075,000	-	-	-	3,075,000
Sherley Elevated Storage Tank Rehab	-	-	-	-	-	145,000	145,000
State Hwy 5 Utility	-	-	-	-	-	TBD	TBD
US 75 Utility Relocation - CCOL to FM 455	1,867,571	-	-	-	-	-	1,867,571
US 75 Utility Relocation- FM 455 to GCL	-	400,000	-	-	-	-	400,000
Wastewater Line Rehabilitation (Based on I&I Study)	-	1,000,000	-	-	-	-	1,000,000
WWTP Upgrades (Rotary Press, UV System)	-	-	1,000,000	-	-	-	1,000,000
STREETS	4,672,625	175,000	190,000	205,000	220,000	38,466,276	43,928,901
Annual Rehab Program	160,000	175,000	190,000	205,000	220,000	235,000	1,185,000
E. Hackberry Reconstruction (SH 5 to Slayter Creek)	923,825	-	-	-	-	-	923,825
Existing Road Resurfacing	1,500,000	-	-	-	-	-	1,500,000
Ferguson Road - (Hackberry to Rosamond)	695,800	-	-	-	-	5,745,199	6,440,999
Ferguson Road (Taylor to CCOL)	-	-	-	-	-	14,362,594	14,362,594
Hackberry West - (Ferguson to US 75)	596,500	-	-	-	-	4,691,996	5,288,496
Mantua Rd./CR 371	-	-	-	-	-	1,943,320	1,943,320
Rosamond West (Existing terminus to US 75)	796,500	-	-	-	-	6,588,167	7,384,667
Taylor Blvd. (Ferguson to US 75)	-	-	-	-	-	4,900,000	4,900,000
Leonard North	-	-	-	-	-	TBD	TBD
Leonard South	-	-	-	-	-	TBD	TBD
PARKS	250,000	-	-	-	-	287,000	537,000
NSP Improvements - Dredging of Ponds	80,000	-	-	-	-	-	80,000
Dog Park	-	-	-	-	-	287,000	287,000
NSP Park Driveway	170,000	-	-	-	-	-	170,000
VEHICLES	-	155,000	1,000,000	-	55,000	1,090,000	2,300,000
FD - Replace E-901- 2010 E-One	-	-	-	-	-	1,000,000	1,000,000
FD - Replace E-902- 2002 Freightliner replace with Quint	-	-	1,000,000	-	-	-	1,000,000
ST - 2015 Peterbilt 337 Dump Truck	-	-	-	-	-	90,000	90,000
ST- F350 With Cement Mix Insert	-	80,000	-	-	-	-	80,000
WA - 2000 International 4700 T44E Dump Truck	-	75,000	-	-	-	-	75,000
WW - 2016 D-3500 w/crane	-	-	-	-	55,000	-	55,000
MACHINERY & EQUIPMENT	-	80,500	407,500	30,000	375,000	361,000	1,254,000
FD - Heart Monitor #1	-	-	-	30,000	-	33,000	63,000
FD - Eagle Air Cadet SCBA air compressor	-	50,000	-	-	-	-	50,000
FD - SCBA's	-	-	120,000	-	-	120,000	240,000
FD - Traffic Light Control System	-	30,500	10,500	-	-	-	41,000
PK - 2007 Rhino Mower SR15 ID #5301B	-	-	25,000	-	-	-	25,000
PK - 2009 John Deer 5083 Tractor ID#5301	-	-	-	-	-	62,000	62,000
PK - 2010 Toro 5900 6 Gang Mower ID#5402	-	-	92,000	-	-	-	92,000
PK - 2010 Toro Reel Mower 3100D ID#5403	-	-	35,000	-	-	-	35,000
PK - 2012 Kubota Tractor ID#5302 and attachments	-	-	-	-	-	30,000	30,000
PK - 2015 John Deer Mower Flex Wing Attachment	-	-	-	-	-	31,000	31,000
PK - Vacuum/verticutter to clean thatch from fields	-	-	45,000	-	-	-	45,000
WA - 2012 Mini Excavator	-	-	-	-	75,000	-	75,000
WA - Vermeer V X50-500Vac-Trailer	-	-	-	-	-	85,000	85,000
WW - 2004 Pipe Hunter Sewer Jet Machine	-	-	80,000	-	-	-	80,000
WW - Vac Truck	-	-	-	-	300,000	-	300,000
TOTAL	8,528,799	1,810,500	5,672,500	235,000	650,000	76,056,133	92,952,932

Component Units

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

Each corporation acts under the direction of a seven-member board appointed by the City Council and has their own budget separate and distinct from the City of Anna budget. In addition to being managed by their boards, both the EDC and CDC budgets must be approved by the City Council. As discussed previously in this budget, the city sales tax rate is 8.25%. The state takes 6.5% leaving 2% in the city.

Prior to April 2017, of the remaining 2%, the City of Anna received 1%, and the EDC and CDC each received 0.5%. However, legislation authorized cities to hold an election to reallocate the 2% local option sales tax. In November 2016, the City held an election to defund the sales and use tax for the Type A Economic Development Corporation, and

to increase the sales tax by an additional 0.25% for the Type B Community Development Corporation. In addition, the City sales tax was increased by 0.25% to 1.25%. Revenue from the additional 0.25% will be used to fund road and transportation projects. The sales tax reallocation went into effect on April 1, 2017.

The EDC budget will remain through FY 2018 to show revenue generated from a lease agreement on a small business incubator operated out of the old post office which is owned by the EDC. The CDC will rely almost exclusively on sales tax for their revenue. The table below illustrates the revenue sources for the EDC and CDC. In FY 2017, the CDC sold bonds in order to purchase land for a business park.

CDC Revenue

	2016	2017		2018	% CHANGE
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	
SALES TAX	\$385,577	\$425,000	\$593,053	\$822,615	93.56%
INTEREST	\$2,894	\$2,500	\$1,200	\$1,800	-28.00%
BOND PROCEEDS	\$0	\$1,850,000	\$1,850,000	\$0	0.00%
TRANSFER IN - EDC	\$0	\$725,000	\$725,000	\$0	-100.00%
TOTAL	\$388,471	\$3,002,500	\$3,169,253	\$824,415	-72.54%

EDC Revenue

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SALES TAX	\$385,577	\$300,000	\$300,000	\$0	-100.00%
INTEREST	\$3,986	\$1,700	\$1,750	\$650	-61.76%
RENTAL	\$12,500	\$17,700	\$18,882	\$25,716	45.29%
MISCELLANEOUS	\$47,030	\$42,780	\$43,980	\$45,480	0.00%
TOTAL	\$449,094	\$362,180	\$364,612	\$71,846	-80.16%

Type B corporations have the ability to perform all the same functions as Type A corporations, as well as additional projects not authorized for Type A corporations. The CDC will continue to pursue projects that improve the quality of life in Anna through projects ranging from the creation of jobs to investments in park facilities. Improvements funded through the CDC have specific eligibility requirements that must be met in order to receive funding. Chapter 501 of the Local Government Code govern both Type A and Type B corporations. Additionally, Chapter 504 specifically governs Type A corporations while Chapter 505 specifically governs Type B corporations.

Community Development Corporation

Purpose / Description

The Anna Community Development Corporation works to expand The City's business tax base and professional workforce through targeted economic development. The Corporation also identifies and funds community facilities and related projects that enhance and improve the quality of life in Anna.

FY 2017 Accomplishments

- Partnered with the Economic Development Corporation to support the Greater Anna Chamber of Commerce and their 5 annual community events.
- Partnered with the City to fund and develop a new city brand identity
- Purchased in partnership with the Economic Development Corporation an 85-acre tract of land for a business park.
- Negotiated an incentive agreement to bring Kirby Smith to Anna as the first tenant of the business park
- Supported the Parks Department with expenses related to personnel, park amenities, and park projects

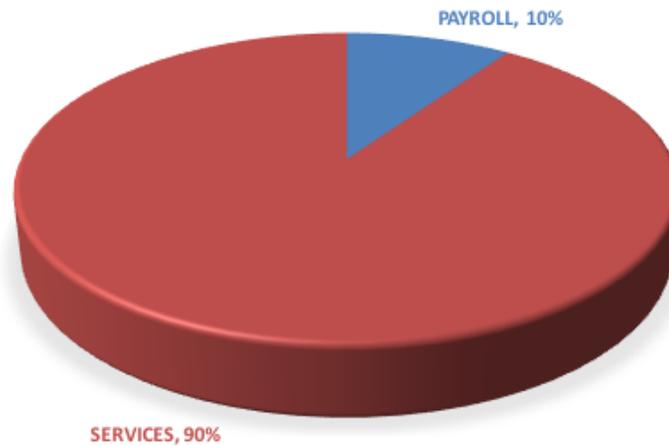
FY 2018 Objectives

- Continue to promote community functions that foster civic pride through partnerships with GACC, Anna ISD, and other community organizations.
- Maintain appropriate cash flow and coverage ratios for sound fiscal health and bond ratings
- Fund as appropriate improvements to the City's parks and park amenities
- Implement through targeted marketing efforts the City's new brand identity
- Pursue targeted economic development consistent with the City's Strategic Plan
- Attend the ICSC local and national conferences to promote the Anna brand and build relationships with retailers and developers.
- Identify opportunities to build the professional workforce in Anna through partnerships with businesses and educational Institutions.
- Continue to promote development of the new CDC Business Park

New & Noteworthy for FY 2018

- The sales tax reallocation election increased the sales tax revenue allocation from 0.5% to 0.75%. The Community Development Corporation has absorbed most of the functions and expenses of the Economic Development Corporation.
- A full-time CDC Chief Administrative Officer will be hired to manage the City's economic development efforts and provide staff support to the Community Development Corporation and Economic Development Corporation. The Assistant to the City Manager position will supervise the CDC Chief Administrative Officer.
- The CDC will begin paying the economic development incentive grant to Chief Partners to help off-set infrastructure costs for the development of Anna Town Center, Phase I.

FY 2018 PROPOSED CDC BUDGET



CDC Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
PAYROLL	\$0	\$0	\$0	\$77,155	0.00%
SUPPLIES	\$39	\$550	\$475	\$2,900	427.27%
MAINT	\$0	\$0	\$0	\$0	0.00%
SERVICES	\$275,165	\$346,200	\$346,198	\$722,317	108.64%
CAP EX	\$58,816	\$2,958,136	\$2,958,136	\$0	0.00%
TOTAL	\$334,019	\$3,304,886	\$3,304,809	\$802,372	-75.72%

CDC FTE SCHEDULE

Description	FY14	FY15	FY16	FY17	FY18
<i>Economic Development Officer</i>	0.5	0.5	0.5	0.5	0
<i>CDC Chief Administrative Officer</i>	0	0	0	0	1
TOTAL	0.5	0.5	0.5	0.5	1

Economic Development Corporation

Purpose / Description

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

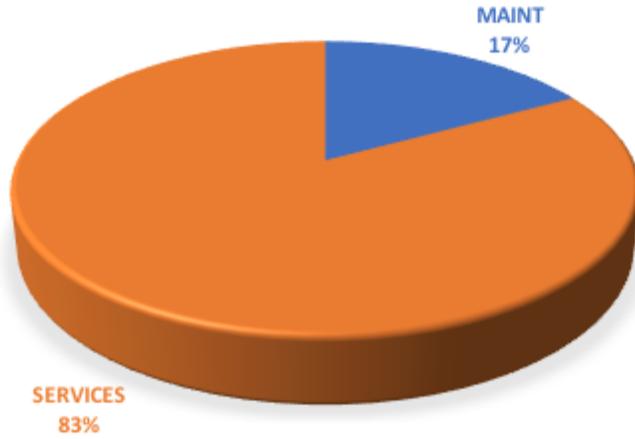
FY 2017 Accomplishments

- Partnered with the CDC to support the Greater Anna Chamber of Commerce and their 5 annual community events.
- Partnered with the City to fund and develop a new city brand identity
- Partnered with the City to successfully reallocate a portion of sales tax
- Renovated the property at 312 North Powell Parkway into Inc-Cube
- Cultivated relationships with medical groups and hospitals that could potentially locate in Anna

FY 2018 Objectives

- Maintain appropriate cash flow and coverage ratios for sound fiscal health
- Promote and maintain Inc-Cube as an opportunity for small businesses to locate in Anna
- Implement through targeted marketing efforts the City's new brand identity

FY 2018 PROPOSED EDC BUDGET



EDC Expenditure Summary

	2016	2017		2018	
	ACTUAL	BUDGET	ESTIMATE	PROPOSED	% CHANGE
SUPPLIES	\$1,177	\$2,500	\$2,500	\$0	-100.00%
MAINT	\$3,700	\$22,000	\$11,570	\$10,000	-54.55%
SERVICES	\$519,233	\$137,850	\$147,130	\$48,656	-64.70%
CAP EX	\$50,000	\$937,650	\$937,650	\$0	0.00%
TOTAL	\$574,110	\$1,100,000	\$1,098,850	\$58,656	-94.67%

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

GENERAL FUND

Five Year Forecast

Major Assumptions

Revenue	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Growth in Property Tax Values	23%	10%	5%	3%	2%
Tax Rate - O & M	0.478870	0.478870	0.478870	0.478870	0.478870
Tax Rate - Debt	0.122418	0.122418	0.122418	0.122418	0.122418
O & M / Debt Tax Increase	-	-	-	-	-
Total Tax Rate	0.601288	0.601288	0.601288	0.601288	0.601288
Sales Tax Growth	32%	7%	5%	5%	5%
Fund Balance Target (Unassigned)	25%	25%	25%	25%	25%

Expenditures	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Compensation (Other than Police and Fire)	3% COLA for all personnel with the exception of PD and Fire	Review salaries based on market-estimated at 2%		Review salaries based on market-estimated at 2%	
	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase
Compensation - Police	Police officers increase based on new STEP plan	Police Department STEP Increase	Police Department STEP Increase & Evaluate STEP plan and adjust for market increases - estimated at 3%	Police Department STEP Increase	Police Department STEP Increase & Evaluate STEP plan and adjust for market increases - estimated at 3%
	Firefighters moved to a new grade level based on market	3% Avg Merit Increase	3% Avg Merit Increase & review of grade based on market estimated at 2%	3% Avg Merit Increase	3% Avg Merit Increase & review of grade based on market estimated at 2%
Health Insurance	10%	7%	7%	7%	7%
Vehicle Replacement	New Equity Lease Agreement through Enterprise Fleet Management	Leased through Enterprise Fleet Management-5 vehicles to be replaced + estimating 1 addition-increase approx. \$50k	Leased through Enterprise Fleet Management-4 vehicles to be repaced + estimating 1 addition-increase approx. \$37k	Leased through Enterprise Fleet Management-4 vehicles to be repaced + estimating 1 addition-increase approx. \$37k	Leased through Enterprise Fleet Management-4 vehicles to be repaced + estimating 1 addition-increase approx. \$37k

GENERAL FUND

Five Year Forecast

Revenue	2016-2017 <i>Estimate</i>	2017-2018 <i>Adopted</i>	2018-2019 <i>Projected</i>	2019-2020 <i>Projected</i>	2020-2021 <i>Projected</i>	2021-2022 <i>Projected</i>
Beginning Fund Balance	\$3,319,995	\$4,379,069	\$4,379,069	\$4,379,069	\$4,379,069	\$4,379,069
Revenues	\$7,163,028	\$7,492,871	\$8,056,293	\$8,416,080	\$8,505,342	\$8,526,480
Expenditures	\$6,103,954	\$7,492,871	\$7,718,322	\$7,973,238	\$8,215,274	\$8,489,630
Future Supplemental Expenses			\$337,971	\$442,842	\$290,068	\$36,850
Total Expenditures	\$6,103,954	\$7,492,871	\$8,056,293	\$8,416,080	\$8,505,342	\$8,526,480
Increase (Decrease) To Fund Balance	\$1,059,074	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$4,379,069	\$4,379,069	\$4,379,069	\$4,379,069	\$4,379,069	\$4,379,069
Committed Fund Balance	\$183,119	\$224,786	\$231,550	\$239,197	\$246,458	\$254,689
Unassigned Fund Balance	\$4,195,950	\$4,154,283	\$4,147,519	\$4,139,872	\$4,132,611	\$4,124,380
% Of Fund Balance To Exp Text	69%	55%	54%	52%	50%	49%

UTILITY FUND
 Five Year Forecast
 Major Assumptions

Revenue	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Increase in Number of Accounts	200	100	100	100	100
Water Sales Sewer Sales	Increase in Revenue Based on Number of Estimated New Accounts per Year Above with Current Rates				
Solid Waste Fees	3%	3%	3%	3%	3%

Expenditures	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Compensation	3% COLA for all personnel	Review salaries based on market-estimated at 2%		Review salaries based on market-estimated at 2%	
	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase	3% Avg Merit Increase
All Other Costs	10%	7%	7%	7%	7%
All Other Costs	3%	3%	3%	3%	3%
Vehicle Replacement	New Equity Lease Agreement through Enterprise Fleet Management	Leased through Enterprise Fleet Management-1 vehicles to be replaced - increase approx. \$7k	Leased through Enterprise Fleet Management-2 vehicles to be replaced - increase approx. \$13k	Leased through Enterprise Fleet Management-2 vehicles to be replaced - increase approx. \$15k	Leased through Enterprise Fleet Management-3 vehicles to be replaced - increase approx. \$20k

UTILITY FUND

Five Year Forecast

Revenue	2016-2017 Estimate	2017-2018 Adopted	2018-2019 Projected	2019-2020 Projected	2020-2021 Projected	2021-2022 Projected
Beginning Unrestricted Working Capital	\$ 2,491,557	\$ 4,137,475	\$ 4,137,475	\$ 4,137,475	\$ 4,137,475	\$ 4,137,475
Water Rev	\$3,739,100	\$3,787,856	\$3,859,235	\$3,930,615	\$4,001,994	\$4,073,373
Sewer Rev	\$2,379,995	\$2,653,438	\$2,705,657	\$2,757,599	\$2,809,818	\$2,862,038
Sanitation Revenues	\$872,486	\$930,013	\$957,913	\$986,651	\$1,016,250	\$1,046,738
Inspection Fees	\$769,000	\$322,187	\$322,187	\$322,187	\$322,187	\$322,187
Transfer In	\$467,424	\$674,435	\$ 674,435	\$674,435	\$674,435	\$674,435
Total Rev	\$8,228,005	\$8,367,929	\$8,519,427	\$8,671,487	\$8,824,684	\$8,978,771
Public Works Admin Exp	\$552,057	\$740,765	\$762,988	\$785,878	\$809,454	\$833,738
Water Exp	\$2,472,737	\$3,170,478	\$3,265,592	\$3,363,560	\$3,464,467	\$3,568,401
Sewer Exp	\$2,040,092	\$2,617,387	\$2,695,909	\$2,776,786	\$2,860,089	\$2,945,892
Solid Waste Expenditures	\$36,352	\$785,319	\$808,879	\$833,145	\$858,139	\$883,883
Utility Billing Expenditures	\$313,425	\$379,545	\$390,931	\$402,659	\$414,739	\$427,181
Transfer To Capital Projects	\$467,424	\$674,435	\$595,128	\$509,459	\$417,796	\$319,676
Total Exp	\$6,582,087	\$8,367,929	\$8,519,427	\$8,671,487	\$8,824,684	\$8,978,771
Increase (Decrease) To Fb	\$1,645,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ending Unrestricted Working Capital	\$4,137,475	\$4,137,475	\$4,137,475	\$4,137,475	\$4,137,475	\$4,137,475
% Of Fund Balance To Exp	63%	49%	49%	48%	47%	46%



CITY OF ANNA

FY 2018 CAPITAL IMPROVEMENTS PLAN

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

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

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



BUILDINGS

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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	City Hall	Admin
Total Project Cost	\$ 17,000,000	FY 18 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Consistent with the Downtown Revitalization Plan, the City plans to build a new City Hall. While conceptual at this point, the new space will provide a centralized location to interact with all City service except for public safety and public works</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>ADA requirements, competitive bids</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>With current and future growth projections for the city and the region, we are planning for TBD 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

Column1	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition						800,000	800,000
Testing Services						32,000	32,000
Design Costs						600,000	600,000
Const. Costs						14,060,000	14,060,000
Const. Mngmt.							-
Furn/Fixt/Equip						598,000	598,000
Engineering						200,000	200,000
Other Prof. Fees						200,000	200,000
Contingencies						510,000	510,000
Total	-	-	-	-	-	17,000,000	17,000,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Fire Station #2	Fire
Total Project Cost	\$ 3,848,000	FY 18 Budget
		\$ -
<p style="text-align: center;"><u>Project Description</u></p> <p>As the city of Anna grows and population densities, sub-divisions and commercial development increases so does the need to provide timely service to those portions of our community that exceed benchmark response times. A second station will facilitate efficient and effective response to areas that may be underserved.</p>		
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>None</p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>To maintain effective response capabilities in new growth areas of the city.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds, and there may be some opportunity for limited grant funding assistance but it is not anticipated that this would provide full funding, if any, for this project. Land will be provided as part of a development agreement.</p>

Proposed Project Budget

Column1	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	14,000	14,000
Design Costs	-	-	-	-	-	262,000	262,000
Const. Costs	-	-	-	-	-	3,254,000	3,254,000
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	136,000	136,000
Engineering	-	-	-	-	-	33,000	33,000
Other Prof. Fees	-	-	-	-	-	38,000	38,000
Contingencies	-	-	-	-	-	111,000	111,000
Total	-	-	-	-	-	3,848,000	3,848,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	New Police Station	Police
Total Project Cost	\$ 7,550,000	FY 18 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>		
<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 TBD growth projections for the city and the region, we are planning for TBD needs. When the new City Hall is complete it will free up some space; however, a new facility will ultimately be necessary.</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</p>

Proposed Project Budget

Column1	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	23,000	23,000
Design Costs	-	-	-	-	-	529,000	529,000
Cons. Costs	-	-	-	-	-	6,173,480	6,173,480
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	427,000	427,000
Engineering	-	-	-	-	-	63,000	63,000
Other Prof. Fees	-	-	-	-	-	114,000	114,000
Contingencies	-	-	-	-	-	220,520	220,520
Total	-	-	-	-	-	7,550,000	7,550,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Fire Station #1	Fire
Total Project Cost	\$ 7,161,050	FY 18 Budget
		\$ -

Project Description

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



Regulatory or Legal Mandates

None

Operational Necessity/Justification

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

City Sources of Funding

Non-City Sources of Funding

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

Proposed Project Budget

Column1	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services						20,000	20,000
Design Costs						432,000	432,000
Const. Costs						6,007,050	6,007,050
Const. Mngmt.							-
Furn/Fixt/Equip						408,000	408,000
Engineering						51,000	51,000
Other Prof. Fees						62,000	62,000
Contingencies						181,000	181,000
Total	-	-	-	-	-	7,161,050	7,161,050



WATER AND SEWER

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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 18	Collin Pump Station Activation	Water	
Total Project Cost	\$ 442,000	FY 18 Budget	\$ 442,000

Project Description

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



Regulatory or Legal Mandates

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

Operational Necessity/Justification

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

City Sources of Funding

Impact fee funds. 2014 Bond.

Non-City Sources of Funding

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	328,131						328,131
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	72,090						72,090
Other Prof. Fees	9,011						9,011
Contingencies	32,768						32,768
Total	442,000	-	-	-	-	-	442,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
TBD	E. Hackberry Water Line	Water	
Total Project Cost	\$ 147,807	FY 18 Budget	\$ -

Project Description

Relocation of 1,050 linear feet of 8" water line along Hackberry Dr. between Slayter Creek and SH 5 to make room for the ultimate 4-lane pavement section.



Regulatory or Legal Mandates

N/A

Operational Necessity/Justification

Hackberry Rd. can be improved per the Phase 1 pavement plan without relocating this water line, however, the road project cannot proceed to Phase 2 without relocating the water line.

City Sources of Funding

To be determined.

Non-City Sources of Funding

N/A

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition						4,029	4,029
Testing Services						2,819	2,819
Design Costs						28,192	28,192
Const. Costs						112,767	112,767
Const. Mngmt.						-	-
Furn/Fixt/Equip						-	-
Engineering						-	-
Other Prof. Fees						-	-
Contingencies						-	-
Total	-	-	-	-	-	147,807	147,807

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 18	Foster Crossing Water Line	Water	
Total Project Cost	\$ 713,003	FY 18 Budget	\$ 713,003

<p style="text-align: center;"><u>Project Description</u></p> <p>Installation of 6,750 linear feet of twelve-inch water line generally along Foster Crossing between the existing 18" line along the DART rail and the Pecan Grove Subdivision.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>N/A</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The Pecan Grove Water Line is necessary in order to provide a critical water line loop, serve TBD development and enable the City to fully utilize the Collin Pump Station located near the Collin County Outer Loop.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>2014 Certificate of Obligation.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>N/A</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services	16,941						16,941
Design Costs							-
Const. Costs	677,622						677,622
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	18,440						18,440
Other Prof. Fees							-
Contingencies							-
Total	713,003	-	-	-	-	-	713,003

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	FCWL B	Water
Total Project Cost	\$ 583,600	FY 18 Budget
		\$ 583,600

<p style="text-align: center;"><u>Project Description</u></p> <p>Installation of an additional 2,792 linear feet of twelve-inch water line generally along Foster Crossing between the Pecan Grove Subdivision and US 75.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>N/A</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project would extend the Foster Corssing Water Line to US 75 from Pecn Grove. The line would serve TBD development and enable the City to fully utilize the Collin Pump Station located near the Collin County Outer Loop.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Impact Fees.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>N/A</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	42,350						42,350
Testing Services	11,519						11,519
Design Costs	69,000						69,000
Const. Costs	460,731						460,731
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	583,600	-	-	-	-	-	583,600

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	Grayson Pump Station	Water
Total Project Cost	\$ 3,075,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Installation of pump station, pumps, back-up generator, and all piping and appurtenances. Construction of a 500,000 gallon ground storage reservoir.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Requirement for pumping and storage capacity.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>While the Foster Crossing Water Line and Collin Pump Station activation will provide capacity for the short term, the Grayson Pump Station will need to be constructed in order to meet projected demand. The design is complete but the layout may be modified due to the acquisition of the adjacent property.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs			3,075,000				3,075,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	3,075,000	-	-	-	3,075,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
TBD	Sherley EST Restoration	Water	
Total Project Cost	\$ 145,000	FY 18 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Restoration of the Sherley Elevated Storage Tank including any potential metal work, potential lead mitigation, sandblasting, prime coat and repaint.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The tank is a historic landmark, is located in our historic district, stands near a historic church and should be preserved. Tanks of this type were common in the 1920's and this tank is from that era.</p>
--	--

<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined. The cost would be less if lead mitigation was performed prior to the last repaint. Cost to restore the tank with no lead mitigation is estimated at between \$30,000 and \$60,000.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Possible grant funding from the Texas Historical Commission. We need to apply to have the tank included in the National Register of Historic Places in order to qualify for a Certified Local Government Grant. Grant funding is available for developing a preservation plan/ordinance as well.</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	4,000	4,000
Design Costs	-	-	-	-	-	6,000	6,000
Const. Costs	-	-	-	-	-	135,000	135,000
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	145,000	145,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	SH 5 Utility Relocation	Water
Total Project Cost	\$	FY 18 Budget
		\$ -

Project Description



Regulatory or Legal Mandates

TxDOT.

Operational Necessity/Justification

Water and wastewater lines must be relocated in order for the reconstruction of SH 5 to be completed.

City Sources of Funding

Non-City Sources of Funding

Collin County and TxDOT.

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							TBD
Testing Services							TBD
Design Costs							TBD
Const. Costs							TBD
Const. Mngmt.							TBD
Furn/Fixt/Equip							TBD
Engineering							TBD
Other Prof. Fees							TBD
Contingencies							TBD
Total	-	-	-	-	-	-	TBD

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 18	US 75 Utility Relocation	Water	
Total Project Cost	\$ 1,867,571	FY 18 Budget	\$ 1,867,571

<p style="text-align: center;"><u>Project Description</u></p> <p>Relocation of water and sewer lines in conflict with improvements to US 75 as proposed by the Texas Department of Transportation.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>TxDOT.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Water and wastewater lines must be relocated in order for the reconstruction of US 75 to be completed.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Collin County and TxDOT.</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	Future	Total
Land Acquisition	143,720						143,720
Testing Services	36,493						36,493
Design Costs	227,650						227,650
Const. Costs	1,459,708						1,459,708
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	1,867,571	-	-	-	-	-	1,867,571

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 19	US 75 Utility Relocation	Water
Total Project Cost	\$ 400,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Relocation of water and sewer lines in conflict with improvements to US 75 between FM 455 and the Grayson County Line.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>TxDOT.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Water and wastewater lines must be relocated in order for the reconstruction of US 75 to be completed.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Collin County and TxDOT.</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs		400,000					400,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	400,000	-	-	-	-	400,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 19	WW Line Rehab	Sewer	
Total Project Cost	\$ 1,000,000	FY 18 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replacement of old line based on recommendations from the FY 17 / FY 18 I&I Study.</p>	
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Old sewer lines may allow storm water to infiltrate into the collection system causing regulatory violations due to bypassing at the plant or sanitary sewer overflows.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Avoid fines from violations, less cost to treat wastewater.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>To be determined.</p>

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs		100,000					100,000
Const. Costs		900,000					900,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	1,000,000	-	-	-	-	1,000,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	WWTP Upgrades	Sewer
Total Project Cost	\$ 1,000,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Upgrade existing equipment and appurtenances to meet TCEQ guidelines and allow for maximum useful life and efficient operations of the existing WWTP. Replacement of belt press. UV system upgrades.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Texas Commission on Environmental Quality (TCEQ) requires certain standards be maintained in order to operate a WWTP. This project will allow the city to make necessary upgrades to the 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.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Sewer impact fees if available and consistent with CIP plan.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>To be determined.</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	100,000	-	-	-	100,000
Const. Costs	-	-	900,000	-	-	-	900,000
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	1,000,000	-	-	-	1,000,000



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	\$ 1,185,000	FY 18 Budget
		\$ 160,000

Project Description

Each year the city will reserve \$100,000+ of general fund revenues to repair a street. The particular street project each year will be determined based upon the level of wear found upon city streets. Staff recommends increasing the amount by \$15,000 each year.



Regulatory or Legal Mandates

Competitive bids, safety of citizens.

Operational Necessity/Justification

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.

City Sources of Funding

General Fund revenues.

Non-City Sources of Funding

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	160,000	175,000	190,000	205,000	220,000	235,000	1,185,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	160,000	175,000	190,000	205,000	220,000	235,000	1,185,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	Hackberry - Slayter Creek	Streets
Total Project Cost	\$ 923,825	FY 18 Budget
		\$ 923,825

<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. As of 10/1/16 the road is fully designed. Next steps will be to bid and construct.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>With the growth in the West Crossing development, Hackberry lane is experiencing increased traffic. This particular section needs to be improved for safety reasons as well as road capacity.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Impact fees, General Obligation Debt.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	900,735						900,735
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering	23,090						23,090
Other Prof. Fees							-
Contingencies							-
Total	923,825	-	-	-	-	-	923,825

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
FY 18	Existing Road Resurfacing	Streets	
Total Project Cost	\$ 1,500,000	FY 18 Budget	\$ 1,500,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Major street rehabilitaiton project beyond the usual \$100,000+ that is normally spent on road rehabilitation.</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 Obligation bond.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	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 18 - Future	Ferguson North	Streets
Total Project Cost	\$ 6,440,999	FY 18 Budget
		\$ 695,800

<p style="text-align: center;"><u>Project Description</u></p> <p>Design and acquire right-of-way for Ferguson between Hackberry and future Rosamond. Road is a future 6-lane divided in 120' of right-of-way.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This road connects Ferguson to FM 455 providing connectivity to 2 major east-west corridors namely Hackberry and future Rosamond.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets. General Obligation bond.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	Fy 21	FY 22	TBD	Total
Land Acquisition	100,000						100,000
Testing Services							-
Design Costs	595,800						595,800
Const. Costs						4,787,666	4,787,666
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies						957,533	957,533
Total	695,800	-	-	-	-	5,745,199	6,440,999

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Ferguson South	Streets
Total Project Cost	\$ 14,362,594	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Construct 1.2 miles of roadway connecting Ferguson between Taylor Blvd. and the Collin County Outer Loop (CCOL). Road is a future 6-lane divided in 120' of right-of-way. Phase 1 would construct 2 concrete curb and gutter lanes and include a 3-lane bridge.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project is a top priority due to the connectivity to two regional roadways (FM 455 and the CCOL). The project gets traffic to our population center without having to use the congested intersections of FM 455 at US 75 and FM 455 at SH 5.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets. General Obligation bond.</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 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition						1,332,830	1,332,830
Testing Services						284,476	284,476
Design Costs						1,216,288	1,216,288
Const. Costs						11,379,000	11,379,000
Const. Mngmt.						-	-
Furn/Fixt/Equip						-	-
Engineering						-	-
Other Prof. Fees						150,000	150,000
Contingencies						-	-
Total	-	-	-	-	-	14,362,594	14,362,594

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18 - Future	Hackberry West	Streets
Total Project Cost	\$ 5,288,496	FY 18 Budget \$ 596,500

<p style="text-align: center;"><u>Project Description</u></p> <p>Design and acquire right-of-way for 1 mile of roadway connecting Hackberry between Avery Pointe (near Ferguson) and US 75. Road is a future minor collector.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project provides connectivity between 3 major north-south corridors namely US 75, Ferguson and SH 5.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets. General Obligation bond.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	100,000						100,000
Testing Services							-
Design Costs	496,500						496,500
Const. Costs						3,909,997	3,909,997
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies						781,999	781,999
Total	596,500	-	-	-	-	4,691,996	5,288,496

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Matua Rd/CR 371	Streets
Total Project Cost	\$ 1,943,320	FY 18 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 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	1,943,320	1,943,320
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	1,943,320	1,943,320

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18 - Future	Rosamond West	Streets
Total Project Cost	\$ 7,384,667	FY 18 Budget \$ 796,500

<p style="text-align: center;"><u>Project Description</u></p> <p>Design and acquire right-of-way for a new roadway between existing Rosamond (near SH 5) and FM 2862. Rosamond is a future 6-lane divided major collector in 120' of right-of-way.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project would connect SH 5 to US 75 providing needed connectivity.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets. General Obligation bond.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	100,000						100,000
Testing Services							-
Design Costs	696,500						696,500
Const. Costs						5,490,139	5,490,139
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies						1,098,028	1,098,028
Total	796,500	-	-	-	-	6,588,167	7,384,667

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Taylor Blvd.	Streets
Total Project Cost	\$ 4,900,000	FY 18 Budget
		\$ -

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

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs						4,900,000	4,900,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	4,900,000	4,900,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Leonard North	Streets
Total Project Cost	\$ -	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Construct 0.88 miles of roadway connecting future Finley to FM 455. Road is a future major collector 6-lane divided in 120' of right-of-way.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This project is a major section of Leonard needed to connect the CCOL to FM 455 east of SH 5. As the ISD builds its new campuses along Leonard south of Anna Crossing, this section will play a role in connectivity to FM 455.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Dedicated fund balance and revenue for streets. General Obligation bond.</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 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							TBD
Testing Services							TBD
Design Costs							TBD
Const. Costs							TBD
Const. Mngmt.							TBD
Furn/Fixt/Equip							TBD
Engineering							TBD
Other Prof. Fees							TBD
Contingencies							TBD
Total	-	-	-	-	-	-	-

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Leonard South	Streets
Total Project Cost	\$ -	FY 18 Budget
		\$ -

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

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							TBD
Testing Services							TBD
Design Costs							TBD
Const. Costs							TBD
Const. Mngmt.							TBD
Furn/Fixt/Equip							TBD
Engineering							TBD
Other Prof. Fees							TBD
Contingencies							TBD
Total	-	-	-	-	-	-	-



PARKS

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

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	NSP Improvements	Parks
Total Project Cost	\$ 80,000	FY 18 Budget
		\$ 80,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Dredge Ponds</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>Capacity of Ponds and to remove siltation/growth that is inhibiting the fishability and enjoyment of the ponds.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust Fund Revenuess</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	80,000						80,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	80,000	-	-	-	-	-	80,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
Future	Dog Park	Parks
Total Project Cost	\$ 287,000	FY 18 \$ -

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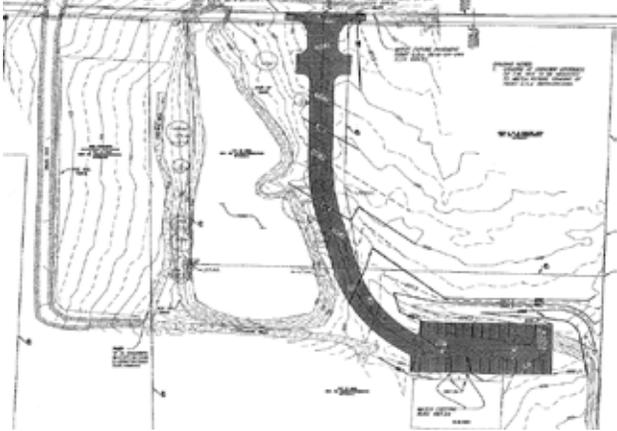
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust Fund Revenues, General Fund Revenues</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs						287,000	287,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-		-	-	-	287,000	287,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 18	NSP Driveway	Parks
Total Project Cost	\$ 170,000	FY 18 Budget \$ 170,000

<p style="text-align: center;"><u>Project Description</u></p> <p>Construct Entrance into Natural Springs Park that Lines up with median opening. Project would include a parking lot.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>Na</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Provide access to Natural Springs Park and Park offices/building and equipment storage.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Park Trust Fund</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs	170,000						170,000
Const. Mngmt.							-
Furn/Fixt/Equip							-
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	170,000	-	-	-	-	-	170,000



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 20 - Future	FD Vehicle Replacement	Fire
Total Project Cost	\$ 2,000,000	FY 18 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Schedule includes replacing unit E-902 with a quint in FY 20. And, replacing E-901 in future years.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>With the addition of multiple large commercial centers, and high rise apartments, and future hotels. The addition of an aerial device (quint) is required for life safety and property conservation. In addition the two current Fire Engines are getting older and require additional maintenance each year. The addition of a aerial device will be required to maintain our current ISO rating.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Bonds and grants if available.</p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	1,000,000	-	-	1,000,000	2,000,000
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	1,000,000	-	-	1,000,000	2,000,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Skid Steer Replacement	Streets
Total Project Cost	\$ 90,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replacement of 2015 Peterbilt Dump Truck in 10 years per replacement schedule.</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>Replacement per 10-year replacement schedule.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General fund revenue and reserves.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						90,000	90,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	90,000	90,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 19	International Replacement	Water
Total Project Cost	\$ 75,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replace 2000 International Dump Truck. This truck was originally replaced by the new Peterbilt dump truck but is now needed in other departments due to work load.</p>	
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<p><u>Regulatory or Legal Mandates</u></p>	<p><u>Operational Necessity/Justification</u></p> <p>Equipment ages and requires replacement based upon useful life. Replacements will be evaluated based upon department need and available resources.</p>
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<p><u>City Sources of Funding</u></p> <p>Utility Fund Revenue and reserves.</p>	<p><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		75,000					75,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	75,000	-	-	-	-	75,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 22	Street Vehicle Replacement	Sewer
Total Project Cost	\$ 55,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replace fleet trucks as needed based upon operational requirements and life span of vehicles. Recommend replacement of the 2016 D-3500 with crane in FY 22.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Trucks age and require replacement based upon useful life of the equipment. Replacements will be evaluated based upon department need and available resources.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund revenue and reserves.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip					55,000		55,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	55,000	-	55,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 19	Street Vehicle Replacement	Streets
Total Project Cost	\$ 80,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Purchase of a 1-ton truck with cement mixer.</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 mixer would allow the streets department to purchase concrete at the mix plant for substantial saving in time and money. Crew would no longer have to be on the same schedule as the cement truck, this would make repairs faster. With this machine can buy up to 10 yards of concrete per week for \$190 total. When delivered by an outside company, the cost is \$140 per yard with a ten yard minimum for a total of \$1,400.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund revenue and reserves.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip		80,000					80,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	80,000	-	-	-	-	80,000



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 21 - TBD	Heart Monitor Replacement	Fire
Total Project Cost	\$ 63,000	FY 18 Budget
		\$ -

Project Description

Currently, the Department responds to approximately 1400 calls per year. Of these calls approximately sixty-two percent are Emergency Medical Services (E.M.S.) related. We have also seen an increase of multiple calls occurring at the same time. This project will replace the existing heart monitor and utilize it as a back up and training device. A second monitor would be purchased to support the growing community and service demands.



Regulatory or Legal Mandates

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

Operational Necessity/Justification

The current heart monitor (Life Pak 12), has been in service since 2012. The maintenance contract will expire next year and it will no longer be able to be serviced.

City Sources of Funding

General Fund Revenues, Fire Capital Fund

Non-City Sources of Funding

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip				30,000		33,000	63,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	30,000	-	33,000	63,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 19	SCBA Air Compressor	Fire
Total Project Cost	\$ 50,000	FY 18 Budget \$ -
<p style="text-align: center;"><u>Project Description</u></p> <p>This piece of equipment is utilized to refill the Department's Self Contained Breathing Air cylinders (SCBA's). The air that is placed in these cylinders is a compressed air to assist the firefighter while wearing his SCBA in Hazardous environments. The air that is produced by the compressor is tested quarterly to assure it meets NFPA standards.</p>		
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>All purchases will follow the City's purchasing policy and those guidelines set forth by Chapter 252; Local Government Code.</p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The current compressor, is still in operating condition and passes air quality testing. As the unit continues to age it will need to be replaced with a new model, or a new unit will need to be placed in Station 2 when it is constructed.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, Fire Capital Fund</p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services	-						-
Design Costs	-						-
Const. Costs	-						-
Const. Mngmt.	-						-
Furn/Fixt/Equip		50,000					50,000
Engineering	-						-
Other Prof. Fees	-						-
Contingencies	-						-
Total	-	50,000	-	-	-	-	50,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20 - TBD	SCBA's	Fire
Total Project Cost	\$ 240,000	FY 18 Budget
		\$ -
<p style="text-align: center;"><u>Project Description</u></p> <p>The purchase of 12 self contained breathing apparatus (SCBA) will allow for the replacement of all Department SCBA's. The Units have been refurbished in 2017 and life on the cylinders will expire in 2021. Keeping our SCBA's up to date with the current NFPA standard is critical. The life of these SCBA's will be expired and these units must be replaced at this time.</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>Life of the cylinders will be expiring and these units must be replaced at this time.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Pending Grant Application, Fire Trust</p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Grant opportunities will be sought and applied for when available.</p>

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			120,000			120,000	240,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	120,000	-	-	120,000	240,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s) FY 19 - FY 20	Project Name Traffic Light Controls	Department Fire
Total Project Cost	\$ 41,000	FY 18 Budget
<p style="text-align: center;"><u>Project Description</u></p> <p>This purchase would equip traffic control systems with a system that would allow for safe entry into and away from a intersection. Emergency vehicles would be equipped with a signaling device that would activate the system located in the traffic signals and turn the intersection to red in all directions. As traffic counts increase this will be method to allow emergency vehicles safe access through controlled intersections to emergency scenes.</p>		\$ -
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>None</p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This device allows vehicles equipped with signaling devices to control intersections by turning the signal to red. Devices can also be used at gated communities, increases firefighter safety and decreases the chances of intersection accidents involving fleet vehicles.</p>
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund</p>		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p> <p>Grant funding from various sources will be researched and applied for accordingly. Some cost may also be diverted to developers through agreements and possible road impact fees.</p>



Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs		20,000					20,000
Const. Mngmt.							-
Furn/Fixt/Equip		10,500	10,500				21,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	30,500	10,500	-	-	-	41,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	Rhino Mower	Parks
Total Project Cost	\$ 25,000	FY 18 Budget \$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replacement for 2007 Rhino Mower.</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>Replacement for the Rhino mower to help with right a way mowing and any large areas.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, CDC Contributions</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			25,000				25,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	25,000	-	-	-	25,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department	
TBD	Tractor Replacement	Parks	
Total Project Cost	\$ 62,000	FY 18 Budget	\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>A 85-HP Tractor for pulling a bushhog for maintaining road ditches and rough areas and for pulling the flex-wing grooming mowers in large open spaces areas such as Natural Springs Park and Slayter Creek Park</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>We currently use the tractor for pulling a bushhog for maintaining road ditches and rough areas. This would be a better steward of City funds since a smaller sized self propelled unit would be approximately \$80,000.</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> <p>None</p>
--	---

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	-	-	-	62,000	62,000
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	-	-	-	62,000	62,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	Replace Toro 5900	Parks
Total Project Cost	\$ 92,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replace Toro 5900.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>This piece of equipment is still servicable but will need to be replaced in the distant TBD. Mower capacity allows for efficient mowing of large park areas.</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 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			92,000				92,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	92,000	-	-	-	92,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	Replace Toro 3100D	Parks
Total Project Cost	\$ 35,000	FY 18 Budget
		\$ -
<p style="text-align: center;"><u>Project Description</u></p> Replace existing Toro 3100D Reelmaster mower.		
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>		<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> This piece of equipment is reaching the end of its useful life and is important to establish and maintain quality playing surface on the ball fields.
<p style="text-align: center;"><u>City Sources of Funding</u></p> General Fund Revenues		<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	35,000	-	-	-	35,000
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	35,000	-	-	-	35,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Kubota tractor	Parks
Total Project Cost	\$ 30,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replacement for 2012 existing Tractor.</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>Replacement for the Kubota to help with loading, tilling, scraping and using it for any kind of dirt work.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>General Fund Revenues, CDC Contributions</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						30,000	30,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	30,000	30,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s) TBD	Project Name Flex-Wing Grooming Mower	Department Parks
Total Project Cost	\$ 31,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>The Flex-Wing Grooming Mower piece of Equipment (FM2120R) would be pulled behind the 5083 John Deere tractor currently owned. It could be up to 20' wide and used for grooming non irrigated fields and open spaces such as the Disc Golf Course, Natural Springs Park and areas of Slayter Creek Park that are not irrigated.</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>We currently use the tractor for pulling a bushhog for maintaining road ditches and rough areas. This would be a better steward of City funds since a smaller sized self propelled unit would be approximately \$80,000.</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 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						31,000	31,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	31,000	31,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department					
FY 20	Vacuum/Verticutter	Parks					
Total Project Cost	\$ 45,000	FY 18 Budget \$ -					
<p style="text-align: center;"><u>Project Description</u></p> <p>Vacuum/verticutter that can be pulled by our kabota tractor that will pull out dead grass and vacuum it up.</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>Cleans fields from thatch build up and will result in healthier playing fields. Thatch build up can cause fungus and other diseases.</p>						
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Parks Trust Fund Revenues, General Fund Revenues, CDC Contributions</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>						
Proposed Project Budget							
	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-	-	-	-	-	-	-
Testing Services	-	-	-	-	-	-	-
Design Costs	-	-	-	-	-	-	-
Const. Costs	-	-	-	-	-	-	-
Const. Mngmt.	-	-	-	-	-	-	-
Furn/Fixt/Equip	-	-	45,000	-	-	-	45,000
Engineering	-	-	-	-	-	-	-
Other Prof. Fees	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Total	-	-	45,000	-	-	-	45,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 22	Skid Steer Replacement	Water
Total Project Cost	\$ 75,000	FY 18 Budget \$ -
<p style="text-align: center;"><u>Project Description</u></p> <p>2012 Caterpillar tracked mini-excavator used for water operations.</p>		
<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>Machine is a 2012 and is due for replacement in 2022 per a 10-year replacement schedule.</p>	
<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund revenue and reserves.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>	

Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip					75,000		75,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	75,000	-	75,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
TBD	Vac-trailer	Sewer
Total Project Cost	\$ 85,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Purchase of a hydro excavation and vacuum trailer. The equipment would be used to locate missing valves, uncover high risk utilities (gas, electric, and fiber), and clean grease and debris from lift stations and manholes.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p> <p>The equipment could help to avoid noncompliance due to overflows caused by grease in lift stations and manholes.</p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>The equipment would be used to locate missing water valves, uncover high risk utilities (gas, electric, and fiber), and clean grease and debris from lift stations and manholes. The equipment would save money by damage avoidance and reducing wear and tear on lift station pumps.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>To be determined.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip						85,000	85,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	-	85,000	85,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 20	Street Vehicle Replacement	Sewer
Total Project Cost	\$ 80,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Replace equipment every 10 years or as needed based upon operational requirements and life span of equipment. Recommend replacement of the 2004 Sewer Jet Machine in 2020 based upon condition.</p>	
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<p><u>Regulatory or Legal Mandates</u></p>	<p><u>Operational Necessity/Justification</u></p> <p>Replace equipment as it reaches the end of its useful life.</p>
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<p><u>City Sources of Funding</u></p> <p>Utility Fund revenue and reserves.</p>	<p><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition							-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip			80,000				80,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	80,000	-	-	-	80,000

City of Anna - Capital Projects Detail Sheet

Budget Year (s)	Project Name	Department
FY 22	Street Vehicle Replacement	Sewer
Total Project Cost	\$ 300,000	FY 18 Budget
		\$ -

<p style="text-align: center;"><u>Project Description</u></p> <p>Purchase Sewer Vac-Truck for large scale sewer maintenance operations.</p>	
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<p style="text-align: center;"><u>Regulatory or Legal Mandates</u></p>	<p style="text-align: center;"><u>Operational Necessity/Justification</u></p> <p>As the City adds wastewater personnel to maintain the collection system, a sewer vac truck is necessary in order to properly clean and maintain the system. The machine can also be used for various other operations including prevention of SSO's.</p>
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<p style="text-align: center;"><u>City Sources of Funding</u></p> <p>Utility Fund revenue and reserves.</p>	<p style="text-align: center;"><u>Non-City Sources of Funding</u></p>
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Proposed Project Budget

	FY 18	FY 19	FY 20	FY 21	FY 22	TBD	Total
Land Acquisition	-						-
Testing Services							-
Design Costs							-
Const. Costs							-
Const. Mngmt.							-
Furn/Fixt/Equip					300,000		300,000
Engineering							-
Other Prof. Fees							-
Contingencies							-
Total	-	-	-	-	300,000	-	300,000

CITY OF ANNA

DEBT MANAGEMENT PLAN

The City of Anna is situated in a high growth area in Collin County along Highway 75. During the high growth, the City experienced in the early part of 2000, the City issued debt for significant water and sewer infrastructure projects. As the growth in the City has picked up over the past 4-5 years, the City issued additional debt for water and sewer improvements.

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

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

City's Outstanding General Obligation Debt as of Fiscal Year Ending September 30, 2017

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
2006	Comb Tax & Ltd Surplus Rev C/O	\$405,000	4.00%	2/15/16	2/15/20	I&S Taxes
2009	Comb Tax & Rev C/O	\$640,000	4.28% thru 2/15/2018 <i>15% thereafter</i>	2/15/18	2/15/29	I&S Taxes
2009	Comb Tax & Rev Ref Bonds	\$1,705,000	4.28% thru 2/15/2018 <i>15% thereafter</i>	2/15/18	2/15/26	W&S Revs
2012	Comb Tax & Rev C/O	\$3,970,000	1.50% to 2.50%	2/15/19	2/15/33	W&S Revs
2014	Comb Tax & Rev C/O	\$4,040,000	2.00% to 3.65%	2/15/24	2/15/34	W&S Revs
2014A	Comb Tax & Rev Ref Bonds	\$2,429,000	0.95% to 3.60%	n/a	2/15/26	W&S Revs
2014B	GO Ref Bonds	\$1,356,000	0.30% to 2.40%	n/a	2/15/26	I&S Taxes
2016	GO Ref Bonds	\$789,000				I&S Taxes
	TOTAL	\$15,334,000				

Breakdown of General Obligation Debt as of Fiscal Year Ending September 30, 2017

I&S Tax Supported General Obligation Debt:

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
2006	Comb Tax & Ltd Surplus Rev C/O	\$405,00	4.00%	2/15/16	2/15/20	I&S Taxes
2009	Comb Tax & Rev C/O	\$640,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/29	I&S Taxes
2014B	GO Ref Bonds	\$1,356,000	0.30% to 2.40%	n/a	2/15/26	I&S Taxes
2016	GO Ref Bonds	\$789,000				I&S Taxes
	TOTAL	\$3,190,000				

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

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	Supported by:
2009	Comb Tax & Rev Ref Bonds	\$1,705,000	4.28% thru 2/15/2018 15% thereafter	2/15/18	2/15/26	W&S Revs
2012	Comb Tax & Rev C/O	\$3,970,000	1.50% to 2.50%	2/15/19	2/15/33	W&S Revs
2014	Comb Tax & Rev C/O	\$4,040,000	2.00% to 3.65%	2/15/24	2/15/34	W&S Revs
2014A	Comb Tax & Rev Ref Bonds	\$2,429,000	0.95% to 3.60%	n/a	2/15/26	W&S Revs
	TOTAL	\$12,144,000				

Other Obligations as of Fiscal Year Ending September 30, 2017

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

Series	Name	Amount Outstanding	Interest Rates	Call Date	Final Maturity	GTUA Contract
2005	Contract Rev Ref Bonds	\$1,795,000	4.42%	n/a	5/1/28	Anna Project
2005	Contract Rev Bonds	\$462,500	4.79% to 5.74%	4/1/15	10/1/28	Collin/Grayson Project
2006	Contract Rev Bonds	\$1,150,000	3.40% to 3.75%	12/1/16	6/1/26	Anna/Melissa Project
2006	TWDB State Participation Loan	\$2,168,750	5.68% to 5.83%	n/a	8/1/40	Collin/Grayson Project
2007	Contract Rev Bonds	\$1,500,000	3.40% to 4.10%	12/1/17	6/1/28	Anna/Melissa Project
2007-A	Contract Rev Bonds	\$485,000	4.67% to 5.57%	5/1/17	5/1/27	Anna Project
2007-B	Contract Rev Bonds	\$715,000	4.67% to 5.57%	11/1/17	5/1/27	Anna Project
2007-C	Contract Rev Bonds	\$3,010,000	4.67% to 5.62%	11/1/17	5/1/32	Anna Project
2007	Contract Rev Bonds	\$955,000	4.52% to 5.62%	4/1/17	10/1/36	Collin/Grayson Project
2008	Contract Rev Bonds	\$345,000	5.14%	Any Date at 101%	5/1/27	Anna Project
	TOTAL	\$12,586,250				

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

Interest and Sinking Fund Tax Debt Management

1. The City has levied an Interest and Sinking Fund rate of \$0.122418 in Tax Year 2017.
2. The City's tax base is now at \$891,474,571 which means the City is not dependent on future refundings and restructuring to manage it's I&S rate.
3. Assuming 0% growth, no debt refundings/restructures and no new debt; the City could cover all of its I&S tax support obligations through maturity in 2034 at current revenue levels.
4. The City still plans to implement the following refundings if there is economic benefit and to create capacity for new debt for future facility needs:
 - a. Refunding of Series 2009 Certificates on or before February 15, 2018 to avoid interest rate reset to 15%. NO EXTENTION OF ORIGINAL MATURITY.

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

PERIOD ENDING	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	% CHANGE	% CHANGE
9/30/2018	\$504,000	\$583,579	\$1,087,579	7.50%	7.50%
9/30/2019	\$706,000	\$689,387	\$1,395,387	28.30%	28.30%
9/30/2020	\$1,047,000	\$642,275	\$1,689,275	21.06%	21.06%
9/30/2021	\$966,000	\$579,264	\$1,545,264	-8.53%	-8.53%
9/30/2022	\$995,000	\$523,226	\$1,518,226	-1.75%	-1.75%
9/30/2023	\$1,034,000	\$463,576	\$1,497,576	-1.36%	-1.36%
9/30/2024	\$1,095,000	\$399,940	\$1,494,940	-0.18%	-0.18%
9/30/2025	\$1,171,000	\$332,021	\$1,503,021	0.54%	0.54%
9/30/2026	\$1,380,000	\$257,086	\$1,637,086	8.92%	8.92%
9/30/2027	\$896,000	\$200,760	\$1,096,760	-33.01%	-33.01%
9/30/2028	\$830,000	\$168,275	\$998,275	-8.98%	-8.98%
9/30/2029	\$855,000	\$135,613	\$990,613	-0.77%	-0.77%
9/30/2030	\$815,000	\$106,801	\$921,801	-6.95%	-6.95%
9/30/2031	\$840,000	\$81,830	\$921,830	0.00%	0.00%
9/30/2032	\$870,000	\$55,999	\$925,999	0.45%	0.45%
9/30/2033	\$905,000	\$29,183	\$934,183	0.88%	0.88%
9/30/2034	\$425,000	\$7,756	\$432,756	-53.68%	-53.68%
TOTAL	\$15,334,000	\$5,256,571	\$20,590,570		

Water and Sewer System Fund Debt Management

1. The City's budgeted rates and charges are sufficient to cover both the contract revenue obligations as well as the general obligations issued for water and sewer system improvements.
2. The City will continue to move the Greater Texoma Utility Authority ("GTUA") contract bonds into the City's balance sheet through the issuance of Combination Tax and Revenue Refunding Bonds.
 - a. The next refunding is tentatively scheduled for early FY 18.
 - i. City expects to take out the Anna Project contract bonds and get access to the debt service reserve funds, and surplus project funds currently held by GTUA for the benefit of the Anna projects.
3. Refunding of the Series 2009 Combination Tax and Revenue Refunding Bonds in early FY 2018, but before February 15, 2018 to avoid interest rate reset to 15%.
4. It is the City's current intent to maintain water and sewer system annual debt service at a maximum level of approximately \$2 million per year.
5. Upcoming refundings would have the goal of reducing debt service payments in fiscal years 2019 – 2026.

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

PERIOD ENDING	PRINCIPAL	INTEREST	INTEREST REDUCTION & RECOVERY	TOTAL DEBT SERVICE	PROJ. DEBT SERVICE AFTER REFUNDING	% CHANGE
9/30/2018	\$784,500	\$1,094,606		\$1,879,106	\$1,879,106	4%
9/30/2019	\$996,250	\$1,155,882	\$103,742	\$2,255,874	\$2,087,644	11%
9/30/2020	\$1,443,750	\$1,098,127	\$103,742	\$2,645,619	\$2,089,282	0%
9/30/2021	\$1,473,250	\$1,017,507	\$103,742	\$2,594,499	\$2,090,407	0%
9/30/2022	\$1,518,750	\$936,862	\$103,742	\$2,559,354	\$2,092,382	0%
9/30/2023	\$1,580,250	\$851,771	\$103,742	\$2,535,763	\$2,088,816	0%
9/30/2024	\$1,669,000	\$761,356	\$103,742	\$2,534,098	\$2,092,008	0%
9/30/2025	\$1,772,500	\$665,498	\$103,742	\$2,541,740	\$2,088,224	0%
9/30/2026	\$2,122,000	\$560,456		\$2,682,456	\$2,089,878	0%
9/30/2027	\$1,553,750	\$463,695		\$2,017,445	\$2,087,673	0%
9/30/2028	\$1,423,750	\$398,991		\$1,822,741	\$2,088,837	0%
9/30/2029	\$1,240,000	\$342,055		\$1,582,055	\$2,091,406	0%
9/30/2030	\$1,273,750	\$293,051		\$1,566,801	\$2,088,557	0%
9/30/2031	\$1,325,000	\$242,044		\$1,567,044	\$2,090,791	0%
9/30/2032	\$1,382,500	\$188,713		\$1,571,213	\$2,091,728	0%
9/30/2033	\$1,127,500	\$132,842		\$1,260,342	\$1,260,342	-40%
9/30/2034	\$661,250	\$98,546		\$759,796	\$759,796	-40%
9/30/2035	\$248,750	\$77,134		\$325,884	\$325,884	-57%
9/30/2036	\$263,750	\$62,764		\$326,514	\$326,514	0%
9/30/2037	\$280,000	\$47,500		\$327,500	\$327,500	0%
9/30/2038	\$185,000	\$34,397		\$219,397	\$219,397	-33%
9/30/2039	\$197,500	\$23,612		\$221,112	\$221,112	1%
9/30/2040	\$207,500	\$12,097		\$219,597	\$219,597	-1%
TOTAL	\$24,730,250	\$10,559,504	\$726,193	\$36,015,947	\$34,796,881	

Debt Management Plan Considerations

1. The City is currently rated "AA-" by Fitch and "A1" by Moody's. It is assumed the City will be able to maintain its "A" category ratings to achieve the goals set forth in the debt management plan.
2. The City may undertake new debt in the future; however, new debt is expected to fall within the guidelines of the City's debt management plan and would not have unplanned or negative budgetary impact on the City's finances, tax rates, and utility rates.
3. The City's current practice of conservative assumptions (tax base and utility fund revenues) are incorporated into the City's debt management plan and future borrowings.
4. The City may extend the original maturity of refunded obligations if it is necessary to achieve cash flow goals. At this time, the City does not expect to extend original maturity of I&S tax supported debt, but it could extend original maturity of water and sewer revenue supported bonds evaluated on a case-by-case basis.

FITCH UPGRADES ANNA, TX COS TO 'AA-' ON CRITERIA CHANGE; OUTLOOK STABLE

Fitch Ratings-New York-21 March 2017: Fitch Ratings has upgraded the following City of Anna, TX (the city) ratings to 'AA-' from 'A':

- \$530,000 combination tax and limited surplus revenue certificates of obligation (COs), series 2006;
- Long-Term Issuer Default Rating (IDR).

The Rating Outlook is Stable.

SECURITY

The COs are payable 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 payable from a limited pledge (not to exceed \$1,000) of surplus net waterworks and sewer system revenues.

KEY RATING DRIVERS

The upgrade of the IDR and CO rating to 'AA-' reflects the application of Fitch's revised criteria for U.S. state and local governments, released on April 18, 2016. The revised criteria highlight the city's exceptionally strong financial operations, solid expenditure flexibility and strong revenue growth prospects, as well as the city's substantial independent ability to raise revenues. The 'AA-' also considers the moderately elevated long-term liability burden.

Economic Resource Base

The city is located 40 miles north of Dallas in relatively affluent Collin County. Easy access to Dallas and affordable land has spurred rapid population growth. The 2015 estimated population of approximately 11,400 residents increased by a significant 38% since the 2000 census.

Revenue Framework: 'aaa' factor assessment

Revenue growth prospects are strong, benefiting from continued residential development and strong population gains. The city has ample legal ability to independently raise property tax revenues.

Expenditure Framework: 'aa' factor assessment

Fitch expects the city's expenditures to generally grow in line with revenues. Anna maintains ample flexibility over labor costs (its largest operating outlay) based on the absence of collective bargaining or contractual labor agreements. Additionally, the city's moderate carrying costs do not hinder its expenditure flexibility.

Long-Term Liability Burden: 'a' factor assessment

Long-term liabilities, driven primarily by overlapping debt, are elevated but still in the moderate range. Fitch expects the city's long-term liability burden to increase but remain within this moderate range based on the city's debt needs and regional growth pressures. The city's net pension liability is negligible.

Operating Performance: 'aaa' factor assessment

The city's budget flexibility, supplemented by large operating reserves, provide exceptional gap-closing capacity through typical economic cycles.

RATING SENSITIVITIES

Growth Management: The 'AA-' IDR assumes the city's ongoing ability to manage growth, as demonstrated by maintenance of an adequate financial cushion, affordable debt carrying costs and a manageable long-term liability burden. A material decrease in the long-term liability burden would be a positive credit consideration.

CREDIT PROFILE

Rapid population growth north from Dallas into Collin County has fueled Anna's local economy. The city's primarily residential tax base has more than tripled since 2005, and recent growth has been substantial. Average annual growth in taxable assessed value (TAV) from fiscal 2015 through fiscal 2017 has been close to 19%. The city reports significant new residential construction projects, accompanied by some commercial projects. Fitch believes ongoing growth in TAV through the medium term is likely, based on the city's availability of developable property and its manageable commuting distances to various cities in the Dallas-Fort Worth metroplex.

There is minimal taxpayer concentration, and the city's top 10 taxpayers consist of a mix of retail and commercial establishments. The city's wealth levels are lower than the state and national averages; however, the county's poverty levels and unemployment rate are significantly lower than state and national rates (no employment information is available for the city).

Revenue Framework

The city's general fund revenues include primarily property tax revenues (57%), sales tax revenues (13%) and licenses and permits revenue (12%), based on fiscal 2016 unaudited results.

Fitch views the city's revenue growth prospects as strong. The rolling 10-year revenue CAGR for general fund revenues for both fiscal years 2014 and 2015 was well above U.S. GDP performance, aided primarily by gains in TAV as well as increased retail activity and periodic policy action on the tax rate. Significant growth remains likely, as developers continue residential and commercial projects in varying stages of planning and start-up.

Anna's fiscal 2017 tax rate of \$0.6290 per \$100 of TAV provides ample capacity below the constitutional cap of \$2.50. There are no legal limits to management's ability to implement annual property tax increases below this cap, although an annual property tax levy increase in excess of 8% above the prior year levy triggers the possibility of a voter-implemented rollback election.

Expenditure Framework

Public safety is the city's largest expenditure item, accounting for approximately 43% of the city's fiscal 2016 unaudited expenditures. General government spending accounts for about 21%.

Fitch expects the city's operating expenditures to generally grow in line with the city's anticipated strong revenue growth due to increasing service demands.

Anna retains flexibility over its largest operating expenditure, workforce costs, and does not participate in any contractual labor agreements. The city's carrying costs, consisting of debt service, required pension contributions and retiree healthcare benefit outlays, were a moderate 17% of fiscal 2015 spending.

Long-Term Liability Burden

The long-term liability burden, including overall debt and net pension liabilities, represents an elevated 24% of resident personal income. The vast majority of this burden is overlapping debt (\$96 million), issued primarily by the local school district. Fitch expects the long-term liability burden to remain comfortably within the 'aa' assessment range, even incorporating road and city

hall capital needs over the next several years that are expected to be funded by approximately \$17 million of new debt. Amortization of existing debt is average with 50% of principal retired in 10 years. The city's fiscal 2015 net direct debt totaled \$6 million.

The city's pensions are provided through the Texas Municipal Retirement System, an agent multiple-employer defined benefit plan. Under GASB Statement 68 the city reported a fiscal 2015 net pension liability (NPL) of approximately \$875,000, with fiduciary assets covering 79% of total pension liabilities at the plan's 7% investment return assumption.

Operating Performance

The city is exceptionally well positioned to address fiscal challenges associated with a typical economic downturn. Fitch believes the city could tap its healthy fund balance, as well as lean on its strong revenue raising capacity and expenditure cutting flexibility, to offset temporary revenue pressures without jeopardizing its fundamental financial flexibility.

The city has consistently maintained a very strong financial operating profile, with unrestricted general fund reserves above 50% of spending since fiscal 2009. The reserves are well above Fitch's modeled reserve safety margin for municipalities with moderate revenue volatility and superior inherent budget flexibility, and they comfortably exceed the city's formal fund balance policy minimum of 25% of operating expenditures.

Unaudited results for fiscal 2016 show an approximate \$475,000 increase in the general fund balance (approximately 9% of spending), the result of both revenues and expenditures tracking favorably to budget. The ending unrestricted general fund balance of approximately \$3.3 million is projected to equal roughly 61% of expenditures.

The adopted fiscal 2017 \$6 million general fund budget reflects a 12% increase over the prior year's budget to accommodate growing service needs for an expanding population. The budget includes the addition of several new employees, wage and benefit increases, and is balanced without the use of reserves. In November 2016, the city received voter approval to re-allocate a portion of its 2% local option sales tax to the general fund, which will now receive 1.25% (compared to 1% historically). The additional .25%, which is expected to generate approximately \$187,500 annually, will fund transportation and road improvements.

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Applicable Criteria

U.S. Tax-Supported Rating Criteria (pub. 18 Apr 2016)

<https://www.fitchratings.com/site/re/879478>

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

Global Credit Research - 08 Apr 2015

Affects \$8.4M of GO debt

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

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

SUMMARY RATING RATIONALE

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

OUTLOOK

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

WHAT COULD MAKE THE RATING GO UP

- Continued tax base expansion
- Maintenance of strong financial position

WHAT COULD MAKE THE RATING GO DOWN

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

STRENGTHS

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

CHALLENGES

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

RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

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

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

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

FINANCIAL OPERATIONS AND RESERVES: STABLE FINANCIAL PERFORMANCE WITH STRONG RESERVES

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

Liquidity

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

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

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

Debt Structure

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

Debt-Related Derivatives

The city is not party to any derivative transactions.

Pensions and OPEB

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

MANAGEMENT AND GOVERNANCE: CONSERVATIVE BUDGETING ESSENTIAL FOR MODESTLY SIZED OPERATIONS

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

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

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

KEY STATISTICS

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

OBLIGOR PROFILE

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

LEGAL SECURITY

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

USE OF PROCEEDS

Not applicable

PRINCIPAL METHODOLOGY

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

REGULATORY DISCLOSURES

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City of Anna, Texas

Financial Policies

February 10, 2015

BUDGET POLICY

Introduction:

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

Operating Budget Policies:

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

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

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

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

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

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

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

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

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

Fund Balance:

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

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

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

3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
 - a. The City Council is the City’s highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City’s Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
4. **Assigned fund balance** – comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (i.e. only funds in the capital projects fund may be used for capital projects).
 - a. The City Council has authorized the City Manager to assign fund balance to a specific purpose as approved by this fund balance policy.
5. **Unassigned fund balance** – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Minimum Unassigned Fund Balance

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

Minimum Unrestricted Net Assets

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

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

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

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

Order of Expenditure of Funds

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

Financial Policies:

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

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

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

Quarterly Reports:

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

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

General Obligation Bonds/ Debt:

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

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

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

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

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

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

Revenues:

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

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

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

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

Types of City Funds:

- General Fund is the government's primary operating fund.
- Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

- Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by any other fund.
- Utility Fund is used to account for the City's water and wastewater operations and certain long-term debt.

Fire Trust:

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

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

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

Financial Statements:

An annual independent audit will be completed and filed with the City Secretary within one hundred eighty (180) days from the completion of each fiscal year, the results of which shall be presented to and approved by the City Council. The financial statements to the City are to be prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City shall contract with a qualified independent auditing firm on an annual basis, and shall use the same firm no more than five consecutive years.

PURCHASING POLICY

Section 1. Purpose

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

Section 2. Authorization and Procedures

The City Manager is authorized to make purchases and enter into contracts on behalf of the City if the amount does not exceed \$50,000. The City Manager is also authorized to make Emergency Purchases consistent with this Purchasing Policy. Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy; except for Emergency Purchases authorized under this Policy, all purchases, transactions and contracts for expenditures regardless of amount must be expressly approved in advance by the City Council during a duly noticed public meeting if—with respect to such purchase, transaction or contract for expenditure—any City Official (as defined in the Anna Code of Ethics) is: (1) required to file a Conflicts Disclosure Statement under Chapter 176 of the Texas Local Gov't Code or the Anna Code of Ethics, as amended; or (2) is a Vendor as that term is described under Section 176.002 of the Texas Local Gov't Code, which includes acting as an agent of a Vendor. Otherwise, the following purchasing procedure is outlined in accordance with the noted dollar thresholds of expenditures.

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

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

- c) **Expenditures for Goods or Services \$3,000 - \$49,999:** Expenditures for good or services equal to or greater than \$3,000 but not exceeding \$49,999 are also bid on an informal basis with at least three written bids or quotes required unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022. The City will contact Historically Underutilized Business as stipulated in Texas Local Government Code Chapter 252.0215 unless the purchase is listed under the General Exemptions in Texas Local Government Code Chapter 252.022.
1. All purchases in this category must be approved in advance by the City Manager and the Finance Department. Upon receipt and evaluation of the quotes or bids, the Department Direct shall submit to the City Manager a purchase order and purchasing memorandum summarizing the responses and recommending a vendor. The memorandum shall include supporting documentation for all quotes or bids and evidence the department contacted Historically Underutilized Businesses as outlined above. After authorization has been received from the City Manager, the purchase order can be submitted to the Finance Department for final approval and processing.
 2. In lieu of providing three different written quotes, goods or services in this category may be purchased through a local government purchasing cooperative or interlocal purchasing agreement of which the City of Anna is a member or is eligible to participate, and where the products and services to be purchased have been submitted for competitive procurement as outlined by state statute.
- d) **Expenditures for Goods or Services \$50,000 and over:** Except for Emergency Purchases authorized under this Policy, all purchases above \$50,000 must be purchased under formal competitive sealed bidding rules or as otherwise permitted by the Local Government Code under Chapters 252 and 271. No bid process shall begin until approved by the City Council and City Manager. The City Council hereby selects as its designated representative the City Manager of the City of Anna, Texas to discharge on its behalf any duty it may have now or in the future with respect to any purchase or contract to determine the method(s) of purchase that will provide the best value to the City.
- e) **Professional Services:** Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, purchases of professional services regulated by the Professional Services Procurement Act (PSPA) shall be in accordance with the requirements outlined in the PSPA as amended.
- f) **Emergency Purchases:** Notwithstanding anything to the contrary in this Purchasing Policy or in any other City ordinance, rule, regulation or policy, the City Manager is authorized to make or approve any emergency purchase necessary to respond to a public calamity, to preserve or protect the public health or safety of the municipality's residents, or

because of unforeseen damage to public machinery, equipment, or other property; in accordance with the General Exemptions authorized in Section 252.022 of the Texas Local Government Code without seeking bids or contacting Historically Underutilized Businesses. The City Manager is authorized to declare or determine an emergency that necessitates an emergency purchase, and shall advise the City Council of any such emergency purchase in excess of \$50,000. When an emergency occurs during regular business hours and the expense exceeds the normal department approval amount, the department director shall contact the City Manager or his designee, to receive authorization for the emergency purchase.

g) **Responsibilities:**

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

Section 3. Petty Cash

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

Section 4. Purchase Orders

Purchase orders are required for all purchases in excess of \$999, unless otherwise indicated below. Purchase orders may be submitted for purchases less than \$999 but are not required. Purchase orders shall be submitted to Accounts Payable for processing after obtaining the

appropriate approval signatures and with all supporting documentation attached. Purchase orders submitted without appropriate approval or required documentation will be returned to the originating department.

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

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

PURCHASING CARD POLICY

Purpose:

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

Use:

The card will be used for the following:

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

Transaction/Card Limits:

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

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

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

Restrictions:

Employees may NOT use the card for the following:

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

Receipts:

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

Audit review:

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

ETHICS POLICY

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

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

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

General Ethical Standards:

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

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

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

BANK DEPOSITORY

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

City of Anna, Texas
Investment Policy
September 12, 2017

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, including the Federal Home Loan Banks.
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 \$1.0000. 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.

Individual security transactions shall be executed by "delivery versus payment" (DVP) method through the City's safekeeping agent. By so doing, City funds are not released until the City has received, through the safekeeping agent, the securities purchased.

Diversification by Investment Type:

When appropriate and applicable, diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments, and by controlling the market and opportunity risks associated with specific investment types. Undue concentrations of assets in a specific maturity sector shall be avoided. Bond proceeds may be invested to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculation.

Diversification by Investment Maturity:

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

Operating Funds Strategy:

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

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

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

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

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

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

Construction and Capital Improvement Funds Strategy:

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

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

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

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

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

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

Debt Service Funds Strategy:

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

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

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

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

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

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

Ensuring Liquidity:

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

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

Depository Agreements:

The City will select and designate a qualified primary bank depository in compliance with State law and the City’s purchasing policy. Additionally the City may utilize other depository institutions to expand deposit placement opportunities or provide specialty services.

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

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

Safekeeping and Custody:

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

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

Collateral will be held by a third party custodian designated by the City and pledged to the City as evidenced by pledge receipts of the institution with which the collateral is deposited. Original pledge 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 training relating to his/her investment responsibilities and accumulate not less than ten (10) hours of instruction. On an ongoing basis, all Investment Officers shall receive not less than eight (8) hours of instruction in each subsequent two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. Training will be conducted by an independent source approved by the Investment Committee and must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Prudent Investment Management:

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

Standard of Care:

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

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

Standard of Ethics:

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

Internal Controls:

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

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

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

Monitoring Market Value:

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

Effect of Loss of Rating:

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

Exemption for Existing Investments:

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

Performance:

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

Authorized Broker/Dealers:

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

Investment Policy Certification:

All local government investment pools and discretionary investment management firms 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 in accordance with the PFIA.

Investment Committee:

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

Reporting:

The Investment Officers shall prepare an investment report at least quarterly in compliance with the PFIA. This report will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to this Policy. The report will be provided to the City Council.

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

CITY OF ANNA, TEXAS

HOME-RULE CHARTER

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

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

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

ARTICLE 7—FINANCIAL PROCEDURES

SECTION 7.01 Fiscal Year

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

SECTION 7.02 Submission of Budget and Budget Message

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

SECTION 7.03 Budget Message

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

SECTION 7.04 Budget a Public Record

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

SECTION 7.05 Public Hearing on Budget

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

SECTION 7.06 Proceeding on Adoption of Budget

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

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

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

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

SECTION 7.08 Contingent Appropriation

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

SECTION 7.09 Amending the Budget

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

SECTION 7.10 Certification; Copies Made Available

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

SECTION 7.11 Capital Program

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

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

SECTION 7.12 Defect Does Not Invalidate the Tax Levy

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

SECTION 7.13 Lapse of Appropriations

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

SECTION 7.14 Borrowing

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

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

SECTION 7.15 Purchasing

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

SECTION 7.16 Administration of Budget

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

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

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

SECTION 7.17 Depository

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

SECTION 7.18 Independent Audit

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

SECTION 7.19 Power to Tax

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

SECTION 7.20 Office of Tax Collector

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

SECTION 7.21 Taxes; When Due and Payable

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

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

SECTION 7.22 Tax Liens, Liabilities and Suits

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

CITY OF ANNA, TEXAS

Ordinance No. 752-2017

Ordinance Adopting the Budget for the 2017 – 2018 Fiscal Year

A ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF ANNA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018; 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 2017 – 2018 FISCAL YEAR.

WHEREAS, the budget, appended hereto as Exhibit A, for the fiscal year beginning October 1, 2017 and ending September 30, 2018, 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, 2017, and ending September 30, 2018 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 2017 – 2018 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, 2017, and ending September 30, 2018.

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 2017 – 2018 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 \$224,786. All expenditures from this contingency appropriation shall be in accordance with Section 7.08 of the Anna City Charter.

SECTION 5. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.00 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON S \$100,000 HOME BY APPROXIMATELY \$-27.71.

PASSED AND APPROVED by record roll call vote on this, the 12th day of September, 2017.

Ayes 6

Nays 0

Abstained 0

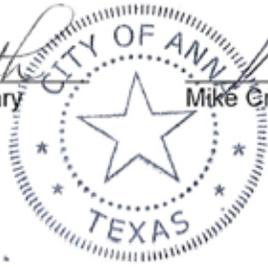
Ord. 752-2017

PAGE 1 OF 2

ATTESTED:

APPROVED:

Carrie L. Smith
Carrie L. Smith, City Secretary



Mike Crist
Mike Crist, Mayor

Ord. 752-2017

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Glossary

Accrual - Method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

Ad Valorem Tax - A tax computed from the assessed evaluation of land and improvements.

Assigned Fund Balance - Fund balance amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body which the governing body delegates the authority.

Balanced Budget - A budget adopted by the legislative body and authority by ordinance where the proposed expenditures equal to or less than the proposed resources.

Appropriation - An authorization made by the legislative body a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one year period.

Assessed Valuation - A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Central Appraisal District.)

Assets - Resources owned or held by the City which have monetary value.

Bonds - A written promise to pay a sum of money on a specific date at a specific interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation bonds and revenue bonds.

Budget - The City's financial plan for a specific fiscal year that contains both the estimated revenues to be received during the year and the proposed expenditures to be incurred to achieve related objectives.

Budget Document - The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

Capital Expenditures - Expenditures, which result in the acquisition of or addition to fixed assets.

Capital Improvements Plan - The process of planning, monitoring, programming, and budgeting over a multi-year period to allocate the City's capital monies.

Certificates of Obligation - Similar to general obligation bonds except the certificates require no voter approval.

Committed Fund Balance - Fund balance amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Component Unit - Component units are legally separate organizations that must be included in the financial report of the primary government.

Current Taxes - Taxes that are levied and due within one year.

Debt Service Fund - A fund used to account for the monies set aside for the payment of interest and principal to holders of the City's general obligations and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.

Department - A functional unit of the city containing one or more divisions or activities.

Delinquent Taxes - Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

Enterprise Fund - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Effective Tax Rate - A calculated rate that would provide about the same amount of revenue received in the year before on properties taxed in both years.

Encumbrances - Obligations in the form of a purchase order, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. When paid, the encumbrance is liquidated.

Expenditures - The cost of goods received or services rendered whether cash payments have been made or encumbered.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Anna has specified October 1st to September 30th as its fiscal year.

Fixed Assets - Assets of a long-term character which are intended to continue to be held or

used, such as land buildings, improvements, and infrastructure.

Full Time Equivalent (FTE) - A unit of measure based on the number of hours that an employee works during the fiscal year. One FTE is equal to 2080 hours.

Fund - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue fund, debt service funds, capital projects funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

Fund Balance - The excess of a fund's current assets over its current liabilities; sometimes called working capital in enterprise funds. A negative fund balance is often referred to as a deficit.

General Fund - The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is tax supported.

General Obligation Debt - Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property which is assessed through the taxation power of the local governmental unit.

Governmental Funds - Those funds through which most governmental functions typically are financed. The acquisition use and financial resources and the related current liabilities are accounted for through governmental funds. (General, Special Revenue, General Debt Service, General Capital Projects)

Infrastructure - That portion of a city's assets located at or below ground level, including water system, sewer system, and streets.

Liabilities - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances.

Levy - To impose taxes, special assessments, or service charges for the support of governmental activities.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis, revenues are recognized when they become both "measurable and available to finance expenditures with the current period." Expenditures are recognized when the related fund liability is incurred.

Non-Spendable Fund Balance - Fund balance amounts which are not in a spendable form (such as inventory) or are legally or contractually required to be maintained intact.

Operating Budget - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the city are controlled.

Operating Expenditures - Fund expenditures which are directly related to the fund's primary service activities.

Operating Revenues - Fund revenues, which are directly related to the fund's primary service activities. They consist primarily of user charges for services.

Performance Measures - Specific quantitative measure of work performed within an activity or program. They may also measure results obtained through an activity or program.

Revenues - All amount of money received by a government from external sources.

Restricted Fund Balance - Fund balance amounts constrained to specific purposes by their external providers (such as grants or bondholders), through constitutional provisions or by enabling legislation.

Rollback Tax Rate - Provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra eight percent increase for those operations and sufficient funds to pay debts in the upcoming year. It is a calculated maximum rate allowed by law without voter approval.

Special Revenue - A Special Revenue Fund is a governmental fund that is used to account for the proceeds of specific revenue sources that are restricted or committed for a specific project and purpose, other than debt service or capital projects.

Tax Rate - A percentage applied to all taxable property to raise general revenues. It is derived by dividing the total tax levy by the taxable net property valuation.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Tax Roll - The official list showing the amount of taxes levied against each taxpayer or property.

Unassigned Fund Balance - Any fund in excess of non-spendable, restricted, committed, and assigned components; these fund balance amounts that are available for any purpose. These amounts are reported only in the General Fund.

Working Capital - Budgeted working capital is calculated as a fund's current assets less current liabilities plus current portion of long-term debt.