AGENDA

City Council Meeting

Tuesday, May 25, 2021 @ 6:30 PM

Anna ISD Boardroom
201 E. 7th Street, Anna, Texas 75409

The City Council of the City of Anna will meet at 6:30 PM, on May 25, 2021, at the Anna ISD Board Room, Located at 201 E. 7th Street, Anna, Texas, 75409, to consider the following items.

Welcome to the City Council meeting. Please sign the Sign-In-Sheet as a record of attendance. If you wish to speak on an open-session agenda item, please fill out the Opinion/Speaker Registration Form and turn it in to the City Secretary before the meeting starts.

1. **Call to Order, Roll Call and Establishment of Quorum.**
2. **Invocation and Pledge of Allegiance.**
3. **Neighbor Comments.**
   At this time, any person may address the City Council regarding an item on this meeting agenda that is not scheduled for public hearing. Also, at this time any person may address the City Council regarding an item that is not on this meeting agenda. Each person will be allowed up to 3 minutes to speak. No discussion or action may be taken at this meeting on items not listed on this agenda, other than to make statements of specific information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.
4. **Work Session.**
   a. Discuss the potential for regulations relating to the use of golf carts in the public right-of-way. (Director of Development Services Ross Altobelli)
   b. Discuss a potential Franchise Agreement with ENERTEX, NB, LLC for a non-exclusive franchise and right to enter the public way to install, operate, and maintain a distribution system for the distribution and sale of gas to customers and the public. (Director of Public Works Greg Peters)
5. **Reports.**
   Receive reports from Staff or the City Council about items of community interest. *Items of community interest include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen (but not including a change in status of a person's public office or public employment); a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of*

the governing body or an official or employee of the municipality; and announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

a. Recognition of Kevin Hall, outgoing President/CEO of the Greater Anna Chamber of Commerce (Director of Economic Development Joey Grisham)

b. Proclamation - Anna High School Narrative Filmmakers (Mayor Nate Pike)

c. Anna "Big Dreams Are Built Here" Magazine Ad Wins Platinum Hermes Creative Award (Economic Development Manager Taylor Lough)

d. Update on COVID-19 Protocols (City Manager Jim Proce)

e. Legislative updates (City Manager Jim Proce)

f. Update on DART property located in Downtown (Greg Peters)

6. **Consent Items.**

These items consist of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Council member making such request prior to a motion and vote on the Consent Items.

a. Approve City Council Meeting Minutes for May 11, 2021. (City Secretary Carrie Land)

b. Review minutes of the March 4, 2021 Joint Community Development Corporation Board and Economic Development Corporation Board Meeting. (Director of Economic Development Joey Grisham)

c. Review minutes of the April 1, 2021 Joint Community Development Corporation Board and Economic Development Corporation Board Meeting. (Director of Economic Development Joey Grisham)

d. Approve a Resolution of the City of Anna, Texas for renewal of the Interlocal Dispatch Agreement with Collin County for the Fire Department. (Fire Chief Ray Isom)

e. Approve an Ordinance Adopting Financial Policies (Finance Director Alan Guard)

f. Approve a Resolution authorizing the City of Anna, Texas to participate in the Collin County Purchasing Cooperative for the purchase of goods and services for the public and authorize the city manager to sign the agreement. (Finance Director Alan Guard)

g. Approve an Ordinance adopting the 2018 Edition of the International Building Code (IBC), 2018 Edition of the International Residential Code (IRC), 2018 International Plumbing Code(IPC), 2018 International Mechanical Code (IMC), 2018 International Fuel Gas Code (IFGC), 2018 International Energy Conservation Code (IECC), 2018 International Existing Building Code (IEBC), 2018 International Swimming Pool and Spa Code (ISPSC), and 2017 National Electrical Code (NEC); and adopting the North Central Texas Council of Governments recommended amendments to each adopted code; and amended certain related provisions in The Anna City Code of Ordinances. (Director of Development Services Ross Altobelli)

h. Approve a Resolution authorizing the submittal of a grant application for the Solid Waste Pass-Through Program, from the TCEQ through the NCTCOG, for funding to develop a Beautification and Enhancement Strike Team Program in the City of Anna, Texas. (Public Works Director, Greg Peters, PE)

i. Approve Parks Advisory Board meeting minutes for 2019. (Neighborhood

Services Director Marc Marchand)

j. Approve the Quarterly Investment Report for the Period Ending March 31, 2021.

7. **Items For Individual Consideration.**

a. Acting as the Anna Housing Finance Corporation Board of Directors, Consider/Discuss/Act on corporate bylaws and appoint offices of president, vice president, secretary and executive director. (Economic Development Director Joey Grisham).

b. Consider/Discuss/Act Plan of Finance for the issuance of General Obligation Bonds, Series 2021 (Finance Director Alan Guard and Economic Development Manager Taylor Lough)

c. Consider/Discuss/Action on a RESOLUTION OF THE CITY OF ANNA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR JUNE 22, 2021 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

d. Consider/Discuss/Action on a RESOLUTION SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE WITHIN THE CITY OF ANNA, TEXAS; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF ANNA, TEXAS REGARDING THE PUBLIC HEARING; AND DIRECTING THE CITY TO PREPARE A PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

8. **Closed Session (Exceptions).**

Under Tex. Gov'T Code Chapter 551, The City Council May Enter Into Closed Session To Discuss Any Items Listed Or Referenced On This Agenda Under The Following Exceptions:

a. Consult with legal counsel regarding pending or contemplated litigation and/or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov’t Code §551.071). Municipal Utility Districts. City Charter. City ordinances. Council policies and procedures.

b. Discuss or deliberate the purchase, exchange, lease, or value of real property (Tex. Gov’t Code §551.072).

c. Discuss or deliberate Economic Development Negotiations: (1) To discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the City is conducting economic development negotiations; or (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087). Proposed development projects.

The Council further reserves the right to enter into executive session at any time throughout any duly noticed meeting under any applicable exception to the Open Meetings Act.

9. Consider/Discuss/Action on any items listed on any agenda - work session, regular meeting, or closed session - that is duly posted by the City of Anna for any City Council meeting occurring on the same date as the meeting noticed in this agenda.

10. **Adjourn.**

This is to certify that I, Carrie L. Land, City Secretary, posted this Agenda on the City's website (www.annatexas.gov) and at a place readily accessible to the public at the Anna City Hall and on the City Hall bulletin board at or before 5:00 p.m. on May 21, 2021.

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Carrie L. Land, City Secretary

1. The Council may vote and/or act upon each of the items listed in this agenda.
2. The Council reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meeting Act.
3. Persons with a disability who want to attend this meeting who may need assistance should contact the City Secretary at 972 924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

THE CITY OF Anna

Item No. 4.a.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Ross Altobelli

AGENDA ITEM:
Discuss the potential for regulations relating to the use of golf carts in the public right-of-way. (Director of Development Services Ross Altobelli)

SUMMARY:
Discuss the potential for creating regulations relating to the use of golf carts in the public right-of-way. Communities sometimes allow for the use of golf carts in neighborhoods for local transportation. There are already state regulations, attorney general opinion and a local cities in the region having regulations in place to govern such an initiative. These documents are attached for your review prior to the discussion.

Additionally, the Texas Attorney General ruled in April of 2021 that anyone operating a golf cart on a public roadway must have a valid driver's license.

Staff seeks input from the council to determine if there is an interest in looking onto this item for future consideration.

If Council provides a general consensus, staff would prepare an item for future consideration at an upcoming meeting.

FINANCIAL IMPACT:
N/A

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 3: Sustainable Anna Community Through Planned Managed Growth

STAFF RECOMMENDATION:
Staff seeks Council feedback on the item for future possible consideration. No formal action is being taken.

ATTACHMENTS:
1. AG Golf Cart Opinion
2. Texas Statute on Golf Carts

3. Celina Golf Cart Ordianance
4. Fairview Golf Carts Ordinance

APPROVALS:

Jim Proce, City Manager Created/Initiated - 5/20/2021

KEN PAXTON
ATTORNEY GENERAL OF TEXAS

April 5, 2021

The Honorable Brett W. Ligon
Montgomery County District Attorney
207 West Phillips, 2nd Floor
Conroe, Texas 77301

The Honorable B.D. Griffin
Montgomery County Attorney
501 North Thompson, Suite 300
Conroe, Texas 77301

Opinion No. KP-0364

Re: Whether a driver's license is required to operate a golf cart on a publicly maintained road, as authorized by sections 551.403 and 551.404 of the Transportation Code (RQ-0381-KP)

Dear Mr. Ligon and Mr. Griffin:

You ask whether a person must hold a driver's license to operate a golf cart on a publicly maintained road, as authorized by sections 551.403 and 551.404 of the Transportation Code.[1] You tell us that local and state officials have expressed conflicting opinions about the necessity of a driver's license to operate a golf cart on public streets as authorized in these statutes. Request Letter at 2. Sections 551.403 and 551.404 authorize the operation of golf carts on certain highways and other locations, but they do not address the necessity of a driver's license to do so. *See* TEX. TRANSP. CODE §§ 551.403, .404.

Title 7 of the Transportation Code regulates different aspects of the operation of vehicles, such as vehicle registration (subtitle A), driver's license requirements (subtitle B), rules of the road (subtitle C), financial responsibility (subtitle D), and other matters. *See id.* §§ 501.001–1006.155 (Title 7). Within subtitle B, section 521.021 provides that "[a] person, other than a person expressly exempted under this chapter [521], may not operate a motor vehicle on a highway in this state unless the person holds a driver's license issued under this chapter." *Id.* § 521.021. Chapter 521 borrows definitions for some of its terms from subtitle C. *See id.* § 521.001(b) ("A word or phrase that is not defined by this chapter but is defined by Subtitle C has the meaning in this chapter

[1]*See* Letter from Honorable Brett W. Ligon, Montgomery Cnty. Dist. Att'y, and Honorable B.D. Griffin, Montgomery Cnty. Att'y, to Honorable Ken Paxton, Tex. Att'y Gen. at 1 (Sept. 10, 2020), https://www2.texasattorneygeneral.gov/opinions/opinions/51paxton/rq/2020/pdf/RQ0381KP.pdf ("Request Letter").

that is assigned by that subtitle."). In subtitle C, a "motor vehicle" is defined to include "a self-propelled vehicle."[2] *Id*. § 541.201(11). A "highway or street" is "the width between the boundary lines of a publicly maintained way any part of which is open to the public for vehicular travel." *Id*. § 541.302(5). Thus, section 521.021 requires a driver's license to operate a self-propelled vehicle on a publicly maintained way open to the public for vehicular travel. *Id*. §§ 521.021, 541.201(11), 541.302(5); *see also Hicks v. State*, 18 S.W.3d 743, 744 (Tex. App.—San Antonio 2000, no pet.) ("It is well established the State of Texas can and does require a valid driver's license for all persons operating motor vehicles on the roads of the State.").

Subtitle C, "Rules of the Road," specifically regulates the operation of golf carts in chapter 551, subchapter F. Chapter 551 defines "golf cart" as "a *motor vehicle* designed by the manufacturer primarily for use on a golf course." TEX. TRANSP. CODE § 551.401 (emphasis added). Section 551.403 authorizes operation of golf carts in certain locations:

> An operator may operate a golf cart:
>
> (1) in a master planned community:
>
> (A) that has in place a uniform set of restrictive covenants; and
>
> (B) for which a county or municipality has approved a plat;
>
> (2) on a public or private beach that is open to vehicular traffic; or
>
> (3) on a highway for which the posted speed limit is not more than 35 miles per hour, if the golf cart is operated:
>
> (A) during the daytime; and
>
> (B) not more than two miles from the location where the golf cart is usually parked and for transportation to or from a golf course.

Id. § 551.403; *see generally* Tex. Att'y Gen. Op. No. GA-0966 (2012) (discussing requirements of the statute). Additionally, municipalities and counties in some parts of the State may authorize the operation of a golf cart on certain highways:

> (a) In addition to the operation authorized by Section 551.403, the governing body of a municipality may allow an operator to operate a golf cart on all or part of a highway that:

[2]This definition of "motor vehicle" expressly excludes electric bicycles or a specific type of electric personal assistive mobility device but not other types of vehicles such as golf carts. *See* TEX. TRANSP. CODE § 541.201(11).

> (1) is in the corporate boundaries of the municipality; and
>
> (2) has a posted speed limit of not more than 35 miles per hour.
>
> (b) In addition to the operation authorized by Section 551.403, the commissioners court of a county [as described] may allow an operator to operate a golf cart on all or part of a highway that:
>
> (1) is located in the unincorporated area of the county; and
>
> (2) has a speed limit of not more than 35 miles per hour.

TEX. TRANSP. CODE § 551.404(a), (b); *but see id*. § 551.4031 (authorizing a municipality, county, or the Department of Transportation to prohibit the operation of a golf cart under section 551.404 if necessary for public safety).[3]

The Legislature exempts the operation of golf carts under chapter 551 from some generally applicable statutes. For example, golf carts are exempted from registration requirements. *Id*. § 551.402(a). They are subject to their own license plate requirements. *See id*. § 551.402(b), (c). Golf carts are generally exempt from the usual vehicle equipment requirements. *See id*. § 547.002(7); *but see id*. §§ 547.703(d) (additional equipment required for golf carts and other slow-moving vehicles), 551.4041 (equipment for golf carts operating under section 551.404). Section 601.051 of the Motor Vehicle Responsibility Act does not apply to "a golf cart that is operated only as authorized by Section 551.403." *Id*. § 601.052(a)(2-a); *see also id*. § 601.051 (generally requiring a motor vehicle insurance policy or other specified proof of financial responsibility to operate a motor vehicle).

No statute exempts the operator of a golf cart under chapter 551 from the license-holding requirement of section 521.021.[4] We must assume that the lack of an exemption was intentional. "A court may not write special exceptions into a statute so as to make it inapplicable under certain circumstances not mentioned in the statute." *Pub. Util. Comm'n v. Cofer*, 754 S.W.2d 121, 124 (Tex. 1988). Thus, section 521.021 of the Transportation Code requires a person to hold a driver's license to operate a golf cart on a publicly maintained way open to the public for vehicular traffic as authorized by sections 551.403 and 551.404 of the Code.

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[3]Montgomery County is not among the counties authorized to allow an operator to operate a golf cart under subsection 551.404(b), and we find no Montgomery County ordinances relating to the operation of golf carts.

[4]Specific to minors, section 729.002 prohibits a person younger than 17 years of age from "operat[ing] a motor vehicle without a driver's license authorizing the operation of a *motor vehicle* on a: (1) public road or highway; (2) street or alley in a municipality; or (3) public beach as defined by Section 729.001." TEX. TRANSP. CODE § 729.002(a) (emphasis added). As "golf cart" is defined as "a *motor vehicle* designed by the manufacturer primarily for use on a golf course," the prohibition applies to the operation of a golf cart on a public road or highway. *Id*. § 551.401 (emphasis added).

S U M M A R Y

Section 521.021 of the Transportation Code prohibits a person, unless expressly exempted, from operating a motor vehicle on a publicly maintained way any part of which is open to the public for vehicular travel unless the person holds a driver's license. Sections 551.403 and 551.404 of the Code, which authorize a person to operate a golf cart in certain locations, do not exempt such persons from the driver's license-holding requirement of section 521.021.

Very truly yours,

Ken Paxton

KEN PAXTON
Attorney General of Texas

BRENT E. WEBSTER
First Assistant Attorney General

LESLEY FRENCH
Chief of Staff

MURTAZA F. SUTARWALLA
Deputy Attorney General for Legal Counsel

VIRGINIA K. HOELSCHER
Chair, Opinion Committee

WILLIAM A. HILL
Assistant Attorney General, Opinion Committee

SUBCHAPTER F. GOLF CARTS

Sec. 551.401. DEFINITION. In this subchapter, "golf cart" means a motor vehicle designed by the manufacturer primarily for use on a golf course.

Added by Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 10, eff. September 1, 2009.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 239, eff. January 1, 2012.

Acts 2017, 85th Leg., R.S., Ch. 1052 (H.B. 1956), Sec. 22(1), eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 16, eff. June 14, 2019.

Sec. 551.402. REGISTRATION NOT AUTHORIZED; LICENSE PLATES. (a) The Texas Department of Motor Vehicles may not register a golf cart for operation on a highway regardless of whether any alteration has been made to the golf cart.

(b) A person may operate a golf cart on a highway in a manner authorized by this subchapter only if the vehicle displays a license plate issued under this section.

(c) The Texas Department of Motor Vehicles:

(1) shall by rule establish a procedure to issue license plates for golf carts; and

(2) may charge a fee not to exceed $10 for the cost of the license plate, to be deposited to the credit of the Texas Department of Motor Vehicles fund.

(d) A golf cart license plate does not expire. A person who becomes the owner of a golf cart for which the previous owner obtained a license plate may not use the previous owner's license plate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 10, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 877 (H.B. 719), Sec. 1, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1135 (H.B. 2741), Sec. 95, eff. September 1, 2013.

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 17, eff. June 14, 2019.

Sec. 551.403. OPERATION AUTHORIZED IN CERTAIN AREAS. An operator may operate a golf cart:

(1) in a master planned community:

(A) that has in place a uniform set of restrictive covenants; and

(B) for which a county or municipality has approved a plat;

(2) on a public or private beach that is open to vehicular traffic; or

(3) on a highway for which the posted speed limit is not more than 35 miles per hour, if the golf cart is operated:

(A) during the daytime; and

(B) not more than two miles from the location where the golf cart is usually parked and for transportation to or from a golf course.

Added by Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 10, eff. September 1, 2009.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 18, eff. June 14, 2019.

Sec. 551.4031. PROHIBITION OF OPERATION ON HIGHWAY BY MUNICIPALITY, COUNTY, OR DEPARTMENT. (a) A county or municipality may prohibit the operation of a golf cart on a highway under Section 551.404 if the governing body of the county or municipality determines that the prohibition is necessary in the interest of safety.

(b) The Texas Department of Transportation may prohibit the operation of a golf cart on a highway under Section 551.404 if the department determines that the prohibition is necessary in the interest of safety.

Added by Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 18, eff. June 14, 2019.

Sec. 551.404. OPERATION ON HIGHWAY AUTHORIZED BY MUNICIPALITY OR CERTAIN COUNTIES. (a) In addition to the operation authorized by Section 551.403, the governing body of a municipality may allow an operator to operate a golf cart on all or part of a highway that:

(1) is in the corporate boundaries of the municipality; and

(2) has a posted speed limit of not more than 35 miles per hour.

(b) In addition to the operation authorized by Section 551.403, the commissioners court of a county described by Subsection (c) may allow an operator to operate a golf cart on all or part of a highway that:

(1) is located in the unincorporated area of the county; and

(2) has a speed limit of not more than 35 miles per hour.

(c) Subsection (b) applies only to a county that:

(1) borders or contains a portion of the Red River;

(2) borders or contains a portion of the Guadalupe River and contains a part of a barrier island that borders the Gulf of Mexico; or

(3) is adjacent to a county described by Subdivision (2) and:

(A) has a population of less than 37,000; and

(B) contains a part of a barrier island or peninsula that borders the Gulf of Mexico.

Added by Acts 2009, 81st Leg., R.S., Ch. 1136 (H.B. 2553), Sec. 10, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1296 (H.B. 2357), Sec. 241, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 877 (H.B. 719), Sec. 2, eff. June 14, 2013.

Acts 2017, 85th Leg., R.S., Ch. 171 (H.B. 2968), Sec. 1, eff. May 26, 2017.

Acts 2017, 85th Leg., R.S., Ch. 1052 (H.B. 1956), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 1233 (H.B. 1548), Sec. 19, eff. June 14, 2019.

Sec. 551.4041. EQUIPMENT. A golf cart operated under Section 551.404 must have the following equipment:

(1) headlamps;

(2) taillamps;

(3) reflectors;

(4) parking brake; and

(5) mirrors.

Sec. 12.03.001 Golf carts

(a) Definitions. The following words, terms, and phrases, when used in this section shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Golf cart. The meaning assigned by the Texas Transportation Code section 502.001(7), as it exists or may be amended and includes a motor vehicle designed by the manufacturer primarily for transporting persons on a golf course.

Public highway. The meaning assigned by the Texas Transportation Code section 502.001(18), as it exists or may be amended and includes a road, street, way, thoroughfare or bridge:

(1) That is in this state;

(2) That is for the use of vehicles;

(3) That is not privately owned or controlled; and

(4) Over which the state has jurisdiction under its police power.

(b) Golf carts prohibited. A person, other than public safety personnel, may operate a golf cart on a public highway if:

(1) The maximum speed limit on the public street is 35 miles per hour or less;

(2) The person has a valid driver license;

(3) The person maintains current financial responsibility for the golf cart, as required of other passenger vehicles in the V.T.C.A., Texas Transportation Code section 601.051;

(4) The person complies with all applicable federal, state, and local laws and ordinances;

(5) The golf cart has the following equipment:

(A) Headlamps;

(B) Tail lamps;

(C) Reflectors;

(D) Parking brake;

(E) Mirrors; and

(F) A slow-moving vehicle emblem; and

(6) While the golf cart is in motion, the driver and every passenger in a golf cart is seated in a seat designed to hold passengers. No person may stand or ride in the lap of the driver and/or other passenger of a golf cart while it is moving.

(c) Public safety personnel may operate a golf cart on any public street without any further restrictions when the golf cart is used in the performance of his/her duties.

(Ordinance 2015-44 adopted 9/8/15)

Division 4. Golf Carts and Undersized Motor Vehicles in Public Areas

Sec. 12.02.091 Definitions

The following words, terms, and phrases, when used in this article shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Golf cart. A motor vehicle designed by the manufacturer primarily for transporting persons on a golf course, and has a normal maximum speed between 15 and 25 mph.

Motor carrier. An individual, association, corporation, or other legal entity that controls, operates, or directs the operation of one or more vehicles that transport persons or cargo over a road or highway in this state.

Public street. A publicly owned or dedicated road, street, drive, or other right-of-way for the use of vehicles within the corporate boundaries of the town; this definition does not include public sidewalks or trails.

Undersized motor vehicle. A golf cart and all those classes of vehicles qualifying for issuance of license plates from the Texas Department of Motor Vehicles under Texas Transportation Code sec. 551.452, including all-terrain vehicles, neighborhood electric vehicles, recreational off-highway vehicle, or utility vehicle.

Sec. 12.02.092 Minimum requirements

A person may operate a golf cart or other undersized motor vehicle on a public street if all of the following conditions are met:

(1) The time when the undersized motor vehicle is being operated is after sunrise and before sunset;

(2) The maximum posted speed limit on the public street is thirty (30) miles per hour or less (or the undersized motor vehicle is on a public street that has a posted speed limit of more than thirty (30) miles per hour and the undersized motor vehicle is otherwise legally crossing at an intersection of such public street); except for motor carriers picking up or delivering mail, parcels, or packages, who may operate undersized motor vehicles on roads having speed limits of thirty-five (35) miles per hour or less;

(3) The person has a valid drivers license;

(4) The person maintains current financial responsibility for the undersized motor vehicle, as required of other passenger vehicles in Texas Transportation Code section 601.051;

(5) The person complies with all applicable federal, state, and local laws and ordinances governing the operation of the undersized motor vehicle;

(6) The person is the holder of an undersized motor vehicle permit duly issued by the town under section 12.02.094 of this division and has said permit on the undersized motor vehicle;

(7) The undersized motor vehicle has the following equipment in good working condition:

(A) Headlamps;

(B) Tail lamps;

(C) Reflectors;

(D) Parking brake;

(E) Horn;

(F) Mirrors;

(G) A slow moving vehicle emblem;

(H) For undersized motor vehicles purchased after the effective date of this division, brake lights; and

(8) The vehicle bears a valid license plate issued by the Texas Department of Motor Vehicles if required under applicable state law; and

(9) Vehicles owned and operated by the town are exempt from the requirements of this division.

Sec. 12.02.093 Additional regulations

(a) While a golf cart or undersized motor vehicle is in motion on a public street, the driver and every passenger in the vehicle must be seated in a seat designed to hold passengers. No person may stand, or ride in the lap of the driver and/or other passenger of a golf cart while it is moving on a public street. The number of passengers riding in an undersized motor vehicle may not exceed the number of riders that the vehicle is designed to transport.

(b) Animals riding in an undersized motor vehicle that is operated on a public street must be reasonably secured (i.e. safety harness, crate, passenger's lap).

(c) Any person operating an undersized motor vehicle on a public street must use proper hand signaling to illustrate intent of direction being traveled, or the undersized motor vehicle must be equipped with turn signal lamps.

(d) In any park containing playground equipment, undersized motor vehicles are not permitted to be operated or parked more than 6 feet from paved sidewalks or hike and bike trails.

Division 4. Golf Carts and Undersized Motor Vehicles in Public Areas

Sec. 12.02.094 Permit requirement

(a) Before operating a golf cart or undersized motor vehicle on a public street a person must possess an unexpired town-issued undersized motor vehicle permit. An initial permit fee of sixty dollars ($60.00) must be paid to the town for the issuance of a new permit, which shall be valid for a period of two years. A biennial renewal fee of sixty dollars ($60.00) is required to be paid to the town to maintain the permit. The permit does not constitute a property right. In addition to other applicable penalties, the town may suspend or revoke a town-issued permit held by a person who has been convicted of a violation of any of the requirements under this division. Persons who receive town-issued permits will receive permit stickers that must be affixed to the front and rear of the undersized motor vehicle as set forth in further detail herein.

(b) The registration permit process includes the following specifics:

(1) The applicant shall complete the town-supplied registration permit application form, which shall contain the:

(A) Name and address of the applicant and owner of the undersized motor vehicle;

(B) Location where the vehicle is regularly stored overnight;

(C) Model, make, name and golf cart or undersized motor vehicle identification number;

(D) Current driver's license number of applicant;

(E) Statement that all operators are required to be licensed pursuant to Texas Transportation Code sections 521.001(3) and 521.021, as amended, and that all equipment required under division is installed and will be kept current during the registration period;

(F) Statement that the registration permit holder and any user shall indemnify and hold harmless the town, for any and all civil liability associated with said registration, and waives any and all rights to sue or allow subrogation by insurance company; and

(G) Other information the town may require.

(2) The permit application shall be:

(A) Accompanied by a fee of $60.00;

(B) Accompanied by proof of financial responsibility consistent with the minimum requirements of Texas Transportation Code section 601.051, as amended, for operation of motor vehicles. Applicant owner must also show their original driver's license and shall provide copies of both the owner's drivers license and proof of financial responsibility; and

(C) Signed by the applicant.

(3) Upon issuance, the permit stickers shall be attached and displayed upon the right front panel (driver's side) of the undersized motor vehicle and upon the left rear panel so as to be clearly visible.

Division 4. Golf Carts and Undersized Motor Vehicles in Public Areas

Sec. 12.02.095 Prohibition against operating golf carts and undersized motor vehicles in public parks and on public trails and sidewalks

The operation of a golf cart or undersized motor vehicle in any area designated by the town as a public park or trail, or which comprises a public sidewalk, is strictly prohibited.

(Ordinance 2017-22 adopted 10/4/17)

THE CITY OF Anna

Item No. 4.b.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Gregory Peters

AGENDA ITEM:
Discuss a potential Franchise Agreement with ENERTEX, NB, LLC for a non-exclusive franchise and right to enter the public way to install, operate, and maintain a distribution system for the distribution and sale of gas to customers and the public. (Director of Public Works Greg Peters)

SUMMARY:
This discussion item is to brief the City Council on the potential of a franchise agreement to allow another franchise gas utility to provide gas to customers in the City of Anna, Texas. Currently there is only one gas supplier in Anna, Atmos Energy. A new franchise agreement will allow another professional company to provide services as new development occurs, providing developers and the public with more choice when it comes to their gas service.

FINANCIAL IMPACT:
None.

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
None - this is for discussion only.

ATTACHMENTS:

APPROVALS:

Gregory Peters, Director of Public Works	Created/Initiated - 5/21/2021
Jim Proce, City Manager	Final Approval - 5/21/2021

THE CITY OF Anna

Item No. 5.a.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact:

AGENDA ITEM:
Recognition of Kevin Hall, outgoing President/CEO of the Greater Anna Chamber of Commerce (Director of Economic Development Joey Grisham)

SUMMARY:

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:

STAFF RECOMMENDATION:

ATTACHMENTS:

APPROVALS:

Taylor Lough, Economic Development Administrator	Created/Initiated - 5/20/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

THE CITY OF Anna

Item No. 5.b.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact:

AGENDA ITEM:
Proclamation - Anna High School Narrative Filmmakers (Mayor Nate Pike)

SUMMARY:

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:

STAFF RECOMMENDATION:

ATTACHMENTS:
1. Proclamation AV Team 2021

APPROVALS:
Ryan Henderson, Assistant City Manager Created/Initiated - 5/20/2021

City of Anna, Texas

Proclamation

2021 Anna High School
Audio/Visual Production Narrative Team Day
May 25, 2021

WHEREAS, the AHS A/V Production Narrative Team's film "Justin Yuso Saves the World" qualified for the 2021 Division-One UIL Young Filmmakers State contest.

WHEREAS, this is the second consecutive state-qualifier for the AHS narrative program (Tommy Superstar, 2020), but the first time in school history to bring home the gold; and

WHEREAS, the accomplishments of the AHS A/V Production Narrative Team are even more special because of the extra challenges imposed on students this year due to pandemic restrictions. The team sacrificed their own time, pooled their resources for camera and lighting equipment, and coordinated shoots entirely on their own for the majority of production.

WHEREAS, the A/V Production Narrative Team was comprised of filmmakers Macie Boone, Caroline Boykin, Matt Campbell, Jonathan Chih, Camden Demetrovich, Tyler Erovick, Emma Godwin, TeMyjia Jemison, Tyler Lang, Dallas Meader, Justin Muthaka, Eric Oliva, Dorian Ruffin, Jerry Sifuentes, Gabe Silva, and Jacob Watt and was led and mentored by their teacher, Randall Kramen.

WHEREAS, the hard work, dedication, creativity, talent, and exceptional team chemistry of the 2021 Anna High School Audio/Visual Production Narrative Team has enabled these student filmmakers to earn a State Championship title.

NOW I, Nate Pike, Mayor of the City of Anna, Texas, do recognize May 25, 2021 as

AHS Audio/Visual Production Narrative Team Day

in Anna, Texas and encourage neighbors to celebrate this outstanding accomplishment.

In witness, whereof I have hereunto set my hand this 25th day of May 2021 and called this seal to be affixed.

____

Mayor Nate Pike

THE CITY OF Anna

Item No. 5.c.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Taylor Lough

AGENDA ITEM:
Anna "Big Dreams Are Built Here" Magazine Ad Wins Platinum Hermes Creative Award (Economic Development Manager Taylor Lough)

SUMMARY:
The Hermes Creative Awards, administered by the Association of Marketing and Communication Professionals, honor creative professionals involved in the concept, writing and design of traditional and emerging media. Judges are industry professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry.

There were about 6,000 entries from throughout the United States and many other countries in the 2020 Hermes Creative Awards competition. In the past, about 15 percent of entries won Platinum, the top award, and around 20 percent the Gold Award. Approximately 10 percent were Honorable Mention winners.

Cooksey designed the Anna Economic Development Corporation's magazine ad "Big Dreams are Built Here." It highlighted the city's opportunity for growth and its projected upward trajectory. This ad was created after Cooksey performed a communications audit, redesigned the corporation's logo and implemented a new tagline, "Groundbreaking Possibilities," late last year. The "Big Dreams Are Built Here" Ad was awarded Platinum in the Magazine Ad division of the Print Media/Advertising Category.

FINANCIAL IMPACT:
The Anna CDC maintains a professional services agreement with Cooksey Communications for public relations and marketing.

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 1: Growing Anna Economy

STAFF RECOMMENDATION:

ATTACHMENTS:
1. Anna ad TREB 9.75x6.625

APPROVALS:

Taylor Lough, Economic Development Administrator Created/Initiated - 5/20/2021

THE CITY OF Anna

Item No. 5.d.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Jim Proce

AGENDA ITEM:
Update on COVID-19 Protocols (City Manager Jim Proce)

SUMMARY:
Pursuant to the recent Executive Order GA-36 from the Governor of Texas, the City operations has revised the current practices in place to ensure conformance to the State law.

Review of this Executive Order issued by the Governor yields that our current emergency/disaster declaration in response to Covid-19 will remain in place to remain in compliance with potential funding acquisitions with regard to federal funding opportunities. The continuing issuance of a statewide disaster declaration by the Governor can be seen here: https://gov.texas.gov/news/post/governor-abbott-renews-covid-19-disaster-declaration-for-may-2021

Although the conditions of the declaration have been greatly reduced in effect as compared to prior orders, the latest Executive Order and our current (on-going) emergency/disaster declaration have effectively removed the prior mask mandates and the enforcement or requirements thereof effective 11:59PM May 21, 2021 or be subject to fine up to $1,000. Since this went into effect prior to the date of this meeting, the City Manager installed these elements to be in compliance to Executive Order and the standing city order which aligns with each consecutive Governor's Orders.

As such, we must have removed any signage from any City building that states any mask practices are in place or in effect no later than 11:59PM on May 21, 2021. There are limited exceptions in the Executive Order but none of which appear to be applicable to any City operations under the direction of the City Manager or the City Secretary. The only noted exception for City related business may be the Municipal Court Operations.

Item 4 in the Governor's Executive Order mentions states that "…legal proceedings are free to proceed without COVID-19-related limitations imposed by local governmental entities or officials, in all counties not in an area of high hospitalizations as defined in that executive order." However the State Office of Court Administration seems to disagree with that statement, and it issued the following statement on May 18:

As the Supreme Court's 36th Emergency Order states, courts may take any reasonable action to avoid exposing court proceedings to the threat of COVID-19, including requiring compliance with social distancing protocols and face coverings worn over the nose and mouth. As stated in Attorney General Opinion KP-0322, **“judges possess broad inherent authority to control orderly proceedings in their courtrooms, and pursuant to that authority, they can require individuals in the courtroom to wear facial coverings”** and **“may require any person entering the courthouse in which they preside to wear a facial covering while in the courthouse.”** **The Governor's Executive Order issued does not alter the Supreme Court’s current emergency order, or the ability of a judge to control his or her courtroom, or requirements for those entering a court building who will be attending a court proceeding.** Prior to any future court proceeding staff will coordinate with the Judge so as to understand what restrictions may or may not be in place per his discretion.

All staff members have been instructed on this revised mandate and the court exceptions, and have been informed that we can no longer tell neighbors who enter our facilities to “mask up” and we cannot direct staff to “mask up” but those who which to do so, can do so, voluntarily at their own discretion, aside from the stated exceptions.

The Governors Order can be found at this link: https://gov.texas.gov/news/post/governor-abbott-issues-executive-order-36-prohibiting-government-entities-from-mandating-masks

Additionally based upon guidance I have received from the City Attorney and under the authority of the Mayor under the Covid-19 emergency/disaster declaration, we will be opening up for full business on June 1, 2021, as the return to normal date. This will enable those remaining staff members to finish getting their vaccinations.

Unless there are additional executive orders which state otherwise, we will practice social distancing, employ the continued use of the Wello stations, provide hand sanitizers as public access points, determine occupancy requirements under the authority of the Fire Chief or his designee, leave any shields in place to protect employees from any potential exposures, and cease any telecommuting related to Covid-19, but the doors will be unlocked and accessible to the general public during normal business hours, which hours are posted on each facility with normal public access.

Should any of these conditions be revised by additional Executive Orders to the contrary we will amend this direction accordingly remaining compliant with state law.

FINANCIAL IMPACT:
N/A

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
For information only

ATTACHMENTS:
1. EO-GA-36_prohibition_on_mandating_face_coverings_response_to_COVID-19_disaster_IMAGE_05-18-2021
2. Governor Abbott Renews COVID-19 Disaster Declaration For May 2021 _ Office of the Texas Governor _ Greg Abbott

APPROVALS:

Jim Proce, City Manager	Created/Initiated - 5/20/2021

GOVERNOR GREG ABBOTT

May 18, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12:15pm O'CLOCK
MAY 18 2021
Secretary of State

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-36 relating to the prohibition of governmental entities and officials from mandating face coverings or restricting activities in response to the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
May 18, 2021

EXECUTIVE ORDER
GA 36

Relating to the prohibition of governmental entities and officials from mandating face coverings or restricting activities in response to the COVID-19 disaster.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, I issued Executive Order GA-34 on March 2, 2021, to open Texas 100 percent and remove face-covering requirements; and

WHEREAS, since then, COVID-19 hospitalizations and the rate of new COVID-19 cases have continued their steady decline; and

WHEREAS, Executive Order GA-34 specifically provides that "no person may be required by any jurisdiction to wear or to mandate the wearing of a face covering," and, notwithstanding that order, some local governmental entities have caused confusion by nonetheless purporting to require face coverings; and

WHEREAS, Executive Order GA-34 also provides that "there are no COVID-19-related operating limits for any business or other establishment," that any "conflicting order issued by local officials in response to the COVID-19 disaster" is superseded, and that all relevant statutes are suspended to the extent necessary to preclude inconsistent local orders; and

WHEREAS, to further ensure statewide uniformity, and based on the continued improvement of conditions in Texas, revised standards are appropriate to achieve the least restrictive means of combatting COVID-19; and

WHEREAS, in the Texas Disaster Act of 1975, the legislature charged the governor with the responsibility "for meeting … the dangers to the state and people presented by disasters" under Section 418.011 of the Texas Government Code, and expressly granted the governor broad authority to fulfill that responsibility; and

WHEREAS, under Section 418.012, the "governor may issue executive orders … hav[ing] the force and effect of law;" and

WHEREAS, under Section 418.016(a), the "governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business … if strict compliance with the provisions … would in any way prevent, hinder, or delay necessary action in coping with a disaster;" and

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12:15 PM O'CLOCK

MAY 18 2021

WHEREAS, under Section 418.018(c), the "governor may control ingress and egress to and from a disaster area and the movement of persons and the occupancy of premises in the area;" and

WHEREAS, under Section 418.173, the legislature authorized as "an offense," punishable by a fine up to $1,000, any "failure to comply with the [state emergency management plan] or with a rule, order, or ordinance adopted under the plan;"

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. No governmental entity, including a county, city, school district, and public health authority, and no governmental official may require any person to wear a face covering or to mandate that another person wear a face covering; *provided, however, that*:
    a. state supported living centers, government-owned hospitals, and government-operated hospitals may continue to use appropriate policies regarding the wearing of face coverings; and
    b. the Texas Department of Criminal Justice, the Texas Juvenile Justice Department, and any county and municipal jails acting consistent with guidance by the Texas Commission on Jail Standards may continue to use appropriate policies regarding the wearing of face coverings.
2. Notwithstanding the above, public schools may continue to follow policies regarding the wearing of face coverings to the extent reflected in current guidance by the Texas Education Agency, until June 4, 2021. The Texas Education Agency shall revise its guidance such that, effective 11:59 p.m. on June 4, 2021, no student, teacher, parent, or other staff member or visitor may be required to wear a face covering.
3. This executive order shall supersede any face-covering requirement imposed by any local governmental entity or official, except as explicitly provided in paragraph numbers 1-2. To the extent necessary to ensure that local governmental entities or officials do not impose any such face-covering requirements, I hereby suspend the following:
    a. Sections 418.1015(b) and 418.108 of the Texas Government Code;
    b. Chapter 81, Subchapter E of the Texas Health and Safety Code;
    c. Chapters 121, 122, and 341 of the Texas Health and Safety Code;
    d. Chapter 54 of the Texas Local Government Code; and
    e. any other statute invoked by any local governmental entity or official in support of a face-covering requirement.

    Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any such face-covering requirement by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000, beginning at 11:59 p.m. on May 21, 2021.

4. Under Executive Order GA-34, business activities and legal proceedings are free to proceed without COVID-19-related limitations imposed by local governmental entities or officials, in all counties not in an area of high hospitalizations as defined in that executive order. Executive Order GA-34 also superseded any conflicting local order in response to the COVID-19 disaster, and directed that all relevant laws

are suspended to the extent necessary to preclude any such inconsistent local orders. Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any conflicting or inconsistent limitation by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000, beginning at 11:59 p.m. on May 21, 2021.

This executive order supersedes subparagraph numbers 1(b) and 2(c)(iii) of Executive Order GA-34, but does not otherwise supersede Executive Orders GA-10, GA-13, GA-34, or GA-35. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 18th day of May, 2021.

GREG ABBOTT
Governor

ATTESTED BY:

RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12:15PM O'CLOCK

MAY 18 2021

Governor Abbott Renews COVID-19 Disaster Declaration For May 2021

May 5, 2021 | Proclamation

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have issued proclamations renewing the disaster declaration for all Texas counties; and

WHEREAS, the Commissioner of the Texas Department of State Health Services, Dr. John Hellerstedt, has determined that COVID- 19 represents a public health disaster within the meaning of Chapter 81 of the Texas Health and Safety Code; and

WHEREAS, I have issued executive orders and suspensions of Texas laws in response to COVID-19, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, a state of disaster continues to exist in all counties due to COVID-19;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the disaster proclamation for all counties in Texas.

Pursuant to Section 418.017, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to cope with this declared disaster, I hereby suspend such statutes and rules for the duration of this declared disaster for that limited purpose.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 5th day of May, 2021.

GOVERNOR GREG ABBOTT

THE CITY OF Anna

Item No. 5.e.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Jim Proce

AGENDA ITEM:
Legislative updates (City Manager Jim Proce)

SUMMARY:
Staff will provide a brief update on legislative updates that may include but may not be limited the following items.

- **Community Censorship**: S.B. 10 by Bettencourt has passed the House State Affairs Committee and waits to be set on one of the few remaining House floor calendars. S.B. 10 now applies to all taxing jurisdictions and requires a vote of the governing body to authorize a contract with a person required to register as a lobbyist. The bill requires a taxing entity to post a copy of the contract on its website including amounts spent on contract lobbyists and membership fees or dues to nonprofit state associations or organizations. The bill prohibits a city from reimbursing a lobbyist for expenditures on food, drink, and entertainment and prohibits lobbyists who contract with a taxing entity from advocating on tax rates.
- **Debt Restrictions**: H.B. 1869 by Burrows has passed the House and has received a hearing in the Senate Local Government Committee. As filed, this bill would have modified the definition of "debt" for purposes of the debt service property tax rate calculation to only include debt approved at an election. The House improved the bill by giving cities the ability to debt finance certain infrastructure and equipment. HB 1869 has received a hearing in the Senate Local Government Committee and by all indications from Chairman Bettencourt, the committee will likely vote out a similar measure in the days ahead.
- **Property Tax Rate Calculation during Disaster**: S.B. 1438 by Bettencourt passed both the House and the Senate, though in different forms. The bill, as filed and as it passed the Senate, would modify the tax rate calculation provision for taxing units during a disaster to restrict a city from opting into an 8 percent voter-approval rate calculation during a pandemic or other disaster in which property is not physically damaged. As we reported in our May 7th Legislative Update, two floor amendments were added to the bill in the House that are potentially damaging to city recovery efforts following a disaster. S.B. 1438 is currently being considered in a conference committee that will reconcile the differences between the two chambers.

- **DON'T FORGET: MANDATED CYBERSECURITY TRAINING AND REPORTING DUE IN JUNE**
  Texas Government Code Section 2054.5191 requires city employees and officials who have access to a local government computer system or database to complete a Texas Department of Information Resources (DIR) certified training program. Training must be completed by **June 14, 2021** and cities must certify their training compliance by **June 15, 2021**, using the Cybersecurity Training Certification for State and Local Governments form. **Note: H.B. 1118**, as passed by the 87th Texas Legislature and pending the Governor's signature, will amend cybersecurity training requirements for city employees and for elected

and appointed officials. The bill has an immediate effective date. Assuming it is signed by the Governor, this bill: (1) requires training for those employees and officials who have access to a local government computer system or database and use a computer to perform at *least 25 percent* of the employee's or official's required duties; (2) gives cities authority to deny access to a city's computer system or database to those individuals who have not completed the required training; (3) requires cities to report the percentage of employee and official completion; and (4) penalizes cities that do not comply with the cybersecurity training requirements of Government Code Section 2054.5191 by impacting a city's ability to apply for or keep certain grants administered by the state (note: this penalty applies to grant applications submitted on or after September 1, 2021).

FINANCIAL IMPACT:

N/A

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing:

Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:

For information only; no formal action required

ATTACHMENTS:

APPROVALS:

Jim Proce, City Manager Created/Initiated - 5/21/2021

THE CITY OF Anna

Item No. 5.f.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Gregory Peters

AGENDA ITEM:
Update on DART property located in Downtown (Greg Peters)

SUMMARY:
Staff will provide a brief update on the status of the DART property downtown and can bring an action item back to the Council at a future meeting if there is a general consensus.

FINANCIAL IMPACT:
N/A

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 2: Anna – Great Place to Live

STAFF RECOMMENDATION:

ATTACHMENTS:

APPROVALS:
Jim Proce, City Manager Created/Initiated - 5/21/2021

THE CITY OF Anna

Item No. 6.a.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Carrie Land

AGENDA ITEM:
Approve City Council Meeting Minutes for May 11, 2021. (City Secretary Carrie Land)

SUMMARY:

FINANCIAL IMPACT:
N/A

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:

ATTACHMENTS:
1. 05-11-2021 CC Minutes (kla)

APPROVALS:

Carrie Land, City Secretary	Created/Initiated - 5/19/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

Regular City Council Meeting
Meeting Minutes

Tuesday, May 11, 2021 @ 6:30 PM

Anna ISD Boardroom
201 E. 7th Street, Anna, Texas 75409

The City Council of the City of Anna met at 6:30 PM, on May 11, 2021, at the Anna ISD Boardroom, located at 201 E. 7th Street, Anna, Texas, 75409, to consider the following items.

1. **Call to Order, Roll Call and Establishment of Quorum.**

   Mayor Pike called the meeting to order at 6:30 PM.

2. **Invocation and Pledge of Allegiance.**

   Mayor Pike led the Invocation and Pledge of Allegiance.

3. **Neighbor Comments.**

   Gina Marie Ottavio discussed requiring a petition to run for public office and challenged a Diversity and Inclusion Advisory Commission nomination made by the Interview Committee.

4. **Work Session.**

   a. Consider/Discuss/Action on an Ordinance Canvassing the May 1, 2021, Bond Election Returns. (City Secretary Carrie Land)

   MOTION: Council Member Vollmer moved to approve. Council Member Toten seconded. Motion carried 7-0.

   b. Consider/Discuss/Action on an Ordinance Canvassing the May 1, 2021, General Election Returns. (City Secretary Carrie Land)

   MOTION: Council Member Vollmer moved to approve. Council Member Ussery seconded. Motion carried 7-0.

   c. Oath of Office to re-elected Mayor Nate Pike and Council Member Kevin Toten.

(City Secretary Carrie Land)

d. Meet & Greet

5. **Reports.**

a. Recognition of three Anna Neighbors for their heroic actions on February 24, 2021.

b. Proclamation National Public Works Week

c. Proclamation Economic Development Week

d. Proclamation Building Safety Week

e. Anna received the Safest Cities in Texas designation from SafeWise for 2021

f. Update on Bond Election Process

The Bond Election is complete and the three propositions were approved by voters. Staff provided a presentation outlining the financial calendar and next steps related to the bond rating process and near future deliverables.

6. **Consent Items.**

a. Approve City Council Meeting Minutes for April 27, 2021. (City Secretary Carrie Land)

b. Review minutes of the April 5, 2021, Joint Planning & Zoning Commission, Economic Development Corporation, and Community Development Corporation meeting. (Director of Development Services Ross Altobelli and Director of Economic Development Joey Grisham)

c. Review minutes of the April 5, 2021 Planning & Zoning Commission meeting.

(Director of Development Services Ross Altobelli)

d. Approve a Resolution regarding the R. D. Brown Addition, Block A, Lot 1, Development Plat. (Director of Development Services Ross Altobelli)

Single-family dwelling, detached structure on one lot on 12.5± acres located at the northeast corner of FM 2862 and CR 479. Located within the extraterritorial jurisdiction (ETJ). The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING R.D. BROWN ADDITION, BLOCK A, LOT 1, DEVELOPMENT PLAT

e. Approve a Resolution regarding the Feagan Estates, Block A, Lot 1, Development Plat. (Director of Development Services Ross Altobelli)

Manufactured home and two accessory buildings on one lot on 2.6± acres located on the north side of FM 2862, 1,590 feet east of CR 477. Located within the extraterritorial jurisdiction (ETJ). The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING FEAGAN ESTATES, BLOCK A, LOT 1, DEVELOPMENT PLAT

f. Approve a Resolution regarding the Godinez Estates, Block A, Lot 1, Replat. (Director of Development Services Ross Altobelli)

One lot on 0.7± acre located on the west side of College Street, 75 feet south of Bailey Street. Located within the extraterritorial jurisdiction (ETJ). The purpose for the Replat is to consolidate multiple lots into one lot. The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING GODINEZ ESTATES, BLOCK A, LOT 1, REPLAT

g. Approve a Resolution regarding the Janis Addition, Block A, Lot 1, Development Plat. (Director of Development Services Ross Altobelli)

Residential lot on 69.1± acres, located on the east side of CR 290, 2,047± feet south of CR 1101. Located within the extraterritorial jurisdiction (ETJ). The Planning & Zoning Commission recommended approval

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING JANIS ADDITION, BLOCK A, LOT 1, DEVELOPMENT PLAT

h. Approve a Resolution regarding the One Anna Two Addition, Block B, Lots 3 &

4, Final Plat. (Director of Development Services Ross Altobelli)

Automobile service station, retail, & restaurant on 2.3± acres and vacant lot on 34.3± acres located at the northwest corner of W. White Street (FM 455) and U.S. Highway 75 frontage Road. Zoned PD-846-2020. The purpose of the final plat is to dedicate easements necessary for the commercial development on lot 4. The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A FINAL PLAT OF ONE ANNA TWO ADDITION, BLOCK B, LOTS 3 & 4.

i. Approve a Resolution regarding the One Anna Two Addition, Block B, Lots 3 & 4, Site Plan. (Director of Development Services Ross Altobelli)

Automobile service station, retail, & restaurant on 2.3± acres and vacant lot on 34.3± acres located at the northwest corner of W. White Street (FM 455) and U.S. Highway 75 frontage Road. Zoned PD-846-2020. The purpose of the site plan is to show the proposed site improvements associated with the commercial development on lot 4. The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A SITE PLAN OF ONE ANNA TWO ADDITION, BLOCK B, LOTS 3 & 4.

j. Approve a Resolution regarding the Shadowbend, Phase 1, Block G, Lot 1X, Site Plan. (Director of Development Services Ross Altobelli)

Park (private) lot on 1.5± acres, located at the northwest corner of Harbor Oaks Drive and Yarborough Drive. Zoned PD-797-2018. The purpose of the site plan is to show the proposed amenity center lot improvements. The Planning & Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A SITE PLAN OF SHADOWBEND, PHASE 1, BLOCK G, LOT 1X.

k. Approve a Resolution regarding the Sweet Cow Addition, Preliminary Plat. (Director of Development Services Ross Altobelli)

92 Single-Family Residential (SF-72) lots and 6 HOA lots on 27.8± acres located on the south side of County Road 376, 3,910± feet east of N Powell Parkway (State Highway 5). Zoned: SF-72. The purpose for the preliminary plat is to propose lot and block boundaries and easement necessary for the creation of the single-family subdivision. The Planning and Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A PRELIMINARY PLAT FOR SWEET COW ADDITION,

l. Approve a Resolution Regarding the Waterview, Block A, Lot 1, Preliminary Plat. (Director of Development Services Ross Altobelli)

Multiple-family residential lot on 20.8± acres located on the west side of State Highway 5 (Powell Parkway), 1420 feet south of W. White Street. Zoned: Planned Development. The purpose for the preliminary plat is to propose lot and block boundaries and easements necessary for the proposed multiple-family residential development. The Planning and Zoning Commission recommended approval.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING A PRELIMINARY PLAT FOR WATERVIEW, BLOCK A, LOT 1,

MOTION: Council Member Carver moved to approve consent items a. - l. . Council Member Atchley seconded. Motion carried 7-0.

7. **Items For Individual Consideration.**

a. Conduct a Public Hearing/Consider/Discuss/Action on a Resolution regarding the Anna Crossing, Phase 4B, Block C, Lots 15R, 20R and 21R, Replat. (Director of Development Services Ross Altobelli)

Three single-family dwelling, detached on 0.6± acre located at the northwest corner of Elizabeth Street and Jamie Street. Zoned Planned Development-682-2015. The purpose of the replat is to modify the building line setbacks for Lots 20R and 21R along Jamie Street to meet minimum zoning requirements and to add a 5' wall maintenance easement on Lot 15R. The Planning & Zoning Commission recommended approval.

Mayor Pike opened the public hearing at 7:30 PM.
No Comments
Mayor Pike closed the public hearing at 7:31 PM.

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING ANNA CROSSING, PHASE 4B, BLOCK C, LOTS 15R, 20R, 21R, REPLAT

MOTION: Mayor Pike moved to approve. Council Member Carver seconded. Motion carried 7-0.

b. Consider/Discuss/Action on Appointment of EDC/CDC Members (Interview Committee)

2021 Nominees: Place 1 Anthony Richardson, Place 3 Kylee Kelley, Place 5 Matthew Seago, and Place 7 Michelle Hawkins

MOTION: Council Member Vollmer moved to approve. Council Member Toten seconded. Motion carried 7-0.

c. Consider/Discuss/Action on Appointment of Planning and Zoning Commissioners (Interview Committee)

2021 Nominees: Place 1 Latoya Grady, Place 3 Dennis Ogan, Place 5 Alonzo Tutson, and Place 7 Paul Wenzel

MOTION: Council Member Vollmer moved to approve. Mayor Pike seconded. Motion carried 7-0.

d. Consider/Discuss/Action on Appointments to the Parks Advisory Board (Interview Committee)

2021 Nominees: Place 1 Jonathon Schwyzer, Place 3 Elden Baker, Place 5 Mackenzie Jenks, and Place 7 LeQuey Douglas

MOTION: Council Member Vollmer moved to approve. Council Member Toten seconded. Motion carried 7-0.

e. Consider/Discuss/Action on Appointments to the Board of Adjustments (Interview Committee)

2021 Nominees: Place 1 Jon Hendricks, Place 3 Greg Williams, Place 5 Tony Bellefond, Alternate 1 Choya Morrison, Place 4 David Nylec to fill unexpired term

MOTION: Council Member Vollmer moved to approve. Council Member Toten seconded. Motion carried 7-0.

f. Consider/Discuss/Action on Appointments to the Diversity and Inclusion Advisory Commission. (Interview Committee)

2021 Nominees: Place 1 Pete Cain, Place 3 Alfredo Fernandez, Place 5 Sinisa Slavnic, Place 7 Elinor Williams, Place 9 Maria Ervin, Place 11 Kimberly Jones, Place 4 Alycia Green to fill vacancy - one year term, and Place 10 Blair Rackham to fill vacancy - one year term

MOTION: Council Member Vollmer moved to approve. Council Member Atchley seconded. Motion carried 7-0.

g. Consider/Discuss/Action on the appointment of the Mayor Pro-Tem and Deputy Mayor Pro-Tem.

MOTION: Mayor Pike moved to appoint Council Member Miller as Mayor Pro

Tem and Josh Vollmer as Deputy Mayor Pro Tem. Council Member Ussery seconded. Motion carried 6-1. Council Member Toten opposed.

8. **Closed Session (Exceptions).**

Under Tex. Gov'T Code Chapter 551, The City Council May Enter Into Closed Session To Discuss Any Items Listed Or Referenced On This Agenda Under The Following Exceptions:

a. Consult with legal counsel regarding pending or contemplated litigation and/or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov't Code §551.071). City ordinance enforcement matters; Planning and zoning regulations; Election policies.

b. Discuss or deliberate the purchase, exchange, lease, or value of real property (Tex. Gov't Code §551.072).

c. Discuss or deliberate Economic Development Negotiations: (1) To discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the City is conducting economic development negotiations; or (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087). Proposed development projects.

d. Discuss or deliberate personnel matters (Tex. Gov't Code §551.074). Non-advisory boards and commissions.

MOTION: Council Member Vollmer moved to enter closed session. Council Member Carver seconded. Motion carried 7-0

Mayor Pike recessed the meeting at 7:33 PM.

Mayor Pike reconvened the meeting at 9:06 PM.

9. Consider/Discuss/Action on any items listed on any agenda - work session, regular meeting, or closed session - that is duly posted by the City of Anna for any City Council meeting occurring on the same date as the meeting noticed in this agenda.

10. **Adjourn.**

Mayor Pike adjourned the meeting at 9:06 PM.

Approved on May 25, 2021.

____
Mayor Nate Pike

ATTEST:

____
City Secretary Carrie L. Land

THE CITY OF Anna

Item No. 6.b.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact:

AGENDA ITEM:
Review minutes of the March 4, 2021 Joint Community Development Corporation Board and Economic Development Corporation Board Meeting. (Director of Economic Development Joey Grisham)

SUMMARY:

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:

STAFF RECOMMENDATION:

ATTACHMENTS:
1. April 1 2021 CDC EDC Joint Meeting Minutes - signed2

APPROVALS:

Taylor Lough, Economic Development Administrator	Created/Initiated - 5/19/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

Officers:
Anthony Richardson, President
Bruce Norwood, Vice-President
Rocio Gonzalez, Secretary

Staff:
Joey Grisham, Economic Development Director
Taylor Lough, Economic Development Manager

THE CITY OF Anna CDC GROUNDBREAKING POSSIBILITIES

THE CITY OF Anna EDC GROUNDBREAKING POSSIBILITIES

Anna Community Development Corporation and Anna Economic Development Corporation Regular Meeting Minutes

Thursday, April 1, 2021 at 6:00 pm
Anna City Hall, Council Chambers
111 N. Powell Parkway, Anna, Texas 75409

The Anna Community Development Corporation and the Anna Economic Development Corporation conducted a regular meeting at 6:00 p.m. on Thursday, April 1, 2021 at the Anna City Hall Council Chambers, 111 N. Powell Pkwy. Anna, Texas 75409.

A video recording of the open session portions of the meeting may be viewed online at the City of Anna's website: https://www.annatexas.gov/962/AgendasMinutes

CDC and EDC Board Members Present: Anthony Richardson, Bruce Norwood, Matthew Seago and Shane Williams. **CDC and EDC Board Members Absent:** Rocio Gonzalez and Michelle Hawkins. **Others Present:** Councilmember Lee Miller, Joey Grisham (Economic Development Director) and Taylor Lough (Economic Development Manager)

1. **Call to Order. Roll Call and Establishment of Quorum.**
   The meeting was called to order by Anthony Richardson, Board President, at 6:11 p.m.

2. **Invocation and Pledge.**
   Invocation and Pledge of Allegiance were led by Anthony Richardson.

3. **Citizen Comments.**
   None.

4. **Consider/Discuss/Act on approving minutes from the March 4, 2021 CDC Meeting. (CDC)**

5. **Consider/Discuss/Act on approving minutes from the March 4, 2021 EDC Meeting. (EDC)**
   Bruce Norwood made a motion to approve the minutes on behalf of the CDC and EDC for the March Joint CDC and EDC Meeting. Matthew Seago seconded the motion. All were in favor. Motion passed.

Officers:
Anthony Richardson, President
Bruce Norwood, Vice-President
Rocio Gonzalez, Secretary

Staff:
Joey Grisham, Economic Development Director
Taylor Lough, Economic Development Manager

6. **Consider/Discuss/Act on accepting the resignation of Doris Pierce from the EDC Board.**

7. **Consider/Discuss/Act on accepting the resignation of Doris Pierce from the CDC Board.**
   Anthony Richardson commented on the impact Ms. Pierce had on the Boards especially during the development of the Economic Development Strategic Plan.

   Shane Williams made a motion on behalf of the EDC and CDC to accept the resignation of Doris Pierce from the EDC and CDC Boards. Bruce Norwood seconded the motion. All were in favor. Motion passed.

8. **Consider/Discuss/Act on approving a resolution amending a contract with Carey Cox Real Estate for real estate representation. (CDC)**
   Joey Grisham gave some background information on the selection process in 2019 and stated that Carey Cox has done a very good job marketing the Anna Business Park and recommended adding one year to the existing contract.

   Anthony Richardson made a motion on behalf of the CDC Board of Directors to approve a resolution amending the Agreement by extending the term by one (1) year. Shane Williams seconded the motion. All were in favor. Motion passed.

9. **Consider/Discuss/Act on approving a resolution amending a contract with Carey Cox Real Estate for real estate representation. (EDC)**

   Bruce Norwood made a motion on behalf of the EDC Board of Directors to approve a resolution amending the Agreement by extending the term by one (1) year. Matthew Seago seconded the motion. All were in favor. Motion passed.

10. **Consider/Discuss/Act on appointing an ex-officio member to the Greater Anna Chamber of Commerce Board of Directors. (CDC)**
    Anthony Richardson made a motion on behalf of the CDC Board of Directors to nominate Matthew Seago to serve as an ex-officio member to the Greater Anna Chamber of Commerce Board of Directors. Shane Williams seconded the motion. All were in favor. Motion passed.

11. **Director's Report)**
    a. **Sales Tax Update and Budget Report**
       Joey Grisham provided the monthly increases in sales tax revenue as compared to the previous year.
    b. **Strategic Plan Update**
       A March update was included in the packet. Most notably was the online publishing of the article in the Dallas Business Journal
    c. **New Commercial Projects**
       Freedom Carwash and Deep Roots Montessori on FM455 should be opening soon Quik Trip is expected to begin construction at the NW corner of 455 and US75.
    d. **Joint Meeting with P&Z Monday April 5th for Comprehensive Plan and Downtown Master Plan**

A joint meeting with the Planning and Zoning Commission will be held on Monday, April 5 at the Anna ISD Board Room at 6:30 p.m.

e. **BR&E Update**
Kevin Hall included an update in the packet of the 15 business recruitment and expansion visits. He has sent over 100 letters explaining his role with the Anna CDC.

f. **D CEO Awards Event on Wednesday, April 28 at Gilley's**
The Anna EDC is a title sponsor of the awards. Please let us know if you would like to attend as soon as possible.

g. **Villages of Hurricane Creek Ribbon Cutting, April 27**
Tuesday, April 27th at 1:30 p.m. all Board and Commission members are invited to celebrate this development having broken ground.

12. **CLOSED SESSION (exceptions):**

A. Deliberate regarding the purchase, exchange, lease or value of real property. **(Tex. Gov't Code §551.072)** possible property acquisition; possible land sale/purchase; Anna Business Park.

B. **Consult with legal counsel** on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (**Tex. Gov't Code §551.071**); Grant program; Lease Agreement and promotional contract.

C. **Discuss or deliberate Economic Development Negotiations**:
(1) To discuss or deliberate regarding commercial or financial information that the Board of Directors has received from a business prospect that the Board of Directors seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the Board is conducting economic development negotiations; or,
(2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). **(Tex. Gov't Code §551.087)** Anna Business Park Property; potential retail and medical projects.

Anthony Richardson made a motion to enter closed session. Shane Williams seconded the motion. All were in favor. Motion passed. CDC Board entered closed session at 6:40 p.m.

11. **Reconvene into open session and take any action on closed session items.**
Shane Williams made a motion to reconvene into open session. Matthew Seago seconded the motion. All were in favor. Motion passed. The CDC reconvened into open session at 7:09 p.m.

12. **Receive reports from staff or Board Members about items of community interest.**
Items of community interest include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen (but not including a change in status of a person's public office or public employment); a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee

of the municipality; and announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

The Recreation Office will be hosting an Eggstravganza this weekend with a movie at Slayter Creek Park on Friday, April 2 at 8 PM and egg hunt at various parks on Saturday.

13. Adjourn.
Anthony Richardson made a motion to adjourn the meeting at 7:11 pm. Bruce Norwood seconded the motion. All were in favor. Motion passed.

APPROVED:

Anthony Richardson
President of CDC/EDC

ATTESTED:

Rocio Gonzalez
Secretary of CDC/EDC

THE CITY OF Anna

Item No. 6.c.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact:

AGENDA ITEM:
Review minutes of the April 1, 2021 Joint Community Development Corporation Board and Economic Development Corporation Board Meeting. (Director of Economic Development Joey Grisham)

SUMMARY:

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:

STAFF RECOMMENDATION:

ATTACHMENTS:
1. April 1 2021 CDC EDC Joint Meeting Minutes - signed2

APPROVALS:

Taylor Lough, Economic Development Administrator	Created/Initiated - 5/19/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

Officers:
Anthony Richardson, President
Bruce Norwood, Vice-President
Rocio Gonzalez, Secretary

Staff:
Joey Grisham, Economic Development Director
Taylor Lough, Economic Development Manager

THE CITY OF Anna CDC GROUNDBREAKING POSSIBILITIES

THE CITY OF Anna EDC GROUNDBREAKING POSSIBILITIES

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CDC and EDC Board Members Present: Anthony Richardson, Bruce Norwood, Matthew Seago and Shane Williams. **CDC and EDC Board Members Absent:** Rocio Gonzalez and Michelle Hawkins. **Others Present:** Councilmember Lee Miller, Joey Grisham (Economic Development Director) and Taylor Lough (Economic Development Manager)

1. **Call to Order. Roll Call and Establishment of Quorum.**
   The meeting was called to order by Anthony Richardson, Board President, at 6:11 p.m.

2. **Invocation and Pledge.**
   Invocation and Pledge of Allegiance were led by Anthony Richardson.

3. **Citizen Comments.**
   None.

4. **Consider/Discuss/Act on approving minutes from the March 4, 2021 CDC Meeting. (CDC)**

5. **Consider/Discuss/Act on approving minutes from the March 4, 2021 EDC Meeting. (EDC)**
   Bruce Norwood made a motion to approve the minutes on behalf of the CDC and EDC for the March Joint CDC and EDC Meeting. Matthew Seago seconded the motion. All were in favor. Motion passed.

Officers:
Anthony Richardson, President
Bruce Norwood, Vice-President
Rocio Gonzalez, Secretary

Staff:
Joey Grisham, Economic Development Director
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6. **Consider/Discuss/Act on accepting the resignation of Doris Pierce from the EDC Board.**

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   Joey Grisham gave some background information on the selection process in 2019 and stated that Carey Cox has done a very good job marketing the Anna Business Park and recommended adding one year to the existing contract.

   Anthony Richardson made a motion on behalf of the CDC Board of Directors to approve a resolution amending the Agreement by extending the term by one (1) year. Shane Williams seconded the motion. All were in favor. Motion passed.

9. **Consider/Discuss/Act on approving a resolution amending a contract with Carey Cox Real Estate for real estate representation. (EDC)**

   Bruce Norwood made a motion on behalf of the EDC Board of Directors to approve a resolution amending the Agreement by extending the term by one (1) year. Matthew Seago seconded the motion. All were in favor. Motion passed.

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       A March update was included in the packet. Most notably was the online publishing of the article in the Dallas Business Journal
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       Freedom Carwash and Deep Roots Montessori on FM455 should be opening soon Quik Trip is expected to begin construction at the NW corner of 455 and US75.
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B. **Consult with legal counsel** on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (**Tex. Gov't Code §551.071**); Grant program; Lease Agreement and promotional contract.

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Anthony Richardson made a motion to enter closed session. Shane Williams seconded the motion. All were in favor. Motion passed. CDC Board entered closed session at 6:40 p.m.

11. **Reconvene into open session and take any action on closed session items.**
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Items of community interest include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen (but not including a change in status of a person's public office or public employment); a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee

of the municipality; and announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

The Recreation Office will be hosting an Eggstravganza this weekend with a movie at Slayter Creek Park on Friday, April 2 at 8 PM and egg hunt at various parks on Saturday.

13. Adjourn.
Anthony Richardson made a motion to adjourn the meeting at 7:11 pm. Bruce Norwood seconded the motion. All were in favor. Motion passed.

APPROVED:

Anthony Richardson
President of CDC/EDC

ATTESTED:

Rocio Gonzalez
Secretary of CDC/EDC

Item No. 6.d.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Ray Isom

AGENDA ITEM:
Approve a Resolution of the City of Anna, Texas for renewal of the Interlocal Dispatch Agreement with Collin County for the Fire Department. (Fire Chief Ray Isom)

SUMMARY:
Fire and EMS dispatch and radio communication services are provided by the Collin County Sheriff's Office. This function is vital to the operation of the fire department and for the continuation of emergency services. There are currently no viable alternative service providers available.

FINANCIAL IMPACT:
No Financial Impact

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
Approve

ATTACHMENTS:
1. FY 22 Dispatch_Services_Resolution-AFD
2. Collin County Dispatch Exhibit 1

APPROVALS:
Carrie Land, City Secretary — Created/Initiated - 5/20/2021
Jim Proce, City Manager — Final Approval - 5/20/2021

CITY OF ANNA, TEXAS

RESOLUTION NO. __________

A RESOLUTION OF THE CITY OF ANNA, TEXAS APPROVING THE RENEWAL OF THE INTERLOCAL DISPATCH SERVICES AGREEMENT WITH COLLIN COUNTY, TEXAS

WHEREAS, the City Council of the City of Anna Texas (the "City Council") finds that renewal of the agreement for Dispatch Services with Collin County is vital to support the City of Anna Fire Department's mission to preserve and protect the public health and safety of the City's residents;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

Whereas, Recitals Incorporated

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 1. Approval of the Renewal of the Interlocal Dispatch Services Agreement

The City Council hereby approves the Interlocal Dispatch Services Agreement attached hereto as **EXHIBIT 1**, and authorizes, ratifies and approves the City Manager's execution of same. The City Manager is hereby authorized to execute all documents and to take all other actions necessary to finalize, act under, and enforce the Agreement that shall remain in force until September 30, 2022.

PASSED AND APPROVED by the City Council of the City of Anna, Texas on this 25th day of May, 2021.

ATTEST:

____
Carrie Smith, City Secretary

APPROVED:

____
Nate Pike, Mayor

INTERLOCAL DISPATCH SERVICES AGREEMENT

This agreement is entered into on the ______ day of ____________________, 2021, by and between the Anna Fire Department (the "Fire Department") and Collin County, a political subdivision of the State of Texas (the "County").

RECITALS

1. The County, through the Sheriff's Office, owns and operates communication facilities used in dispatching its law enforcement and emergency service personnel.

2. The Fire Department desires to obtain certain dispatch services from the County. Therefore, under the authority of Texas Government Code, Title 7, Interlocal Cooperation Act, Section 791 et seq., the parties agree as follows:

SECTION 1. DEFINITIONS

DISPATCH SERVICES. The term "Dispatch Services" means all services necessary for the Collin County Sheriff's Office to receive calls for Fire/EMS services within the Fire Department's jurisdiction and to dispatch the Fire personnel in response to such calls.

HOSTING SERVICES. The term "Hosting Services" means the County will store the Fire Department's data as it relates to dispatch services.

SECTION 2. TERM

2.01 TERM. The term of this agreement shall commence on October 1, 2021, and shall continue in full force and effect through September 30, 2022. This agreement may be renewed for additional one (1) year periods at the rates established and agreed upon by both parties.

2.02 TERMINATION. Either party may terminate this agreement by giving ninety (90) days written notice to the other party.

SECTION 3. SERVICES

3.01 The County agrees to provide dispatch services through the Sheriff's Office to the Fire Department in the same manner and under the same work schedule as such services are provided in the operation of the County's law enforcement personnel.

3.02 Hosting Services. The County agrees to provide Hosting Services to the Fire Department and that it will provide 95% uptime availability of the service as covered herein.

3.03 Scheduled Maintenance: The Fire Department hereby acknowledges that the County may, from time to time, perform maintenance service on the County network, with or without notice to the Fire Department, which may result in the unavailability of the County network. Emergency maintenance and maintenance for which the County has not given the Fire Department notice in accordance with this Agreement shall not be deemed scheduled maintenance for purposes of this Agreement. The County will make every effort to notify the Fire Department prior to scheduled maintenance. Notice may be given in various forms including but not limited to email notice and/or phone call.

3.04 Hosted Data Ownership. The Fire Department shall have sole ownership of the Fire Department's hosted data and the County shall make no claim to ownership of Fire Department's hosted data.

3.05 Hosted Data Back Up. The County will back up the Fire Department's hosted data on a daily basis. All data backups will meet Criminal Justice Information Systems (CJIS) requirements. Every effort is made to ensure the reliability of the backed up data in the event that it would be necessary to restore a database. The County, however, makes no guaranties that the backed up database will be error free. Upon request, the County will provide to the Fire Department a current database backup that can be restored to an alternate location to verify the contents and confirm the quality of the backup. All services required to provide the Fire Department's data and/or verify data will be provided in accordance with the County's current rates.

3.06 Remote Access Agreement. For each user the City is required to complete and return **Attachment (A)**, Connection Policy and Agreement Form for remote access and return to County to the address in 9.02 item (C). No access will be given to user unless County has received a Remote Access Agreement.

SECTION 4. NONEXCLUSIVITY OF SERVICE PROVISION

The parties agree that the County may contract to perform services similar or identical to those specified in this agreement for such additional governmental or public entities as the County, in its sole discretion, sees fit.

SECTION 5. COMPENSATION

5.01 The dispatch service charges for FY2022 are in the amount of $0.

SECTION 6. CIVIL LIABILITY

6.01 Any civil liability relating to the furnishing of services under this agreement shall be the responsibility of the Fire Department. The parties agree that the County shall be acting as agent for the Fire Department in performing the services contemplated by this agreement.

6.02 The Fire Department shall hold the County free and harmless from any obligation, costs, claims, judgments, attorney's fees, attachments, and other such liabilities arising from or growing out of the services rendered to the Fire Department pursuant to the terms of this agreement or in any way connected with the rendering of said services, except when the same shall arise because of the willful misconduct or culpable negligence of the County, and the County is adjudged to be guilty of willful misconduct or culpable negligence by a court of competent jurisdiction.

SECTION 7. AMENDMENT

This agreement shall not be amended or modified other than in a written agreement signed by the parties.

SECTION 8. CONTROLLING LAW

This agreement shall be deemed to be made under, governed by, and construed in accordance with the laws of the State of Texas.

SECTION 9. NOTICES

9.01 FORM OF NOTICE. Unless otherwise specified, all communications provided for in this agreement shall be in writing and shall be deemed delivered, whether actually received or not, forty-eight (48) hours after deposit in the United States mail, first class, registered or certified, return receipt requested, with proper postage prepaid or immediately when delivered in person.

9.02 ADDRESSES. All communications provided for in this agreement shall be addressed as follows:

(A) Collin County, to:
Purchasing Department
2300 Bloomdale #3160
McKinney, Texas 75071

(B) Collin County Administrator, to:
Bill Bilyeu
2300 Bloomdale #4192
McKinney, Texas 75071

(C) If to the Fire Department, to:

RAY ISOM, FIRE CHIEF
305 S. POWELL PKWY.
ANNA, TX 75409

(D) Collin County, Remote Access to:
Information Technology Department
2300 Bloomdale #3198
McKinney, Texas 75071

Or to such person at such address as may from time to time be specified in a notice given as provided in this Section 9. In addition, notice of termination of this agreement by the Fire Department shall be provided by the Fire Department to the County Judge of Collin County as follows:

The Honorable Chris Hill
Collin County Judge
Collin County Administration Building
2300 Bloomdale Rd. Suite 4192
McKinney, Texas 75071

SECTION 10. CAPTIONS

The headings to the various sections of this agreement have been inserted for the convenient reference only and shall not modify, define, limit or expand the express provision of this agreement.

SECTION 11. COUNTERPARTS

This agreement may be executed in counterparts, each of which, when taken separately, shall be deemed an original.

SECTION 12. OBLIGATIONS OF CONDITION

All obligations of each party under this agreement are conditions to further performance of the other party's continued performance of its obligation under the agreement.

SECTION 13. EXCLUSIVE RIGHT TO ENFORCE THIS AGREEMENT

The County and the Fire Department have the exclusive right to bring suit to enforce this Agreement, and no party may bring suit, as a third-party beneficiary or otherwise, to enforce this agreement.

SECTION 14. PRIOR AGREEMENTS SUPERSEDED

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understanding or written oral agreements between the parties respecting the services to be provided under this agreement.

SECTION 15. FORCE MAJEURE

No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: acts of God; flood, fire or explosion; war, invasion, riot or other civil unrest; actions, embargoes or blockades in effect on or after the date of this Agreement; or national or regional emergency (each of the foregoing, a "Force Majeure Event"). A party whose performance is affected by a Force Majeure Event shall give notice to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

"COUNTY"

COLLIN COUNTY, TEXAS

BY: ______________________

TITLE: ______________________

DATE: ______________________

"FIRE DEPARTMENT"

Ray Isom

BY: RAY ISOM

TITLE: FIRE CHIEF

DATE: 5/4/2021

ATTACHMENT A

Collin County External Law Enforcement and Fire Department Remote Connectivity Policy and Agreement Form

Remote Access Agreement

1.0 Purpose

The purpose of this document is to provide the framework for granting REMOTE ACCESS to Collin County services/equipment through REMOTE ACCESS so that an Authorized Party of a law enforcement agency or a fire department external to Collin County government may access its justice data hosted on Collin County's network.

2.0 Scope

This policy applies to all Law Enforcement and Fire Department personal external to Collin County government utilizing REMOTE ACCESS to access the Collin County network for justice data (such persons referred to herein as "Authorized Parties").

3.0 Policy

Authorized parties may utilize the benefits of REMOTE ACCESS, which are a "user managed" service. This means that the Authorized party is responsible for selecting an Internet Service Provider (ISP), coordinating installation, installing any required software, and paying associated fees as may be required to access the REMOTE ACCESS.

Additionally,

1. It is the responsibility of the Authorized Party to ensure that unauthorized users are not allowed access to Collin County internal networks. User accounts and passwords are NOT to be shared with anyone.
2. Authorized Parties and the Collin County employees sponsoring the request for REMOTE ACCESS are responsible for defining what services/equipment/software the Authorized Parties need access to. Access will be restricted to only those defined objects. Attempting to connect or access any service/device not defined will be considered a violation of the Collin County REMOTE ACCESS policy and will be reported to the Authorized Party's agency
3. The Authorized Parties and the Collin County employees sponsoring the REMOTE ACCESS request are also responsible for defining the time scope that the REMOTE ACCESS account will be active. All accounts are setup with an expiration date not to exceed 6 months, unless otherwise authorized to be a longer timeframe or permanent by the County.
4. REMOTE ACCESS use is to be controlled using public/private key system with a strong pass phrase and a second factor such as a token device or a dynamically generated passcode.
5. REMOTE ACCESS gateways will be established and managed by Collin County Information Technology Department.
6. All computers connected to Collin County internal networks via REMOTE ACCESS or any other technology must use the most up-to-date anti-virus software from a reputable IT agency; this includes personal computers.
7. All Authorized Parties connecting to the Collin County internal networks via REMOTE ACCESS or any other technology must keep their systems up to date with the latest security patches for their operating system and applications installed on their connecting systems. All systems using REMOTE ACCESS connections to Collin County must comply with Microsoft's Product Lifecycle chart and use only currently supporting and fully patched operating systems.
8. Authorized Parties may be automatically disconnected from Collin County's network after sixty minutes of inactivity. The user must then logon again to reconnect to the network.
9. Only approved REMOTE ACCESS clients may be used.
10. Upon termination of a contract from Collin County, or at the request of the Collin County staff, the Authorized Party must uninstall the REMOTE ACCESS connection from the Authorized Party's computer.
11. Agency expressly agrees to notify the County of staffing changes involving an Authorized Party with access to

the County's network within 24 hours or next business day.

12. After six months of expired inactivity, Active Directory and REMOTE ACCESS accounts of an Authorized Party will be permanently deleted, unless otherwise approved by the County.
13. Accounts will be locked out after a certain number of failed attempts.
14. Authorized Parties who have lost their password will have to contact their sponsoring agency to request a password reset. The sponsoring agency will then contact Collin County IT to reset the password for the REMOTE ACCESS user. The sponsoring agency is the Sheriff's Office.
15. It is the responsibility of the Authorized Party to install, configure, setup and support any issues with their systems to connect to Collin County based on the information provided to them.
16. Authorized Parties connect at their own risk and Collin County is not responsible for any damages that they may incur from connecting through the REMOTE ACCESS to Collin County
17. If the County migrates to a new network connection technology it is the responsibility of the Agency to budget and obtain any required technology upgrade in order to maintain their network connection to the County. The Agency will be provided advance notification for this change.
18. The Authorized Party must notify Collin County IT immediately upon learning of any compromise occurring through an anti-virus, malware, or other form of unauthorized access. Collin County will also inform the Authorized Parties of any breach or suspected breach occurring on the county network. REMOTE ACCESS may be restricted during such an event while corrective actions are undertaken.
19. The Authorized Party must notify Collin County IT immediately upon learning of any unauthorized access of county resources through the REMOTE ACCESS connection.

4.0 Granting Access

To obtain access via REMOTE ACCESS, the Agency and Authorized Party must be sponsored by a party currently employed at Collin County and IT must agree this access is needed for the Collin County information systems. The Agency and Authorized Party must sign this form agreeing to protect the security of the Collin County network. For external Authorized Parties, the Request for REMOTE ACCESS must be signed and approved by the Manager who is responsible for the external Authorized Party's use. REMOTE ACCESS expiration will be based on the contract length unless further time is requested by Collin County Management. The initial setup and testing will be performed during normal operating hours, Monday – Friday, 8 am – 5 pm, and requires a minimal of two weeks' notice to schedule.

5.0 Enforcement

Collin County Information Technology Department may actively monitor the REMOTE ACCESS concentrator for any suspicious and inappropriate activity. Any Authorized Party found to have violated any part of this policy may have their REMOTE ACCESS terminated immediately.

6.0 Liability

Agency expressly agrees that they shall be liable for any and all damages, including but not limited to actual, consequential, or incidental damages, for disruptions caused by their negligence or intentional misconduct, including that caused by their Authorized Parties, to the County's services/equipment resulting from or related to Agency's connection to the County's networks.

Unauthorized access or use is prohibited and will be prosecuted to the fullest extent. Anyone using this system expressly consents to monitoring and is advised that if such monitoring reveals possible evidence of criminal activity system personnel may provide the evidence of such monitoring to law enforcement officials. Anyone using the system connects at their own risk and assumes all responsibilities for any possible damage to their own equipment.

ATTACHMENT A

7.0 Definitions

Term	Definition
REMOTE ACCESS	An extension of Collin County's internal private network.
REMOTE ACCESS Concentrator	Physical device that manages REMOTE ACCESS connections.
REMOTE ACCESS Client	Remote computer with REMOTE ACCESS software utilizing REMOTE ACCESS services.
Agency Management	Person in Agency company that can take responsibility for the liability clause of this document.
User	Employee, Agency, contractor, consultant, temporaries, customers, government agencies, etc.
Sponsoring Party	Collin County employee requesting access for a non-employee user to have access to Collin County services/equipment through the REMOTE ACCESS. The employee may be someone in IT.

Agency Management's Signature (if applicable)

Printed Name: RAY ISOM Signature: Ray I

E-Mail Address: risom@annatexas.gov Phone: 214-831-5344 Date: 5/4/2021

Remote Access Users Signature

Printed Name: ______________________ Signature: ______________________

E-Mail Address: ______________________ Phone: ______________ Date: ____________

Sponsoring Party's Signature

Printed Name: ______________________ Signature: ______________________

E-Mail Address: ______________________ Phone: ______________ Date: ____________

Return form to:

Caren Skipworth
2300 Bloomdale #3198
McKinney, Texas 75071

THE CITY OF Anna

Item No. 6.e.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Alan Guard

AGENDA ITEM:
Approve an Ordinance Adopting Financial Policies (Finance Director Alan Guard)

SUMMARY:
The City's current Financial Polices were adopted April 20, 2020. Proposed revisions to the policy include an updated section of the budget process to coincide with the City Charter and changes to state law, expansion of the sections for cash handling and internal controls, and a post-issuance debt policy. Cash handling and internal control policies are specific strategic plan goals. Since the neighbors approved three bond propositions for a total of $58 million it is appropriate to adopt a post-issuance debt policy at this time.

FINANCIAL IMPACT:
NA

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
High Performing, Professional City

STAFF RECOMMENDATION:
Approve the Ordinance.

ATTACHMENTS:
1. Financial Policy Update May 25 2021
2. Ordinance Adopting Financial Policies 05252021

APPROVALS:

Alan Guard,	Created/Initiated - 5/21/2021
Jim Proce, City Manager	Final Approval - 5/21/2021

City of Anna, Texas

Financial Policies

Adopted: May 25, 2021

FINANCIAL POLICIES

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, internal controls, and fund balance, as well as integrity, communication, prudent stewardship, planning, accountability, and full disclosure. These policies are intended to:

A. Assist the City to ensure long-term financial stability and a healthy financial position;
B. Assist the City Council and City staff in evaluating current activities and proposals for future programs;
C. Demonstrate to the Neighbors of Anna, the investment community, and the bond rating agencies that the City is committed to strong fiscal operations;
D. Fairly present and fully disclose the financial position of the City in conformity with accounting practices generally accepted in the United States of America; and
E. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other related legal mandates upon the City.

The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances and conditions.

TABLE OF CONTENTS

FINANCIAL MANAGEMENT POLICIES

I. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

A. Accounting

The Finance Director and Accounting Manager are responsible for establishing and maintaining the chart of accounts and for properly recording financial transactions.

B. Funds

The accounts of the City are organized and operated on the basis of funds and account groups. Each fund is created for a specific purpose except for the General Fund. The General Fund is used to account for all transactions not accounted for in other funds. Fund accounting 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 funds, which Council approves 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.

C. External Auditing

The City will be audited annually by an outside independent auditing firm or other times as may be deemed necessary.

1. External Auditor Repute – The auditors must be a CPA and must demonstrate that they have the breadth and depth of staff to conduct the City's annual audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements.
2. Timing - 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.
3. Financial Statements - 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.
4. Management Letter – The external auditor will prepare and review the Management

Letter with the City Council within 180 days from the end of the fiscal year. The external auditor will present and review the audit with City Council at a regular scheduled meeting.

5. Rotation of External Auditor - As stated in the City Charter, the City shall not use the same firm for more than five consecutive years.

D. External Financial Reporting

The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certification of Achievement for Excellence in Financial Reporting. The CAFR will be published and presented to the City Council within 180 days after the end of the fiscal year.

E. Internal Financial Reporting

The Finance Department will monitor revenues and expenditures as compared to current year budgets and investigate any variances found. Staff will prepare internal financial reports on a monthly basis sufficient for management and Council to plan, monitor, and control the City's fiscal affairs. This report will compare previous year-to-date (YTD) actuals to current YTD actuals of the same quarter, as well as percentage of budget remaining.

In addition, a more detailed analysis and report will be completed on a quarterly basis and provided to the City Manager and City Council. The report shall accurately reflect the City's current position in regard to revenue and expenditure performance, as well as any additional information that reflects the City's current and future fiscal position.

F. Bank Depository

The City 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 the 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 bank depository shall be used. Depositories shall be selected 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.

II. INTERNAL CONTROLS

A. Written Procedures

1. The City shall maintain an environment conducive to good internal control.

2. Definitions

Internal Control comprises the plan of organization and all of the coordinated methods and measures adopted within the City to safeguard its assets, check the accuracy and reliability of its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. (This is the broad definition, recognizing that a “system” of internal control extends beyond those matters which relate directly to the accounting and finance functions. Source: AICPA SAS). This broad definition can be subdivided into two components; accounting and administrative, as follows:

a. Accounting controls comprise the plan of organization and all the methods and procedures that are concerned mainly with, and relate directly to, the safeguarding of assets and the reliability of the financial records.

b. Administrative controls comprise the plan of organization and all the methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies and usually relate only indirectly to the financial records.

This policy is concerned primarily with the “Accounting Controls” and when the terms “internal controls” or “controls” are used, it is meant as Accounting Controls.

3. Responsibilities

The Finance Department is responsible for designing appropriate controls for the departments and the departments are responsible for implementation. Inherent in these responsibilities is the recognition that the cost of internal control should not exceed the benefits expected to be derived. Also, internal controls may become inadequate as conditions change, thus requiring review and modification.

4. Objectives

To provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles.

5. Basic Elements of Internal Control

a. Personnel - Objectives are dependent on competence and integrity of personnel, independence of assigned functions, and their understanding of prescribed procedures.

b. Computer Data Processing - Control over development, modification, and maintenance of computer programs; control over use and changes to data maintained on computer files; application controls, for example, edits that verify vendor numbers for check writing.

c. Segregation of Duties - Procedures designed to detect errors and irregularities should be performed by persons other than those who are in a position to perpetrate them.

d. Execution of Transactions - There is reasonable assurance that transactions are executed as authorized.

e. Recording of Transactions - To permit preparation of financial statements, transactions are recorded in the proper period, amounts, and classification.

f. Access to Assets - Both direct physical access and indirect access through preparation/processing of documents that authorize the use or disposition of assets be limited to authorized personnel.

g. Comparison of Recorded Accountability with Assets - Comparison of actual assets with the recorded accountability, such as bank reconciliations and physical inventories.

Accounting will utilize these basic elements of internal control in formulating departmental plans suitable to each department's needs. An annual review of the plans will be performed and modifications made as required (or as a result of internal or external audits).

B. Internal Audit Program

1. Committee - An internal audit committee, consisting of the Finance Director, Accounting Manager, and Budget Manager will be established. Annually, the Internal Audit Committee will review the administrative directives for any process improvements or changes and submit them for approval to the City Manager
2. Departmental Audits – Departmental processes will be reviewed on an on-going basis to ensure dual control of City assets and to identify the opportunity for fraud potential, as well as to ensure that departmental internal procedures are documented and updated as needed.
3. Employee or Transaction Review – Programs to be audited include petty cash (cash drawers), city credit card accounts, time entry, and travel expense. Discrepancies will be identified and remedied. The Department Director will be notified of the situation and, in cases of serious infractions, the City Manager will also be notified as well.

C. Department Director's Responsibility

Department Director's responsibilities to the City are to ensure that good internal controls are followed throughout his or her department, that all guidelines on cash handling and internal controls are implemented, and that all internal or external auditor internal control recommendations are addressed.

III. CASH HANDLING

A. Purpose

The Cash Handling Policy is meant to provide City of Anna employees with guidelines on handling cash from the initial point of collection through depositing and the reconciliation process. Well managed cash handling is critical to safeguard the liquid assets of the City of Anna, provides a sound basis for generating accurate and reliable information and encourages adherence to federal and State of Texas laws and regulations. Finally, well managed cash handling promotes departmental efficiency and encourages employees who handle cash and interface with the public to provide courteous and outstanding customer service and support while safeguarding public funds.

B. Basic Cash Handling Principles:

All monies in the possession of City of Anna employees must be managed with the utmost care and understanding of the public trust given when handling public money. It is expressly understood that public monies require employees to use their best judgement when processing and depositing cash they are responsible for.

Employees should consider the following when handling cash:

- Are funds safely kept?
- Are transactions promptly processed?
- Am I providing high levels of customer service?
- Are funds being reconciled accurately?
- Do my actions pose any risk of loss or theft of public funds?

In consideration of the basic principle outlined above, the following directives are set forth to ensure the proper safeguarding and processing of public funds.

All monies prepared for deposit shall not be commingled with or used in the following ways:

- Employees' personal money
- Cashing employee personal checks
- Making personal change for City employees
- Combining deposits with another employees' cash drawer onto a single report

Employees who are authorized to handle cash shall be issued their own individual cash box/drawer/register. The Finance Director is authorized to open and review any cash box at any time against the daily transactions. This will only be done in the presence of at least two other employees. It is expected that any employees collecting cash are held accounting for the transactions they handle. It should be possible to accurately determine the amount of cash for which each employee is responsible for at any point in time during any day.

Cash boxes/drawers/registers shall always be locked when unattended or not in use and prior to securing in their department safe at the close of each business day.

Employees shall verify and balance in their box and prepare a report of transactions each day when preparing their daily deposit.

C. Processing Transactions:

Cash received in person from a payer by a City employee shall be kept in view of and counted in front of the payer until the receipt is issued to the payer and the payer is satisfied. The City cashier employee shall count change due to the customer/payer twice - once to himself and once back to the payer.

A receipt represents proof of payment and employees shall issue a receipt for every payment they receive. Receipts that are computer-generated shall indicate the payment method (i.e. cash, check, money order, etc.). Payments are entered in the Cash Receipts Entry Screen in the current Computer Software System. All hand-written receipts shall be maintained in a receipt book with carbon copies maintain for inspection and inclusion with deposit reports. Hand-written receipts are not preferred and should only be used in rare events when the software system is down or to provide greater service and expediency to a customer.

Checks must be made payable to the City of Anna. The City cannot accept third-party checks. Employees should review checks carefully to determine the legal amount of the check. If the numeric amount on the check differs from the written amount, the written amount prevails as the legal amount. If the check includes only a numeric amount, the numeric amount is the legal amount. Employees are not permitted to change any amounts on a check.

Whenever a payment is received, it is expected that the payment will be processed and prepared for deposit within 24 hours.

D. Deposits:

At the conclusion of each day all cash and checks shall be secured in each respective employees' cash boxes/drawer and placed in a safe until the bank deposit is prepared. A bank deposit that includes the previous day's cash collections for all departments is hand-delivered to the finance department each morning by 9:00 a.m. Upon receipt of all cash for deposits, finance department will provide all deposits to the Utility Billing Supervisor to take to the bank for processing each morning.

Unless expressly authorized by the City Manager of Finance Director no employees shall hold any payment for any reason. All payments are expected to be prepared for deposit within 24 hours of receipt. The City of Anna does not hold checks in anticipation of providing a refund. The practice of holding payments for a refund is strictly prohibited and considered a poor safekeeping of public funds. If an employee is found to engage in this practice there may be cause for disciplinary action. This applies to all services provided by the City of Anna, i.e., utility billing, parks fees, building & permit fees, etc.

E. Reconciliations:

Each employee authorized to handle cash shall prepare a daily reconciliation of his/her cash box. Amounts received, receipts issued and actual monies deposited must be reconciled each day.

The total of all cash, checks, money orders and credit card received must equal the total amount of receipts issued to customers. A Notice of Error Statement–Cash Overage or Shortage Form must be prepared and given to the Finance Director in the event of a money overage or shortage discrepancy. This Form must contain the date, employee's name, type of payment, overage or shortage amount, explanation as to what caused the error(s) and be signed by the applicable employee and Director of Finance.

IV. ANNUAL BUDGET PROCESS

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The budget shall be prepared on the basis of priorities outlined by the City Council and the City Manager in the Strategic Plan. In addition, the budget shall be prepared and presented to meet the requirements of Section 102 of the Texas Local Government Code.

A. 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.

B. 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.

C. 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.

D. 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.

E. Public Hearing on Budget

The City Council shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing. The hearing will be held after the 15th day after the date the proposed budget is filed with the City Clerk but before the date the City Council makes its tax levy.

Notice of the date, time, and location of the hearing will be published not earlier than the 30th or later than the 10th day before the public hearing in at least one newspaper of general circulation in the county.

The notice will include, in type of a size at least equal to the type used for other items in the notice, the statement "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue raised from new property added to the tax roll this year."

F. Adoption of Budget

At the conclusion of the public hearing, the City Council shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the City Council to ratify the property tax increase reflected in the budget. This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.

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.

An adopted budget must contain a cover page that includes a statement that accurately describes the property tax revenue as increasing, decreasing or staying the same; the record vote of each member of the City Council by name; the municipal property tax rates for the preceding fiscal year and current fiscal year; and the total amount of debt obligation secured by property taxes.

G. 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.

H. 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.

I. Budget Document

The annual budget document shall be published in a format that satisfies all criteria established by the Government Finance Officers Association's Distinguished Budget Program. The final budget document shall be published no later than 90 days following the date of the budget's adoption by the City Council.

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 funds, which Council approves project-length budgets.

The basis of budgeting will be the same as the basis of accounting; that is, that budgets for the General Fund and all special revenue funds are prepared on the modified accrual basis of accounting, and budgets for the Utility (Proprietary) Fund are presented on a full accrual basis, except that capital purchases and depreciation are not adjusted until year-end financial reporting.

A balanced budget is one in which total proposed expenditures shall not exceed the total estimated income. The City's goal is to balance the operating budget with current revenues, whereby, current revenues match and fund on-going expenditures. The City considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced when total expenditures are less then total revenues, a surplus. There may also be instances where the City plans to spend excess fund balance accumulated from previous years on one-time non-recurring purchases, while maintaining established reserves. The City considers the budget to be balanced in this case as well. However, the plan shall not be to build on-going expenditures into this type of funding.

V. BUDGET ADMINISTRATION

The City's Charter (Section 7.09) addresses amending the adopted 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.

Transfers between funds must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Expenditures within each fund will remain within each department's original appropriation unless a budget adjustment is approved by the City Manager. Transfers between expenditure accounts in one department may occur with the approval of the Budget Manager. Transfers between operating departments may occur with the approval of the City Manager.

According to the City's Charter (Section 7.13) all annual appropriations lapse at fiscal year-end. Under the City's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be re-appropriated and honored the subsequent fiscal year.

A. REVENUE MANAGEMENT

To protect the City's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the City will attempt to reduce its dependence on sales tax revenue.

1. Property Tax Revenues

For every annual budget, the City shall levy two property tax rates: debt service and operation/maintenance. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund.

According to the Texas Property Tax Reform and Transparency Act of 2019, the operation and maintenance levy will not exceed the three and one-half percent voter-approval property tax rate without a mandatory election. As a result, it should be the policy of the City of Anna to adopt a tax rate below the voter-approval property tax rate.

The City will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The City may consider providing tax abatements or other incentives to encourage development.

2. Sales Tax Revenue

The State Comptroller's Office collects, administers, and disburses sales tax on a monthly basis. However, there is a two-month lag between the month of sales and when the City receives the revenue. The Budget Manager monitors and reports the activity, reflecting any state audit adjustments, refunds to gross collections, or fees withheld for the collection process.

Accounting staff reports the sales tax revenues based on the month of sales. This results in sales tax received in the month of October and November being accrued back to the previous year.

3. Utility Charges

The City will establish utility fees (water, wastewater, and sanitation) at a level that attempts to recover the full cost of providing the service.

- Utility rates should identify the relative costs of serving different classes of customers.
- Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.

4. Impact Fees

Impact Fees are currently imposed for water, wastewater, and roadway in accordance with applicable City Ordinances and state law. Impact fees will be re-evaluated at least every five years, as required by state law.

When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

B. OPERATING EXPENDITURES

Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:

Operating, Recurring Expenditures:

- *PAYROLL*
- *SUPPLIES*
- *MAINTENANCE*
- *CONTRACTUAL SERVICES*

Operating, Non-Recurring Expenditures

- CAPITAL OUTLAY

The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.

The City will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.

Payroll expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.

Supply expenditures shall be sufficient for ensuring the optimal productivity of City employees.

Maintenance expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.

The City will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the City.

Capital outlay is defined as machinery, vehicles or equipment that exceeds $5,000 and has a useful life of at least three years. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City employees.

Capital improvement is defined as an enhancement that exceeds $50,000 and has a useful life of at least ten years. Capital improvements are budgeted as multi-year projects in the Community Investment Program budget.

To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the Budget Manager. Projected expenditures that exceed the ceiling must be submitted as separate supplemental budget request.

C. LONG-TERM FINANCIAL PLANS

The City will adopt every annual budget in context of a long-term financial plan for the General Fund. Financial plans for other funds may be developed as needed.

The General Fund long-term plan will establish assumptions for revenues, expenditures, and changes to fund balance over a five-year horizon. The assumptions will be evaluated each year as part of the budget development process.

D. BUDGET CONTINGENCY PLAN

This policy is designed to establish general guidelines for managing revenue shortfalls resulting from local and national economic downturn that adversely affect the City's revenue stream.

1. Immediate Action

Once a budgetary shortfall is projected, the City Manager will take the necessary actions to offset the projected shortfall with a reduction in current expenditures. The City Manager may:

a. Freeze all hiring and filling of vacant positions except those deemed to be absolutely necessary;

b. Review and delay all planned remaining capital expenditures not funded by bond proceeds;
c. Delay all "non-essential" spending or equipment replacement purchases.

2. Further Action

If the above actions are insufficient to offset the revenue deficit and the shortfall continues to increase, the City Manager will further reduce operating expenses to balance the variance. Any remaining service level reductions, including workforce reductions, will be reviewed and addressed between the City Council and City Manager.

VI. ASSET MANAGEMENT

A. Investments

1. Investment Policy - The City Council has formally approved a separate Investment Policy for the City that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Local Government Code. The policy is reviewed annually by the Council and applies to all financial assets held by the City.

2. Quarterly Report - As required by the Public Funds Investment Act (PFIA), a Quarterly Investment Report will be prepared and provided to the City Council. The report shall consist of at a minimum the following:

   a) A comparison of the prior quarter investment's book and market value;
   b) Contain the current quarter and year-to-date (YTD) average yields;
   c) Reference the amount of interest income by quarter and YTD;
   d) List each investment instrument for the previous and current quarter with its rate of return, purchase and maturity date, book value, and market value;
   e) Provide a summary of the investments by fund group;
   f) Compare the total investment portfolio performance to the performance of a government investment pool.

B. Cash Management

The City's cash flow will be managed to maximize the cash available to invest. The City's depository accounts shall be pooled to limit the numbers of accounts and to allow for the City to pool investment purchases between funding sources.

The Finance Director is responsible for establishing internal controls for banking activities such as wires, ACH payments, and transfers. Dual authorization shall be required for all wires and ACH payments.

VII. FIXED ASSETS

The City's fixed (capital) assets are to be reasonably safeguarded and prudently insured against loss. The Finance Department is responsible for properly accounting for, reporting and capitalizing the assets in accordance with GAAP.

A. Capitalization Criteria

For the purposes of budgeting and accounting classification, the following criteria apply to assets to be capitalized:

a) The asset must be owned by the City.
b) The asset must be tangible.
c) The expected useful life must be longer than three (3) years or must extend the useful life of an existing asset by more than two (2) years.
d) The original cost of the asset must be greater than $5,000.
e) Useful life will be established based on available sources that are in accordance with GAAP.
f) On-going repairs and general maintenance will not be capitalized.
g) Assets not meeting the above criteria will be expensed.

B. New Purchases

All costs associated with bringing the asset into working order will be capitalized as part of the asset cost. This will include start-up costs, engineering or consultant type fees that are incurred once the decision to purchase is made. The cost of land acquired should include all related costs associated with the purchase.

C. Improvements and Replacements

Improvements will be capitalized when they extend the useful life of an asset or when they make the asset more valuable than it was originally. The replacement of asset components will normally be expensed unless they are of a significant nature and meet all of the capitalization criteria.

D. Contributed Capital

Infrastructure assets received from developers will be recorded as equity contributions once the City Manager or Director of Public Works approves the letter of acceptance.

E. Reporting and Inventory

The Finance Department will maintain the permanent records of the city's fixed assets, including description, cost, department of responsibility, date of acquisition, depreciation, and expected useful life. Periodic, random sampling will be performed to inventory fixed assets assigned to a department. Responsibility for safeguarding the City's fixed assets lies with the department that has been assigned the asset. When an asset leaves a department's responsibility due to disposition, sale or transfer, the assigned department is responsible to report the change in status or location to the Finance Department.

VIII. FUND BALANCE AND WORKING CAPITAL RESERVE POLICY

A. BACKGROUND

The City of Anna ("City") believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain a General Fund fund balance and Utility Fund working capital reserve sufficient to fund all cash flows of the City, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to secure and maintain investment grade bond ratings. A fund's equity in the General Fund is the difference between its total assets and total liabilities. On the other hand, working capital reserve in the Utility Fund is an excess of current assets over current liabilities. The purpose of this policy is to specify the size and composition of the City's financial reserves and to identify certain requirements for replenishing any fund balance or working capital reserves utilized.

The Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions ("GASB-54").* One objective of this standard was to improve, including the understandability, the usefulness of fund balance information by providing clear fund balance classifications.

GASB-54 requires local governments to focus on the constraints imposed upon resources when reporting fund balance in governmental funds. Governmental funds are typically used to account for tax-supported activities (i.e. General Fund, Debt Service Fund). The fund balance classifications indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints. The following five classifications serve to inform readers of the financial statements of the extent to which the City is bound to honor constraints on the specific purposes for which resources in the General Fund can be spent.

B. DEFINITIONS

- <u>Nonspendable Fund Balance</u> – Fund balance reported as "nonspendable" represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.

- <u>Restricted Fund Balance</u> – Fund balance reported as "restricted" consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

- <u>Committed Fund Balance</u> – Fund balance reported as "committed" are self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined by a formal action of the City Council, which is the highest level of decision-making authority, and that require the same level of formal action to remove the constraint.

- Assigned Fund Balance – Fund balance reported as "assigned" consists of amounts that are subject to a purpose constraint that represents an intended use established by the City Council or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. Formal action is *not* necessary to impose, remove, or modify a constraint in Assigned Fund Balance.

- Unassigned Fund Balance – Fund balance reported as "unassigned" represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

C. **ORDER OF EXPENDITURES**

When expenditures are incurred for the purposes for which multiple categories of fund balance can be utilized, the City will start with the most restrictive category and spend those funds first before moving down to the next category with available funds.

D. **POLICY ON COMMITTING FUND BALANCE**

In accordance with GASB-54, it is the policy of the City of Anna ("City") that fund balance amounts will be reported as "Committed Fund Balance" only after formal action and approval by City Council. The action to constrain amounts in such a manner must occur prior to year-end; however, the actual dollar amount may be determined in the subsequent period.

For example, the City Council may approve a motion prior to year-end to report within the year-end financial statements, if available, up to a specified dollar amount as Committed Fund Balance for a specified purpose. The exact dollar amount to be reported as Committed Fund Balance may not be known at the time of approval due to the annual financial audit not yet being completed. This amount can be determined at a later date when known and appropriately reported within the year-end financial statements due to the governing body approving this action before year-end.

It is the policy of the City that the City Council may commit fund balance for any reason that is consistent with the definition of Committed Fund Balance contained within GASB-54. Examples of reasons to commit fund balance would be to display intentions to use portions of fund balance for future capital items, stabilization funds, or to earmark special General Fund revenue streams unspent at year-end that are intended to be used for specific purposes.

After approval by the City Council, the amount reported as Committed Fund Balance cannot be reversed without utilizing the same process required to commit the funds. Therefore, in accordance with GASB-54, it is the policy of the City that funds can only be removed from the Committed Fund Balance category after motion and approval by the City Council.

E. POLICY ON ASSIGNED FUND BALANCE

In accordance with GASB-54, funds that are intended to be used for a specific purpose but have not received the formal approval action at the governing body level may be recorded as Assigned Fund Balance. Likewise, redeploying assigned resources to an alternative use does not require formal action by the governing body.

GASB-54 states that resources can be assigned by the governing body or by another internal body or person whom the governing body gives the authority to do so, such as a committee or employee of the City.

Therefore, having considered the requirements to assign fund balance, it is the policy of the City that the City Manager will have the authority to assign fund balance of this organization based on intentions for use of fund balance communicated by the City Council.

F. UNASSIGNED FUND BALANCE OF THE GENERAL FUND

It is the goal of the City to achieve and maintain an unassigned General Fund fund balance equal to 40% of total appropriations. The City considers a balance of less than 25% to be a cause for concern, barring unusual or deliberate circumstances, and a balance of more than 40% as excessive. An amount in excess of 40% can be used in one of the following ways:

- Increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan. These funds will be transferred out to the Governmental Non-Bond Capital Projects Fund.
- Increase funds contributed and transferred out to the Equipment Replacement Fund to assist in financing large capital equipment purchases.
- Reduce accrued liabilities, including but not limited to the TMRS pension liability and capital lease liabilities.

Prior to year-end, an Ordinance will be presented to Council when appropriate to give specific authority to the City Manager to make transfers of unexpended appropriations and excess revenues up to a certain threshold. The exact dollar amount to be transferred may not be known at the time of approval. This amount can be determined at a later date when known and appropriately reported within the year-end financial statements due to the governing body approving this action before year-end.

In the event that the unassigned General Fund fund balance is less than the policy anticipates, the City shall adjust budget resources in the subsequent fiscal years to restore the balance or establish a time frame and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

Appropriation drawing down on unassigned General Fund fund balance shall require the approval of the City Council and shall be only for one-time expenditures, such as capital purchases, and not for ongoing expenditures unless a viable plan designated to sustain the expenditures is simultaneously adopted.

G. WORKING CAPITAL RESERVES OF THE UTILITY FUND

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 a working capital reserve in the Utility Fund of 25% of total appropriations in order to provide for potential unanticipated needs or the impact of weather.

The City considers a balance of less than 25% to be a cause for concern, barring unusual or deliberate circumstances, and a balance of more than 40% as excessive. An amount in excess of 40% can be utilized in one of the following ways:

- Increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan. These funds will be transferred out to the Enterprise Non-Bond Capital Projects Fund.
- Increase funds contributed and transferred out to the Equipment Replacement Fund to assist in financing large capital equipment purchases.
- Reduce accrued liabilities, including but not limited to the TMRS pension liability and capital lease liabilities.

Prior to year-end, an Ordinance will be presented to Council when appropriate to give specific authority to the City Manager to make transfers of unexpended appropriations and excess revenues up to a certain threshold. The exact dollar amount to be transferred may not be known at the time of approval. This amount can be determined at a later date when known and appropriately reported within the year-end financial statements due to the governing body approving this action before year-end.

In the event the working capital reserves in the Utility Fund are less than the policy anticipates, a utility rate plan study will be utilized to determine the appropriate course of action when determining rates and establishing a timeframe to replenish the working capital reserves. This could include cost cutting, cost recovery, and revenue enhancing strategies.

IX. DEBT MANAGEMENT POLICY

A. PURPOSE

The purpose of this policy is to set forth the parameters for issuing new debt as well as managing the outstanding debt portfolio, identifying the types and amount of permissible debt, and maintaining or improving the current bond rating in order to minimize borrowing costs and preserving access to credit. Adherence to a debt management policy signals to rating agencies and capital markets that a government is well managed and should meet its obligations in a timely manner. Debt levels and their related annual costs are important long-term obligations that must be managed within available resources.

This Policy establishes specific guidelines to ensure that the City adheres to sound financial practices whenever it incurs debt. The City should consider this Policy when recommending the issuance of debt. This Policy may be amended from time to time by the City Council to reflect innovative, but prudent financial and business practices. It is the intent of the City to establish this policy in order to:

- Ensure high quality debt management decisions;
- Ensure the debt management decisions are viewed positively by rating agencies, investment communities, and citizens;
- Ensure support for debt issuance both internally and externally;
- Ensure the legal and prudent use of the City's bonding authority through an effective system of financial security and internal controls;
- Promote sound financial management that utilizes long range financial planning;
- Use debt financing where appropriate to match projected revenue streams;
- Evaluate critical debt issuance options.

B. POLICY STATEMENT

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances and resolutions, the City may periodically enter into debt obligations to finance the construction or acquisition of infrastructure and other assets; or to refinance existing debt for the purpose of meeting its governmental obligation to its residents. It is the City's desire and direction to ensure that such debt obligations are issued and administered in such fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings.

The City shall not issue debt obligations or utilize debt proceeds to finance current operations of the City.

C. CAPITAL IMPROVEMENT PROGRAM

A Capital Improvement Program shall be prepared, submitted to, and approved by the Council annually. The Capital Improvement Program shall consist of at least a 5-year priority listing of long-term capital projects, accompanied by a financing plan which reflects potential financing options for all projects in the plan, and is supported by the appropriate sources of revenue. The financing plan shall be in accordance with the debt management policies contained herein. The CIP guides capital expenditures and funding requirements, and generally includes:

- All capital projects, including outside funding sources such as grant funding, and those proposed to be financed, as available.
- The fiscal impact these capital projects, once completed, will have on the City's operating budget.

D. DEBT LIMITS AND STRUCTURE

As a Home Rule Charter City, the City of Anna is not limited in the amount of debt it may issue. However, the Texas Constitution, Article XI, Section 5 provides that the general property tax is limited to $2.50 per $100 of assessed valuation. Because the property tax is comprised of two components, Operations and Maintenance (O&M), plus Interest and Sinking (I&S) (which is the payment of principal and interest on legal debt instruments), the constitutional limits on the City's property tax rate effectively establishes an absolute ceiling on the amount of debt that may be funded by property tax revenues.

The determination of how much indebtedness the City can afford begins by assessing the sufficiency of future revenues through the use of a long-term financial projection. Factors such as debt service coverage requirements outlined in the bond indentures, the impact on the tax or utility rates, and any impact on the bond ratings shall be carefully considered.

Debt service will be structured, to the greatest extent possible, to match projected cash flows, minimize the impact of future property tax levies, and maintain a relatively rapid payment of principle. The term of the debt issuance should not be greater than the expected useful life of the asset being financed, or the maximum maturity permitted by State law for the obligations to finance the acquisition or construction of the asset.

E. RESPONSIBILITY

The primary responsibility for developing financing recommendations rests with the City Manager and Finance Director. In developing financing recommendations, consideration will be given as follows:

- The time proceeds are expected to remain on hand and the related carrying costs;
- The options for interim financing including short term and interfund borrowing, taking into consideration federal and state reimbursement regulations;
- The effect of the proposed action on the tax rate and user charges;
- Trends in interest rates;
- And other factors as appropriate.

F. PROFESSIONAL CONSULTANTS

A. Financial Advisor – A Financial Advisor will be used to assist in the issuance and administration of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. Financial services provided to the City shall include but shall not be limited to those listed below.

- Provide analysis of the City's financial capacity to authorize, issue, and service any debt instruments that are considered;
- Monitor market opportunities, providing interpretation of market conditions which factor into timing of issuance;
- Take primary responsibility for review of the quantitative analysis of the cash flows provided by the underwriter. Prepare reports matching all calculations for bond sizing, debt service schedules, savings calculations, bond calls, escrow calculations and cash flows on the project;
- Coordinate assembly of data necessary for preparation of necessary petitions, ordinances, notices as may be required for elections to authorize debt instruments;
- Maintain liaison with Bond Counsel utilized by the City in preparation of legal documents regarding authorization, sale and issuance of debt instruments;
- Prepare official statements of disclosure as required;
- Advise and facilitate obtaining credit ratings as necessary when issuing debt;
- Attend meetings and make presentations as requested;
- Participate in activities associated with rating agency reviews;
- Other services as defined by the contract.

B. Bond Counsel – The Bond Counsel will issue an opinion as to the legality and tax-exempt status of any obligation. The City will also seek the advice of Bond Counsel on all other types of financing and on any other questions involving federal tax or arbitrage law. The services provided by Bond Counsel will include but not limited to the list below.

- Provide an objective legal opinion with respect to the authorization and issuance of debt obligations and whether interest paid is tax-exempt under federal and/or state laws and regulations;
- Research applicable law; preparing documents; consulting with City staff and the Financial Advisor; reviewing proceedings; and performing additional duties as necessary to render the opinion;
- Provide continuing legal advice regarding any actions necessary to ensure that interest will continue to be tax-exempt;

- Participate, when requested, in activities associated with rating agency reviews;
- Attend City Council meetings when the debt obligation for which Counsel is providing services is being considered;
- Prepare the ordinance authorizing issuance of the obligations;
- Other services as defined by the contract.

G. APPROACH TO FINANCING

A sound debt management program integrates pay-as-you-go project financing with projects financed through the issuance of debt. Pay-as-you-go financing may include; intergovernmental grants from federal, state, and other sources, current revenues and fund balance, private sector contributions, public/private partnerships, and/or leasing. The City's Capital Improvement Program utilizes this combined approach to fund the City's capital projects and capital assets.

The City's Debt Management Policy promotes the use of debt only in those cases where public policy, equity, and economic efficiency favor debt over cash (i.e., pay-as-you-go) financing or in the case where cash financing is not a possibility.

Once the City has determined that "pay-as-you-go" is not a feasible financing option, the City may use Short-term or Long-term debt to finance capital projects.

1. Short Term Debt – Maturity of ten (10) years or less

Short term obligations may be issued to finance projects or portions of projects. Typically, tax notes will be considered for smaller issues (less than $1 million). The City may also secure interim financing which shall eventually be refunded with the proceeds of long-term obligations. Short-term obligations may be backed with a tax or revenue pledge of available resources. Capital leases may be used to purchase high-priced equipment to manage year-to-year capital expenditure levels.

2. Long Term Debt (Bonds) – Maturity of ten (10) years up to thirty (30) years

Long term general obligation or revenue bonds shall be issued to finance significant capital improvements or capital assets as set forth by the Capital Improvement Program (CIP). Long term debt may be incurred for only those purposes as provided by State law. The following list is factors which favor long term debt issuance.

- Revenues available for debt service are sufficient and reliable such that long-term financing can be marketed with an investment grade credit rating.
- Market conditions present favorable interest rates.

- The project is required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- The life of the project or capital asset to be financed is 10 years or longer.

Notwithstanding the above considerations, the City may consider the use of long-term debt in special circumstances for projects other than capital projects to better manage its assets and liabilities over time.

H. CAPITAL LEASING

Leasing shall not be considered when funds are on hand for the acquisition unless interest expense associated with the lease is less than the interest that can be earned by investing the funds on hand or when other factors such as budget constraints override the economic consideration.

Whenever a lease is arranged with a private sector entity, a tax-exempt rate shall be sought. Whenever a lease is arranged with a government or other tax-exempt entity, the City shall strive to obtain an explicitly defined taxable rate so that the lease will not be counted in the City's total annual borrowings subject to arbitrage rebate.

The advice of the City's Bond Counsel shall be sought in any leasing arrangement and when federal tax forms 8038 are prepared to ensure that all federal tax laws are obeyed.

I. OTHER FINANCING ALTERNATIVES

From time to time other types of financing may become available. Examples of these options are low-interest loans from State agencies. At the direction of the City Manager and Finance Director, the City's Financial Advisor will prepare an analysis of the option.

J. GENERAL DEBT GOVERNING POLICIES

The primary use of debt the City is to fund capital projects; however, other debt may be issued as necessary and appropriate. Because of the use of facilities will occur over many years, it is appropriate to allocate the cost of the facilities over the useful life of the financed project. The City establishes the following policies concerning the issuance and management of debt:

- The City will not issue debt obligations or use debt proceeds to finance current operations or normal maintenance.
- The term of the bond shall not exceed thirty (30 years) unless there are extenuating circumstances that justify the longer term.
- The City shall publish and distribute an official statement for each publicly traded Bond issue.

- The City shall consider the purchase of private bond insurance at the time of the issuance, if it is financially beneficial to the transaction.
- Debt financing includes, general obligation bonds, certificate of obligation bonds, revenue bonds, lease/purchase agreements and other obligations permitted to be issued under Texas law.
- The City and the Financial Advisor shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs. As a general rule, the present value savings of a particular refunding should exceed four (4%) of the refunded maturities, unless a restructuring or bond convent revision is necessary in order to facilitate the ability to provide services or issue additional debt in accordance with established debt policies, the refunding is done in combination with a new money issuance and involves maturities that would not be efficient to be refunded on a stand-alone basis, or a refunding that generates savings due to historically low interest rates or an unusual yield curve.
- The City shall not issue bonded debt without enacting an authorizing Resolution.
- The City shall seek to maintain the highest bond rating practical to ensure that borrowing costs are minimized and access to credit is preserved.
- The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale or private placement.
- The bond proceeds will be invested in accordance with the City's Investment Policy. Interest earnings received on the investment bond proceeds shall be used to assist the costs associated with the capital project.
- Debt shall be primarily used to finance capital projects or assets with a relatively long-life expectancy, i.e., generally five (5) years or greater.
- Long-term debt will be structured such that the obligations do not exceed the expected useful life of the respective project or asset.
- The City will primarily issue fixed rate bonds to protect the City against interest rate risk. The City does have the option to issue variable rate bonds and may, if market conditions warrant considering such a structure.
- Short term debt may be issued as authorized by the City Council when circumstances or opportunities are present and such issuance will not adversely affect the operating funds, the ability to make debt payments, or jeopardize the financial integrity of the City or the component units.
- The City shall have a program to comply with arbitrage rebate monitoring and filing. Because of the complexity of arbitrage rebate regulations and the severity of non-

compliance penalties, the City will contract for these services. The City currently utilizes Hilltop Securities for these calculations.

- The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosures. The City currently has a contract with Hilltop Securities to work with City staff to compile and file the required information in a timely manner.

K. DEBT ISSUANCE AND REVENUE SOURCES

General capital improvements shall be financed in accordance with the capital improvements program. Funds shall be for the financing of general improvements in accordance with the following:

- To the extent funds described above are in excess of that required by the City's General Fund operating budget, all or a portion of the excess amount shall be used for pay-as-you-go financing of general capital improvements or assets.
- It shall be a goal, but not a requirement, of the City to finance a portion of the city-at-large capital improvement budget with pay-as-you-go financing with current resources remaining from year-end savings.
- Outstanding bonds will be retired according to the debt repayment schedule.
- Assumptions for taxable assessed value increases and revenues growth shall be conservative and justifiable.
- Debt issued for water, sewer and other purposes for which operating and capital needs are supported by user fees, shall first be considered for issuance in the form of revenue bonds, certificates of obligation, or other debt instruments secured by the appropriate user fees. User fees shall be adequate to support operating requirements and revenue bond covenants for each purpose. Certificate of Obligation or General Obligation debt secured by operating revenues may also need to be secured with property taxes.

L. METHODS OF SALE

The City may use competitive sales, negotiated sales, or private placements. When considering the method of sale, the City will take the following conditions into consideration:

a. Financial conditions;

b. Market conditions;

c. Transaction-specific conditions;

d. City-related conditions; and

e. Risks associated with each method.

Additionally, the City considers the following criteria when determining the appropriate method of sale for any debt issuance:

a. Complexity of the Issue – Municipal securities with complex security features require greater marketing and buyer education efforts on the part of the underwriter, to improve the investors' willingness to purchase.

b. Volatility of Bond Yields – If municipal markets are subject to abrupt changes in interest rates, there may be a need to have some flexibility in the timing of the sale to take advantage of positive market changes or to delay a sale in the face of negative market changes.

c. Familiarity of Underwriters with the City's Credit Quality – If underwriters are familiar with the City's credit quality, a lower True Interest Cost (TIC) may be achieved. Awareness of the credit quality of the City has a direct impact on the TIC an underwriter will bid on an issue. Therefore, where additional information in the form of presale marketing benefits the interest rate, a negotiated sale may be recommended. The City strives to continue to increase the bond rating.

d. Size of the Issue – The City may choose to offer sizable issues as negotiated so that pre-marketing and buyer education efforts may be done to more effectively promote the bond sale.

M. DEFINITIONS OF METHODS OF SALE

A **Competitive Sale** is when bonds are awarded in a sealed bid sale to an underwriter or syndicate of underwriters that provides the lowest True Interest Cost (TIC) bid. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery.

A **Negotiated Sale** is when the City chooses an underwriter or underwriting syndicate, generally from the pool selected through its RFQ process, that is interested in reoffering a particular series of bonds to investors.

A **Private Placement** is a sale of debt securities to a limited number of sophisticated investors. The City may engage a placement agent to identify likely investors. A private placement is beneficial when the issue size is small or when the security of the bonds is weak since the private placement permits issuers to sell more risky securities at a higher yield to investors that are familiar with the credit risk.

N. FINANCING ALTERNATIVES

It is the City's intent to develop a level of cash and debt funded capital improvement projects that provide the citizens with the desired amount of City services at the lowest cost. The City may use general obligation debt, certificate of obligation debt, revenues bonds, tax notes, and capital leases as deemed appropriate by the City Staff, City's Financial Advisors, and approved by the City Council. Below are guidelines the City utilizes in evaluating financing alternatives:

- The City will fund the majority of capital projects with voter-approved debt; however, on occasion, it becomes necessary to seek additional financing in order to fund a particular non-quality of life project.
- The total dollar amount of bond election propositions recommended to the voters shall not exceed the City's estimated ability to issue said bonds within a normal 10-year period.
- The use of reimbursement resolutions shall be encouraged as a cash management tool for general obligation and certificate of obligation debt funded projects.
- Revenue Bond will be issued for projects will be issued for projects that generate revenues that are sufficient to repay the debt. Except where otherwise required by State Statutes, revenue bonds may be issued without voter approval and only in accordance with the laws of Texas.
- The use of other debt obligations, permitted by law, including but not limited to tax notes and lease purchase obligations will be reviewed on a case-by-case basis.

O. RATINGS

- The City will strive to maintain good relationship with bond rating agencies as well as disclose financial reports and information to these agencies and to the public.
- The City will obtain a rating from one nationally recognized bond-rating agency on all issues being sold on the public market.
- Timely disclosure of annual financial information including other information will be provided to the rating agencies.
- Timely disclosure of a pertinent financial information that could potentially affect the City's credit rating will also be presented to the ratings agencies required information repositories and bond insurance companies insuring the City of Anna debt.

This Debt Management Policy shall be reviewed at least annually, and any modifications must be adopted by the City Council.

X. POST ISSUANCE COMPLIANCE FOR TAX-EXEMPT DEBT

A. Purpose

The purpose of these Procedures for Post-issuance Compliance (these "Procedures") is to ensure that the bond financings of the City of Plano (the "City") remain in compliance with the following federal tax requirements:

- General Recordkeeping & Record Retention
- Timely return filings
- Proper and timely use of bond proceeds and bond-financed property
- Arbitrage - yield restriction and rebate
- Reissuance requirements
- Corrective Action

These Procedures apply to any obligations to which Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 (the "Code") apply, whether or not such obligations are in fact tax-exempt. For example, these Procedures will be followed with respect to any issue of tax credit bonds to which such sections of the Code apply. Further, the City is responsible for compliance with any requirements set forth in subsequent rulings and other advice published by the Internal Revenue Service (the "Service" or the "IRS"), as such authorities may apply to the City and its obligations.

B. Responsible Parties

The Finance Director of the City is ultimately responsible for the post-issuance compliance of bond financings. In addition, the following persons are responsible for the compliance roles described below:

- Finance Director – Approval of policies, authorization of expenditures, delegation of responsibilities, and oversight of processes.
- Accounting Manager – Review and reporting of expenditures of Bond proceeds, oversight of financial staff engaged in construction spending, coordination of expenditure, reporting on expenditure, financial reporting, internal controls and processing of invoice payments.
- City Attorney – Coordination of legal services, review and records management of special legal entitlement agreements for Bond-financed facilities.
- Finance Director – Day to day money management, investment of Bond related funds, investment and debt management services, investment and debt activity and coordination of records management of these details.
- Budget Manager – Budgeting and determining bond-financed projects, and monitoring of bond-financed capital expenditures.

Parties responsible for the financing aspects and the operations aspects of bond-financed facilities will coordinate efforts to ensure that any actions taken with respect to a bond-financed facility will be in compliance with the requirements of the Code. The City will provide training and/or make available educational materials regarding compliance requirements (e.g., private use requirements) to the parties responsible for the oversight of bond-financed facilities.

C. General Recordkeeping and Records Retention

General record retention duties are the responsibility of Finance Director and General Accounting Manager.

The Finance Director will maintain a copy of the following documents on file at all times:

- Audited Financial Statements
- Reports of any examinations by the IRS of the City's financing

With respect to each issue of obligations, the Treasurer will retain the following for the life of the obligations (including the life of any issued to refunds the original debt) plus three years:

- Bond transcript, including authorizing documents, offering document, the federal tax certificate and certificates regarding issue price
- Minutes and resolution(s) authorizing the issue
- Appraisals, demand surveys, and/or feasibility studies for bond-financed property
- Related publications, brochures, and newspaper articles
- Any formal elections (e.g., election to employ an accounting methodology other than specific tracing)
- Records relating to the payment of debt service (including credit enhancement)
- Documentation relating to investments and arbitrage compliance, as described in "Arbitrage – Yield Restriction and Rebate - Recordkeeping" below
- Any grant requests or fundraising materials and documentation of grants or fundraising receipts relating to projects that also may be financed, in whole or in part, with bond proceeds
- Any agreement listed in "Private Business Use – Special Legal Entitlements" that relates to a bond-financed facility
- Bond paying agent/trustee statements
- Rebate compliance reports
- Related IRS filings (e.g. Form 8038-T Rebate)
- IRS correspondence regarding such issue
- Other documentation material to the particular requirements that are applicable to the tax status of the financing

With respect to each issue of obligations, the Accounting Manager will retain Documentary evidence of when and for what purpose the bond proceeds were expended, as described in "Expenditures of Bond Proceeds - Recordkeeping" below (including the requisitions for expenditure of bond proceeds) for the life of the obligations (including the life of any obligations issued to refund the original debt) plus three years.

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents.

D. Return Filings

The Accounting Manager will be responsible for tracking the timely filing of the Form 8038-G information report (or such other series 8038 form as may be applicable to a specific issue of bonds) with the Service, which filing may be completed by bond counsel after the issuance of the obligations. The City must file a separate Form 8038-G for each issue of bonds not later than the

15th day of the second calendar month after the close of the calendar quarter in which the bonds are issued.

E. Expenditure of Bond Proceeds

1. General

The Controller is responsible for oversight of the expenditure of bond proceeds, including monitoring whether such expenditures are made in a timely manner for the purposes for which the bonds were authorized. The Controller will ensure that all proceeds of a bond issue are allocated to expenditures by the later of 18 months after the expenditure was made or the date the project is placed in service (and in no event, later than 60 days after (i) the fifth anniversary of the issue date or (ii) retirement of the issue).

With respect to the reimbursement of any expenditure paid prior to the date of issue of the bonds, the Controller will ensure that such reimbursement allocation to bond proceeds is made not later than 18 months after the later of (i) the date the original expenditure is made or (ii) the date the project is placed in service, but in no event more than three years after the original expenditure is paid. Furthermore, the Controller will ensure that such reimbursement allocation is for the reimbursement of expenditures paid on or after 60 days prior to the date of a reimbursement resolution (including for this purpose a bond order). Bond Counsel should be consulted regarding allocation of expenditures between each Bond issue to ensure timely expenditure of Bond proceeds.

In addition to ensuring the timely expenditure of bond proceeds, the Controller will ensure that bond proceeds are allocated to capital expenditures. Bond Counsel should be consulted regarding allocation of expenditures to non-capital items.

2. Recordkeeping

With respect to each issue of obligations, the City will retain the following for the life of the obligations plus three years:

- Documentation of allocations of bond proceeds to expenditures (e.g., allocation of bond proceeds for expenditures for the construction, renovation or purchase of facilities)
- Documentation of allocations of bond proceeds to bond issuance costs
- Copies of all requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to bond proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of bond-financed facilities
- Records of expenditure reimbursements incurred prior to issuing bonds for bond-financed facilities
- List or schedule of all bond-financed facilities or equipment
- Depreciation schedules for bond-financed depreciable property
- Documentation of any purchase or sale of bond-financed assets

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents.

F. Private Business Use

1. General

To confirm that the Bonds serve "purely" governmental purposes for the general public, it must be determined whether the issuer expects that there will be any private business use of the proceeds of the bonds. Private business use exists if more than the lesser of (i) five percent (and, in certain circumstances, ten percent) or (ii) $15,000,000 of the proceeds of the issue or the property to be financed by the bond proceeds are used directly or indirectly by any nongovernmental person in that person's trade or business. In addition, no more than the lesser of (i) five percent (and, in certain circumstances, ten percent) or (ii) $15,000,000 of the proceeds of an issue may be secured directly or indirectly by property or payments derived from private business use under the "private security or payment test." Private business use may occur due to trade or business use by unrelated third parties, the existence of special legal entitlements with respect to the bond-financed property or the sale or other transfer of bond-financed property. Finally, no more than the lesser of (i) five percent or (ii) $5,000,000 of the proceeds of an issue of bonds may be used to make loans or arrangement that allow a nongovernmental person to defer payments that it is obligated to make with respect to the financed property or the bonds.

The City's finance team will coordinate with the parties responsible for the operation of a bond-financed facility by communicating the private business use restrictions to such parties and requiring that all activity that may give rise to such use be communicated to the Finance Director.

2. Trade or Business Activities by Third Parties

The City will maintain records of all trade or business activities by third parties allocable to its bond-financed facilities. Recognizing that trade or business activities by third parties may give rise to private business use, the City will maintain records of all unrelated trade or business activities allocable to its bond-financed facilities. The Controller is responsible for tracking trade or business activity by third parties as it relates to bond-financed facilities and will monitor such activity no less frequently than annually and, in any event, upon being notified of any new activity that will give rise to a significant amount of trade or business activity by a third party.

3. Special Legal Entitlements

A special legal entitlement is an arrangement that conveys rights similar to ownership, a lease or a management contract (e.g., priority rights to use the facility). Recognizing that a special legal entitlement may give rise to private business use, each time the City intends to enter into one of the following, the City will determine if such agreement relates to any bond -financed facility:

- Management and other service contracts
- Research agreements

- Naming rights contracts
- Ownership
- Leases
- Subleases
- Leasehold improvement contracts
- Joint venture arrangements
- Limited liability corporation arrangements
- Partnership agreements
- Non-contractual use of bond-financed office space and/or parking facilities by any nongovernmental person
- Written contracts for special rates or priority for the purchase of output from bond-financed facilities (e.g., water)
- Any other contract conferring a special legal entitlement or special economic benefit that are comparable to ownership

If such an agreement will be with respect to a bond-financed facility, the City will take measures so that such agreement does not create impermissible private business use with respect to any issue of bonds used to finance such facility. Such measures may include ensuring that such agreement falls into an applicable safe harbor, making a determination that private use will not exceed the applicable limit or such other action as may be recommended by bond counsel.

4. Recordkeeping Related to Private Business Use

With respect to each issue of bonds, the Controller will retain any records tracking private business use for the life of the bonds plus three years. In addition, with respect to each issue of bonds, the Controller will retain any agreements giving rise to private business use for the life of the bonds plus three years.

G. Payments on the Bonds

The trustee/paying agent for the bonds shall determine the amount of principal and interest payable on each payment date for the bonds. Periodically, and no less frequently than annually, the Controller will review the amount of the interest payments to verify that proper determinations of interest have been made.

H. Arbitrage – Yield Restriction & Rebate

1. General

The Treasurer is responsible for monitoring the City's compliance with the yield restriction requirements of section 148(a) of the Code and the rebate requirements of section 148(f) of the Code. Such monitoring includes, but is not limited to:

- Tracking the allocation of bond proceeds to expenditures for compliance with any temporary period and spending exceptions, no less frequently than yearly

- Ensuring that any forms required to be filed with the IRS relating to arbitrage and any payments required pursuant thereto are filed in a timely manner
- Ensuring that "fair market value" is used with respect to the purchase and sale of investments

Additionally, the City will utilize a rebate analyst to monitor compliance with rebate and yield restriction rules on an annual basis. The City utilizes First Southwest to monitor arbitrage rebate and yield restriction.

Compliance with the investment rules will require that the City be able to account for, in terms of dates and amounts, all uses (including disbursements and investment activity) of particular categories of bond-related money. The Controller will account for all of the following disbursements: monies in the project fund, debt service fund and any other fund into which proceed of the obligations have been deposited, including any reserve fund. In doing so, the Controller will use any reasonable consistently applied accounting method to account for gross proceeds, investments and expenditures of an issue.

2. Recordkeeping

With respect to each issue of obligations, the City will retain the following for the life of the obligations plus three years:

- Documentation of allocations of investments and calculations of investment earnings
- Documentation for investments of the bond proceeds related to:
    1. Investment contracts (*e.g.,* guaranteed investment contracts)
    2. Credit enhancement transactions (*e.g.,* bond insurance contracts)
    3. Financial derivatives (*e.g.,* swaps, caps, etc.)
    4. Bidding of financial products
- Documentation regarding arbitrage compliance, including:
    1. Computation of bond yield
    2. Computation of rebate and yield reduction payments
    3. Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
    4. Form 8038-R, Request for Recovery of Overpayments Under *Arbitrage Rebate Provisions*

Documents may be retained as hard copies or in an electronic format (in accordance with Revenue Procedure 97-22, 1997-1 C.B. 652), so long as such documents are retained in organized, accessible format that preserves the accuracy of such documents.

I. Reissuance

Prior to making any changes to the terms of an obligation, including its underlying security, the City will consult with bond counsel to determine whether such change will result in the reissuance of such obligation for federal tax law purposes. If it is determined that a change will result in a reissuance, the City will take such action, including the recalculation of yield, the filing of a new form 8038-G and the payment of rebate obligations, as is necessary to maintain the tax status of the bonds.

J. Corrective Action

Reports regarding the aforementioned compliance policies with respect to any issue of bonds will be made to the Finance Director no less frequently than the end of each bond year. At such time, the Finance Director will determine whether any corrective action is required with respect to the applicable issue.

A corrective action may be required if, for example, it is determined that bond proceeds were not properly expended, the City is not in compliance with the arbitrage requirements imposed by the Code or the City has taken a deliberation action that results in impermissible private business use (e.g., sale of bond-financed property). If the City determines or is advised that corrective action is necessary with respect to any issue of its obligations, the City will, as may be applicable, in a timely manner:

- Seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (or any successor notice thereto)
- Take remedial action described under Section 1.141-12 of the Code
- Take such other action as recommended by bond counsel

CITY OF ANNA, TEXAS

ORDINANCE NO.____________

AN ORDINANCE OF THE CITY OF ANNA, TEXAS ADOPTING FINANCIAL POLICIES

WHEREAS, the City of Anna, Texas (the "City") is committed to principles and practices of open and fair government that honor the public trust; and,

WHEREAS, the City of Anna, Texas City Council ("City Council") has determined that it is in the interest of the neighbors of Anna to adopt Financial Policies that establish policies and procedures to govern the management and care of public funds required for operation of the City;

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

SECTION 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

SECTION 2. Financial Policy Adoption.

The Council hereby approves the Financial Policies attached hereto as Exhibit 1 and incorporated herein for all purposes.

Section 3. Savings, Severability and Repealing Clauses.

All ordinances of the City in conflict with the provisions of this ordinance are repealed to the extent of that conflict. If any section, subsection, sentence, clause, or phrase of this ordinance, or its application to a particular set of persons or circumstances, is declared invalid or adjudged unconstitutional by a court of competent jurisdiction, it does not affect the remaining portions of this ordinance, as the various portions and provisions of this ordinance are severable. The City Council, declares that it would have passed each and every part of this ordinance notwistanding the omission of any part that is declared invalid or unconstitutional.

Section 4. Effective Date

This ordinance shall become effective after its passage and upon the posting and/or publication, if required by law.

PASSED AND APPROVED by the City Council of the City of Anna, Texas, this, the 25th day of May, 2021.

ATTESTED: APPROVED:

Carrie L. Land, City Secretary

Nate Pike, Mayor

Item No. 6.f.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Alan Guard

AGENDA ITEM:
Approve a Resolution authorizing the City of Anna, Texas to participate in the Collin County Purchasing Cooperative for the purchase of goods and services for the public and authorize the city manager to sign the agreement. (Finance Director Alan Guard)

SUMMARY:
The City of Anna has participated in a cooperative purchasing agreement with Collin County since 2015. It is time to renew the agreement. Council approved the renewal at the November 10, 2020 meeting. However, Collin County provided the wrong agreement for signature. Council must approve a new resolution with the correct agreement.

FINANCIAL IMPACT:
NA

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
High Performing, Professional City

STAFF RECOMMENDATION:
Approve the Resolution.

ATTACHMENTS:
1. Anna Collin County Purchasing Cooperative
2. Collin County Cooperative Purchasing Agreement Resolution 05252021

APPROVALS:

Alan Guard,	Created/Initiated - 5/19/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this _____ day of ______, 2021, by and between the CITY OF ANNA, TEXAS (hereinafter called "Anna") and participants in the COLLIN COUNTY GOVERNMENTAL PURCHASERS FORUM (hereinafter called "Forum"), acting through the CITY OF ANNA duly authorized agent:

WITNESSETH:

WHEREAS, the city of Anna and the present Forum participants as permitted under Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, wish to enter into this Interlocal Agreement to set forth the terms and conditions upon which the city of Anna and Forum participants may purchase various goods and services commonly utilized by said entities; and

WHEREAS, participation in a Cooperative Purchasing Program will be highly beneficial to the taxpayers of the city of Anna and Forum participants through the anticipated savings to be realized.

WHEREAS, it is also realized this program could be very beneficial to smaller governmental entities in Collin County that choose to join this Forum at a later date by formal declaration by their governing bodies to participate in this program by passage of a similar document;

NOW THEREFORE, in consideration of the foregoing and mutual promises, covenants and obligations as set forth herein, the city of Anna and other Forum participants agree as follows:

1. All Forum participants will work cooperative to provide a program for the purchase of various goods and services commonly utilized by all participants ("Cooperative Purchasing Program"), and under such Program may purchase goods and services from vendors under present and future contracts with any entity in the forum.

2. The Forum participants will enter into individual contracts with vendors under the Cooperative Purchasing Program provided for under this Agreement. The participants shall be individually responsible for payment directly to the vendor and for the vendor's compliance with all conditions of delivery and quality of purchased items under such individual contracts.

3. The city of Anna may purchase goods and services pursuant to Section 791.025 of the Texas Government Code.

4. The Agreement shall be in full force and effect until terminated by either party;

5. Notwithstanding anything herein to the contrary, participation in this Agreement may be terminated by either party upon thirty (30) days written notice to the other members of the Forum.

6. The undersigned officer and/or agents of the parties hereto are duly authorized officials and

possess the requisite authority to execute this agreement on behalf of the parties hereto;

7. This Agreement may be executed separately by the participating entities, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

EXECUTED hereto on the day and year first written above.

CITY OF ANNA, TEXAS

____
Authorized Signature

STATE OF TEXAS

COUNTY OF COLLIN

This instrument was acknowledged before me on the ______day of ________________, 2021, by

________________________________ .

____
Notary Public in and for the State of Texas

CITY OF ANNA, TEXAS

RESOLUTION NO.
(Collin County Cooperative Purchasing Agreement)

A RESOLUTION RENEWING THE COOPERATIVE PURCHASING AGREEMENT WITH COLLIN COUNTY.

WHEREAS, the City of Anna, Texas ("the City") is committed to principles of best financial practices that save time and money while adhering to state purchasing law; and

WHEREAS, the City of Anna, Texas City Council ("City Council") has determined that it is in the interests of the citizens of Anna to participate as a member of the Collin County Cooperative Purchasing group; and

WHEREAS, The Collin County requires membership renewal every five years and the City joined December 8, 2015; and

WHEREAS, The City's most recent membership expires December 8, 2020;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THAT:

Section 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

Section 2. Interlocal Agreement Reviewed and Authorizes the City Manager to sign the Agreement.

The City Council has reviewed the interlocal agreement and authorizes the City Manager to sign the Agreement attached hereto as Exhibit 1.

PASSED by the City Council of the City of Anna, Texas, on this the 25h day of May, 2021.

ATTEST:	APPROVED:
Carrie L. Land, City Secretary	Nate Pike, Mayor

Item No. 6.g.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Ross Altobelli

AGENDA ITEM:

Approve an Ordinance adopting the 2018 Edition of the International Building Code (IBC), 2018 Edition of the International Residential Code (IRC), 2018 International Plumbing Code(IPC), 2018 International Mechanical Code (IMC), 2018 International Fuel Gas Code (IFGC), 2018 International Energy Conservation Code (IECC), 2018 International Existing Building Code (IEBC), 2018 International Swimming Pool and Spa Code (ISPSC), and 2017 National Electrical Code (NEC); and adopting the North Central Texas Council of Governments recommended amendments to each adopted code; and amended certain related provisions in The Anna City Code of Ordinances. (Director of Development Services Ross Altobelli)

SUMMARY:

Currently, the City of Anna is under 2015 International Building Code, 2015 International Residential Code, 2015 International Energy Conservation Code, 2015 International Fire Code, 2015 International Fuel Gas Code, 2015 International Mechanical Code, 2015 International Plumbing Code, and 2014 National Electric Code with amendments recommended by NCCOG.

In order to preserve and protect public health, safety and welfare and to have a Building Code uniformity in North Texas Central Region among other communities, it is essential to adopt the updated Edition of the Building Codes such as 2018 ICC Codes with amendments recommended by NCCOG as follows:

- 2018 International Building Code (IBC)
- 2018 International Residential Code (IRC)
- 2018 International Plumbing Code (IPC)
- 2018 International Mechanical Code (IMC)
- 2018 International Fuel Gas Code (IFGC)
- 2018 International Energy Conservation Code (IECC)
- 2018 International Existing Building Code (IEBC)
- 2018 International Swimming Pool and Spa Code (ISPSC)
- 2017 National Electrical Code (NEC)

FINANCIAL IMPACT:

N/A

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing:

Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:

Staff is recommending approval of the adoption of the 2018 ICC family Building and 2017 National Electric Codes with amendments recommended by NCCOG for the following reasons:

1. Will lower Insurance Service Office (**ISO**) Rating by using Public Protection Classification (**PPC**) System (*It is the countrywide classification system used by the ISO to reflect a community's local fire protection for property insurance rating purposes*)
2. Will have a Building Code uniformity in North Texas Central Region among other communities with NCTCOG recommended amendments

ATTACHMENTS:

1. Ord Amend Building Codes

APPROVALS:

Ross Altobelli, Director of Development Services	Created/Initiated - 5/20/2021
Clark McCoy, City Attorney	Approved - 5/20/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

ORDINANCE NO. ____________________

AN ORDINANCE OF THE CITY OF ANNA, TEXAS, ADOPTING THE 2018 INTERNATIONAL BUILDING CODE, 2018 INTERNATIONAL RESIDENTIAL CODE, 2018 INTERNATIONAL ENERGY CONSERVATION CODE, 2018 INTERNATIONAL PLUMBING CODE, 2018 INTERNATIONAL MECHANICAL CODE, 2018 INTERNATIONAL FUEL GAS CODE, 2017 NATIONAL ELECTRICAL CODE, 2018 EXISTING BUILDING CODE, 2018 INTERNATIONAL SWIMMING POOL AND SPA CODE; AMENDING SPECIFIC SECTIONS OF THE ANNA CITY CODE OF ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVING CLAUSE; PROVIDING A SEVER-ABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Anna deems it necessary, for the purpose of promoting the health, safety, morals, or general welfare of the City to enforce regulations regarding the use, construction and occupancy of buildings and other structures in the City; and

WHEREAS, the City Council finds that the adoption of model codes promotes uniform construction and provides a minimum standard of safety; and

WHEREAS, the City of Anna is currently under the 2015 International Building Code, 2015 International Residential Code, 2015 International Energy Conservation Code, 2015 International Plumbing Code, 2015 International Mechanical Code, and the 2015 International Fuel Gas Code, 2014 National Electric Code (collectively "Current Uniform Codes") with Amendments recommended by North Central Texas Council of Governments ("NCTCOG"); and

WHEREAS, in order to preserve and protect public health, safety and welfare and to have a Building Code uniformity in North Central Region among other communities, it is essential to adopt the updated editions of the Current Uniform Codes and to adopt additional uniform building codes as set forth in this ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS:

SECTION 1. That all the foregoing premises and findings are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety. There is hereby adopted by the City of Anna, Texas for the purpose of establishing rules and regulations for the design, quality of materials, erection, construction, installation, alteration, repair, location, relocation, replacement, conversion, addition to, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings, facilities, and structures, certain uniform codes as set forth herein.

SECTION 2. All ordinances or parts of ordinances in force when the provisions of this ordinance become effective that are inconsistent or in conflict with the terms and provisions contained in this ordinance are hereby repealed only to the extent of any such conflict.

SECTION 3. In accordance with Article 1.01 of the Anna City Code of Ordinances, ("Anna Code"), the following amendments are made to Chapter 4 (Building Regulations), Article 4.03 (Construction Codes and Standards) as follows:

ARTICLE 4.03 CONSTRUCTION CODES AND STANDARDS

Division 1. Generally

Secs. 4.03.001–4.03.030 Reserved

Division 2. Building Code[*]

Sec. 4.03.031 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Building Code~~, including appendix C and appendix E, but excluding appendices A, B, D, F, G, H, I, J, and K, a copy of which is on file in the office of the city secretary as amended by this section, is hereby adopted by reference and designated as the building code of the city, the same as though such code were copied at length herein~~ has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code is hereby adopted by reference and designated as the building code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Building Code. A copy of said amendments are on file in the office of the city secretary.

(Ordinance 371-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 3; Ordinance ____________ adopted 5/25/2021)

Secs. 4.03.032–4.03.060 Reserved

Division 3. Residential Code[†]

Sec. 4.03.061 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Residential Code has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the residential code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Residential Code.

~~(c) The International Residential Code is further amended as follows:~~

> ~~R110.2 Change in ownership, tenancy or use. Upon change of ownership or tenancy in a building or structure used as a single-family or duplex dwelling, the owner or tenant shall request a certificate of occupancy from the building official. If the dwelling unit has been inspected for a certificate of occupancy within 1 year of the change of ownership or tenancy, a new certificate of occupancy shall not be required.~~
>
> ~~Prior to allowing occupancy of the building the building official shall inspect the building for compliance with the requirements of all applicable ordinances and building code regulations, including but not limited to this code, the city's property maintenance code, and the comprehensive zoning ordinance. If violations are found the building official may prohibit occupancy of the structure and shall direct the owner or tenant to take such action as is necessary to bring the premises into compliance with the above codes and ordinances.~~

(Ordinance 371-2008 adopted 4/8/08; Ordinance 461-2009 adopted 9/08/09; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 5; Ordinance _____________ adopted 5/25/2021)

Secs. 4.03.062–4.03.090 Reserved

Division 4. Energy Conservation Code*

Sec. 4.03.091 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Energy Conservation Code and the amendments thereto has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the energy conservation code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Energy Conservation Code.

(Ordinance 372-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 6; Ordinance ______________ adopted 5/25/2021)

Secs. 4.03.092–4.03.120 Reserved

Division 5. Plumbing Code[†]

Sec. 4.03.121 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Plumbing Code has been adopted~~, including appendix E through G, but not including appendix A through D~~. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the plumbing code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Plumbing Code.

(Ordinance 376-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 8; Ordinance ______________ adopted 5/25/2021)

[…]

Secs. 4.03.123–4.03.150 Reserved

Division 6. Mechanical Code[*]

Sec. 4.03.151 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Mechanical Code has been adopted~~, including appendix A, but excluding appendix B~~. Copies of the Code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the mechanical code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Mechanical Code.

(Ordinance 375-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 10; Ordinance ______________ adopted 5/25/2021)

Secs. 4.03.152–4.03.180 Reserved

Division 7. Fuel Gas Code

Sec. 4.03.181 Adopted; amendments

(a) The 2018 ~~2015~~ edition of the International Fuel Gas Code has been adopted~~, including appendix A through C, but not including appendix D~~. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the fuel gas code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Fuel Gas Code.

(Ordinance 374-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 11; Ordinance ______________ adopted 5/25/2021)

Secs. 4.03.182–4.03.210 Reserved

Division 8. Electrical Code[†]

Sec. 4.03.211 Adopted; amendments

(a) The 2017~~2014~~ edition of the National Electrical Code has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code ~~[and such code]~~ is hereby adopted by reference and designated as the electrical code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2017 National Electrical Code.

(Ordinance 377-2008 adopted 4/8/08; Ordinance 661-2014 adopted 6/24/14; Ordinance 730-2016 adopted 10/11/16; 2008 Code, pt. II, art. 8, sec. 12; Ordinance ______________ adopted 5/25/2021)

Secs. 4.03.212–4.03.240 Reserved

Division 9. Existing Building Code

Sec. 4.03.241 Adopted; amendments

(a) The 2018 edition of the International Existing Building Code has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code is hereby adopted by reference and designated as the electrical code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Existing Building Code.

(Ordinance _____________ adopted 5/25/2021)

Secs. 4.03.242–4.03.270 Reserved

Division 10. Swimming Pool and Spa Code

Sec. 4.03.271 Adopted; amendments

(a) The 2018 edition of the International Swimming Pool and Spa Code has been adopted. Copies of the code, and the amendments thereto, are on file in the office of the city secretary and said code is hereby adopted by reference and designated as the electrical code of the city, the same as though such code were copied at length herein.

(b) The city council has adopted the North Central Texas Council of Governments recommended amendments to the 2018 International Swimming Pool and Spa Code.

(Ordinance _____________ adopted 5/25/2021)

SECTION 4. In accordance with Article 1.01 of the Anna City Code of Ordinances, ("Anna Code"), the following amendments are made to Chapter 12 (Utilities), Article 12.03 (Water) as follows:

[…]

Secs. 12.03.067–12.03.100 Reserved

Division 3. Cross-Connection Control Program

[…]

Sec. 12.03.103 Purpose

Pursuant to 30 TX ADC § 290.44 and § 290.46 ~~title 30, Texas Administrative Code, section 290.44, 290.46~~, and the 2018~~2015~~ edition of the International Plumbing Code ~~plumbing code~~, or as amended, it is the responsibility of the city to protect its drinking water supply by instituting and enforcing a cross-connection program. The purpose of this division, therefore, is to comply with the above-cited regulatory requirements, and to protect the water supply of the city from contamination or pollution due to any cross connections.

(Ordinance 833-2019 adopted 11/12/19; Ordinance _____________ adopted 5/25/2021)

[…]

Sec. 12.03.105 Irrigation systems

(a) All irrigation systems, which currently have no backflow protection or systems installed after the effective date of this division, shall be required to meet all specifications pertaining to irrigation systems ~~as stipulated by the TCEQ chapter~~ under 30 TX ADC § 290.44 and § 290.46 ~~Code, or~~ and the 2018~~2015~~ edition of the International Plumbing Code ~~plumbing code~~, or as amended by city ordinance. In the event that there is a conflict between these codes and regulations, the more restrictive shall apply.

(b) All irrigation systems which do not currently meet the specifications, as stipulated in subsection (a), will be required to meet these specifications within 30 days of notification from the city or if the device fails a certification test.

(c) In the event an assembly is removed each year to protect against freezing, it must be tested immediately upon re-installation.

(d) The city and/or the cross-connection inspector can choose to be more stringent if deemed necessary.

(Ordinance 833-2019 adopted 11/12/19; Ordinance _____________ adopted 5/25/2021)

[…]

SECTION 5. Any person, firm or corporation violating any of the provisions or terms of this ordinance, upon conviction in Municipal Court, shall be punishable by a fine not to exceed the sum of Two Thousand Dollars ($2,000.00) for each offense.

SECTION 6. If any section, paragraph, subdivision, clause, phrase or provision of this ordinance shall be judged invalid or unconstitutional, the same shall not affect the validity of this ordinance as a whole or any portion thereof other than that portion so decided to be invalid or unconstitutional.

SECTION 7. In addition to and accumulative of all other penalties, the City shall have the right to seek injunctive relief for any and all violations of this ordinance.

SECTION 8. This ordinance shall take effect after its passage and publication as required by law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, this 25th day of May 2021.

____
Nate Pike, Mayor
City of Anna

ATTEST:

____
Carrie L. Land, City Secretary

Item No. 6.h.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Gregory Peters

AGENDA ITEM:
Approve a Resolution authorizing the submittal of a grant application for the Solid Waste Pass-Through Program, from the TCEQ through the NCTCOG, for funding to develop a Beautification and Enhancement Strike Team Program in the City of Anna, Texas. (Public Works Director, Greg Peters, PE)

SUMMARY:
The City is submitting a grant request for funding related to the development of a Beautification and Enhancement Strike Team (B.E.S.T.) Program to provide additional efforts and resources toward litter and trash removal, enforcement against illegal dumping, and education on litter and trash impacts on our community. If awarded, the grant will provide for the creation of a Mobile Litter Elimination Unit which can be deployed by Public Works and Parks staff to address identified trash problems which may impact the community. The enforcement components include cameras and software to assist Code Enforcement and Anna PD in the identification of individuals participating in illegal dumping activities, and the subsequent enforcement against those individuals.

FINANCIAL IMPACT:
The grant request is for $90,000. If awarded, no City match is required.

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 2: Anna – Great Place to Live

Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
Staff recommends approval

ATTACHMENTS:
1. Resolution - Authorizing Grant Application to NCTCOG for Solid Waste Implementationn

APPROVALS:

Gregory Peters, Director of Public Works	Created/Initiated - 5/20/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

CITY OF ANNA, TEXAS

RESOLUTION NO. _______________

A RESOLUTION OF THE CITY OF ANNA, TEXAS AUTHORIZING THE APPLICATION FOR THE SUBMISSION OF AND RECIEPT OF A GRANT, THE SOLID WASTE PASS-THROUGH GRANT PROGRAM, FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) THROUGH THE NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS (NCTCOG), FOR FUNDING TO DEVELOP A BEAUTIFICATION AND ENHANCEMENT STRIKE TEAM PROGRAM FOR THE CITY OF ANNA, TEXAS, WITH A TOTAL GRANT VALUE OF $90,000.00 THAT IS FULY FUNDED AND DOES NOT REQUIRE A CITY MATCH; AND AUTHORIZING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO EXECUTE ALL DOCUMENTS IN REGARD TO THE REQUESTED FUNDS, WHICH INCLUDES THE POWER TO APPLY FOR, ACCEPT, REJECT, ALTER, OR TERMINATE THE GRANT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Anna agrees that in the event of loss or misuse of funds from the Texas Commission on Environmental Quality Solid Waste Pass-Through Program, the City Council assures that funds will be returned in full to the North Central Texas Council of Governments; and,

WHEREAS, the City Council of the City of Anna wishes to designate the City Manager as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:

Section 1. **Recitals Incorporated**

The recitals above are incorporated herein as if set forth in full for all purposes.

Section 2. **Authorization of Submittal and Funding.**

That the City Council for the City of Anna authorizes the Director of Public Works to submit an application to the Texas Commission on Environmental Quality (TCEQ), the Solid Waste Pass-Through Grant Program, through the North Central Texas Council of Governments (NCTCOG) for funding to develop a Beautification and Enhancement Strike Team Program for the City of Anna, Texas.

That the City Council for the City of Anna assures the awarded funds will be returned to the Texas Commission on Environmental Quality (TCEQ), the Solid Waste Pass-Through Grant Program, through the North Central Texas Council of Governments (NCTCOG), in full in the event of loss or misuse of the TCEQ funds.

That the City Council of the City of Anna authorizes the City Manager, as the authorized official, to execute all documents in regard to the requested funds, which includes the power to apply for, accept, reject, alter, or terminate the grant.

That the City Council for the City of Anna assures the City of Anna will comply with other rules set forth by the Solid Waste Pass-Through Grant Program.

PASSED AND APPROVED by the City Council of the City of Anna, Texas on this ___ day of May 2021.

ATTEST:	APPROVED:
______________________________	______________________________
City Secretary, Carrie L. Smith	Mayor, Nate Pike

THE CITY OF Anna

Item No. 6.i.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Marc Marchand

AGENDA ITEM:
Approve Parks Advisory Board meeting minutes for 2019. (Neighborhood Services Director Marc Marchand)

SUMMARY:
After a diligent search by staff, the signed Parks Advisory Board's 2019 meeting minutes have not been found. Per City Attorney McCoy, Council may approve the unsigned minutes and they will become the official record of the City.

FINANCIAL IMPACT:
N/A

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
1. April_2019_Minutes
2. May_2019 Minutes
3. June_2019_Minutes
4. August_2019_Minutes
5. September_2019_Minutes
6. October_2019_Minutes
7. November_2019_Minutes

APPROVALS:
Carrie Land, City Secretary — Created/Initiated - 5/20/2021
Jim Proce, City Manager — Final Approval - 5/20/2021

THE CITY OF Anna

MINUTES
ANNA SPECIAL PARK BOARD MEETING
April 15, 2019

Parks Advisory Board Members Present:
Judith Waldrop, Dana Ward, Kirby Barrett, Andy Michrina, Eirik Hansen
Staff Present:
Maurice Schwanke, Ashley Stathatos, Matt Lewis, Brent Armstrong

1. **Call to Order and Establishment of Quorum.**
   Judith Waldrop called the meeting to order at 7:00 pm.

2. **Consider/Discuss /Action on a 5-year Capital Improvement Plan for Parks.**
   Maurice Schwanke provided a spreadsheet entitled Facility Standards/Future Requirements. The Parks Advisory Board went over the spreadsheet and provided direction to staff to for the following projects to be considered in a future CIP Improvement Plan for Parks: multi-use sports fields, outdoor amphitheater, public park at pecan grove park, recreation center, community room, mountain bike trails, Johnson Park rehabilitation and skate board park expansion.

3. **Consider/Discuss/Action regarding an Adult softball league.**
   A request was made to use Slayter Creek Park baseball fields for an adult baseball league for the summer. The adult baseball league would consist of twelve to sixteen teams on two baseball fields. The proposed cost would be $1,000 a day a week for the entire length of the season. Two days a week for the entire season would be $2,000. The costs include the concession stand. A $200 refundable deposit would be required. A motion was made by Dana Ward to recommend approval to the City Council of the fees above for usage of the fields. Eirik Hansen seconded the motion. All were in favor. Motion passed.

4. **Consider/Discuss/Action on a potential Collin County Park Grant opportunity.**
   Maurice Schwanke discussed possible grant opportunities through Collin County. In particular, he talked about revamping the disc golf courses. No action was taken.

5. **Update and Discussion on all parks.**
   Maurice Schwanke provided a presentation of all the parks in Anna. No action was taken.

6. Park Minutes

   A. October 15, 2018

B. March 18, 2019

Eirik Hansen made a motion to approve the Park Advisory Board minutes for October 15, 2018 and March 18, 2018. Aubrey Johnson seconded the motion. All were in favor. Motion passed.

7. **Adjourn**

Dana Ward made a motion to adjourn the meeting at 10:12 pm. Eirik Hanson seconded the motion. All were in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

THE CITY OF Anna

“DRAFT/NOT APPROVED

MINUTES
ANNA PARK BOARD MEETING
May 20, 2019

Parks Advisory Board Members Present:
Judith Waldrop, Dana Ward, Andy Michrina, Eirik Hansen, Aubrey Johnson, Kirby Barrett
Staff Present:
Maurice Schwanke, Ashley Stathatos, Matt Lewis

1. **Call to Order and Establishment of Quorum**
   Judith Waldrop called the meeting to order at 7:00 pm.

2. **Consider/Discuss /Action on recommendation concerning a special event application submitted by Kevin Hall for the Greater Anna Chamber of Commerce regarding the request for the “July 4th FireWorks Show” located at the Anna High School football stadium on July 4th, 2019.**
   Dana Ward made a motion to approve the special event permit application from Kevin Hall for the July 4th Fireworks Show. Kirby Barrett seconded the motion. All in favor. Motion passed.

3. **Consider/Discuss/Action regarding Lakeview Park.**
   Maurice Schwanke presented the Lakeview Park concept plan and discussed playground and restroom improvements along with improvements to the edge of the lake. He said that improvements would not go so far as to harm the habitat.

4. **Consider/Discuss/Action on proposed Dog Park.**
   Maurice Schwanke presented the concept plan for the dog park. He said the plan was to have a large and small dog area, two shelter areas, a fence, concrete mow strip and water. The total budget for the project is $125,000. Andy Michrina made a motion to move forward with the dog park project. Dana Ward seconded the motion. All in favor. Motion passed.

5. **Consider/Discuss/Action on site plan for Sherley Heritage Park.**
   Maurice Schwanke presented the concept plan for Sherley Heritage Park. The Pavilion is supposed to be installed in June and playground in July. There is not a date for the Collin McKinney house. When it is built, several Park Board Members think an outhouse and well next to it could represent how people lived during the time period. Judith Waldrop made a motion to approve the new concept plan. Eirik Hanson seconded the motion. All were in favor. Motion passed.

6. **Consider/Discuss/Action on Collin County Park Grant.**
   No action was made on the Collin County Park Grant.

7. **Park Minutes Approval**
   A. April 15. 2019
   The April Parks Board minutes were not approved.

8. **Adjourn**
   The Parks Advisory Board meeting was adjourned at 9:00 pm.

Addendum to the Park Board Meeting Agenda, Monday, May 20, 2019 at 7:00 pm at the Community Room of Anna City Hall Administration Building, located at 111 North Powell Parkway (Hwy 5), to consider the following items.

9. **Consider/Discuss/Action on Parks Trust Fund.**
   A motion was made to make a recommendation to the City Council to allow the Parks Development Fund to be used for the following purposes: land acquisition, capital improvements, planning, engineering and design of parks facilities, rehabilitation and modernization of existing parks facilities, maintenance and equipment, long-range planning, feasibility studies, market studies and economic impact analysis related to parks and recreation projects and programs. All were in favor. Motion passed.

10. **Consider/Discuss/Action on Slayter Creek Park Pavilion.**
    A motion was made to make a recommendation to the City Council to approve criteria that would allow reduced rates or free use of facilities for community parks and recreation functions.
    -The function, activity, or service shall not conflict with city sponsored programs
    -The function, activity, or service shall not restrict the public use of city owned or leased facilities for unreasonable periods of time
    -The function, activity, or service should provide a positive public service and legitimate benefit to the community
    -The function, activity, or service may not have any expressed or implied endorsement of commercial products, services or activities
    Community functions associated with nonprofit organizations listed below may be approved by the City Manager or their designee. Other non-city, community functions must be approved by the Parks Board.
    (1) Anna Independent School District
    (2) Anna Parent Teacher Associations
    (3) Greater Anna Chamber of Commerce
    (4) Anna Community Development Corporation
    (5) Anna Economic Development Corporation
    (6) Anna Fire and Police Associations
    (7) Anna Area Historical Preservation Society
    (8) Anna Area Rotary International

(9) Anna Boy Scouts of America
(10) Anna Girl Scouts of the USA
All were in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

THE CITY OF Anna

MINUTES
ANNA PARK BOARD MEETING
June 17, 2019
7:00 PM

Parks Advisory Board Members Present:
Judith Waldrop, Dana Ward, Andy Michrina, Eirik Hansen, Aubrey Johnson
Staff Present:
Maurice Schwanke, Ashley Stathatos, Matt Lewis

1. **Call to Order and Establishment of Quorum.**
   Judith Waldrop called the meeting to order at 7:02 pm.

2. **Consider/Discuss/Act on Park Planning Services.**

   -Parks Master Planning
   -Trail System Master Planning
   -Environmental Impact
   -Recreational/Programming Planning
   -Facility Programming and Analysis
   -Park Maintenance Recommendations
   -Staffing Recommendations
   -Community Involvement and Engagement
   -Parks Branding

   The Parks Advisory Board went over the Request for Qualifications. The following items are important to the Parks Advisory Board in the Parks Master Planning Process:
   - Inclusivity of all people and age groups
   - Return on investment of projects
   - Return on vision or engagement of projects
   - Operations & maintenance costs of projects

   A motion was made by Dana Ward to move forward on the Parks Master Plan RFQ. Eirik Hansen seconded the motion. All were in favor. Motion passed.

3. **Park Minutes Approval**

   A. April 15. 2019
   B. May 20.2019

No motion made on Parks Advisory Board minutes.

4. **Adjourn**
   A motion was made to adjourn the meeting at 8:19 pm by Dana Ward. Eirik Hansen seconded the motion. All were in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

Persons with a disability who want to attend this meeting who may need assistance should contact the Planning and Development Department, at 972-924-2616 two working days prior to the meeting so that appropriate arrangements can be made.

THE CITY OF Anna

MINUTES
ANNA PARK BOARD MEETING
MONDAY AUGUST 26, 2019
7:00 PM

Park Board Members Present:
Dana Ward, Aubrey Johnson, Elden Baker, Joe Crowder, Jon Hendricks, Eirik Hansen, Andy Michrina
Staff Present:
Ashley Stathatos, Matt Lewis
None were absent.

1. **Call to Order and Establishment of Quorum.**
   Dana Ward called the meeting to order at 7:01 pm.

2. **Consider/Discuss/Action on a Special Event Permit Application from Nate Goodell for a cycling event through Anna named the Emmitt Smith Gran Fondo.**
   Aubrey Johnson made a motion to approve the special event permit application for the Emmitt Smith Gran Fondo. Elden Baker seconded the motion. All were in favor. Motion passed.

3. **Consider/Discuss/Action on Special Event Permit from Pam Carroll for a Taco Trot Family Fun Run through Natural Springs Park and Lakeview Estates Park.**
   Elden Baker made a motion to approve the special event permit application for the Taco Trot Family Fun Run. Andy Michrina seconded the motion. All were in favor. Motion passed.

4. **Consider/Discuss/Action on Special Event Permit from Anna Area Historical Preservation Society for the depot dedication at Sherley Heritage Park.**
   Eirik Hansen made a motion to approve the special event permit application for the depot dedication at Sherley Heritage Park. Aubrey Johnson seconded the motion. All were in favor. Motion passed.

5. **Consider/Discuss/Action on Special Event Permit from Greater Anna Chamber of Commerce for Downtown Christmas Parade on 4th Street and Powell Parkway.**
   Elden Baker made a motion to approve the special event permit application for the Christmas Parade on 4th Street and Powell Parkway. Andy Michrina seconded the motion. All were in favor. Motion passed.

6. **Consider/Discuss/Action on Special Event Permit from Greater Anna Chamber of Commerce for Anna Harvest Fest at Slayter Creek Park.**

Eirik Hansen made a motion to approve the special event application for Harvest Fest at Slayter Creek Park. Andy Michrina seconded the motion. All were in favor. Motion passed.

7. **Consider/Discuss/Action on Sherley Heritage Park volunteer recognition for the playground and depot.**
   The Parks Advisory Board directed staff to look for a plaque dedicating the playground. The Historical Society has a sign they are putting up next to the depot.

8. **Consider/Discuss/Action on Improvements to Slayter Creek Neighborhood Park in West Crossing.**
   The Parks Advisory Board did not approve the proposed improvements from the developer for West Crossing Park. They directed staff to see if the developer would consider a gazebo and hike and bike trail connecting to Slayter Creek Park. Eirik Hanson made a motion to request the developer consider a gazebo and hike bike trail connecting to Slayter Creek Park at West Crossing Park. Aubrey Johnson seconded the motion. All were in favor. Motion passed.

9. **Consider/Discuss/Action on Improvements to the baseball fields and concession stand at Slayter Creek Park.**
   Staff reported drainage issues on one of the baseball fields at Slayter Creek Park and the concession stand. Engineering estimates to fix both came in very high. Discussion ensued on other options including moving to turf fields. The Parks Advisory Board directed staff to do more research and bring back additional options for consideration.

10. **Consider/Discuss/Action on Baseball Field Fees and Park Deposits.**
    The Parks Advisory Board would like to change the fees to rent the baseball fields, lights, pavilion and gazebo. Dana Ward made a motion to change the fees to the following:

    Residents Baseball Fields: $100 Deposit, $15 an hour, 2-hour minimum rental
    Residents Lights: $10 an hour, 2-hour minimum

    Nonresidents: $200 Deposit, $30 an hour, 2-hour minimum rental
    Nonresidents Lights: $20 an hour, 2-hour minimum rental

    Pavilion: Same

    Residents Gazebo: No fees.
    Nonresidents Gazebo: $50 Deposit, $10 an hour

    Erik Hanson seconded the motion. All were in favor. Motion passed.

11. **Consider/Discuss/Action on Girl Scout Pop-Up Libraries in Parks.**
    The Parks Advisory Board directed staff to request a presentation from the Girl Scout troop wanting to do the pop-up libraries before making a decision.

12. **Future Agenda Items**
    The Parks Board would like a map showing all city parkland.

13. Adjourn
Dana Ward made a motion to adjourn the meeting at 9:00 pm. Elden Baker seconded the motion. All were in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

MINUTES

ANNA PARK BOARD
REGULAR MEETING
September 23, 2019

The Park Board of the City of Anna held a meeting on Monday, September 23, 2019, at 7:00 p.m. at the Community Room of Anna City Hall Administration Building, located at 111 North Powell Parkway (Hwy 5), to consider the following items.

1. Call to order and establishment of quorum.

The meeting was called to order at 7:05 p.m. Park Board members present were Jon Hendricks, Eirik Hansen, Andy Michrina and Elden Baker. Park Board members absent were Dana Ward, Joe Crowder and Aubrey Johnson. Staff members present were Ashley Stathatos, Jennifer Watson and Matt Lewis.

2. Action: On Improvements to Slayter Creek Neighborhood Park in West Crossing.

Elden made motion to approve the concept plan and improvements at Slayter Creek Neighborhood Park in West Crossing. Andy seconded the motion. All were in favor. Motion passed.

3. Discussion: On concept plans at Lakeview Park, Natural Springs Dog park and Sherley Heritage Park

Lakeview Park is moving along. The lake has been dredged and flatwork is going in. At Natural Springs Park, the fence has been put up. Several trees were removed by an adjacent development. Staff is working with P&Z to establish screening. At Sherley Heritage Park, the Train Depot continues to be under renovation. It is expected to be complete by the end of the year.

4. Direction: On plaque at Sherley Heritage Park**.**

The Park Board directed staff to pick out plaque and move forward.

5. Direction: On proposed community events.

Jon Hendricks will donate a Christmas tree. Ashley, Jennifer and Matt to plan Christmas Tree Lighting for community in connection with the Historical Preservation Society.

6. Adjourn.

A motion was made by Elden Baker, seconded by Andy Michrina to adjourn meeting. Motion carried. The meeting adjourned at 8:37pm

Signed:

____
Dana Ward, Park Board President

Attest:

____

THE CITY OF Anna

MINUTES
ANNA PARKS ADVISORY BOARD MEETING
MONDAY, OCTOBER 21, 2019, 7:00 PM

Park Advisory Board Members Present:
Dana Ward, Elden Baker, Joe Crowder, Eirik Hansen, Andy Michrina
Staff Present:
Ashley Stathatos, Matt Lewis, Jennifer Watson
Park Advisory Board Members Absent:
Aubrey Johnson, Jon Hendricks

1. **Call to Order, Roll Call and Establishment of Quorum.**
   Dana Ward called the meeting to order at 7:01 pm.

2. **Invocation and Pledge of Allegiance.**
   The Park Advisory Board said the invocation and pledge of allegiance.

3. **Citizen Input.**
   No citizens came forward to speak.

4. **Consider/Discuss/Action on Special Event Permit Application from Ashley Stathatos with the City of Anna for Christmas Tree Lighting at Sherley Heritage Park.**
   Eirik Hansen made a motion to approve the special event permit application for the Christmas Tree Lighting at Sherley Heritage park. Elden Baker seconded the motion. All were in favor. Motion passed.

5. **Consider/Discuss/Action on improvements at Sherley Heritage Park.**
   Eirik Hansen made a motion to approve the fire pit at Sherley Heritage Park. Andy Michrina seconded the motion. All were in favor. Motion passed.
   The Parks Advisory Board does not want anymore big chairs at Sherley Heritage Park at this time.

6. **Update on Parks Master Plan.**
   Staff provided an update on the Parks Master Plan. Requests for Qualifications are being sent out along with the Comprehensive Plan and Downtown Master Plan.

7. **Discussion on Grant Opportunities.**
   The Parks Advisory Board directed staff to look for grants on trails and sports facilities.

8. **Approve meeting minutes for previous month's meetings.**
   Minutes were not approved from the previous month's meetings.

9. **Future Agenda Items**
   The Parks Advisory Board would like to start receiving financial reports showing what is available in the Parks Development Fund.

Persons with a disability who want to attend this meeting who may need assistance should contact the Planning and Development Department, at 972-924-2616 two working days prior to the meeting so that appropriate arrangements can be made.

10. **Adjourn.**
Dana Ward made a motion to adjourn the meeting at 8:22 pm. Erik Hanson seconded the motion. All were in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

THE CITY OF Anna

MINUTES
ANNA PARKS ADVISORY BOARD MEETING
ANNA CITY HALL, 111 NORTH POWELL PARKWAY
MONDAY, NOVEMBER 18, 2019, 7:00 PM

Park Advisory Board Members Present:
Dana Ward, Aubrey Johnson, Elden Baker, Joe Crowder, Jon Hendricks, Eirik Hansen, Andy Michrina
Staff Present:
Ashley Stathatos, Matt Lewis, Jennifer Watson
No Park Board Members were absent.

1. **Call to Order, Roll Call and Establishment of Quorum.**
   Danna Ward called the meeting to order at 7:02 pm.

2. **Invocation and Pledge of Allegiance.**
   The Parks Advisory Board said the invocation and pledge of allegiance.

3. **Citizen Input.**
   Stan Carver spoke at citizen comments.

4. **Consider/Discuss/Action on Christmas Tree Lighting at Sherley Heritage Park.**
   Staff gave a report on the activities planned for the Christmas Tree Lighting event. The event is in partnership with the Historical Society and Greater anna Chamber of Commerce. Activities include opening of the train depot, smore's, hot cocoa, big slide, arts & crafts, singing and more. Jon Hendricks volunteered to be the tree sponsor.

5. **Consider/Discuss/Action on Dedication of Train Depot to the City of Anna.**
   Staff provided an update on the status of the train depot at Sherley Heritage Park. Since the train depot is sitting on City parkland, it needs to be dedicated to the City. The Historical Society would, also, like to dedicate the train depot to the City. The City Attorney is working on dedication documents for an upcoming City Council meeting.

6. **Consider/Discuss/Action on Facility Use Agreement for Train Depot at Sherley Heritage Park.**
   The Historical Society would like to operate the inside of the train depot as a museum. They will furnish it, keep it clean and operate it. The City will maintain the outside of the train depot and fix any maintenance issues that arise. Eirik Hansen made a motion to support a facility use agreement between the Historical Society and the City. Joe Crowder seconded the motion. All were in favor. Motion passed.

7. **Consider/Discuss/Action on Dog Park Grand Opening.**
   Staff provided an update on the status of the dog park. Improvements are almost complete. A ribbon cutting and grand opening is being planned for Saturday, December 14th. Staff is planning fun activities for our furry friends.

8. **Consider/Discuss/Action on Dog Park Rules.**
The Park Board went over the proposed dog park rules presented by staff. Changes were made to the rules to allow three dogs per owner, allow dog treats only for training purposes but no dog food or human food in the dog park and no glass containers. A motion was made by Eirik Hanson to approve the dog park rules with the above noted changes. Elden Baker seconded the motion. All were in favor. Motion passed.

9. **Update on Green Ribbon Project.**
Staff provided an update on the timeline of the Green Ribbon Project. Construction should commence in Anna on median improvements along FM 455 in the Spring.

10. **Update on Parks Master Plan.**
Staff provided an update on the Parks Master Plan. Submittals from interested firms are supposed to come in prior to the next Parks Board Meeting.

11. **Discussion on Grant Opportunities.**
Eirik Hansen performed research on grant opportunities. His findings include:
-We need to know what we want if we are going to go after grants for a sports complex
-The more acreage the better
-Surrounding cities that we compete with have large sports complexes
-Geer Park is not big enough for a major sports complex

Staff noted that this type of research is in Council's Strategic Plan. At the beginning of 2020, the Parks Board will be receiving research from staff on these issues.

12. **Consider/Discuss/Action on Items from Andy Michrina.**

a. Baseball Backstops in City Parks
Andy wanted to know why the backstops went up without coming before the Park Board. Staff's response was that the backstops were budgeted and not capital improvements. No action taken.

b. Future Development of Bryant Park
Andy would like a concept plan and to put the backstops in Bryant Park. Staff noted that the backstops have been cemented down, but they can be moved. The Parks Advisory Board did not take action.

c. **Concept Plan of West Crossing Park**,
Andy would like to know the status of the playground equipment in West Crossing Park. The developer decided to not move forward with installation of the playground equipment in West Crossing Park because West Crossing park credits were used for Lakeview Park, so they are not available. The Parks Advisory Board did not take action.

d. Wall at Lakeview Park
Andy wants to know why the wall was not built at Lakeview Park as noted on the concept plan. He would like the lake wall installed. After the lake was dredged and the water remained very shallow at the lake, staff consulted the City Engineer. The City Engineer recommended the wall not be installed. Staff followed his advice. The Parks Advisory Board did not take action.

13. **Approve meeting minutes for previous month's meetings.**

Elden made a motion to approve the September Park Board meeting minutes. Eirik seconded the motion. All in favor. Motion passed.

14. **Future Agenda Items.**
    The Parks Advisory Board would like to discuss the naming of future parks. Staff will do research and bring to the Parks Advisory Board at a future meeting date.

15. **Adjourn.**
    Eirik made a motion to adjourn the meeting at 9:00 pm. Andy seconded the motion. All in favor. Motion passed.

Approval of Minutes:

____

Dana Ward
Parks Advisory Board President

THE CITY OF Anna

Item No. 6.j.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Alan Guard

AGENDA ITEM:
Approve the Quarterly Investment Report for the Period Ending March 31, 2021.

SUMMARY:
In accordance with the Public Funds Investment Act (PFIA), the City of Anna is required to submit a quarterly report on the investment of all public funds held by the City. The report includes:

- Review of the City's holdings.
- Comparison of book vs. market value.
- Allocation information.
- Other information related to PFIA.

The City's portfolio as of the quarter ending March 31, 2021 earned an average yield of 0.3294%. The total year-to-date interest earned is $117,861. The report is attached for Council review.

FINANCIAL IMPACT:
NA

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
GOAL 4 - HIGH PERFORMING, PROFESSIONAL CITY

STAFF RECOMMENDATION:
Approve the report.

ATTACHMENTS:
1. Investment Report March 31, 2021

APPROVALS:

Alan Guard,	Created/Initiated - 5/20/2021
Jim Proce, City Manager	Final Approval - 5/20/2021

THE CITY OF
Anna

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2021

The investment portfolio of the City of Anna is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Assistant City Manager

Alan Guard

Finance Director

NA

Accounting Manager

Summary
Investment Report
January 1, 2021 to March 31, 2021

Quarter End Results by Investment Category:

		March 31, 2021		December 31, 2020	
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Bank DDA	0.55%	$ 34,012,526	$ 34,012,526	$ 33,680,870	$ 33,680,870
Money Market	0.02%	$ 1,227,309	$ 1,227,309	$ 211,405	$ 211,405
Texpool	0.07%	$ 27,595,665	$ 27,595,665	$ 27,592,457	$ 27,592,457
CDs	0.00%	$ -	$ -	$ 1,015,117	$ 1,015,117
Totals		**$ 62,835,500**	**$ 62,835,500**	**$ 62,499,849**	**$ 62,499,849**

Current Quarter Average Yield
Total Portfolio 32.94%

Fiscal Year-to-Date Average Yield
Total Portfolio 34.26%

Quarterly Interest Income	$49,663
Year-to-date Interest Income	$117,861

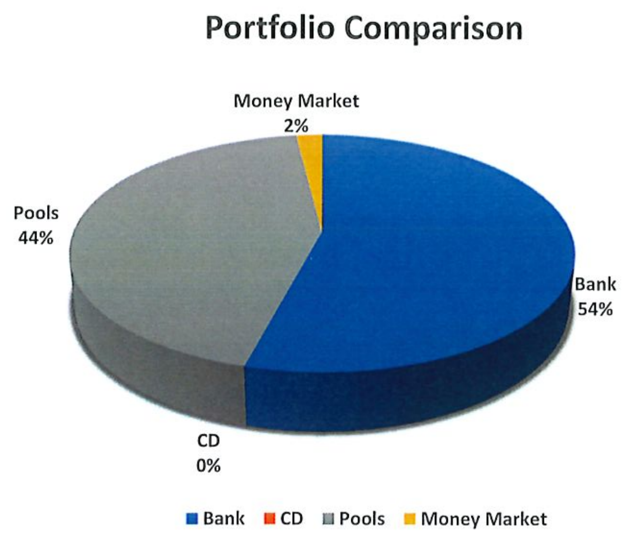
Investment Report
January 1, 2021 to March 31, 2021

Summary of Total Investment Book Value by Fund Group

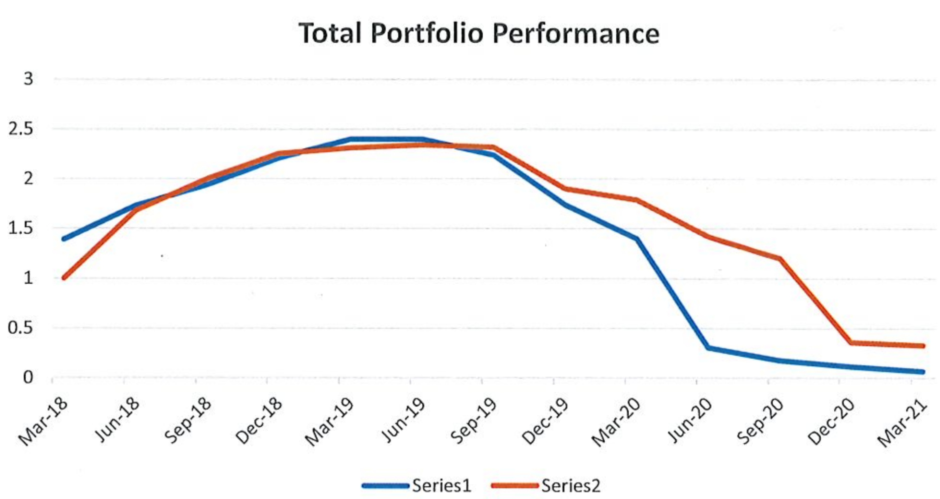
	3/31/21	12/31/20
General Fund	$ 10,502,547	$ 6,951,361
Debt Service Funds	695,345	631,188
General Capital Projects Non Bond	4,110,918	4,169,022
General Capital Projects Bond	16,602,880	20,930,890
Special Revenue Funds	6,821,224	6,375,732
Water & Sewer Fund	5,621,835	6,734,775
Utilities Funds - Restricted	16,662,272	14,885,893
EDC	455,013	458,153
CDC	1,363,466	1,362,835
TOTAL	**$ 62,835,500**	**$ 62,499,849**

Investment Holdings
Investment Report
January 1, 2021 to March 31, 2021

Description	Yield	Maturity Date	Purchase Date	March 31, 2021 Book Value	March 31, 2021 Market Value	December 31, 2020 Book Value	December 31, 2020 Market Value	Qtr to Qtr Change
Independent Bank	0.55%	10/1/2019		$ 34,012,526	$ 34,012,526	$ 33,680,870	$ 33,680,870	$ 331,656
Simmons Bank	0.02%	10/1/2019		$ 1,227,309	$ 1,227,309	$ 211,405	$ 211,405	$ 1,015,904
TexPool	0.07%	10/1/2019		$ 27,595,665	$ 27,595,665	$ 27,592,457	$ 27,592,457	$ 3,208
Simmons Bank CD #5802	0.50%	2/5/2021	8/5/2020	$ -	$ -	$ 1,015,117	$ 1,015,117	$ (1,015,117)
TOTAL				**$ 62,835,500**	**$ 62,835,500**	**$ 62,499,849**	**$ 62,499,849**	**$ 335,651**


Portfolio Comparison
Money Market
2%
Pools
44%
Bank
54%
CD
0%
Bank
CD
Pools
Money Market


Total Portfolio
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21


Total Portfolio Performance
3
2.5
2
1.5
1
0.5
0
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Series1
Series2

THE CITY OF Anna

Item No. 7.a.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Joey Grisham

AGENDA ITEM:
Acting as the Anna Housing Finance Corporation Board of Directors, Consider/Discuss/Act on corporate bylaws and appoint offices of president, vice president, secretary and executive director. (Economic Development Director Joey Grisham).

SUMMARY:
As you are aware, the City Council approved the creation of the Anna Housing Finance Corporation on April 13, 2021 to facilitate projects in the City of Anna. This item includes the approval of bylaws and appointment of officers for the Board. The City Council will serve as the Board for the Anna Housing Finance Corporation.

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 1: Growing Anna Economy

Goal 2: Anna – Great Place to Live

STAFF RECOMMENDATION:
Approve corporate bylaws and appoint officers.

ATTACHMENTS:
1. AHFC Bylaws C03029D20210520CR1 clean

APPROVALS:
Taylor Lough, Economic Development Administrator Created/Initiated - 5/20/2021
Jim Proce, City Manager Final Approval - 5/20/2021

ANNA HOUSING FINANCE CORPORATION

BYLAWS

ARTICLE I
OFFICES

SECTION 1.01. Principal Office. The principal office of the Anna Housing Finance Corporation (the "Corporation") shall be at 111 N. Powell Parkway, Anna, Texas 75409.

ARTICLE II
DIRECTORS

SECTION 2.01. General Authority. The affairs of the Corporation shall be managed by a board of directors (the "Board") which shall be composed in its entirety of persons appointed by and whose terms of office shall be fixed by the governing body of the City of Anna, Texas (the "City"). The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation and do all lawful acts.

SECTION 2.02. Membership. The Board of Directors shall consist of seven (7) directors, each of whom shall be appointed by the governing body of the City and shall reside in the City and who shall serve staggered terms of four (4) years unless otherwise specified by the City in the Articles of Incorporation, as amended from time to time. A director whose term expires shall continue to serve until his/her successor is appointed to the Board. The Initial Directors designated under Article VII of the Articles of Incorporation shall serve as the Board of Directors until the governing body of the City appoints replacements to serve as directors.

SECTION 2.03. Annual Meeting. The annual meeting of the Board shall be held at the principal office of the Corporation on the fourth Tuesday of January, if not a legal holiday, and if a legal holiday, then at the second Tuesday or the fourth Tuesday in February that is not legal holiday, at 6:30 p.m., or at such time and place as shall be fixed by the consent in writing of all of the directors. All other meetings may be held at the place selected by the Board within the boundaries of the State of Texas.

SECTION 2.04. Regular Meetings; Notice. Regular Meetings other than the annual meeting, may be held without notice at such time as shall from time to time be determined by resolution of the Board; provided, however, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with the Texas Open Meetings Act ("TOMA").

SECTION 2.05. Special Meetings; Notice. Special Meetings of the Board may be called by the President on 72 hours' notice to each director, either personally or by mail or by facsimile; special meetings shall be called by the President or Secretary in like manner on like notices on the written request of two directors. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and voted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon. Notwithstanding the foregoing or any other provision of these bylaws, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with TOMA and all meetings shall be held in full compliance with TOMA.

SECTION 2.06. Remote Meetings. The Board may meet regularly or specially by means of conference telephone or similar communications equipment that permits all individuals participating in the meeting to hear one another and such participation shall constitute presence in person at the meeting. Notwithstanding the foregoing or any other provision of these bylaws, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with TOMA and all meetings shall be held in full compliance with TOMA.

SECTION 2.07. Quorum. At all meetings of the Board the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by the Texas Housing Finance Corporations Act (Chapter 394, Texas Local Government Code, as amended) (the "Act") or these Bylaws.

SECTION 2.08. Notice. A meeting of the Board can be held at any time without notice upon the execution by all directors of a written waiver of notice, and likewise may be held without notice when all of the directors are present at the meeting. Notwithstanding the foregoing or any other provision of these bylaws, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with TOMA and all meetings shall be held in full compliance with TOMA.

SECTION 2.09. Action. Any action required by the Act to be taken at a meeting of the Board or any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting for the action to be taken, shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Secretary of State under the Act. Notwithstanding the foregoing or any other provision of these bylaws, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with TOMA and all meetings shall be held in full compliance with TOMA.

SECTION 2.10. Meeting Location. All meetings of the Board shall be held within the State of Texas. Notwithstanding the foregoing or any other provision of these bylaws, if the Board of Directors is composed of members consisting of a quorum or more of the governing body of the City, then advance written notice of all meetings shall be posted in compliance with TOMA and all meetings shall be held in full compliance with TOMA.

SECTION 2.11. Ex-Officio Members. The City Manager or his or her respective designee, the City Finance Director, and any member of the governing body of the City or other appropriate person or entity designated by the Board may attend all meetings of the Board or committees, including but not limited to executive or closed meetings, but shall not have the power to vote in the meetings unless such Council member is also a member of the Board appointed by the governing body of the City. Their attendance shall be for the purpose of ensuring that information about the meetings is accurately recorded and communicated to the City Council as may be appropriate and necessary.

SECTION 2.12. No Compensation. Directors, as such, shall receive no compensation for services rendered as directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

SECTION 2.13 Ethics; Conflict of Interest. Directors and officers appointed by directors shall strictly adhere to the Anna Code of Ethics, as adopted and as may be amended by the governing body of the City (the "Ethics Code"). In the event that a director or officer is aware that he/she has a conflict of interest under applicable law or Ethics Code, with regard to any particular matter or vote coming before the Board, the director or officer shall bring the same to the attention of the Board and shall abstain from discussion and voting thereon. Any director or officer shall bring to the attention of the Board any apparent conflict of interest or potential conflict of interest of any other director or officer, in which case the Board shall determine whether a true conflict of interest exists before any further discussion or vote shall be conducted regarding that particular matter. The director or officer about whom a conflict of interest question has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

SECTION 2.14. Public Records. Except as made confidential under the Texas Public Records Act or other applicable law, the Corporations records are public records and the Corporation shall comply with the Texas Open Records Act.

SECTION 2.15. Committees. The Board may, by resolution or resolutions adopted by a majority of the whole Board, establish one or more committees, each committee to consist of two or more of the directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board of Directors. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

ARTICLE III
NOTICES

SECTION 3.01. Generally. Whenever under the provisions of the statutes or these Bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, electronic mail or facsimile, addressed to such director at such address, electronic mail address or facsimile number as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed or transmitted by electronic mail or facsimile.

SECTION 3.02. Waiver. Whenever any notice is required to be given under the provisions of the statutes or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV
OFFICERS

SECTION 4.01. Appointment. The officers of the Corporation shall be chosen by the Board. The Board shall choose from its members a President and a Vice President. The Board shall also choose a Secretary who may or may not be a member of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. The Board shall choose such officers at its first meeting and at each annual meeting thereafter in odd number years.

SECTION 4.02. Term. The officers of the Corporation chosen pursuant to Section 4.01 shall serve until the second annual meeting of the Board thereafter or until their successors are chosen and qualify in their stead. Officer appointed at or after the second annual meeting shall serve terms of two (2) years unless removed earlier by the Board.

SECTION 4.03. Other Officers. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4.04. Removal; Vacancy. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

SECTION 4.05. City Officers. The Board shall have the right to utilize the services of the City Manager, City Secretary, and City Attorney provided (i) that the Corporation shall pay reasonable compensation to the City for such services, and (ii) the performance of such service does not materially interfere with the other duties of such personnel of the City.

SECTION 4.06. The President.

(a) The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the directors.

(b) The President shall be an ex-officio a member of all standing committees, shall have general supervision of the management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect.

(c) The President shall execute bonds, mortgages, conveyances, assignments, notes and other contracts and instruments requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

SECTION 4.07. The Vice President. The Vice President shall, in the absence or disability of the President, have the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

SECTION 4.08. The Secretary. The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings and shall perform like duties for the standing committees when required. He/She shall give, or cause to be given, notice of all special meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President under whose supervision he/she shall be. He/She shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his/her signature. And when the corporate seal is required as to instruments executed in the course of ordinary business, he/she shall attest to the signature of the President or Vice President and shall affix the seal thereto.

SECTION 4.09. Economic Development Director. The Economic Development Director shall be a full-time employee of the City and shall be the chief administrative officer of the Corporation, responsible for all daily operations and implementation of Board policies and resolutions. The Economic Development Director shall be appointed and managed by the City Manager. The Economic Development Director shall attend all called Board meetings and perform those duties and functions as the Board shall prescribe.

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ARTICLE V
FISCAL PROVISIONS

SECTION 5.01. Fiscal Year. The fiscal year, unless otherwise determined by the Board, shall end September 30 of each year.

SECTION 5.02. Expenditures. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons, including the Executive Director, as the Board may from time to time designate, provided that in no event shall a check be negotiable until it is signed by at least one officer.

SECTION 5.03 Policy. The Corporation will adhere to the City's Financial Policy to guide the overall financial condition and operations of the Corporation including without limitation compliance with the Texas Public Funds Investment Act.

SECTION 5.04. Debt Instruments. Notwithstanding anything to the contrary herein or in the Articles of Incorporation, the Corporation shall be required to obtain the consent of the City for issuing bonds, notes, certificates, notes or other obligations ("Obligations"). Obligations are limited obligations of the housing finance corporation and are payable solely from the revenue, receipts, and other resources pledged to their payment. A bondholder or creditor may not compel the local government to pay the bond, the interest, or any redemption premium or other indebtedness. All proceeds from loans or from the issuance of bonds, notes, certificates, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance. Subject to the requirements of contracts, loan agreements, indentures, or other agreements securing Obligations, all other monies of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board shall designate. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Department of Finance of the City and the City's Finance Director shall be the Corporation's investment officer.

SECTION 5.05. Books, Records, Audits. The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs. At the direction of the City Council, the books, records, accounts and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff, and personnel of the City. The Corporation (or the City if the option described above is selected) shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm selected by the City. Such audit shall be at the expense of the Corporation.

ARTICLE VI
SEAL

SECTION 6.01. The corporate seal shall be circular and shall have inscribed in the outer circle "Anna Housing Finance Corporation" and shall have inscribed in the inner circle the letters "T-E-X-A-S" and a five-pointed star. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VII
AMENDMENTS

SECTION 7.01. These Bylaws may be altered, changed, or amended at any meeting of the Board at which a quorum is present, provided notice of the proposed alteration, change, or amendment be contained in the notice of such meeting, by the affirmative vote of a majority of the directors at such meeting and present thereat.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 8.01. Effective Date. These Bylaws shall become effective upon adoption by the Board of Directors.

SECTION 8.02. Interpretation; Severability. Bylaws and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall be affected thereby.

SECTION 8.03. Principal Office. The principal office of the Corporation shall be within the City. The Corporation shall have and continuously maintain in the State of Texas a registered office (which may be, but need not be, the same as the principal office) and registered agent in accordance with the provisions of Article 2.05, Texas Non-Profit Corporation Act. The Corporation may change its registered office and registered agent in accordance with applicable law. Process may be served on the Corporation in accordance with applicable law.

SECTION 8.04. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

SECTION 8.05. Indemnity. The Corporation shall indemnify the directors and any director acting in its capacity as an officer of the Corporation and any City officer, against any liability asserted against or reasonable expenses incurred by a director or officer because of his/her status or conduct as a director or officer, in accordance with and to the fullest extent permitted by the laws of the State of Texas.

Adopted and Approved this ______ day of __________________, 2021.

____
President

ATTEST:

____
Secretary

THE CITY OF Anna

Item No. 7.b.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact: Taylor Lough

AGENDA ITEM:
Consider/Discuss/Act Plan of Finance for the issuance of General Obligation Bonds, Series 2021 (Finance Director Alan Guard and Economic Development Manager Taylor Lough)

SUMMARY:
The City's Financial Advisors will provide a presentation with a plan of finance, including refunding opportunities for City Council consideration. Staff will also provide a presentation outlining proposed projects and schedule for the first sale of the 2021 Bond Program.

The City Council will consider an ordinance authorizing the issuance of the Bonds in July.

FINANCIAL IMPACT:
The financial impacts will be discussed in the presentation by the City's Financial Advisors, Hilltop Securities.

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
The items addresses all strategic connections:
Goal 1: Growing Anna Economy
Goal 2: Anna – Great Place to Live
Goal 3: Sustainable Anna Community Through Planned Managed Growth
Goal 4: High Performing, Professional City

STAFF RECOMMENDATION:
Move to adopt the plan of finance, directing staff and consultants to implementation.

ATTACHMENTS:
1. Anna TX Plan of Finance GO Ref & Imp Bds S21 5.21.2021
2. 05252021 Plan of Finance Project Schedule

APPROVALS:
Taylor Lough, Economic Development Administrator — Created/Initiated - 5/20/2021
Jim Proce, City Manager — Final Approval - 5/21/2021

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Funding of Fire Station & Equipment, Library Facilities, Recreation Facilities and Economic Refunding of Existing Debt

Plan of Finance

May 25, 2021

City of Anna, Texas

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THE CITY OF Anna

C I T Y O F A N N A , T E X A S

THE CITY OF Anna

General Obligation Refunding and Improvement Bonds, Series 2021

1) New Money - $8,560,000 of the May 2021 Bond Referendum
   - ✓ Fire Station and Quint Apparatus (Proposition A - Public Safety)
   - ✓ Library Design (Proposition B – Community Library)
   - ✓ Skate Park (Proposition C – Parks, Trails, Recreation and Sports)

2) Refunding - Economic Refunding of $4,152,000 of Existing Debt
   - ✓ $3,630,000 - CO, Series 2012 at 2.0% - 2.5% coupon rates
   - ✓ $522,000 – GO Refunding Bonds, Series at 2.0% coupon rate

New Money Debt Issuance Detail

- ✓ Net Proceeds to the City = $8,560,000
- ✓ Repayment Source = I&S Tax Revenues (Property Taxes)
- ✓ Amortization = 25 Years
- ✓ Structure = Wrap debt service around existing debt service to minimize impact of new debt
- ✓ Tax Rate Impact = None expected with this debt issuance

Sale Process

- ✓ Registered Public Debt
- ✓ Competitive Bond Sale
- ✓ "Aa3" by Moody's Rating Service Rating (current City GO rating)
- ✓ Tax Exempt Fixed Interest Rates

Economic Refunding of Existing Debt

THE CITY OF Anna

Refinancing of Existing Debt	
Par Amount	**$3,675,000**
All-in True Interest Cost(1)	**1.99%**
Average Coupon of Refunded Bonds	**2.47%**
Total P&I (Gross) Savings	**$135,440**
Present Value Savings	**$119,632**
Present Value Savings %	**2.88%**

(1) Assumes "Aa3" Rated Interest Rates as of May 18, 2021. Subject to change at any time.

Refunding Candidates	Amount Callable	Interest Rate	Prepayment Date	Repayment Source
Certificates of Obligation, Series 2012	$3,630,000	2.00% - 2.50%	Currently Callable	W&S Revenues
GO Refunding Bonds, Series 2016	$522,000	2.00%	Currently Callable	I&S Taxes
Total	**$4,152,000**			

The objective of the plan of finance is to refinance every one of the refunding candidates that generate economic savings for the City

Preliminary 2021 Bond Program Cash Flows

THE CITY OF Anna

A	B	C	D	E	F	G	H	I	J	K	L
					NEW MONEY PORTION General Obligation Refunding & Improvement Bonds, Series 2021 All-in True Interest Cost = 2.49%[4]						
Fiscal Year Ending 9/30	Estimated Growth Factor[1]	Taxable Assessed Valuation[2]	Net Tax-Supported General Obligation Debt Service[3]	Less: Projected 2021 Refunding Savings	Principal	Interest	Total D/S	Less: I&S Debt Service Funds on Hand[5]	NET NEW Tax-Supported General Obligation Debt Service	Required Debt Service (I&S) Tax Rate[6]	Projected Debt Service (I&S) Tax Rate Impact
2021		$ 1,470,079,895	$ 1,814,663	$ 5,220	$ -	$ -	$ -	$ -	$ 1,809,443	$ 0.1159	$ -
2022	14.96%	1,690,000,000	1,817,864	4,497	-	292,304	292,304	183,745	1,921,927	0.1160	-
2023	16.61%	1,970,700,000	1,818,339	(1,420)	-	288,300	288,300	-	2,108,059	0.1092	-
2024	14.67%	2,259,821,000	1,822,862	(1,105)	205,000	285,225	490,225	-	2,314,192	0.1045	-
2025	13.18%	2,557,615,630	1,820,606	(1,305)	210,000	279,000	489,000	-	2,310,911	0.0922	-
2026	11.99%	2,864,344,099	1,819,823	1,585	215,000	272,625	487,625	-	2,305,863	0.0821	-
2027	11.03%	3,180,274,422	1,820,385	10	225,000	264,900	489,900	-	2,310,275	0.0741	-
2028	3.50%	3,291,584,027	1,820,375	-	235,000	255,700	490,700	-	2,311,075	0.0716	-
2029	3.50%	3,406,789,468	1,823,200	-	245,000	246,100	491,100	-	2,314,300	0.0693	-
2030	3.50%	3,526,027,099	2,213,900	-	255,000	236,100	491,100	-	2,705,000	0.0783	-
2031	3.50%	3,649,438,047	2,212,025	-	265,000	225,700	490,700	-	2,702,725	0.0756	-
2032	3.50%	3,777,168,379	2,208,600	-	275,000	214,900	489,900	-	2,698,500	0.0729	-
2033	3.50%	3,909,369,272	2,209,000	-	285,000	203,700	488,700	-	2,697,700	0.0704	-
2034	3.50%	4,046,197,197	2,212,300	-	295,000	192,100	487,100	-	2,699,400	0.0681	-
2035	3.50%	4,187,814,099	2,213,400	-	310,000	180,000	490,000	-	2,703,400	0.0659	-
2036	3.50%	4,334,387,592	2,212,300	-	320,000	167,400	487,400	-	2,699,700	0.0636	-
2037	3.50%	4,486,091,158	2,209,000	-	335,000	154,300	489,300	-	2,698,300	0.0614	-
2038	3.50%	4,643,104,348	2,208,400	-	350,000	140,600	490,600	-	2,699,000	0.0593	-
2039	3.50%	4,805,613,001	1,911,400	-	360,000	126,400	486,400	-	2,397,800	0.0509	-
2040	3.50%	4,973,809,456	1,913,100	-	375,000	111,700	486,700	-	2,399,800	0.0492	-
2041	3.50%	5,147,892,787	1,912,600	-	390,000	96,400	486,400	-	2,399,000	0.0476	-
2042	3.50%	5,328,069,034	1,914,800	-	410,000	80,400	490,400	-	2,405,200	0.0461	-
2043	3.50%	5,514,551,450	1,914,600	-	425,000	63,700	488,700	-	2,403,300	0.0445	-
2044	3.50%	5,707,560,751	1,912,000	-	440,000	46,400	486,400	-	2,398,400	0.0429	-
2045	3.50%	5,907,325,377	1,911,900	-	460,000	28,400	488,400	-	2,400,300	0.0415	-
2046	3.50%	6,114,081,766	1,914,100	-	480,000	9,600	489,600	-	2,403,700	0.0401	-
2047	3.50%	6,328,074,627	1,913,500	-	-	-	-	-	1,913,500	0.0309	-
2048	3.50%	6,549,557,239	1,915,000	-	-	-	-	-	1,915,000	0.0298	-
2049	3.50%	6,778,791,743	-	-	-	-	-	-	-	-	-
2050	3.50%	7,016,049,454	-	-	-	-	-	-	-	-	-
			$ 55,410,042	$ 7,482	$ 7,365,000	$ 4,461,954	$ 11,826,954	$ 183,745	$ 67,045,770		$ -

(1) Tax Year 2021 / FY 2022 preliminary values as provided by Collin CAD as of 4/28/2021. Future growth assumptions as provided by City.
(2) Assumes 1,000 new homes per year from Fiscal Year 2023-2027 at $230,000 per home plus 3% valuation growth for prior year property. 3.5% growth from FY 2028 through FY 2048 as provided by City Staff.
(3) Includes $2,500 budgeted paying agent fees per year.
(4) Assumes "Aa3" Rated Non Bank Qualified Interest Rates as of May 18, 2021. **Subject to Change at Anytime.**
(5) Assumes use of $183,745 Debt Service Fund Balance as presented in the City's Adopted FY 2020-2021 Budget.
(6) FY 2021 is actual. Subsequent Debt Service (I&S) Tax Rates calculated assuming 98% collections.

Preliminary 2021 Bond Program Sources & Uses of Funds

THE CITY OF Anna

General Obligation Refunding & Improvement Bonds, Series 2021			
Sources of Funds	**(New Money)**	**(Refunding)**	**Total**
Par Amount	$7,365,000	$3,675,000	$11,040,000
Net Premium	$1,362,225	$678,221	$2,040,446
Prior D/S Funds on Hand	$0	$45,150	$45,150
Total Sources of Funds	**$8,727,225**	**$4,398,371**	**$13,125,596**

Uses of Funds	**(New Money)**	**(Refunding)**	**Total**
Project Fund Deposit	$8,560,000	$0	$8,560,000
Refunded Debt Payoff	$0	$4,209,086	$4,209,086
Budgeted Cost of Issuance	$100,940	$130,810	$231,750
Underwriter's Discount	$66,285	$58,475	$124,760
Total Uses of Funds	**$8,727,225**	**$4,398,371**	**$13,125,596**

Schedule of Events

May 25, 2021 – Regular City Council Meeting

1) **Presentation of Plan of Finance to issue the Series 2021 General Obligation Refunding & Improvement Bonds**
2) **City Council authorizes City Staff to move forward with the Plan of Finance**

June 10, 2021 - Bond Election contest period ends

July 13, 2021 – Regular City Council Meeting

1) **Pricing of the Series 2021 General Obligation Refunding & Improvement Bonds**
2) **City Council approves an Ordinance authorizing the issuance of Series 2021 General Obligation Refunding & Improvement Bonds**

Prior to closing Attorney General review and approval of debt issuance

August 10, 2021 - Closing of debt issue and delivery of funds to the City and Escrow Agent

Key Actions to be Taken by City Council

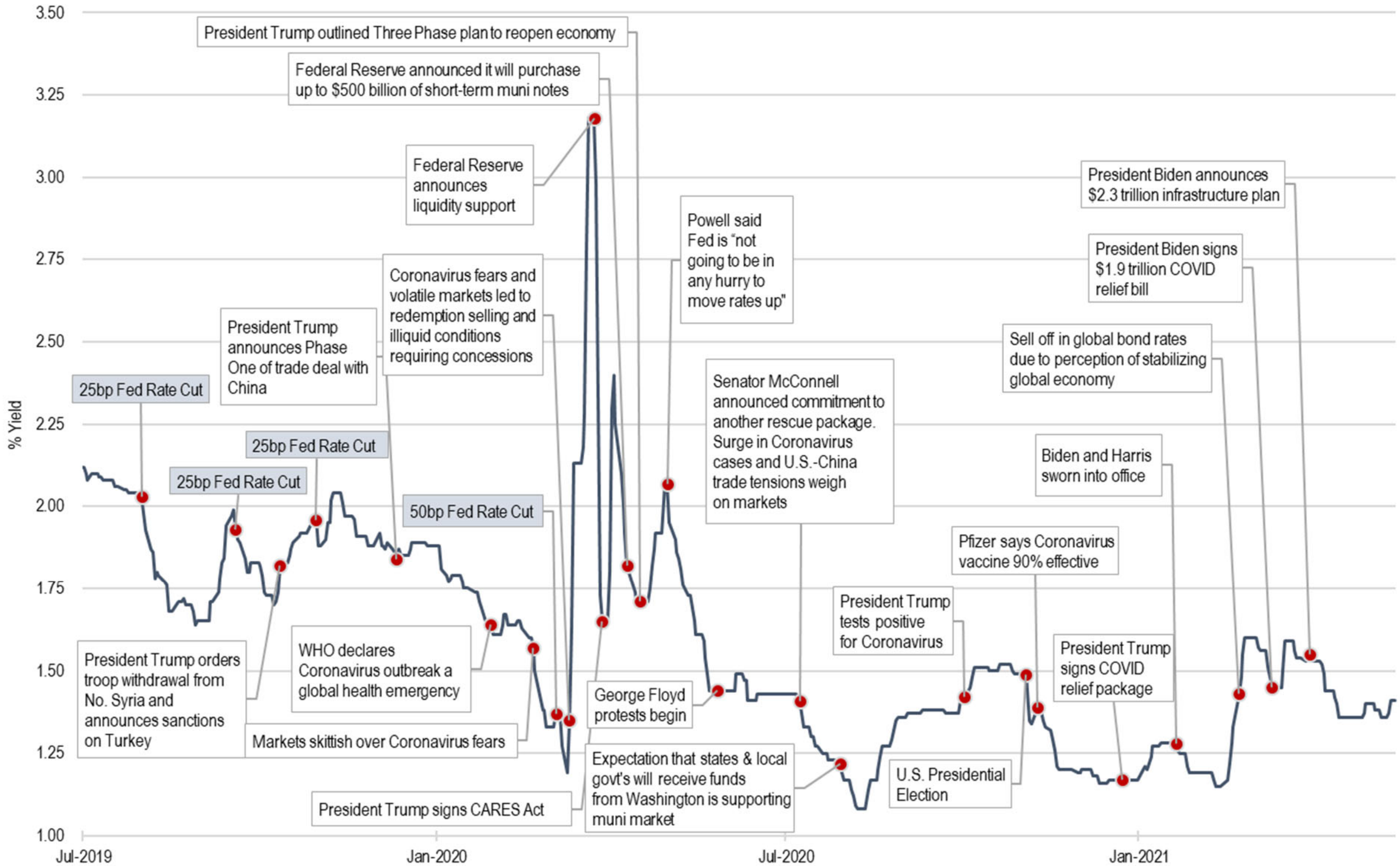
Questions, Discussion and Next Steps

Appendix A

Change in 20-Year MMD

THE CITY OF Anna

Change in 20-Year MMD with Market Commentary – 1/1/19 to 5/14/21

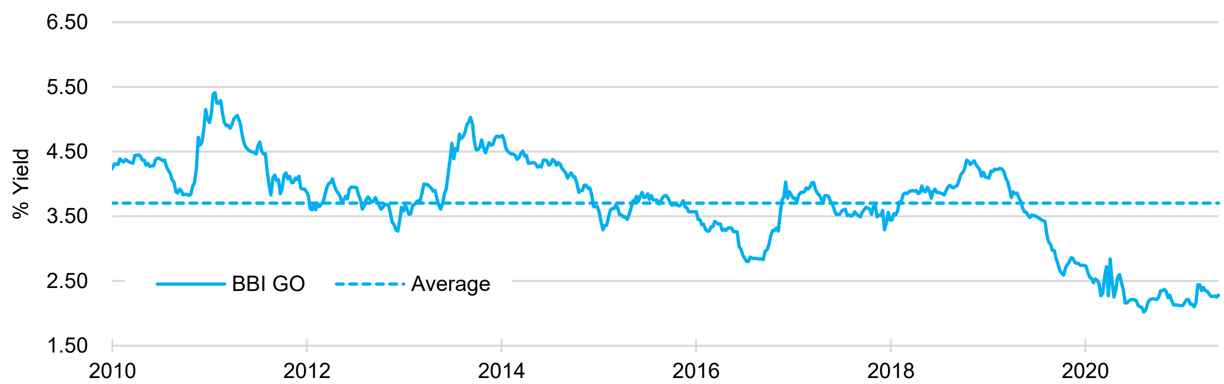


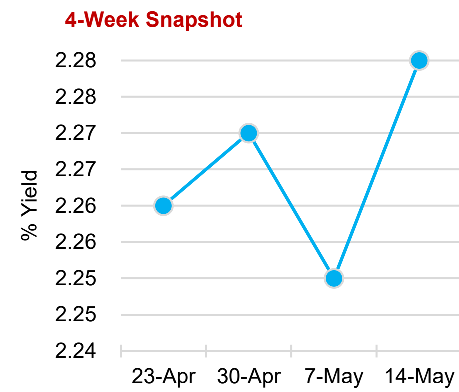
Source: Thomson Reuters Municipal Market Data and HilltopSecurities

C I T Y O F A N N A , T E X A S

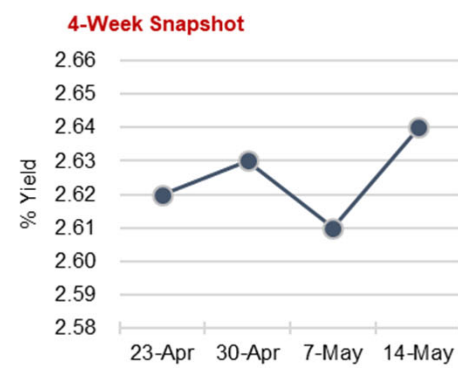
THE CITY OF Anna

The Bond Buyer 20-Bond General Obligation Index – 1/1/10 to 5/14/21





The Bond Buyer Revenue Bond Index – 1/1/10 to 5/14/21

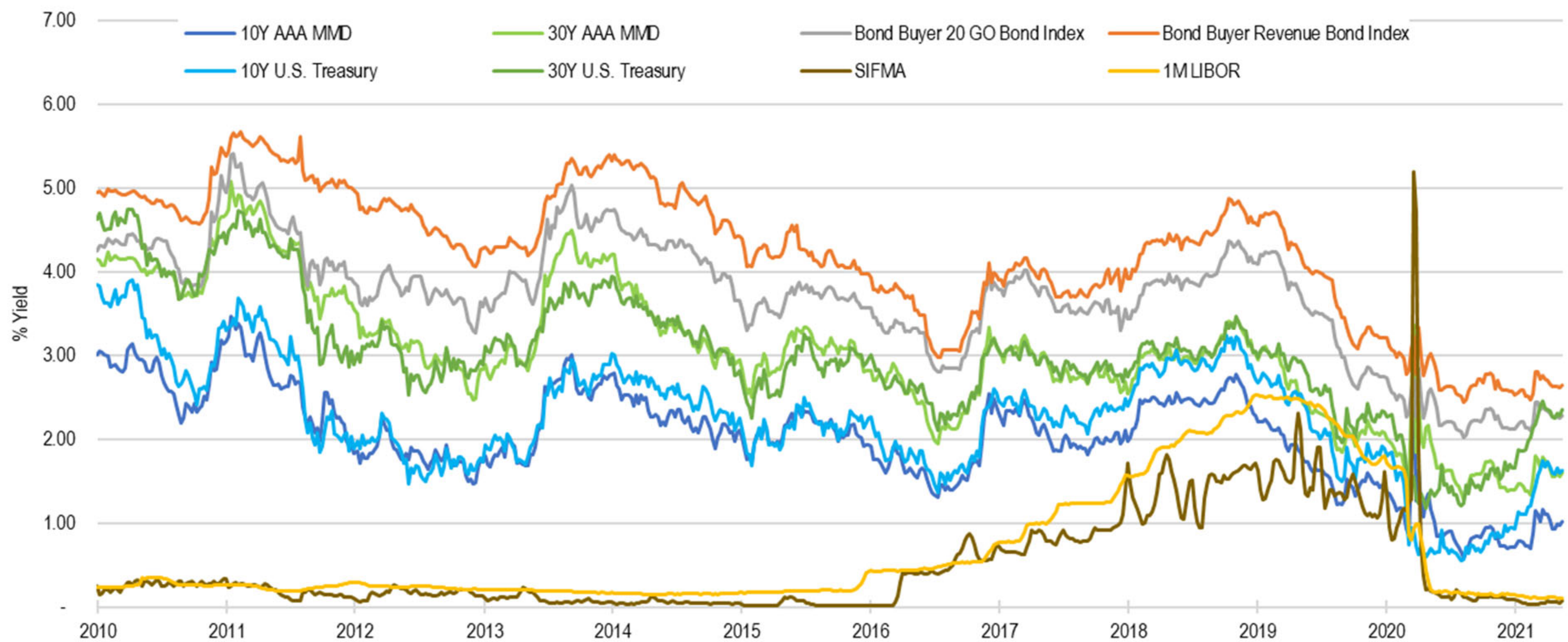


Source: The Bond Buyer

Weekly Benchmark Interest Rates

THE CITY OF Anna

Benchmark Interest Rates – 1/1/10 to 5/14/21



Rates Analysis – 1/1/10 to 5/14/21

	10Y AAA MMD	30Y AAA MMD	Bond Buyer 20 GO Bond Index	Bond Buyer Revenue Bond Index	10Y U.S. Treasury	30Y U.S. Treasury	SIFMA	1M LIBOR
Current	1.02	1.60	2.28	2.64	1.63	2.35	0.07	0.10
Maximum	3.46	5.08	5.41	5.67	3.90	4.75	5.20	2.52
Minimum	0.58	1.27	2.02	2.44	0.55	1.17	0.01	0.10
Average	2.03	3.03	3.70	4.23	2.24	3.01	0.48	0.68
% Time Lower	7.9%	5.7%	6.9%	5.6%	15.3%	16.7%	22.7%	0.0%

Source: Refinitiv Municipal Market Data, U.S. Treasury and Bloomberg

THE CITY OF Anna BOND 2021

Updated Project Schedule
May 25, 2021

Pre-Election Draft Project Timeline

Proposition	Year 1 – 2021	Year 2 – 2022	Year 3 – 2023	Year 4 – 2024	Year 5 - 2025
A – Public Safety	Design	Construction / Build	•	•	•
B – Community Library	Public Input & Design	Construction	•	•	•
C – Parks, Trails, Recreation and Sports	Feasibility Study	Public Input	Property Acquisition	Facility Design	Facility Construction

Current Draft Project Timeline

Proposition	Year 1 – 2021	Year 2 – 2022	Year 3 – 2023	Year 4 – 2024	Year 5 - 2025
A – Public Safety	Design	Construction	Open Facility Summer 2023	•	•
B – Community Library	Public Input	Design	Construction	Open Facility Spring 2024	•
C – Parks, Trails, Recreation and Sports	Skate Park Update	Property Acquisition, Public Input and Feasibility Study	Facility Design	Construction	Open Facility

Proposition A - Public Safety

- THE ISSUANCE OF $8,000,000 OF BONDS BY THE CITY OF ANNA, TEXAS FOR A FIRE STATION AND EQUIPTMENT. TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.

- Fire Station #2
  - Villages of Hurricane Creek site on the west side of US-75
  - Facility is planned as design-build construction contract
  - 18-month timeline expected, weather permitting
  - $2,700,000 to be issued in July 2021
- Quint (ladder truck)
  - Letter of intent is completed
  - $1,660,000 to be issued in July 2021
  - Receipt of the apparatus expected in Spring 2022

Proposition B – Community Library

- THE ISSUANCE OF $22,000,000 OF BONDS BY THE CITY OF ANNA, TEXAS FOR A COMMUNITY LIBRARY. TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.

- Community Library
  - Northeast corner of W. 5th and S. Riggins Streets
  - Public input to commence this fall
  - $2,700,000 to be issued in July 2021

Proposition C – Parks, Trails, Recreation and Sports

- THE ISSUANCE OF $28,000,000 OF BONDS BY THE CITY OF ANNA, TEXAS FOR PARKS AND RECREATION IMPROVEMENTS. TAXES SUFFICIENT TO PA THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.

- Skate Park
  - Redesign and construct at current location in Slayter Creek Park
  - Moved up from Year 5
  - $1,500,000 to be issued in July 2021

THE CITY OF Anna

CITY OF ANNA, TEXAS

$TBD* General Obligation [Refunding and Improvement] Bonds, Series 2021

Schedule of Events*

As of May 04, 2021

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

HOLIDAY

Jun-21						
S	M	T	W	Th	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			

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

HOLIDAY

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

Date	Event	Responsible Party
Saturday, 05/1/21	*Election Day*	
Tuesday, 05/11/21	**Bond Election Canvassing at City Council Meeting**	City Council
Tuesday, 05/25/21	Presentation and discussion of Plan of Finance for the issuance of General Obligation [Refunding and Improvement] Bonds, Series 2021 (the "Bonds")	Staff/FA
	City Council directs Staff and consultants to implement plan of finance	City Council
Thursday, 06/10/21	*Bond election contest period ends*	
6/14/21 - 6/18/21	*Bond Rating and Due Diligence Meetings/Conference Calls*	*All parties*
Friday, 07/2/21	Publication of bond offering document	FA
Tuesday, 07/13/21	Bonds pricing (in the morning)	FA/UW(s)
	City Council considers ordinance authorizing the issuance of the Bonds	City Council
Before Closing	*Attorney General Approves Sale*	*BC*
Tuesday, 08/10/21	Closing of debt issue and delivery of funds to the City	UW, BC, PA
Tuesday, 02/15/22	First debt service payment on the Bonds	City Staff

THE CITY OF Anna

BOND 2021

Question? Comments? bond2021@annatexas.gov

https://www.annatexas.gov/1192/Bond-2021

THE CITY OF Anna

Item No. 7.c.

City Council Agenda
Staff Report

Meeting Date:	5/25/2021
Staff Contact:	Clark McCoy

AGENDA ITEM:
Consider/Discuss/Action on a RESOLUTION OF THE CITY OF ANNA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR JUNE 22, 2021 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

SUMMARY:
Consider/Discuss/Action on a RESOLUTION OF THE CITY OF ANNA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR JUNE 22, 2021 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 3: Sustainable Anna Community Through Planned Managed Growth

STAFF RECOMMENDATION:

ATTACHMENTS:

1. 01 - Resolution Determining Costs v3
2. 2021-05-20_ANN_Sherley Tract_V 5.1 PSAP

APPROVALS:

Carrie Land, City Secretary	Created/Initiated - 5/21/2021
Jim Proce, City Manager	Final Approval - 5/21/2021

CITY OF ANNA, TEXAS

RESOLUTION NO. ________

A RESOLUTION OF THE CITY OF ANNA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR *JUNE 22, 2021* TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SHERLEY TRACT PUBLIC IMPROVEMENT DISTRICT NO. 2; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act") authorizes the governing body (the "City Council") of the City of Anna, Texas (the "City") to create a public improvement district within the City; and

WHEREAS, on December 8, 2020, the City Council conducted a public hearing to consider a petition received by the City on October 20, 2020 titled "Petition for the Creation of a Public Improvement District within The Extraterritorial Jurisdiction of the City of Anna, Texas, for the Sherley Tract Public Improvement District No. 2" requesting the creation of a public improvement district; and

WHEREAS, on December 8, 2020, the City Council approved Resolution No. 2020-12-839 (the "Authorization Resolution"), authorizing, establishing and creating the Sherley Tract Public Improvement District No. 2 (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to $32,000,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the "Authorized Improvements"); and

WHEREAS, the City Council and the City staff have been presented a "Sherley Tract Public Improvement District No. 2 Preliminary Service and Assessment Plan", including the proposed assessment rolls attached thereto (the "Proposed Assessment Rolls") (collectively, the "Preliminary SAP"), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary SAP sets forth the estimated total costs of certain Authorized Improvements to be financed by the District for the initial phase of development and the Proposed Assessment Rolls state the assessments proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City; and

WHEREAS, the Act requires that the Proposed Assessment Rolls be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the "Assessment Hearing") be called to consider proposed assessments and requires the City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City and in the part of the extraterritorial jurisdiction in which the district is to be located or in which the improvements are to be undertaken before the tenth (10th) day before the date of the Assessment Hearing.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS AS FOLLOWS:

SECTION 1. THAT the recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. THAT the City Council does hereby accept the Preliminary SAP for the District, including the Proposed Assessment Rolls, a copy of which is attached hereto as **Exhibit**

A and is incorporated herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary SAP.

SECTION 3. THAT the City Council hereby determines that the total costs of the Major Improvement Area Projects (as defined in the Preliminary SAP) to be financed by the District are as set forth in Exhibit B-1 and the total costs of the Improvement Area #1 Projects (as defined in the Preliminary SAP) to be financed by the District are as set forth in Exhibit B-1 of the Preliminary SAP, which costs do include the payment of expenses incurred in the administration of the District or related to the issuance of any bonds.

SECTION 4. THAT the City Council's final determination and approval of the costs of the Major Improvement Area Projects and the Improvement Area #1 Projects, or any portion thereof, shall be subject to and contingent upon City Council approval of a final Service and Assessment Plan which will include final Assessment Rolls, after the properly noticed and held Assessment Hearing.

SECTION 5. THAT the Proposed Assessment Rolls state the assessment proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary SAP.

SECTION 6. THAT the City Council expressly defers the levy of assessments against property within future phases for phase-specific improvements that will benefit only the property within each subsequent phase until such time as the costs of such phase-specific improvements can be determined with certainty as referenced in the Preliminary SAP.

SECTION 7. THAT the City Council hereby authorizes and directs the filing of the Proposed Assessment Rolls with the City Secretary and the same shall be available for public inspection.

SECTION 8. THAT the City Council hereby authorizes, and calls, a meeting and a public hearing (the Assessment Hearing as defined above) to be held on *June 22, 2021 at 6:30 p.m. at the Anna ISD Board Room, 201 E. 7th Street, Anna, Texas 75409 or if unable to meet at the Board Room, at the Anna City Hall, Council Chambers, 111 N. Powell Parkway, Anna, Texas 75409*, or such other location as designated by the City and noticed pursuant to the Act, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on property within the District (which ordinance shall specify the method of payment of the assessments).

SECTION 9. THAT the City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on *June 22, 2021*, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes; provided however, that the location is subject to change as designated by the City, in a newspaper of general circulation in the City, on or before June 11, 2021, which is before the tenth (10th) day before the date of the Assessment Hearing, as required by Section 372.016(b) of the Act.

SECTION 10*.* THAT when the Proposed Assessment Rolls are filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on *June 22, 2021*, on or before June 11, 2021, as required by Section 372.016(c) of the Act.

SECTION 11*.* THAT City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the *June 22, 2021* meeting of the City Council.

SECTION 12. THAT this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on this the 25th day of May, 2021.

ATTEST:

____
Nate Pike, Mayor

____
Carrie L. Land, City Secretary

EXHIBIT A

PRELIMINARY SERVICE AND ASSESSMENT PLAN

EXHIBIT B
CITY OF ANNA, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Anna, Texas on *June 22, 2021 at 6:30 p.m.at the Anna ISD Board Room, 201 E. 7th Street, Anna, Texas 75409 or if unable to meet at the Board Room, at the Anna City Hall, City Council Chambers, 111 N. Powell Parkway., Anna, Texas 75409*. The public hearing will be held to consider proposed assessments to be levied against the assessable property within the Sherley Tract Public Improvement District No. 2 (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the district; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vi) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vi) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

The total costs of the Major Improvement Area Projects and the Improvement Area #1 Projects, including the costs of creating the District and issuing the bonds, is approximately $11,617,926. The total costs of Authorized Improvements to benefit future phases within the District cannot be determined with certainty at this time, but shall not exceed an additional $20,382,074.

The boundaries of the District include approximately *289.751 acres of land generally located west of U.S. Highway 75 and north of Roseway Street, located within the extraterritorial jurisdiction of the City,* and as more particularly described by a metes and bounds description available at Anna City Hall located at 111 N. Parkway, Anna, Texas 75409 and available for public inspection.

All written or oral objections on the proposed assessment within the District will be considered at the public hearing.

A copy of the Major Improvement Area Assessment Roll and the Improvement Area #1 Assessment Roll, (collectively, the "Assessment Rolls"), which Assessment Rolls include the assessments to be levied against each parcel in the District for the Improvement Area #1 Projects and the Major Improvement Area Projects, is available for public inspection at the office of the City Secretary, 111 N. Powell Parkway, Anna, Texas 75409.

Sherley Tract Public Improvement District No. 2

PRELIMINARY SERVICE AND ASSESSMENT PLAN

MAY 25, 2021 V 5.1

AUSTIN, TX | NORTH RICHLAND HILLS, TX

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," an "Exhibit," or an "Appendix" shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On December 8, 2020, the City Council passed and approved Resolution No. 2020-12-839 authorizing the establishment of Sherley Tract Public Improvement District No. 2 in accordance with Chapter 372, Texas Local Government Code, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 289.751 acres located within the extraterritorial jurisdiction of the City (which is anticipated to be annexed upon the levy of the Assessments), as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Improvement Area #1 is included as **Exhibit E-1.** The Assessment Roll for the Major Improvement Area is included as **Exhibit F-1.**

SECTION I: DEFINITIONS

"Actual Costs" mean with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner, including : (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, architectural, engineering, and consulting fees, and governmental fees and charges**.**

"Additional Interest" means the amount collected by application of the Additional Interest Rate.

"Additional Interest Rate" means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on the portion of the Improvement Area #1 Assessment securing the Improvement Area #1 Reimbursement Obligation.

"Administrator" means the City or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan and the PID Act with respect to the PID Bonds, including the City's continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Installment" means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

"Annual Service Plan Update" means an update to this Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

"Assessed Property" means any Parcel within the District against which an Assessment is levied.

"Assessment" means an assessment levied against a Parcel within the District, other than Non-Benefitted Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

"Assessment Plan" means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

"Assessment Roll" means any assessment roll for the Assessed Property within the District, including the Major Improvement Area Assessment Roll and the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Update.

"Authorized Improvements" means (1) the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit G-1** and **Exhibit G-2** and described in **Section III;** (2) Bond Issuance Costs, and (3) District Formation Costs.

"Bond Issuance Costs" means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

"City" means the City of Anna, Texas.

"City Council" means the governing body of the City.

"County" means Collin County, Texas.

"Delinquent Collection Costs" mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Development Agreement" means the Sherley Tract Subdivision Improvement Agreement adopted by the City under Resolution No. 2020-06-733 as thereafter may have been amended.

"District" means Sherley Tract Public Improvement District No. 2 containing approximately 289.751 acres located within the extraterritorial jurisdiction of the City, and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**. The District is anticipated to be annexed into the corporate limits of the City upon the levy of Assessments.

"District Formation Costs" means the costs associated with forming the District, including but not limited to, attorney fees, and any other cost or expense incurred by the City directly associated with the establishment of the District.

"Engineer's Report" means a report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A.**

"Estimated Buildout Value" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Owner and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for a Lot is shown on **Exhibit H.**

"Improvement Area #1" means approximately 65.098 acres located within the District, more specifically described in **Exhibit L-2** and depicted on **Exhibit A-2**.

"Improvement Area #1 Annual Installment" means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable, which amount may be reduced by the TIRZ No. 3 Annual Credit Amount.

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

"Improvement Area #1 Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1 Assessment Roll" means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit E-1.**

"Improvement Area #1 Bonds" means those certain "City of Anna, Texas, Special Assessment Revenue Bonds, Series 2021 (Sherley Tract Public Improvement District No. 2 Improvement Area #1 Project)" that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and depicted on **Exhibit G-1.**

"Improvement Area #1 Initial Parcel" means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is levied, as shown on the Improvement Area #1 Assessment Roll.

"Improvement Area #1 Projects" means collectively: (1) the pro rata portion of the Major Improvement costs allocable to Improvement Area #1; (2) the Improvement Area #1 Improvement costs; (3) the Annual Collection Costs related to the Improvement Area #1 Bonds; and (4) Bond Issuance Costs associated with the issuance of the Improvement Area #1 Bonds.

"Improvement Area #1 Reimbursement Agreement" means that certain "Sherley Tract Public Improvement District No. 2 Improvement Area #1 Reimbursement Agreement" effective __________ entered into by and between the City and Owner, whereby all or a portion of the Actual Costs not paid to the Owner from Improvement Area #1 Bonds will be paid to the Owner from Improvement Area #1 Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Improvement Area #1 Assessments.

"Improvement Area #1 Reimbursement Obligation" means an amount not to exceed $4,355,273 secured by Improvement Area #1 Assessments to be paid to the Owner pursuant to the Improvement Area #1 Reimbursement Agreement. The Annual Installments for the Improvement Area #1 Reimbursement Obligation are shown on **Exhibit L-2.**

"Indenture" means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, between the City and the Trustee setting forth terms and conditions related to a series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “Lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, buildout value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as shown on **Exhibit H.**

“Lot Type 1” means a Lot in Improvement Area #1 marketed to homebuilders as a 40’ Lot.

“Lot Type 2” means a Lot in Improvement Area #1 marketed to homebuilders as a 50’ Lot.

“Lot Type 3” means a Lot in Improvement Area #1 marketed to homebuilders as a 60’ Lot.

“Lot Type 4” means a Lot in Improvement Area #1 marketed to homebuilders as a Townhome Lot.

“Major Improvement Area” means approximately 224.653 acres located within the District, and more specifically described in **Exhibit L-3** and depicted on **Exhibit A-3**. The Major Improvement Area includes all of the District save and except Improvement Area #1.

“Major Improvement Area Annual Installment” means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means an Assessment levied against the Major Improvement Area Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the Assessment Roll for the Major Improvement Area Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any

Annual Service Plan Updates. The Major Improvement Area Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

"Major Improvement Area Bonds" means those certain "City of Anna, Texas, Special Assessment Revenue Bonds, Series 2021 (Sherley Tract Public Improvement District No. 2 Major Improvement Area Project)."

"Major Improvement Area Initial Parcel" means all of the Major Improvement Area Assessed Property against which the entire Major Improvement Area Assessment is levied as shown on Major Improvement Area Assessment Roll.

"Major Improvement Area Projects" means collectively: (1) the pro rata portion of the Major Improvement costs allocable to the Major Improvement Area; (2) the Annual Collection Costs related to the Major Improvement Area Bonds; and (3) Bond Issuance Costs associated with the issuance of the Major Improvement Area Bonds.

"Major Improvements" means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.B.** and depicted on **Exhibit G-2.**

"Maximum Assessment" means for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit H**. The Maximum Assessment shall be calculated at the time a final plat is recorded.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Notice of Assessment Termination" means a document that shall be recorded in the Official Public Records of the County the termination of an Assessment, a form of which is attached as **Exhibit J.**

"Owner" means MM Anna 325, LLC and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to such property to end users.

"Parcel" or **"Parcels"** means a specific property within the District identified by either a tax parcel identification number assigned by the Collin Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Plat or Official Public Records of the County, or by any other means determined by the City.

"PID Act" means Chapter 372, Texas Local Government Code, as amended.

"PID Bonds" means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs to the date of Prepayment.

“Service and Assessment Plan” means this Sherley Tract Public Improvement District No. 2 Service and Assessment Plan as updated, amended, or supplemented from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

"TIRZ No. 3" means the Tax Increment Reinvestment Zone Number Three, City of Anna, Texas.

"TIRZ No. 3 Agreement" means the Tax Increment Reinvestment Zone No. 3, effective as of ______________________.

"TIRZ No. 3 Annual Credit Amount" is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 3 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 3 Fund to the applicable pledged revenue fund pursuant to the TIRZ No. 3 Agreement.

“TIRZ No. 3 PID Account” means an account of the TIRZ No. 3 Fund where the TIRZ No. 3 Revenues are deposited.

"TIRZ No. 3 Project Plan" means the Tax Increment Reinvestment Zone Number Three, City of Anna, Texas Project and Financing Plan, dated ____________________.

"TIRZ No. 3 Fund" means the tax increment fund created pursuant to the TIRZ No. 3 Ordinance where TIRZ No. 3 Revenues are deposited annually.

“TIRZ No. 3 Maximum Annual Credit Amount” means for each Lot Type in Improvement Area #1, the amount of TIRZ No. 3 Revenues that results in an equivalent tax rate of $0.7786 per $100 of assessed value for such Lot Type taking into consideration the tax rates of all applicable overlapping taxing units at the time PID Bonds are sold for Improvement Area #1, and the equivalent tax rate of the Improvement Area #1 Annual Installment, based on assumed buildout at the time the City Council approves the Assessment Ordinance levying the Improvement Area #1 Assessments. The assumed buildout values per projected Lot Type within Improvement Area #1 are shown on **Exhibit I.**

"TIRZ No. 3 Ordinance" means Ordinance No. _____ adopted by the City Council approving the TIRZ No. 3 Project Plan and authorizing the use of TIRZ No. 3 Revenues for project costs under the Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ No. 3 Project Plan.

"TIRZ No. 3 Revenues" mean, for each year, the amounts which are deposited in the TIRZ No. 3 Fund pursuant to the TIRZ No. 3 Ordinance, TIRZ No. 3 Project Plan, and TIRZ No. 3 Agreement.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 289.751 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 911 Lots developed with single-family homes. It is anticipated that the District will be annexed into the corporate limits of the City in accordance with Article IX of the Development Agreement.

Improvement Area #1 includes approximately 65.098 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 499 Lots developed with single-family homes (69 single-family homes that are Lot Type 1, 340 single-family homes that are Lot Type 2, 18 single-family homes that are Lot Type 3, and 72 single-family homes that are Lot Type 4.)

The Major Improvement Area includes approximately 224.653 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-3** and depicted on **Exhibit A-3**. Development of the Major Improvement Area is anticipated to include approximately 412 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS AND BOND ISSUANCE COSTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B-1**. The allocation of the Authorized Improvements is shown on **Exhibit B-2.**

A. Improvement Area #1 Improvements

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Storm Drainage*

  Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Street*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. All related earthwork, excavation, erosion control, retaining walls, intersections, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal costs, consultants, and costs associated with financing the Improvement Area #1 Improvements.

B. Major Improvements

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within the District.

- *Sanitary Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *Street*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, and handicapped ramps. All related earthwork, excavation, erosion control, retaining walls, intersections, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District. (to be confirmed by the developer)

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, consultants, and costs associated with financing the Major Improvements. (to be confirmed by the developer)

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Other Costs

- *Deposit to Administrative Fund*

  Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the District.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in the Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future Owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Major Improvement Area Projects shall be allocated 100% to the Major Improvement Area Assessed Property based on the ratio of the Estimated Buildout Value of each Lot Type designated within the Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property. The Major Improvement Area Initial Parcel is the only Parcel within the Major Improvement Area, and as such, the Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Projects.
- The costs of the Improvement Area #1 Projects shall be allocated 100% to Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Projects.

B. Assessments

The Improvement Area #1 Assessment will be levied on the Improvement Area #1 Initial Parcel in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit E-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit E-2**. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Major Improvement Area Assessment will be levied on the Major Improvement Area Initial Parcel in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit F-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Major Improvement Area Initial Parcel, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type within Improvement Area #1 is shown on **Exhibit H**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, and Lot Type 4 respectively, exceed the corresponding Maximum Assessment for each Lot classification.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Projects equal $13,590,898 as shown on **Exhibit B-1**;
    - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Cost of the Improvement Area #1 Projects;
    - The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Projects, which equals $13,590,898 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit E-1**;
    - The special benefit (≥ $13,590,898) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Projects is equal to or greater than the amount of the Improvement Area #1 Assessment ($13,590,898) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects; and
    - At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Initial Parcel. The Owner acknowledged that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.
- *Major Improvement Area*

- The costs of the Major Improvement Area Projects equal $3,309,184, as shown on **Exhibit B-1**;
- The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects equal to or greater than the Actual Cost of the Major Improvement Area Projects;
- The Major Improvement Area Initial Parcel will be allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Projects, which equals $2,950,000 as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit (≥ $3,309,184) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Projects is greater than or equal to the amount of the Major Improvement Area Assessment ($2,950,000) levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Projects; and
- At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Major Improvement Area Initial Parcel. The Owner acknowledged that the Major Improvement Area Projects confer a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of Major Improvement Area Assessment on the Major Improvement Area Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional

Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

The interest on the Improvement Area #1 Assessment securing the Improvement Area #1 Reimbursement Obligation shall be collected at rates established under the Improvement Area #1 Reimbursement Agreement as part of the Improvement Area #1 Annual Installment pursuant to the Improvement Area #1 Reimbursement Agreement.

F. TIRZ No. 3 Annual Credit Amount

The City Council, in accordance with the TIRZ No. 3 Agreement, has agreed to use a portion of TIRZ No. 3 Revenues generated (the "TIRZ No. 3 Annual Credit Amount") from each Assessed Property to offset a portion of such property's Improvement Area #1 Assessment, as applicable.

1. The Improvement Area #1 Annual Installment for an Assessed Property shall receive a TIRZ No. 3 Annual Credit Amount equal to the TIRZ No. 3 Revenue generated by the Assessed Property for the previous Tax Year (e.g. TIRZ No. 3 Revenue collected from the Assessed Property for Tax Year 2021 shall be applied as the TIRZ No. 3 Annual Credit Amount applicable to the Assessed Property's Improvement Area #1 Annual Installment to be collected in Tax Year 2022), but in no event shall the TIRZ No. 3 Annual Credit Amount exceed the TIRZ No. 3 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit I** for each Assessed Property.
2. The TIRZ No. 3 Maximum Annual Credit Amount available to reduce the principal and interest of the Improvement Area #1 Annual Installment for an Assessed Property is calculated for each Lot Type, as shown on **Exhibit I**. The TIRZ No. 3 Maximum Annual Credit Amount is calculated so that the average Improvement Area #1 Annual Installment minus the TIRZ No. 3 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate ($3.09 per $100 of assessed value) taking into consideration the 2020 tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installments based on assumed buildout values at the time Assessment Ordinance is approved. The resulting maximum TIRZ No. 3 Annual Credit Amount for each Lot Type is shown below:

i.	Lot Type 1:	$93.60
ii.	Lot Type 2:	$106.76
iii.	Lot Type 3:	$128.11
iv.	Lot Type 4:	$87.75

3. After the TIRZ No. 3 Annual Credit Amount is applied to provide a credit towards the principal and interest portion of the Improvement Area #1 Annual Installment for the Assessed Property in Improvement Area #1, any excess TIRZ No. 3 Revenues available from the TIRZ No. 3 PID Account shall be held in a segregated account by the City and shall be used in accordance with the TIRZ No. 3 Final Plan and the TIRZ No. 3 Agreement.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

A = B x (C ÷ D)

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property, as provided by the Owner. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, and Lot Type 4 are shown on **Exhibit H** and will not changes in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$A = [B \times (C \div D)]/E$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property
E= the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value for each Lot to be create after recording the subdivision plat as of the date of the subdivision plat is anticipated to be recorded. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, and Lot Type 4 are shown on **Exhibit H** and will not changes in future Annual Service Plan Updates.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion there of shall pay to the City the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit J.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund, relating to the PID Bonds, that are not expected to be used for purposes of the Project Fund to redeem outstanding PID Bonds, unless otherwise directed by the applicable Indenture, and the TIRZ No. 3 Annual Credit Amount will be reduced in the same proportion as the Assessments. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds.

The Assessments shall not, however, be reduced to an amount less than the amount required to pay all debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment. If an Assessment on as Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

For purposes of Prepayments, the Improvement Area #1 Reimbursement Obligation is and will remain subordinated to (i) the Improvement Area #1 Bonds and (ii) any additional PID Bonds secured by a parity lien on the Improvement Area #1 Assessments issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation. For purposes of Prepayments, additional PID Bonds issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation will be on parity with the Improvement Area #1 Bonds.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-2** shows the estimated Improvement Area #1 Annual Installments, and **Exhibit F-2** shows the estimated Major Improvement Area Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefitted Property or non-assessed property, as shown by the Collin Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments shall be due when billed and shall be delinquent if not paid prior to February 1, 2022.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment on the property tax bill shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur

Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

G. Allocating Improvement Area #1 Annual Installments

Any amounts collected from the Improvement Area #1 Annual Installments paid by the owner of Improvement Area #1 Assessed Property shall be allocated, first on a pro rata basis to amounts due for the Improvement Area #1 Bonds including any amounts due for Additional Interest and Annual Collection Costs, and second to amounts due the Improvement Area #1 Reimbursement Obligation.

For example, if the owner of a Parcel owes an Improvement Area #1 Annual Installment of $1,000, of which $500 is due for the Improvement Area #1 Bonds and $500 is due for the Improvement Area #1 Reimbursement Obligation, then:

- If a partial Annual Installment of $250 is made, $250 shall be credited to the payment of Improvement Area #1 Bonds and $0 shall be credited to the Improvement Area #1 Reimbursement Obligation.
- If a partial Annual Installment of $500 is made, $500 shall be credited to the payment of Improvement Area #1 Bonds and $0 shall be credited to the Improvement Area #1 Reimbursement Obligation.
- If a partial Annual Installment of $750 is made, $500 shall be credited to the payment of Improvement Area #1 Bonds, and $250 shall be credited to the Improvement Area #1 Reimbursement Obligation.

With regard to the payment of Annual Installments, the Improvement Area #1 Reimbursement Obligation will remain subordinated to (i) the Improvement Area #1 Bonds and (ii) any additional PID Bonds secured by a parity lien on the Improvement Area #1 Assessments issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation. With regard to the payment of Annual Installments, additional PID Bonds issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation will be on parity with the Improvement Area #1 Bonds.

H. Prepayment as a Result of an Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "**Taking**"), the portion of the Assessed Property that was taken or transferred (the "**Taken Property**") shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "**Remaining Property**"), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the $100 Assessment (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the $100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be $90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit E-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Major Improvement Area Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, said owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of the year following City Council's approval of the calculation. Otherwise, said owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

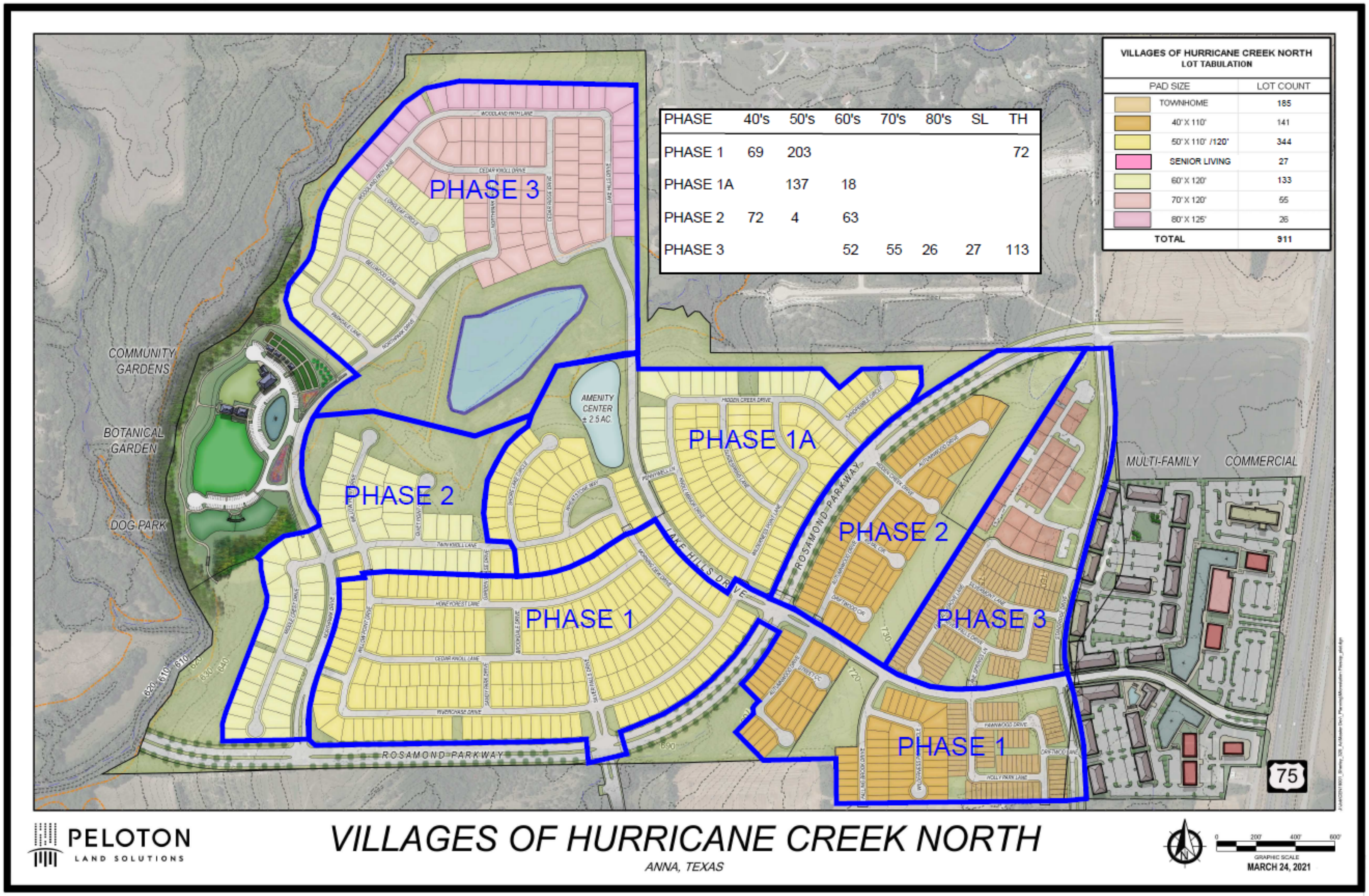
Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Map of Major Improvement Area
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Improvement Area #1 Assessment Roll
Exhibit E-2	Improvement Area #1 Annual Installments
Exhibit F-1	Major Improvement Area Assessment Roll
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Maps of Improvement Area #1 Improvements
Exhibit G-2	Maps of Major Improvements
Exhibit H	Maximum Assessment and Tax Rate Equivalent
Exhibit I	TIRZ No. 3 Annual Credit Amount by Lot Type
Exhibit J	Form of Notice of PID Assessment Termination
Exhibit K-1	Debt Service Schedules for Improvement Area #1 Bonds
Exhibit K-2	Debt Service Schedule for Major Improvement Area Bonds
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Major Improvement Area Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A Engineer's Report

EXHIBIT A-1 – MAP OF THE DISTRICT



PHASE	40's	50's	60's	70's	80's	SL	TH
PHASE 1	69	203					72
PHASE 1A		137	18				
PHASE 2	72	4	63				
PHASE 3			52	55	26	27	113

VILLAGES OF HURRICANE CREEK NORTH
LOT TABULATION

PAD SIZE	LOT COUNT
TOWNHOME	185
40' X 110'	141
50' X 110' /120'	344
SENIOR LIVING	27
60' X 120'	133
70' X 120'	55
80' X 125'	26
TOTAL	911

EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1

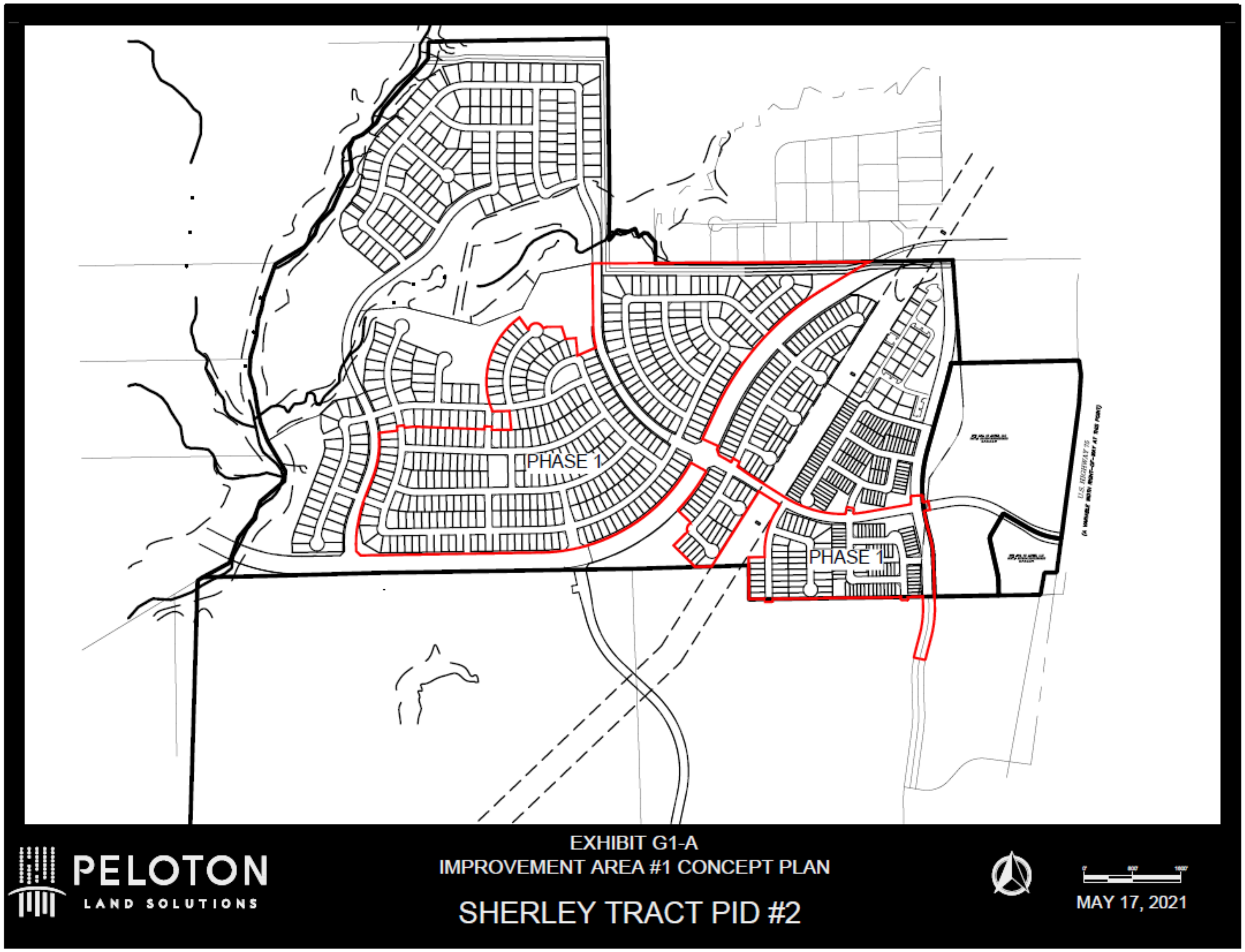


EXHIBIT A-3 – MAP OF MAJOR IMPROVEMENT AREA

EXHIBIT B – PROJECT COSTS

	Total Costs	Private Costs	Improvement Area #1 Projects		Major Improvement Area Projects	
			%	Cost	%	Cost
Improvement Area #1 Improvements						
Water	$ 1,130,975	$ -	100.00%	$ 1,130,975	0.00%	$ -
Sanitary Sewer	1,515,886	-	100.00%	1,515,886	0.00%	-
Storm Drainage	928,453	-	100.00%	928,453	0.00%	-
Street	4,120,809	-	100.00%	4,120,809	0.00%	-
Soft Costs[2]	1,431,205	-	100.00%	1,431,205	0.00%	-
Contingency	188,896	-	100.00%	188,896	0.00%	-
	$ 9,316,223	$ -		$ 9,316,223		$ -
Major Improvements[1]						
Water	$ 621,765	$ -	47.53%	$ 295,555	52.47%	$ 326,209
Sanitary Sewer	281,025	-	47.53%	133,585	52.47%	147,440
Storm Drainage	653,700	-	47.53%	310,736	52.47%	342,964
Street	1,673,701	-	47.53%	795,593	52.47%	878,108
Soft Costs[2]	1,264,720	-	47.53%	601,184	52.47%	663,536
Contingency	113,172	-	47.53%	53,796	52.47%	59,376
	$ 4,608,083	$ -		$ 2,190,449		$ 2,417,634
Private Costs						
Earthwork	$ 586,134	$ 586,134	0.00%	$ -	0.00%	$ -
Retaining Walls	803,340	803,340	0.00%	-	0.00%	-
Screen Walls and Entry Monument	486,550	486,550	0.00%	-	0.00%	-
Landscaping and Irrigation	807,180	807,180	0.00%	-	0.00%	-
Miscellaneous[2]	281,895	281,895	0.00%	-	0.00%	-
	$ 2,965,099	$ 2,965,099		$ -		$ -
Bond Issuance Costs						
Debt Service Reserve Fund	$ 883,500	$ -		$ 661,200		$ 222,300
Capitalized Interest	891,300	-		537,300		354,000
Underwriter Discount	238,100	-		179,100		59,000
Underwriter Counsel	119,050	-		89,550		29,500
Cost of Issuance	773,825	-		582,075		191,750
	$ 2,905,775	$ -		$ 2,049,225		$ 856,550
Other Costs						
Deposit to Administrative Fund	$ 70,000	$ -		$ 35,000		$ 35,000
	$ 70,000	$ -		$ 35,000		$ 35,000
Total	**$ 19,865,180**	**$ 2,965,099**		**$ 13,590,898**		**$ 3,309,184**

Notes:

[1] The Major Improvements are allocated between Improvement Area #1 and the Major Improvement Area based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of the District. The Estimated Buildout Value of Improvement Area #1 is $131,748,000, the Estimated Buildout Value of the District is $277,160,363, so Improvement Area #1 is allocated 47.53% of the Major Improvements (131,748,000/277,160,363 = 47.53%). The Estimated Buildout Value of the Major Improvement Area is $145,412,363, the Estimated Buildout Value of the District is $277,160,363, so the Major Improvement Area is allocated 52.47% of the Major Improvements (145,412,363/277,160,363 = 52.47%).

[2] Miscellaneous costs include entitlements, development agreement, district creation, engineering & surveying, SWPPP, preliminary platting fee, final platting fee, maintenance bond, engineering review fee, inspection fee, and geotechnical testing.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Installment Due		**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**	**1/31/2026**
Improvement Area #1 Bonds						
Principal		$ -	$ 120,000	$ 130,000	$ 135,000	$ 145,000
Interest		537,300	537,300	530,100	522,300	514,200
Capitalized Interest		(537,300)	-	-	-	-
Additional Interest		44,775	44,775	44,175	43,525	42,850
	(1)	$ 44,775	$ 702,075	$ 704,275	$ 700,825	$ 702,050
Improvement Area #1 Reimbursement Obligation						
Principal		$ -	$ 62,954	$ 66,731	$ 70,735	$ 74,979
Interest		-	278,154	274,377	270,373	266,129
	(2)	$ -	$ 341,108	$ 341,108	$ 341,108	$ 341,108
Annual Collection Costs	(3)	$ 35,000	$ 35,700	$ 36,414	$ 37,142	$ 37,885
Total Improvement Area #1 Annual Installment	**(4) = (1) + (2) + (3)**	**$ 79,775**	**$ 1,078,883**	**$ 1,081,797**	**$ 1,079,075**	**$ 1,081,043**

Major Improvement Area						
Installment Due		**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**	**1/31/2026**
Principal		$ -	$ -	$ 45,000	$ 45,000	$ 50,000
Interest		177,000	177,000	177,000	174,300	171,600
Capitalized Interest		(177,000)	(177,000)	-	-	-
	(1)	$ -	$ -	$ 222,000	$ 219,300	$ 221,600
Additional Interest	(2)	$ 14,750	$ 14,750	$ 14,750	$ 14,525	$ 14,300
Annual Collection Costs	(3)	$ 35,000	$ 35,700	$ 36,414	$ 37,142	$ 37,885
Total Major Improvement Area Annual Installment	**(4) = (1) + (2) + (3)**	**$ 49,750**	**$ 50,450**	**$ 273,164**	**$ 270,967**	**$ 273,785**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Improvement Area #1		Major Improvement Area	
Sources of Funds				
Improvement Area #1 Bond	$	8,955,000	$	-
Major Improvement Area Bond		-		2,950,000
Improvement Area #1 Reimbursement Obligation		4,635,898		-
Owner Contribution[1]		-		359,183
Developer Contribution - Private Costs[2]		1,409,458		1,555,641
Total Sources	**$**	**15,000,355**	**$**	**4,864,825**
Uses of Funds				
Improvement Area #1 Improvements	$	9,316,223	$	-
Major Improvements		2,190,449		2,417,634
Private Costs[3]		1,409,458		1,555,641
	$	12,916,130	$	3,973,275
District Formation and Bond Issuance Costs				
Debt Service Reserve Fund	$	661,200	$	222,300
Capitalized Interest		537,300		354,000
Underwriter's Discount		179,100		59,000
Underwriter's Counsel		89,550		29,500
Costs of Issuance		582,075		191,750
	$	2,049,225	$	856,550
Deposit to Administrative Fund	$	35,000	$	35,000
Total Uses	**$**	**15,000,355**	**$**	**4,864,825**

Notes:

[1] Not to be reimbursed to the Owner through proceeds from the Assessments. To be funded privately.

[2] Not PID eligible. To be privately funded by Owner.

[3] Allocated between Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value.

EXHIBIT E-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Outstanding Assessment		
Property ID[1]	Lot Type	Improvement Area #1 Bonds	Improvement Area #1 Reimbursement Obligation	Annual Installment Due 1/31/2022
1007216, 2797551, 2797548, and 2138032	Improvement Area #1 Initial Parcel	$ 8,955,000.00	$ 4,635,897.75	$ 79,775.00
	Total	**$ 8,955,000.00**	**$ 4,635,897.75**	**$ 79,775.00**

Notes:

[1] The Improvement Area #1 Initial Parcel consists of property tax IDs 1007216, 2797551, 2797548, and 2138032. The Annual Installment Due 1/31/2022 will be allocated between the tax Parcels within the Improvement Area #1 Initial Parcel based on acreage.

EXHIBIT E-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

	Improvement Area #1 Bonds					Improvement Area #1 Reimbursement Obligation			
Installment Due 1/31	Principal	Interest[1]	Additional Interest	Capitalized Interest	Debt Service Reserve Release	Principal	Interest[2]	Annual Collection Costs	Total Installment Due
2022	$ -	$ 537,300	$ 44,775	$ (537,300)	$ -	$ -	$ -	$ 35,000	$ 79,775
2023	$ 120,000	$ 537,300	$ 44,775	$ -	$ -	$ 62,954	$ 278,154	$ 35,700	$ 1,078,883
2024	$ 130,000	$ 530,100	$ 44,175	$ -	$ -	$ 66,731	$ 274,377	$ 36,414	$ 1,081,797
2025	$ 135,000	$ 522,300	$ 43,525	$ -	$ -	$ 70,735	$ 270,373	$ 37,142	$ 1,079,075
2026	$ 145,000	$ 514,200	$ 42,850	$ -	$ -	$ 74,979	$ 266,129	$ 37,885	$ 1,081,043
2027	$ 155,000	$ 505,500	$ 42,125	$ -	$ -	$ 79,478	$ 261,630	$ 38,643	$ 1,082,375
2028	$ 165,000	$ 496,200	$ 41,350	$ -	$ -	$ 84,246	$ 256,861	$ 39,416	$ 1,083,073
2029	$ 170,000	$ 486,300	$ 40,525	$ -	$ -	$ 89,301	$ 251,807	$ 40,204	$ 1,078,137
2030	$ 185,000	$ 476,100	$ 39,675	$ -	$ -	$ 94,659	$ 246,448	$ 41,008	$ 1,082,891
2031	$ 195,000	$ 465,000	$ 38,750	$ -	$ -	$ 100,339	$ 240,769	$ 41,828	$ 1,081,686
2032	$ 205,000	$ 453,300	$ 37,775	$ -	$ -	$ 106,359	$ 234,749	$ 42,665	$ 1,079,847
2033	$ 220,000	$ 441,000	$ 36,750	$ -	$ -	$ 112,740	$ 228,367	$ 43,518	$ 1,082,376
2034	$ 230,000	$ 427,800	$ 35,650	$ -	$ -	$ 119,505	$ 221,603	$ 44,388	$ 1,078,946
2035	$ 245,000	$ 414,000	$ 34,500	$ -	$ -	$ 126,675	$ 214,432	$ 45,276	$ 1,079,884
2036	$ 260,000	$ 399,300	$ 33,275	$ -	$ -	$ 134,276	$ 206,832	$ 46,182	$ 1,079,864
2037	$ 275,000	$ 383,700	$ 31,975	$ -	$ -	$ 142,332	$ 198,775	$ 47,105	$ 1,078,888
2038	$ 290,000	$ 367,200	$ 30,600	$ -	$ -	$ 150,872	$ 190,235	$ 48,047	$ 1,076,955
2039	$ 310,000	$ 349,800	$ 29,150	$ -	$ -	$ 159,925	$ 181,183	$ 49,008	$ 1,079,066
2040	$ 325,000	$ 331,200	$ 27,600	$ -	$ -	$ 169,520	$ 171,588	$ 49,989	$ 1,074,896
2041	$ 345,000	$ 311,700	$ 25,975	$ -	$ -	$ 179,691	$ 161,416	$ 50,988	$ 1,074,771
2042	$ 370,000	$ 291,000	$ 24,250	$ -	$ -	$ 190,473	$ 150,635	$ 52,008	$ 1,078,366
2043	$ 390,000	$ 268,800	$ 22,400	$ -	$ -	$ 201,901	$ 139,207	$ 53,048	$ 1,075,356
2044	$ 415,000	$ 245,400	$ 20,450	$ -	$ -	$ 214,015	$ 127,092	$ 54,109	$ 1,076,067
2045	$ 440,000	$ 220,500	$ 18,375	$ -	$ -	$ 226,856	$ 114,252	$ 55,191	$ 1,075,174
2046	$ 465,000	$ 194,100	$ 16,175	$ -	$ -	$ 240,467	$ 100,640	$ 56,295	$ 1,072,678
2047	$ 490,000	$ 166,200	$ 13,850	$ -	$ -	$ 254,895	$ 86,212	$ 57,421	$ 1,068,579
2048	$ 520,000	$ 136,800	$ 11,400	$ -	$ -	$ 270,189	$ 70,918	$ 58,570	$ 1,067,877
2049	$ 555,000	$ 105,600	$ 8,800	$ -	$ -	$ 286,400	$ 54,707	$ 59,741	$ 1,070,249
2050	$ 585,000	$ 72,300	$ 6,025	$ -	$ -	$ 303,585	$ 37,523	$ 60,936	$ 1,065,368
2051	$ 620,000	$ 37,200	$ 3,100	$ -	$ (661,200)	$ 321,800	$ 19,308	$ 62,155	$ 402,362
Total	**$ 8,955,000**	**$ 10,687,200**	**$ 890,600**	**$ (537,300)**	**$ (661,200)**	**$ 4,635,898**	**$ 5,256,222**	**$ 1,384,883**	**$ 30,646,302**

¹ Interest on the Improvement Area #1 Bonds is calculated at a 6.00% rate for illustrative purposes.
² Interest on the Improvement Area #1 Reimbursement Obligatiion is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID[1]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2022
1007216, 2797551, 2797552, 2797418, 2797548, 2138032	Major Improvement Area Initial Parcel	$ 2,950,000.00	$ 49,750.00
Total		**$ 2,950,000.00**	**$ 49,750.00**

Notes:

[1] The Major Improvement Area Initial Parcel consists of property tax IDs 1007216, 2797551, 2797552, 2797418, 2797548, and 2138032. The Annual Installment Due 1/31/2022 will be allocated between the tax Parcels within the Major Improvement Area Initial Parcel based on acreage.

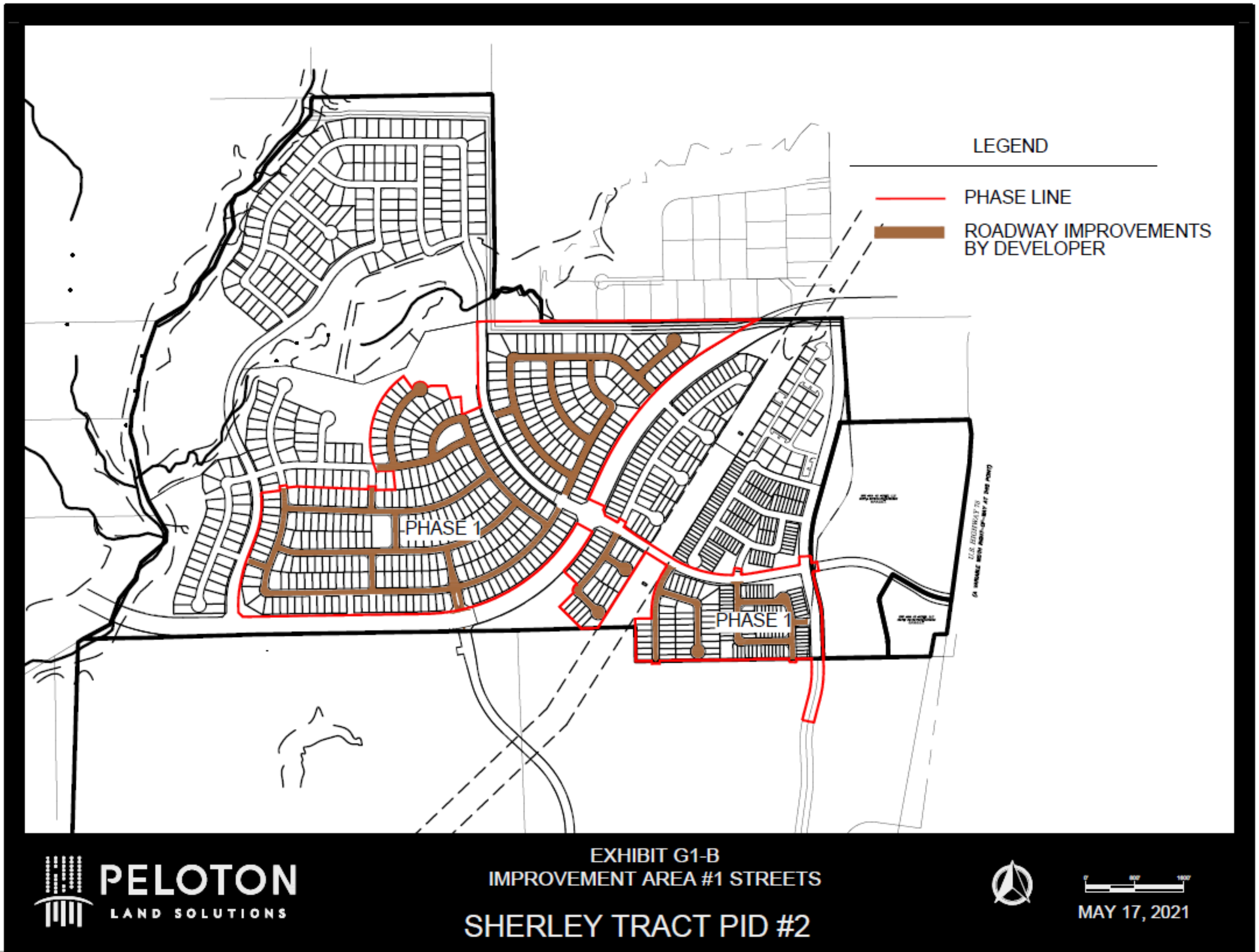
EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

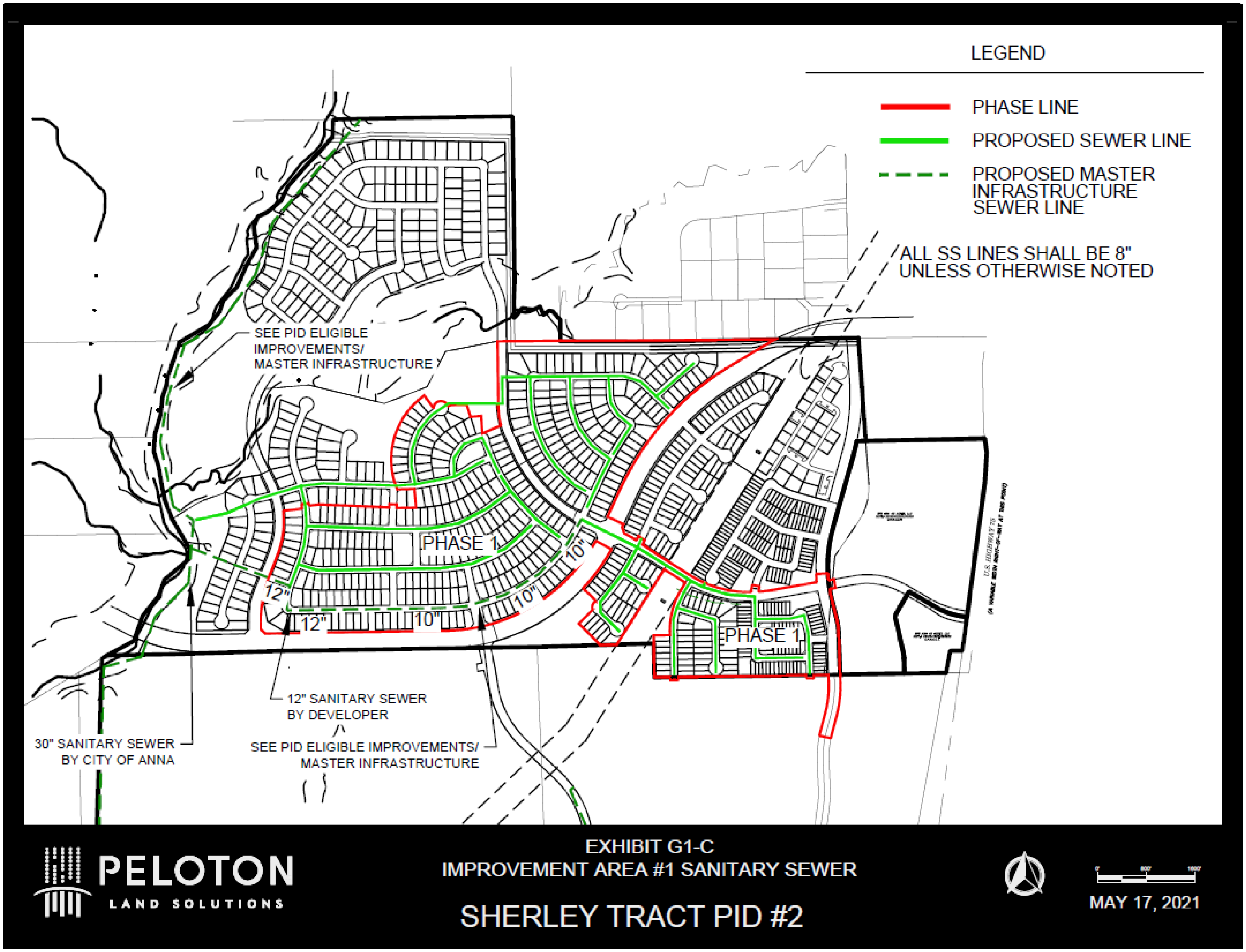
Installment Due 1/31	Principal	Interest[1]	Additional Interest	Capitalized Interest	Debt Service Reserve Release	Annual Collection Costs	Total Installment Due
2022	$ -	$ 177,000	$ 14,750	$ (177,000)	$ -	$ 35,000.00	$ 49,750
2023	$ -	$ 177,000	$ 14,750	$ (177,000)	$ -	$ 35,700.00	$ 50,450
2024	$ 45,000	$ 177,000	$ 14,750	$ -	$ -	$ 36,414.00	$ 273,164
2025	$ 45,000	$ 174,300	$ 14,525	$ -	$ -	$ 37,142.28	$ 270,967
2026	$ 50,000	$ 171,600	$ 14,300	$ -	$ -	$ 37,885.13	$ 273,785
2027	$ 50,000	$ 168,600	$ 14,050	$ -	$ -	$ 38,642.83	$ 271,293
2028	$ 55,000	$ 165,600	$ 13,800	$ -	$ -	$ 39,415.68	$ 273,816
2029	$ 60,000	$ 162,300	$ 13,525	$ -	$ -	$ 40,204.00	$ 276,029
2030	$ 60,000	$ 158,700	$ 13,225	$ -	$ -	$ 41,008.08	$ 272,933
2031	$ 65,000	$ 155,100	$ 12,925	$ -	$ -	$ 41,828.24	$ 274,853
2032	$ 70,000	$ 151,200	$ 12,600	$ -	$ -	$ 42,664.80	$ 276,465
2033	$ 75,000	$ 147,000	$ 12,250	$ -	$ -	$ 43,518.10	$ 277,768
2034	$ 75,000	$ 142,500	$ 11,875	$ -	$ -	$ 44,388.46	$ 273,763
2035	$ 80,000	$ 138,000	$ 11,500	$ -	$ -	$ 45,276.23	$ 274,776
2036	$ 85,000	$ 133,200	$ 11,100	$ -	$ -	$ 46,181.76	$ 275,482
2037	$ 90,000	$ 128,100	$ 10,675	$ -	$ -	$ 47,105.39	$ 275,880
2038	$ 95,000	$ 122,700	$ 10,225	$ -	$ -	$ 48,047.50	$ 275,972
2039	$ 105,000	$ 117,000	$ 9,750	$ -	$ -	$ 49,008.45	$ 280,758
2040	$ 110,000	$ 110,700	$ 9,225	$ -	$ -	$ 49,988.62	$ 279,914
2041	$ 115,000	$ 104,100	$ 8,675	$ -	$ -	$ 50,988.39	$ 278,763
2042	$ 125,000	$ 97,200	$ 8,100	$ -	$ -	$ 52,008.16	$ 282,308
2043	$ 130,000	$ 89,700	$ 7,475	$ -	$ -	$ 53,048.32	$ 280,223
2044	$ 140,000	$ 81,900	$ 6,825	$ -	$ -	$ 54,109.29	$ 282,834
2045	$ 145,000	$ 73,500	$ 6,125	$ -	$ -	$ 55,191.47	$ 279,816
2046	$ 155,000	$ 64,800	$ 5,400	$ -	$ -	$ 56,295.30	$ 281,495
2047	$ 165,000	$ 55,500	$ 4,625	$ -	$ -	$ 57,421.21	$ 282,546
2048	$ 175,000	$ 45,600	$ 3,800	$ -	$ -	$ 58,569.63	$ 282,970
2049	$ 185,000	$ 35,100	$ 2,925	$ -	$ -	$ 59,741.03	$ 282,766
2050	$ 195,000	$ 24,000	$ 2,000	$ -	$ -	$ 60,935.85	$ 281,936
2051	$ 205,000	$ 12,300	$ 1,025	$ -	$ (222,300)	$ 62,154.56	$ 58,180
Total	**$ 2,950,000**	**$ 3,561,300**	**$ 296,775**	**$ (354,000)**	**$ (222,300)**	**$ 1,384,883**	**$ 7,651,658**

[1] Interest is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS

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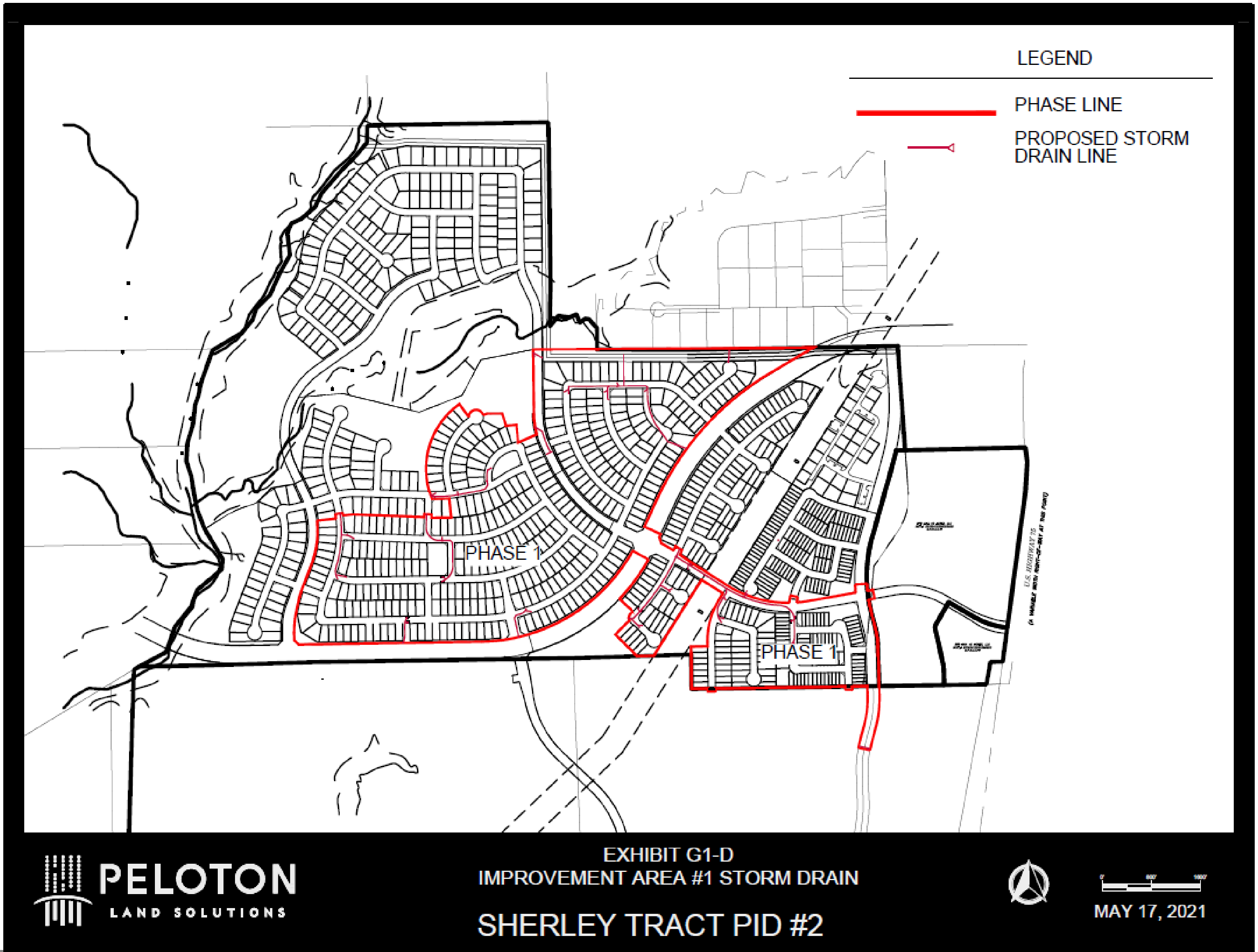
PHASE LINE
PROPOSED SEWER LINE
PROPOSED MASTER INFRASTRUCTURE SEWER LINE
ALL SS LINES SHALL BE 8" UNLESS OTHERWISE NOTED
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
PHASE 1
PHASE 1
12"
12"
10"
10"
10"
12" SANITARY SEWER BY DEVELOPER
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
30" SANITARY SEWER BY CITY OF ANNA
PELOTON
LAND SOLUTIONS
EXHIBIT G1-C
IMPROVEMENT AREA #1 SANITARY SEWER
SHERLEY TRACT PID #2
MAY 17, 2021



LEGEND
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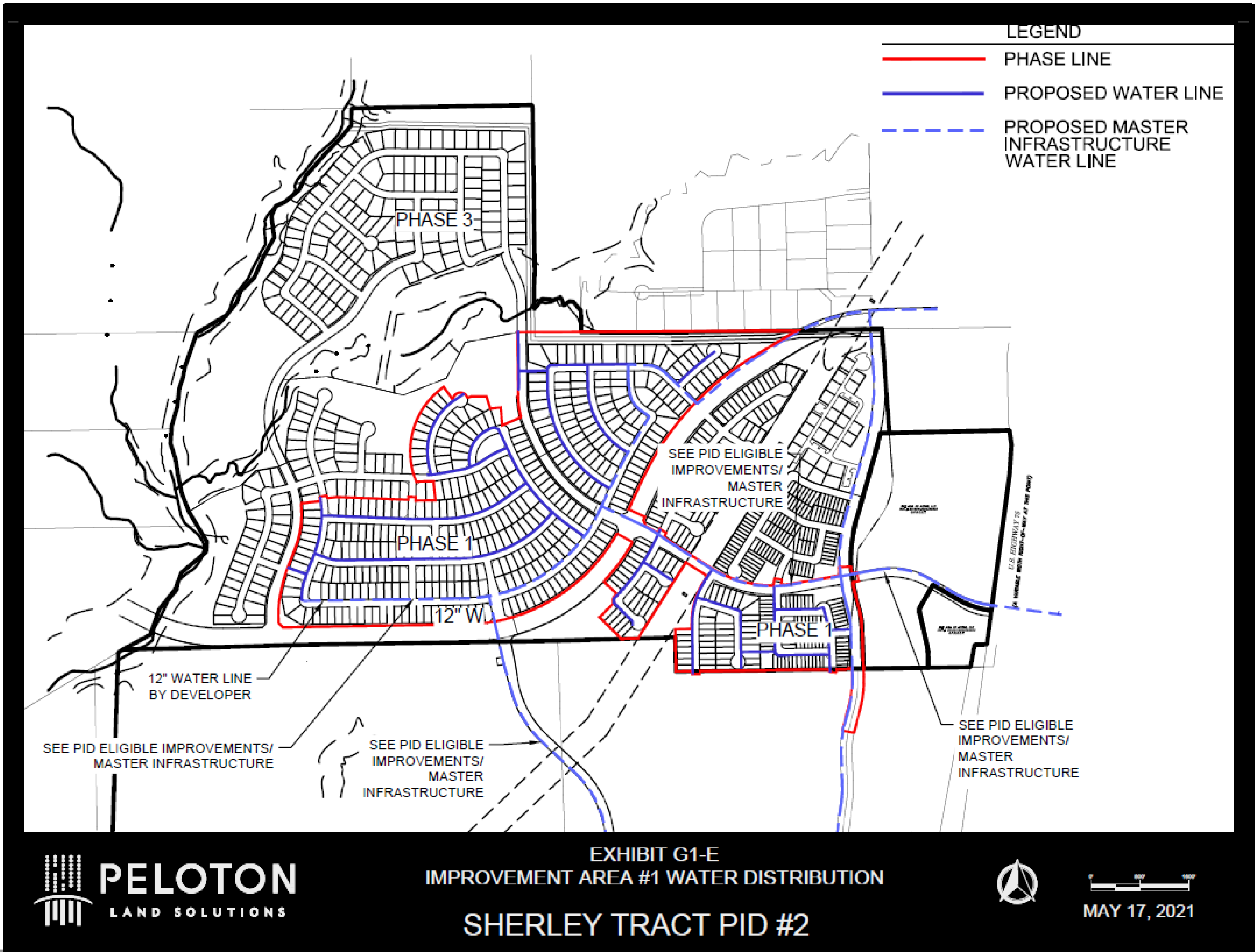
PROPOSED STORM DRAIN LINE
PHASE 1
PHASE 1
PELOTON
LAND SOLUTIONS
EXHIBIT G1-D
IMPROVEMENT AREA #1 STORM DRAIN
SHERLEY TRACT PID #2
MAY 17, 2021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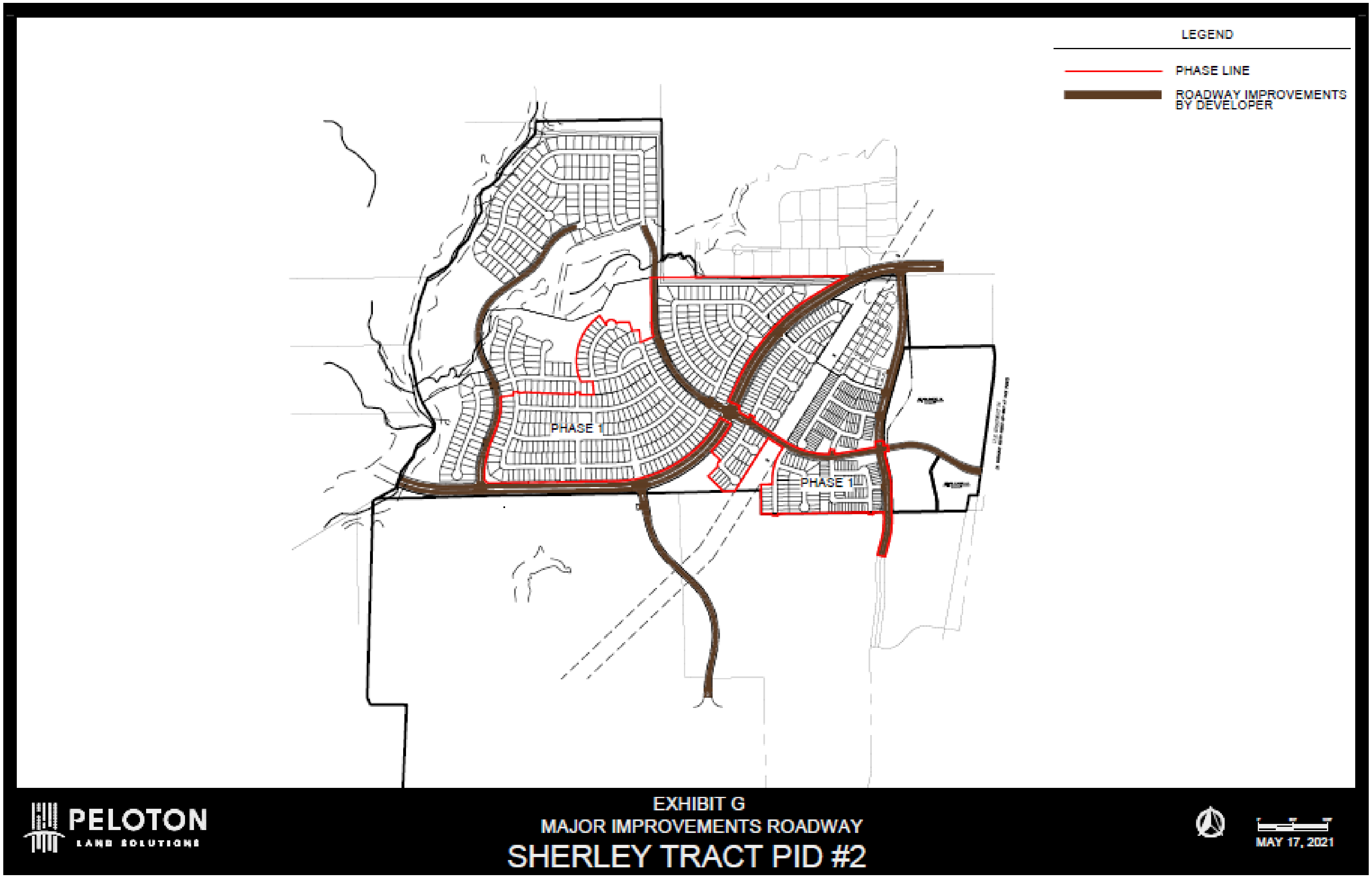
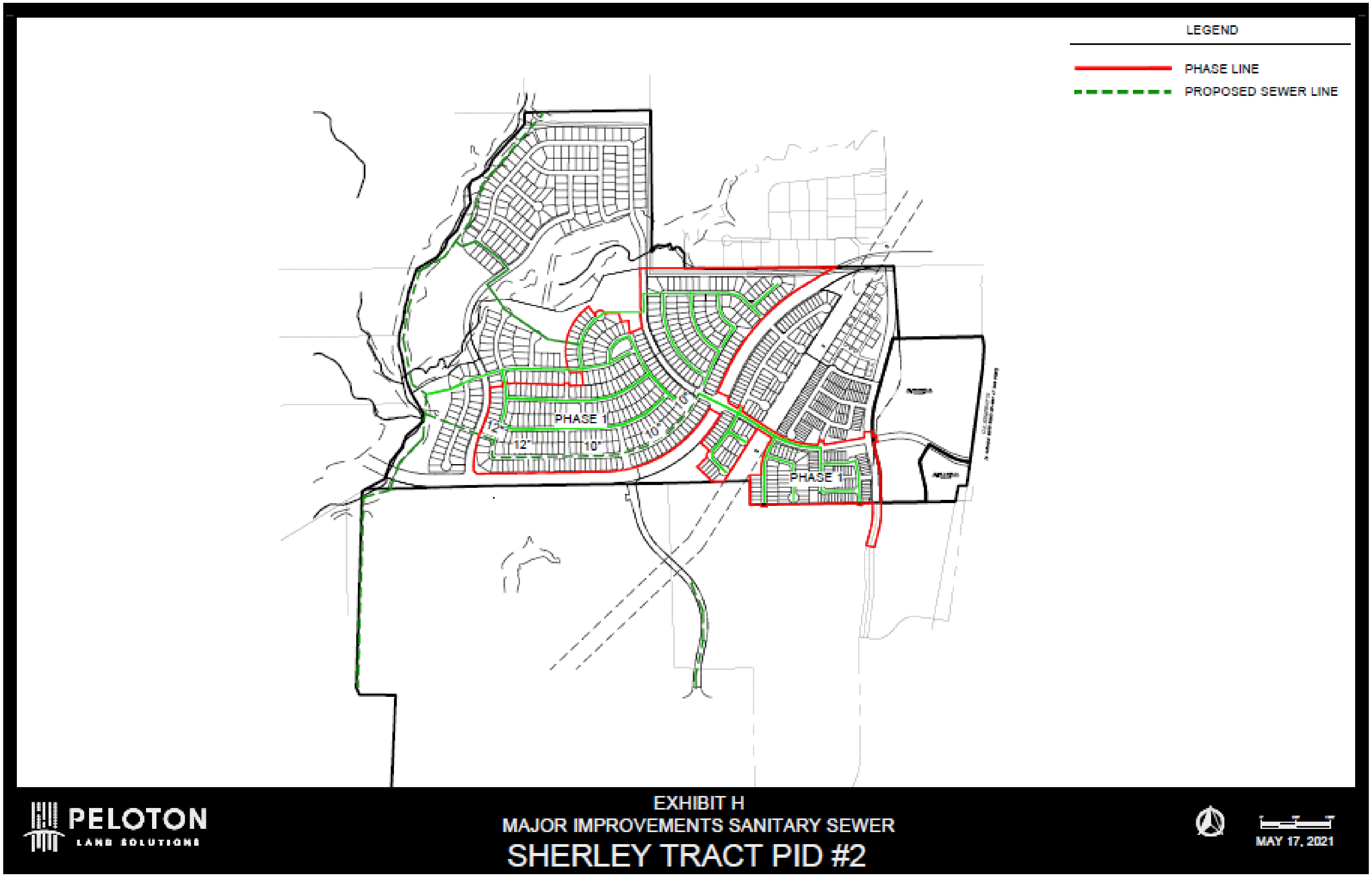
PHASE LINE
PROPOSED WATER LINE
PROPOSED MASTER INFRASTRUCTURE WATER LINE
PHASE 3
PHASE 1
PHASE 1
12" W
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
12" WATER LINE BY DEVELOPER
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
SEE PID ELIGIBLE IMPROVEMENTS/ MASTER INFRASTRUCTURE
PELOTON
LAND SOLUTIONS
EXHIBIT G1-E
IMPROVEMENT AREA #1 WATER DISTRIBUTION
SHERLEY TRACT PID #2
MAY 17, 2021

EXHIBIT G-2 – MAPS OF MAJOR IMPROVEMENTS

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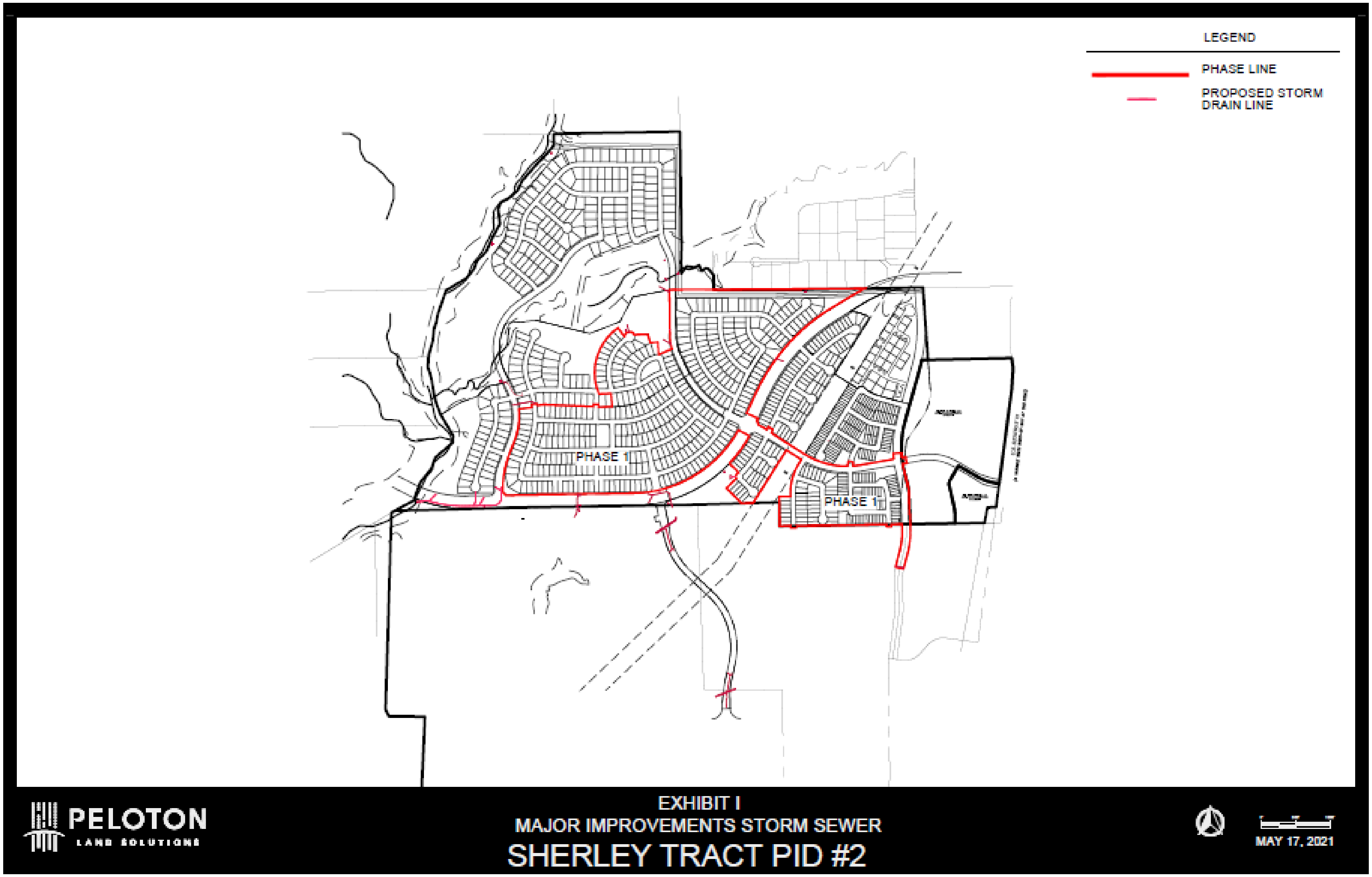
PHASE LINE
PROPOSED SEWER LINE
PHASE 1
12"
10"
PHASE 1
PELOTON
LAND SOLUTIONS
EXHIBIT H
MAJOR IMPROVEMENTS SANITARY SEWER
SHERLEY TRACT PID #2
MAY 17, 2021



LEGEND
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PROPOSED STORM DRAIN LINE
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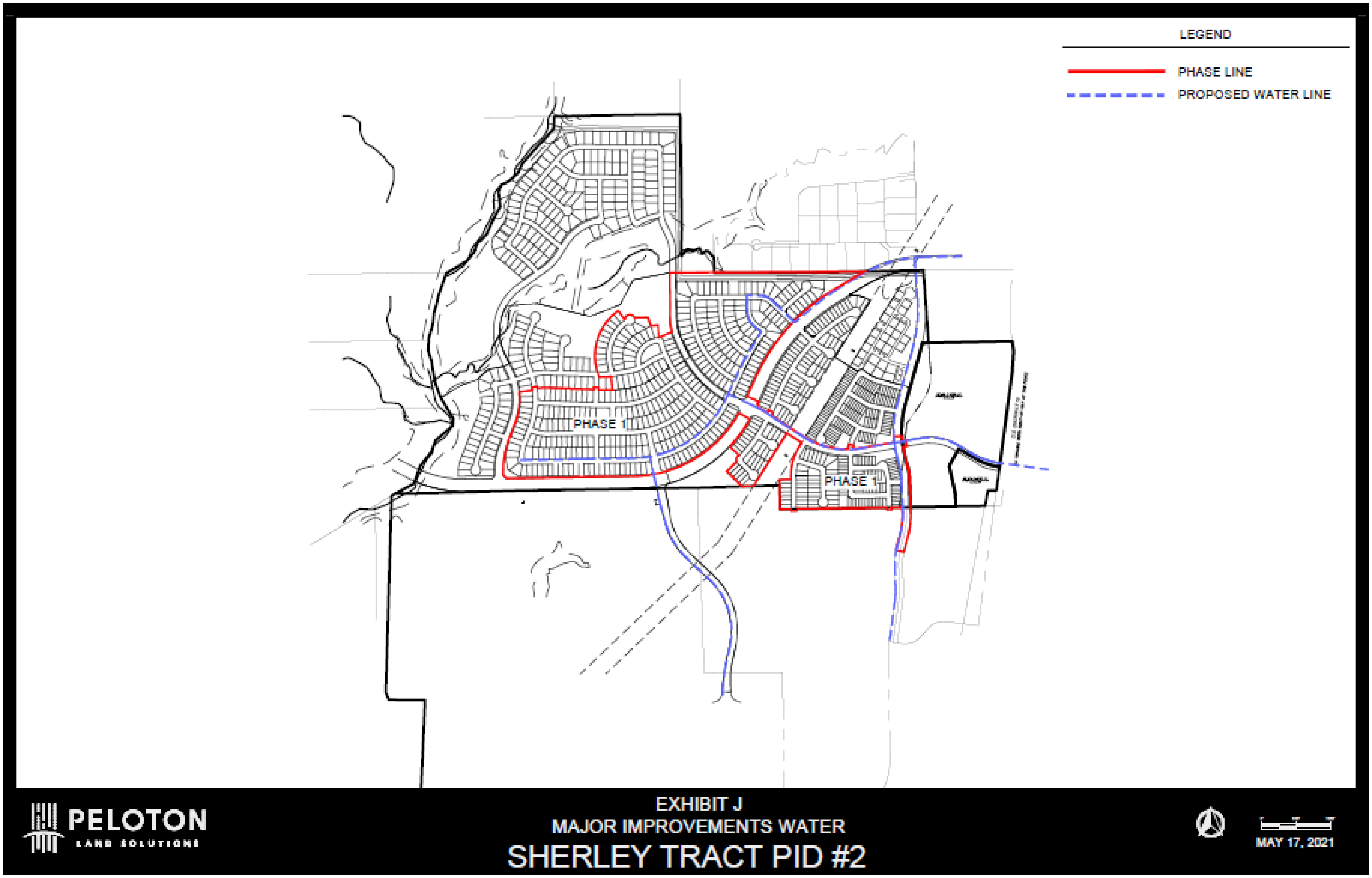
PHASE 1
PELOTON
LAND SOLUTIONS
EXHIBIT I
MAJOR IMPROVEMENTS STORM SEWER
SHERLEY TRACT PID #2
MAY 17, 2021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PROPOSED WATER LINE
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PHASE 1
PELOTON
LAND SOLUTIONS
EXHIBIT J
MAJOR IMPROVEMENTS WATER
SHERLEY TRACT PID #2
MAY 17, 2021

EXHIBIT H – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[1]	Estimated Buildout Value Per Unit[1]	Total Estimated Buildout Value	Assessment	Maximum Assessment Per Unit	Average Annual Installment	Average Annual Installment Per Unit	PID TRE
Improvement Area #1								
Lot Type 1	69	$ 240,000	$ 16,560,000	$ 1,708,301	$ 24,758	$ 135,402	$ 1,962	$ 0.8176
Lot Type 2	340	273,750	93,075,000	9,601,457	28,240	761,024	2,238	0.8176
Lot Type 3	18	328,500	5,913,000	609,975	33,887	48,347	2,686	0.8176
Lot Type 4	72	225,000	16,200,000	1,671,164	23,211	132,459	1,840	0.8176
Improvement Area #1 Total	**499**		**$ 131,748,000**	**$ 13,590,898**		**$ 1,077,233**		**$ 0.8176**
Major Improvement Area Total	**412**		**$ 145,412,363**	**$ 2,950,000**		**$ 269,566**		**$ 0.1854**
Total	**911**		**$ 277,160,363**	**$ 16,540,898**		**$ 1,346,799**		

Notes:

[1] Source: Owner

EXHIBIT I – TIRZ NO. 3 ANNUAL CREDIT AMOUNT BY LOT TYPE

Lot Type	Estimated Buildout Value per Unit	Assessment per Unit	Average Annual Installment per Unit	Equivalent PID Tax Rate	Equivalent Total Tax Rate[1]	Maximum TIRZ No. 3 Annual Credit Amount per Unit	Net Annual Installment per Unit	Net Equivalent PID Tax Rate	Net Equivalent Total Tax Rate
Improvement Area #1									
Lot Type 1 (40')	$ 240,000	$ 24,758	$ 1,962	$ 0.8176	$ 3.1290	$ 93.60	$ 1,869	$ 0.7786	$ 3.0900
Lot Type 2 (50')	$ 273,750	$ 28,240	$ 2,238	$ 0.8176	$ 3.1290	$ 106.76	$ 2,132	$ 0.7786	$ 3.0900
Lot Type 3 (60')	$ 328,500	$ 33,887	$ 2,686	$ 0.8176	$ 3.1290	$ 128.11	$ 2,558	$ 0.7786	$ 3.0900
Lot Type 4 (Townhomes)	$ 225,000	$ 23,211	$ 1,840	$ 0.8176	$ 3.1290	$ 87.75	$ 1,752	$ 0.7786	$ 3.0900

Notes:

[1] Including the following taxing jurisdictions: The City of Anna ($0.5830); Collin County ($0.1725); CCC College ($.0812); and Anna ISD ($1.4746).

EXHIBIT J – FORM OF NOTICE OF PID ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Collin County Clerk's Office
Honorable [County Clerk]
Collin County Administration Building
2300 Bloomdale Rd, Suite 2106
McKinney, TX 75071

Re: City of Anna Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Anna is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Anna
Attn: City Secretary
101 S Powell Pkwy
Anna, TX 75409

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
101 S Powell Pkwy
Anna, TX 75409

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Anna, Texas, a Texas home rule municipality (the "City").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City, Texas is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and the extraterritorial jurisdiction of the City; and

WHEREAS, on December 8, 2020 the City Council of the City approved Resolution No. 2020-12-839 creating the Sherley Tract Public Improvement District No. 2 (the "District"); and

WHEREAS, the District consists of approximately 289.751 contiguous acres within the extraterritorial jurisdiction of the City; and

WHEREAS, on ____________, the City Council, approved Ordinance No. __________, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____________, as Instrument No. ________ in the Official Public Records of Collin County, TX; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. ________ in the Map Records of Collin County, Texas (the "Property");

and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City/County hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that is affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the _____ day of _________, 20__.

CITY OF ANNA, TEXAS,
A Texas home rule municipality,

By: ________________________________
[Manager Name], City Manager

ATTEST:

____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of ________, 20__, by [City Manager], City Manager for the City of Anna, Texas, a Texas home rule municipality, on behalf of said municipality.

____
Notary Public, State of Texas

EXHIBIT K-1 – DEBT SERVICE SCHEDULE FOR THE IMPROVEMENT AREA #1 BONDS

EXHIBIT K-2 – DEBT SERVICE SCHEDULE FOR THE MAJOR IMPROVEMENT AREA BONDS

EXHIBIT K-3 – ANNUAL INSTALLMENT SCHEDULE FOR THE IMPROVEMENT AREA #1 REIMBURSEMENT OBLIGATION

	Improvement Area #1 Reimbursement Obligation		
Installment Due 1/31	Principal	Interest[1]	Total Installment Due
2022	$ -	$ -	$ -
2023	$ 62,954	$ 278,154	$ 341,108
2024	$ 66,731	$ 274,377	$ 341,108
2025	$ 70,735	$ 270,373	$ 341,108
2026	$ 74,979	$ 266,129	$ 341,108
2027	$ 79,478	$ 261,630	$ 341,108
2028	$ 84,246	$ 256,861	$ 341,108
2029	$ 89,301	$ 251,807	$ 341,108
2030	$ 94,659	$ 246,448	$ 341,108
2031	$ 100,339	$ 240,769	$ 341,108
2032	$ 106,359	$ 234,749	$ 341,108
2033	$ 112,740	$ 228,367	$ 341,108
2034	$ 119,505	$ 221,603	$ 341,108
2035	$ 126,675	$ 214,432	$ 341,108
2036	$ 134,276	$ 206,832	$ 341,108
2037	$ 142,332	$ 198,775	$ 341,108
2038	$ 150,872	$ 190,235	$ 341,108
2039	$ 159,925	$ 181,183	$ 341,108
2040	$ 169,520	$ 171,588	$ 341,108
2041	$ 179,691	$ 161,416	$ 341,108
2042	$ 190,473	$ 150,635	$ 341,108
2043	$ 201,901	$ 139,207	$ 341,108
2044	$ 214,015	$ 127,092	$ 341,108
2045	$ 226,856	$ 114,252	$ 341,108
2046	$ 240,467	$ 100,640	$ 341,108
2047	$ 254,895	$ 86,212	$ 341,108
2048	$ 270,189	$ 70,918	$ 341,108
2049	$ 286,400	$ 54,707	$ 341,108
2050	$ 303,585	$ 37,523	$ 341,108
2051	$ 321,800	$ 19,308	$ 341,108
Total	**$ 4,635,898**	**$ 5,256,222**	**$ 9,892,119**

[1] Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT A-3: “PID PROPERTY” 290.877 ACRES

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE Z. ROBERTS SURVEY, ABSTRACT NUMBER 760, THE J. BOYLE SURVEY, ABSTRACT NUMBER 105, THE J.M. KINCADE SURVEY, ABSTRACT NUMBER 509, THE J. ELLET SURVEY, ABSTRACT NUMBER 296, AND THE W. RATTAN SURVEY, ABSTRACT NUMBER 752 COLLIN COUNTY, TEXAS, BEING ALL OF THAT LAND DESCRIBED BY DEED TO MM ANNA 325, LLC, (TRACT 1) RECORDED IN INSTRUMENT NUMBER 20190411000386110, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID TRACT 1;

THENCE S 01°39'27"E, 46.23 FEET;

THENCE S 00°07'45"W, 239.62 FEET;

THENCE S 00°02'54"E, 240.98 FEET;

THENCE S 00°16'10"W, 240.11 FEET;

THENCE S 00°05'15"W, 193.73 FEET;

THENCE S 00°09'49"W, 159.37 FEET;

THENCE S 03°07'30"W, 136.17 FEET;

THENCE S 00°10'28"W, 117.40 FEET;

THENCE S 89°51'18"E, 18.32 FEET;

THENCE N 55°45'18"E, 13.27 FEET;

THENCE N 29°20'54"E, 61.95 FEET;

THENCE N 82°59'12"E, 29.11 FEET;

THENCE S 76°48'02"E, 38.97 FEET;

THENCE N 81°31'02"E, 42.52 FEET;

THENCE N 64°56'10"E, 12.15 FEET;

THENCE S 30°32'08"E, 25.22 FEET;

THENCE S 00°14'15"W, 13.28 FEET;

THENCE S 32°18'58"E, 21.36 FEET;

THENCE S 78°07'20"E, 14.66 FEET;

THENCE N 10°26'29"E, 17.31 FEET;

THENCE N 53°35'10"E, 21.88 FEET;

THENCE N 78°49'58"E, 15.44 FEET;

THENCE S 57°06'59"E, 24.14 FEET;

THENCE S 41°22'42"E, 62.38 FEET;

THENCE S 01°13'29"E, 28.82 FEET;

THENCE S 00°45'46"W, 119.18 FEET;

THENCE S 88°56'22"E, 602.59 FEET, TO THE NORTHEAST CORNER OF SAID MILLER AND PAYNE TRACT
RECORDED IN INSTRUMENT NUMBER 20110401000341650 AND BEING THE NORTHWEST CORNER OF
AFOREMENTIONED MILLER TRACT RECORDED IN VOLUME 2667, PAGE 671;

THENCE N 89°49'51"E, 933.16 FEET;

THENCE N 89°46'06"E, 488.86 FEET, PASSING THE NORTHEAST CORNER OF SAID MILLER TRACT AND BEING
THE NORTHWEST CORNER OF AFOREMENTIONED MILLER TRACT RECORDED IN VOLUME 1068, PAGE 507;

THENCE S 03°23'35"E, 989.07 FEET, TO THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 277.01 FEET, THROUGH A CENTRAL ANGLE OF 38°31'54", HAVING A RADIUS OF 411.91 FEET, THE LONG CHORD WHICH BEARS S 15°52'22"W, 271.82 FEET;

THENCE S 35°08'19"W, 286.03 FEET;

THENCE S 06°06'41"W, 811.64 FEET;

THENCE S 89°56'10"W, 1154.19 FEET;

THENCE N 00°10'56"E, 232.21 FEET;

THENCE S 89°09'27"W, 794.06 FEET;

THENCE S 89°39'13"W, 1753.66 FEET;

THENCE S 89°55'39"W, 746.70 FEET;

THENCE S 89°51'39"W, 315.81 FEET;

THENCE S 89°09'41"W, 111.58 FEET;

THENCE N 20°10'35"E, 140.94 FEET;

THENCE N 55°00'59"E, 55.72 FEET;

THENCE N 65°08'55"E, 164.54 FEET;

THENCE N 24°07'01"E, 75.15 FEET;

THENCE N 08°28'12"E, 68.74 FEET;

THENCE N 18°33'24"E, 30.27 FEET;

THENCE N 39°07'19"E, 204.32 FEET;

THENCE N 15°58'26"E, 96.33 FEET;

THENCE N 51°42'39"E, 216.49 FEET;

THENCE N 10°14'20"E, 39.18 FEET;

THENCE N 16°20'38"W, 43.77 FEET;

THENCE N 25°38'17"W, 56.21 FEET;

THENCE N 30°23'51"W, 42.71 FEET;

THENCE N 30°57'56"W, 141.18 FEET;

THENCE N 22°04'56"W, 112.22 FEET;

THENCE N 08°32'18"W, 237.53 FEET;

THENCE N 21°21'56"W, 73.37 FEET;

THENCE N 12°45'32"W, 39.65 FEET;

THENCE N 04°05'51"E, 114.57 FEET;

THENCE N 05°37'47"E, 102.03 FEET;

THENCE N 20°12'50"E, 61.91 FEET;

THENCE N 15°56'54"E, 37.72 FEET;

THENCE N 10°49'32"E, 87.03 FEET;

THENCE N 23°29'01"E, 238.46 FEET;

THENCE N 60°08'36"E, 217.24 FEET;

THENCE N 40°36'12"E, 97.96 FEET;

THENCE N 22°54'02"E, 117.90 FEET;

THENCE N 54°18'35"E, 58.08 FEET;

THENCE N 42°30'22"E, 62.53 FEET;

THENCE N 22°13'30"E, 121.36 FEET;

THENCE N 31°23'35"E, 106.80 FEET;

THENCE N 24°37'01"E, 76.66 FEET;

THENCE N 08°41'50"W, 134.21 FEET;

THENCE N 30°06'30"E, 75.08 FEET;

THENCE N 66°06'02"E, 55.48 FEET;

THENCE N 52°19'07"E, 141.40 FEET;

THENCE N 18°14'45"E, 95.78 FEET;

THENCE N 43°56'12"E, 420.59 FEET;

THENCE N 28°03'26"E, 46.51 FEET;

THENCE N 04°16'56"E, 105.49 FEET;

THENCE N 89°36'40"E, 276.78 FEET;

THENCE N 89°54'11"E, 938.53 FEET TO THE POINT OF BEGINNING AND CONTAINING 12,670,595 SQUARE FEET OR 290.877 ACRES OF LAND MORE OR LESS.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

TRACT 1 (65.098 acres)

LEGAL DESCRIPTION:
BEING that certain tract of land situated in the J. Boyle Survey, Abstract Number 105, the J. Kincade Survey, Abstract Number 509, and the W. Rattan Survey, Abstract Number 752, Collin County, Texas, being all of tract 1 to MM Anna 325, LLC recorded in Instrument Number 20190411000386110 and a part of a tract of land to BFB Ana 40 Acres, LLC recorded in Instrument Number 20190412000390800 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.) and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for the most southerly southwest corner of said tract of land to MM Anna 325, LLC being in the north line of that tract of land described by deed to CADG Hurricane Creek, LLC recorded in Instrument Number 201505290000631020 of said O.P.R.C.C.T.

THENCE N 00° 42' 12" W, 287.34 feet with the common line of said CADG Tract and said MM Anna 325 Tract;

N 89° 17' 48" E, 110.00 feet;

N 00° 42' 12" W, 31.43 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 302.23 feet, through a central angle of 32° 59' 01", having a radius of 525.00 feet and a long chord which bears N 15° 47' 19" E, 298.07 feet;

N 32° 16' 49" E, 45.65 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 7.44 feet, through a central angle of 00° 30' 48", having a radius of 830.00 feet and a long chord which bears N 57° 58' 35" W, 7.44 feet;

N 57° 43' 11" W, 162.85 feet;

S 32° 16' 49" W, 605.16 feet;

THENCE S 88° 18' 50" W, 111.81 feet in the north line of said CADG Tract;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

N 45° 08' 58" W, 366.07 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 520.46 feet, through a central angle of 22° 45' 50", having a radius of 1,309.97 feet, and a long chord which bears N 40° 23' 55" E, 517.04 feet;

N 60° 58' 59" W, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 923.42 feet, through a central angle of 44° 14' 19", having a radius of 1,195.97 feet, and a long chord which bears S 51° 15' 12" W, 900.66 feet;

S 16° 30' 37" E, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 27.21 feet, through a central angle of 01° 11' 24", having a radius of 1,310.00 feet, and a long chord which bears S 74° 05' 05" W, 27.21 feet;

S 31° 32' 06" W, 43.31 feet;

S 12° 15' 52" E, 4.77 feet in the north line of said CADG Tract;

THENCE S 89° 05' 29" W, 95.27 feet;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

N 56° 03' 28" W, 23.94 feet;

S 81° 23' 55" W, 27.22 feet;

N 08° 00' 22" W, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 147.41 feet, through a central angle of 07° 05' 51", having a radius of 1,190.00 feet, and a long chord which bears S 85° 32' 34" W, 147.31 feet;

S 89° 05' 29" W, 1,229.11 feet;

N 45° 54' 31" W, 42.43 feet;

N 00° 54' 31" W, 48.75 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 139.72 feet, through a central angle of 12° 07' 49", having a radius of 660.00 feet, and a long chord which bears N 05° 09' 24" E, 139.47 feet;

N 11° 13' 18" E, 45.96 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.09 feet, through a central angle of 07° 14' 23", having a radius of 800.00 feet, and a long chord which bears N 14° 50' 30" E, 101.02 feet;

N 20° 08' 12" E, 50.00 feet;

N 21° 08' 00" E, 138.53 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 304.73 feet, through a central angle of 27° 42' 51", having a radius of 630.00 feet, and a long chord which bears N 07° 16' 34" E, 301.77 feet;

N 83° 25' 09" E, 130.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 32.75 feet, through a central angle of 02° 28' 08", having a radius of 760.00 feet, and a long chord which bears N 07° 48' 55" W, 32.75 feet;

N 80° 57' 01" E, 50.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.00 feet, through a central angle of 01° 24' 53", having a radius of 810.00 feet, and a long chord which bears S 08° 20' 32" E, 20.00 feet;

N 83° 35' 40" E, 67.70 feet;

S 87° 46' 29" E, 478.85 feet;

N 01° 44' 03" E, 19.96 feet;

S 88° 15' 57" E, 50.00 feet;

S 01° 44' 03" W, 23.48 feet;

N 89° 15' 16" E, 160.00 feet;

N 84° 17' 59" E, 91.31 feet;

N 81° 01' 54" E, 57.85 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 258.41 feet, through a central angle of 22° 41' 49", having a radius of 652.34 feet, and a long chord which bears N 66° 04' 20" E, 256.73 feet;

N 57° 04' 08" E, 164.66 feet;

N 29° 16' 43" W, 12.47 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.42 feet, through a central angle of 00° 58' 31", having a radius of 1,200.00 feet, and a long chord which bears N 28° 29' 36" W, 20.42 feet;

N 61° 59' 39" E, 50.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 45.85 feet, through a central angle of 02° 17' 04", having a radius of 1,150.00 feet, and a long chord which bears S 29° 08' 53" E, 45.85 feet;

N 59° 43' 13" E, 120.15 feet and the beginning of a curve to the feet;

With said curve to the left, having an arc distance of 434.08 feet, through a central angle of 24° 08' 48", having a radius of 1,030.00 feet, and a long chord which bears S 42° 21' 11" E, 430.88 feet;

S 54° 25' 35" E, 103.82 feet;

N 20° 34' 30" E, 10.35 feet;

N 20° 34' 30" E, 62.97 feet;

S 64° 44' 15" E, 16.45 feet;

S 63° 43' 20" E, 50.02 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 29.83 feet, through a central angle of 01° 46' 49", having a radius of 960.00 feet, and a long chord which bears S 64° 20' 42" E, 29.83 feet;

S 65° 14' 06" E, 70.17 feet;

N 69° 45' 54" E, 42.43 feet;

N 24° 45' 54" E, 22.77 feet;

S 65° 14' 06" E, 120.00 feet;

S 24° 45' 54" W, 23.65 feet;

S 19° 10' 53" E, 43.20 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 1.12 feet, through a central angle 00° 01' 53", having a radius of 2,040.02 feet, and a long chord which bears S 62° 41' 29" E, 1.12 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 95.34 feet, through a central angle of 05° 27' 46", having a radius of 1,000.00 feet, and a long chord which bears S 59° 56' 39" E, 95.31 feet;

N 24° 45' 54" E, 31.64 feet;

S 58° 13' 31" E, 50.38 feet;

S 24° 45' 54" W, 33.83 feet;

S 55° 20' 20" E, 104.47 feet;

S 57° 43' 11" E, 272.85 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 444.37 feet, through a central angle of 33° 03' 57", having a radius of 770.00 feet, and a long chord which bears S 74° 15' 09" E, 438.23 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 49.91 feet, through a central angle of 07° 37' 35", having a radius of 375.00 feet, and a long chord which bears N 07° 38' 20" E, 49.88 feet;

S 78° 32' 52" E, 50.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 37.57 feet, through a central angle of 06° 37' 24", having a radius of 325.00 feet, and a long chord which bears S 08° 08' 26" W, 37.55 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 71.20 through a central angle of 05° 17' 53", having a radius of 770.00 feet, and a long chord which bears N 82° 48' 59" E, 71.18 feet;

N 80° 10' 03" E, 330.53 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 56.36 feet, through a central angle of 03° 06' 19", having a radius of 1,040.00 feet, and a long chord which bears N 04° 30' 13" W, 56.36 feet;

N 87° 02' 56" E, 80.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 46.75 feet, through a central angle of 02° 47' 24", having a radius of 960.00 feet, and a long chord which bears S 04° 20' 46" E, 46.74 feet;

N 80° 10' 03" E, 38.26 feet;

S 09° 49' 57" E, 60.00 feet;

S 80° 10' 03" W, 40.67 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 84.77 feet, through a central angle of 05° 03' 35", having a radius of 960.00 feet, and a long chord which bears S 11° 51' 19" E, 84.75 feet;

S 14° 23' 07" E, 120.30 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.47 feet, through a central angle of 12° 30' 04", having a radius of 465.07 feet, and a long chord which bears S 08° 14' 28" E, 101.27 feet;

S 01° 59' 25" E, 283.25 feet to a 5/8-inch iron rod with cap stamped "PELOTON" set in the north line of a tract of land described in deed to One Anna Two, LTD recorded in Instrument Number 20070201000151600 of said O.P.R.C.C.T.;

THENCE S 89° 04' 42" W passing a 1/2 inch iron rod found at a distance of 80.01 feet for the northwest corner of said One Anna Two Tract continuing for a total distance of 1,264.39 feet to the POINT OF BEGINNING and containing 2,835,667 square feet or 65.098 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

EXHIBIT A-3: "PID PROPERTY" 290.877 ACRES

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE Z. ROBERTS SURVEY, ABSTRACT NUMBER 760, THE J. BOYLE SURVEY, ABSTRACT NUMBER 105, THE J.M. KINCADE SURVEY, ABSTRACT NUMBER 509, THE J. ELLET SURVEY, ABSTRACT NUMBER 296, AND THE W. RATTAN SURVEY, ABSTRACT NUMBER 752 COLLIN COUNTY, TEXAS, BEING ALL OF THAT LAND DESCRIBED BY DEED TO MM ANNA 325, LLC, (TRACT 1) RECORDED IN INSTRUMENT NUMBER 20190411000386110, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID TRACT 1;

THENCE S 01°39'27"E, 46.23 FEET;

THENCE S 00°07'45"W, 239.62 FEET;

THENCE S 00°02'54"E, 240.98 FEET;

THENCE S 00°16'10"W, 240.11 FEET;

THENCE S 00°05'15"W, 193.73 FEET;

THENCE S 00°09'49"W, 159.37 FEET;

THENCE S 03°07'30"W, 136.17 FEET;

THENCE S 00°10'28"W, 117.40 FEET;

THENCE S 89°51'18"E, 18.32 FEET;

THENCE N 55°45'18"E, 13.27 FEET;

THENCE N 29°20'54"E, 61.95 FEET;

THENCE N 82°59'12"E, 29.11 FEET;

THENCE S 76°48'02"E, 38.97 FEET;

THENCE N 81°31'02"E, 42.52 FEET;

THENCE N 64°56'10"E, 12.15 FEET;

THENCE S 30°32'08"E, 25.22 FEET;

THENCE S 00°14'15"W, 13.28 FEET;

THENCE S 32°18'58"E, 21.36 FEET;

THENCE S 78°07'20"E, 14.66 FEET;

THENCE N 10°26'29"E, 17.31 FEET;

THENCE N 53°35'10"E, 21.88 FEET;

THENCE N 78°49'58"E, 15.44 FEET;

THENCE S 57°06'59"E, 24.14 FEET;

THENCE S 41°22'42"E, 62.38 FEET;

THENCE S 01°13'29"E, 28.82 FEET;

THENCE S 00°45'46"W, 119.18 FEET;

THENCE S 88°56'22"E, 602.59 FEET, TO THE NORTHEAST CORNER OF SAID MILLER AND PAYNE TRACT
RECORDED IN INSTRUMENT NUMBER 20110401000341650 AND BEING THE NORTHWEST CORNER OF
AFOREMENTIONED MILLER TRACT RECORDED IN VOLUME 2667, PAGE 671;

THENCE N 89°49'51"E, 933.16 FEET;

THENCE N 89°46'06"E, 488.86 FEET, PASSING THE NORTHEAST CORNER OF SAID MILLER TRACT AND BEING
THE NORTHWEST CORNER OF AFOREMENTIONED MILLER TRACT RECORDED IN VOLUME 1068, PAGE 507;

THENCE S 03°23'35"E, 989.07 FEET, TO THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 277.01 FEET, THROUGH A CENTRAL ANGLE OF 38°31'54", HAVING A RADIUS OF 411.91 FEET, THE LONG CHORD WHICH BEARS S 15°52'22"W, 271.82 FEET;

THENCE S 35°08'19"W, 286.03 FEET;

THENCE S 06°06'41"W, 811.64 FEET;

THENCE S 89°56'10"W, 1154.19 FEET;

THENCE N 00°10'56"E, 232.21 FEET;

THENCE S 89°09'27"W, 794.06 FEET;

THENCE S 89°39'13"W, 1753.66 FEET;

THENCE S 89°55'39"W, 746.70 FEET;

THENCE S 89°51'39"W, 315.81 FEET;

THENCE S 89°09'41"W, 111.58 FEET;

THENCE N 20°10'35"E, 140.94 FEET;

THENCE N 55°00'59"E, 55.72 FEET;

THENCE N 65°08'55"E, 164.54 FEET;

THENCE N 24°07'01"E, 75.15 FEET;

THENCE N 08°28'12"E, 68.74 FEET;

THENCE N 18°33'24"E, 30.27 FEET;

THENCE N 39°07'19"E, 204.32 FEET;

THENCE N 15°58'26"E, 96.33 FEET;

THENCE N 51°42'39"E, 216.49 FEET;

THENCE N 10°14'20"E, 39.18 FEET;

THENCE N 16°20'38"W, 43.77 FEET;

THENCE N 25°38'17"W, 56.21 FEET;

THENCE N 30°23'51"W, 42.71 FEET;

THENCE N 30°57'56"W, 141.18 FEET;

THENCE N 22°04'56"W, 112.22 FEET;

THENCE N 08°32'18"W, 237.53 FEET;

THENCE N 21°21'56"W, 73.37 FEET;

THENCE N 12°45'32"W, 39.65 FEET;

THENCE N 04°05'51"E, 114.57 FEET;

THENCE N 05°37'47"E, 102.03 FEET;

THENCE N 20°12'50"E, 61.91 FEET;

THENCE N 15°56'54"E, 37.72 FEET;

THENCE N 10°49'32"E, 87.03 FEET;

THENCE N 23°29'01"E, 238.46 FEET;

THENCE N 60°08'36"E, 217.24 FEET;

THENCE N 40°36'12"E, 97.96 FEET;

THENCE N 22°54'02"E, 117.90 FEET;

THENCE N 54°18'35"E, 58.08 FEET;

THENCE N 42°30'22"E, 62.53 FEET;

THENCE N 22°13'30"E, 121.36 FEET;

THENCE N 31°23'35"E, 106.80 FEET;

THENCE N 24°37'01"E, 76.66 FEET;

THENCE N 08°41'50"W, 134.21 FEET;

THENCE N 30°06'30"E, 75.08 FEET;

THENCE N 66°06'02"E, 55.48 FEET;

THENCE N 52°19'07"E, 141.40 FEET;

THENCE N 18°14'45"E, 95.78 FEET;

THENCE N 43°56'12"E, 420.59 FEET;

THENCE N 28°03'26"E, 46.51 FEET;

THENCE N 04°16'56"E, 105.49 FEET;

THENCE N 89°36'40"E, 276.78 FEET;

THENCE N 89°54'11"E, 938.53 FEET TO THE POINT OF BEGINNING AND CONTAINING 12,670,595 SQUARE FEET OR 290.877 ACRES OF LAND MORE OR LESS.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

Save and except:

TRACT 1 (65.098 acres)

LEGAL DESCRIPTION:
BEING that certain tract of land situated in the J. Boyle Survey, Abstract Number 105, the J. Kincade Survey, Abstract Number 509, and the W. Rattan Survey, Abstract Number 752, Collin County, Texas, being all of tract 1 to MM Anna 325, LLC recorded in Instrument Number 20190411000386110 and a part of a tract of land to BFB Ana 40 Acres, LLC recorded in Instrument Number 20190412000390800 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.) and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for the most southerly southwest corner of said tract of land to MM Anna 325, LLC being in the north line of that tract of land described by deed to CADG Hurricane Creek, LLC recorded in Instrument Number 201505290000631020 of said O.P.R.C.C.T.

THENCE N 00° 42' 12" W, 287.34 feet with the common line of said CADG Tract and said MM Anna 325 Tract;

N 89° 17' 48" E, 110.00 feet;

N 00° 42' 12" W, 31.43 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 302.23 feet, through a central angle of 32° 59' 01", having a radius of 525.00 feet and a long chord which bears N 15° 47' 19" E, 298.07 feet;

N 32° 16' 49" E, 45.65 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 7.44 feet, through a central angle of 00° 30' 48", having a radius of 830.00 feet and a long chord which bears N 57° 58' 35" W, 7.44 feet;

N 57° 43' 11" W, 162.85 feet;

S 32° 16' 49" W, 605.16 feet;

THENCE S 88° 18' 50" W, 111.81 feet in the north line of said CADG Tract;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

N 45° 08' 58" W, 366.07 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 520.46 feet, through a central angle of 22° 45' 50", having a radius of 1,309.97 feet, and a long chord which bears N 40° 23' 55" E, 517.04 feet;

N 60° 58' 59" W, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 923.42 feet, through a central angle of 44° 14' 19", having a radius of 1,195.97 feet, and a long chord which bears S 51° 15' 12" W, 900.66 feet;

S 16° 30' 37" E, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 27.21 feet, through a central angle of 01° 11' 24", having a radius of 1,310.00 feet, and a long chord which bears S 74° 05' 05" W, 27.21 feet;

S 31° 32' 06" W, 43.31 feet;

S 12° 15' 52" E, 4.77 feet in the north line of said CADG Tract;

THENCE S 89° 05' 29" W, 95.27 feet;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

N 56° 03' 28" W, 23.94 feet;

S 81° 23' 55" W, 27.22 feet;

N 08° 00' 22" W, 120.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 147.41 feet, through a central angle of 07° 05' 51", having a radius of 1,190.00 feet, and a long chord which bears S 85° 32' 34" W, 147.31 feet;

S 89° 05' 29" W, 1,229.11 feet;

N 45° 54' 31" W, 42.43 feet;

N 00° 54' 31" W, 48.75 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 139.72 feet, through a central angle of 12° 07' 49", having a radius of 660.00 feet, and a long chord which bears N 05° 09' 24" E, 139.47 feet;

N 11° 13' 18" E, 45.96 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.09 feet, through a central angle of 07° 14' 23", having a radius of 800.00 feet, and a long chord which bears N 14° 50' 30" E, 101.02 feet;

N 20° 08' 12" E, 50.00 feet;

N 21° 08' 00" E, 138.53 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 304.73 feet, through a central angle of 27° 42' 51", having a radius of 630.00 feet, and a long chord which bears N 07° 16' 34" E, 301.77 feet;

N 83° 25' 09" E, 130.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 32.75 feet, through a central angle of 02° 28' 08", having a radius of 760.00 feet, and a long chord which bears N 07° 48' 55" W, 32.75 feet;

N 80° 57' 01" E, 50.00 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.00 feet, through a central angle of 01° 24' 53", having a radius of 810.00 feet, and a long chord which bears S 08° 20' 32" E, 20.00 feet;

N 83° 35' 40" E, 67.70 feet;

S 87° 46' 29" E, 478.85 feet;

N 01° 44' 03" E, 19.96 feet;

S 88° 15' 57" E, 50.00 feet;

S 01° 44' 03" W, 23.48 feet;

N 89° 15' 16" E, 160.00 feet;

N 84° 17' 59" E, 91.31 feet;

N 81° 01' 54" E, 57.85 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 258.41 feet, through a central angle of 22° 41' 49", having a radius of 652.34 feet, and a long chord which bears N 66° 04' 20" E, 256.73 feet;

N 57° 04' 08" E, 164.66 feet;

N 29° 16' 43" W, 12.47 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.42 feet, through a central angle of 00° 58' 31", having a radius of 1,200.00 feet, and a long chord which bears N 28° 29' 36" W, 20.42 feet;

N 61° 59' 39" E, 50.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 45.85 feet, through a central angle of 02° 17' 04", having a radius of 1,150.00 feet, and a long chord which bears S 29° 08' 53" E, 45.85 feet;

N 59° 43' 13" E, 120.15 feet and the beginning of a curve to the feet;

With said curve to the left, having an arc distance of 434.08 feet, through a central angle of 24° 08' 48", having a radius of 1,030.00 feet, and a long chord which bears S 42° 21' 11" E, 430.88 feet;

S 54° 25' 35" E, 103.82 feet;

N 20° 34' 30" E, 10.35 feet;

N 20° 34' 30" E, 62.97 feet;

S 64° 44' 15" E, 16.45 feet;

S 63° 43' 20" E, 50.02 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 29.83 feet, through a central angle of 01° 46' 49", having a radius of 960.00 feet, and a long chord which bears S 64° 20' 42" E, 29.83 feet;

S 65° 14' 06" E, 70.17 feet;

N 69° 45' 54" E, 42.43 feet;

N 24° 45' 54" E, 22.77 feet;

S 65° 14' 06" E, 120.00 feet;

S 24° 45' 54" W, 23.65 feet;

S 19° 10' 53" E, 43.20 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 1.12 feet, through a central angle 00° 01' 53", having a radius of 2,040.02 feet, and a long chord which bears S 62° 41' 29" E, 1.12 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 95.34 feet, through a central angle of 05° 27' 46", having a radius of 1,000.00 feet, and a long chord which bears S 59° 56' 39" E, 95.31 feet;

N 24° 45' 54" E, 31.64 feet;

S 58° 13' 31" E, 50.38 feet;

S 24° 45' 54" W, 33.83 feet;

S 55° 20' 20" E, 104.47 feet;

S 57° 43' 11" E, 272.85 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 444.37 feet, through a central angle of 33° 03' 57", having a radius of 770.00 feet, and a long chord which bears S 74° 15' 09" E, 438.23 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 49.91 feet, through a central angle of 07° 37' 35", having a radius of 375.00 feet, and a long chord which bears N 07° 38' 20" E, 49.88 feet;

S 78° 32' 52" E, 50.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 37.57 feet, through a central angle of 06° 37' 24", having a radius of 325.00 feet, and a long chord which bears S 08° 08' 26" W, 37.55 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 71.20 through a central angle of 05° 17' 53", having a radius of 770.00 feet, and a long chord which bears N 82° 48' 59" E, 71.18 feet;

N 80° 10' 03" E, 330.53 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 56.36 feet, through a central angle of 03° 06' 19", having a radius of 1,040.00 feet, and a long chord which bears N 04° 30' 13" W, 56.36 feet;

N 87° 02' 56" E, 80.00 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 46.75 feet, through a central angle of 02° 47' 24", having a radius of 960.00 feet, and a long chord which bears S 04° 20' 46" E, 46.74 feet;

N 80° 10' 03" E, 38.26 feet;

S 09° 49' 57" E, 60.00 feet;

S 80° 10' 03" W, 40.67 feet and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 84.77 feet, through a central angle of 05° 03' 35", having a radius of 960.00 feet, and a long chord which bears S 11° 51' 19" E, 84.75 feet;

S 14° 23' 07" E, 120.30 feet and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.47 feet, through a central angle of 12° 30' 04", having a radius of 465.07 feet, and a long chord which bears S 08° 14' 28" E, 101.27 feet;

S 01° 59' 25" E, 283.25 feet to a 5/8-inch iron rod with cap stamped "PELOTON" set in the north line of a tract of land described in deed to One Anna Two, LTD recorded in Instrument Number 20070201000151600 of said O.P.R.C.C.T.;

THENCE S 89° 04' 42" W passing a 1/2 inch iron rod found at a distance of 80.01 feet for the northwest corner of said One Anna Two Tract continuing for a total distance of 1,264.39 feet to the POINT OF BEGINNING and containing 2,835,667 square feet or 65.098 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

APPENDIX A – ENGINEER'S REPORT

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PELOTON
LAND SOLUTIONS

FRISCO OFFICE
11000 Frisco St.
Suite 400
Frisco, Texas 75033
469.213.1800
TBPLS 10194468

May 19, 2021

Engineer's Report
Sherley Tract PID #2
The Villages of Hurricane Creek - North
SW Corner of US 75 & Rosamond Parkway
City of Anna/Anna ETJ

Introduction: The Sherley Tract PID #2 (Villages of Hurricane Creek – North) is a mixed-use development consisting of approximately 911 single-family residential lots (992 total units), 530 multi-family units, 27.8 acres of commercial, and an estimated 38.8 acres of dedicated open space as depicted on Exhibit A. The parcel is located at the southwest corner of US Highway 75 and future Rosamond Parkway; it is directly north of the existing Hurricane Creek project. This Engineer's Report includes the documents requested by the City of Anna for the formation of the Public Improvement District (PID) and the issuance of bonds by the City. Bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

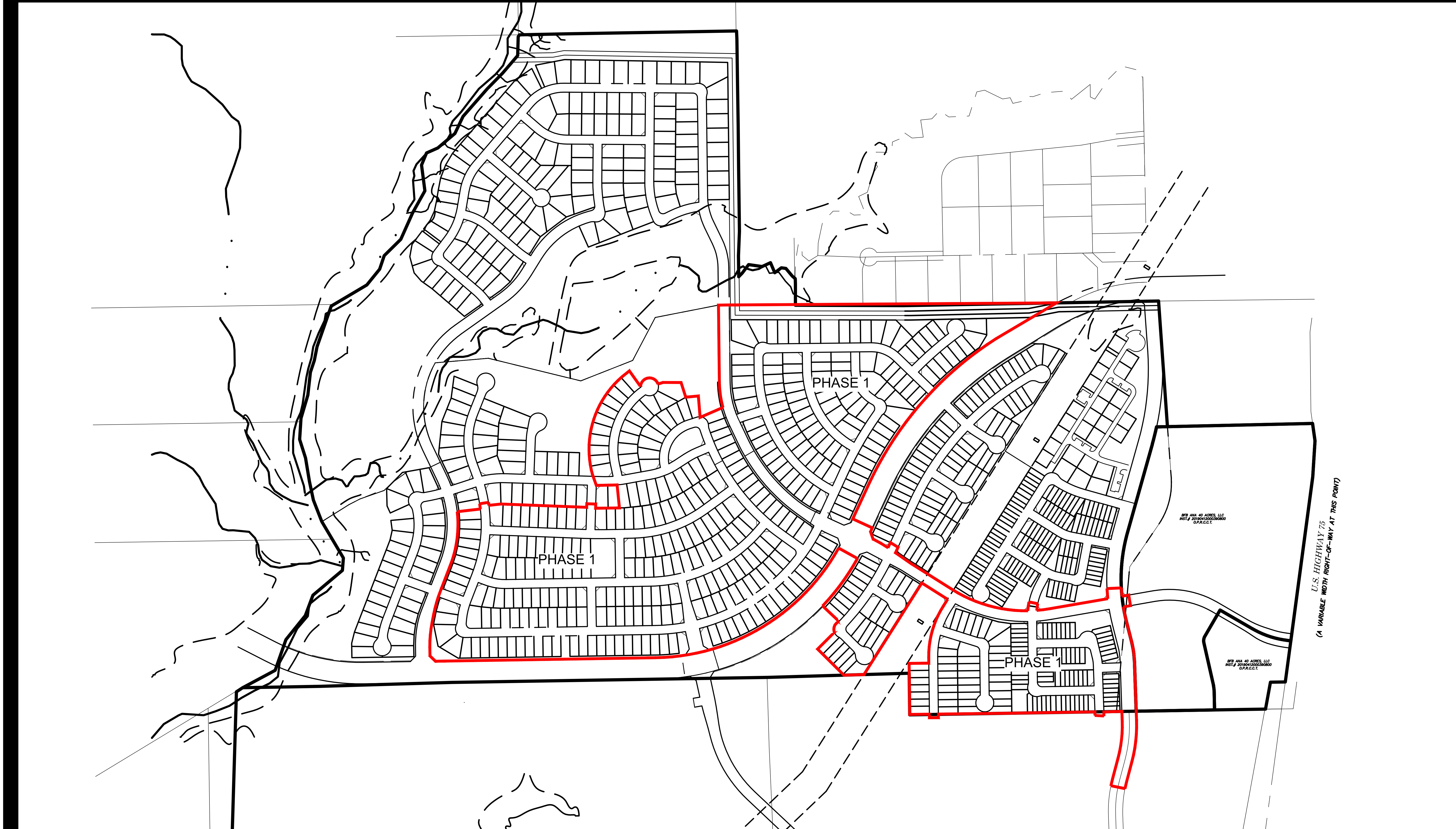
Development Costs: An Engineer's Opinion of Probable Cost has been prepared for all on-site and off-site infrastructure (Exhibit B).

Development Improvements: Development Improvements have been classified as Master Infrastructure, PID Improvements, and Private Costs. Master Improvements and PID Improvement items will be included in the PID.

PID Improvements for Improvement Area #1 (Phase 1 of the development) are shown on Exhibits C through G; Master Improvements are shown on Exhibits H through J.

Development Schedule: Entitlements are in place for the project; Phase 1 construction plans are under review by the City. We anticipate starting construction of the utilities to serve IA #1 in July 2021 with final acceptance in February 2022.

STATE OF TEXAS
MARC P. PAQUETTE
84936
REGISTERED
PROFESSIONAL ENGINEER



PELOTON
LAND SOLUTIONS

EXHIBIT A

IMPROVEMENT AREA #1 CONCEPT PLAN

SHERLEY TRACT PID #2

MAY 17, 2021

OPINION OF PROBABLE COST

SHERLEY TRACT PID #2

VILLAGES OF HURRICANE CREEK - NORTH

City of Anna & Anna ETJ, Collin County, Texas

911 TOTAL LOTS
201.9 SINGLE FAMILY ACRES (NET)

CEN18001

Prepared For: MM Anna 325, LLC
Date: May 20, 2021
File Name: 20210519 _VHC-NORTH_ENG REPORT OPC
Prepared by: MPP/CJB
Checked by: MPP

CONSTRUCTION COSTS

SUMMARY	MI Costs			PID Costs			Private Costs			Total Costs
DESCRIPTION	**Phase 1**	**Future**	**Total**	**Phase 1**	**Future**	**Total**	**Phase 1**	**Future**	**Total**	
1 - Earthwork	$102,967	$348,042	$451,009	$315,611	$469,391	$785,002	$586,134	$871,726	$1,457,861	$2,693,872
2 - Retaining Walls	$0	$0	$0	$0	$0	$0	$803,340	$930,525	$1,733,865	$1,733,865
3 - Water	$621,765	$1,194,893	$1,816,658	$1,130,975	$1,201,423	$2,332,398	$0	$0	$0	$4,149,055
4 - Sanitary Sewer	$281,025	$220,025	$501,050	$1,515,886	$1,262,810	$2,778,696	$0	$0	$0	$3,279,746
5 - Storm	$653,700	$1,427,130	$2,080,830	$928,453	$909,803	$1,838,255	$0	$0	$0	$3,919,085
6 - Paving	$1,456,472	$3,105,773	$4,562,245	$3,802,998	$1,691,353	$5,494,351	$0	$0	$0	$10,056,596
7 - Street Lights & Signs	$114,263	$129,350	$243,613	$2,200	$17,600	$19,800	$0	$0	$0	$263,413
8 - Screen Walls & Entry Monument	$0	$0	$0	$0	$0	$0	$486,550	$818,500	$1,305,050	$1,305,050
9 - Landscaping & Irrigation	$0	$0	$0	$0	$0	$0	$807,180	$103,400	$910,580	$910,580
10 - Amenities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11 - District Formation	$550,000	$0	$550,000	$0	$0	$0	$0	$0	$0	$550,000
TOTAL CONSTRUCTION COSTS	**$3,780,191**	**$6,425,213**	**$10,205,404**	**$7,696,122**	**$5,552,379**	**$13,248,501**	**$2,683,204**	**$2,724,151**	**$5,407,356**	**$28,861,261**

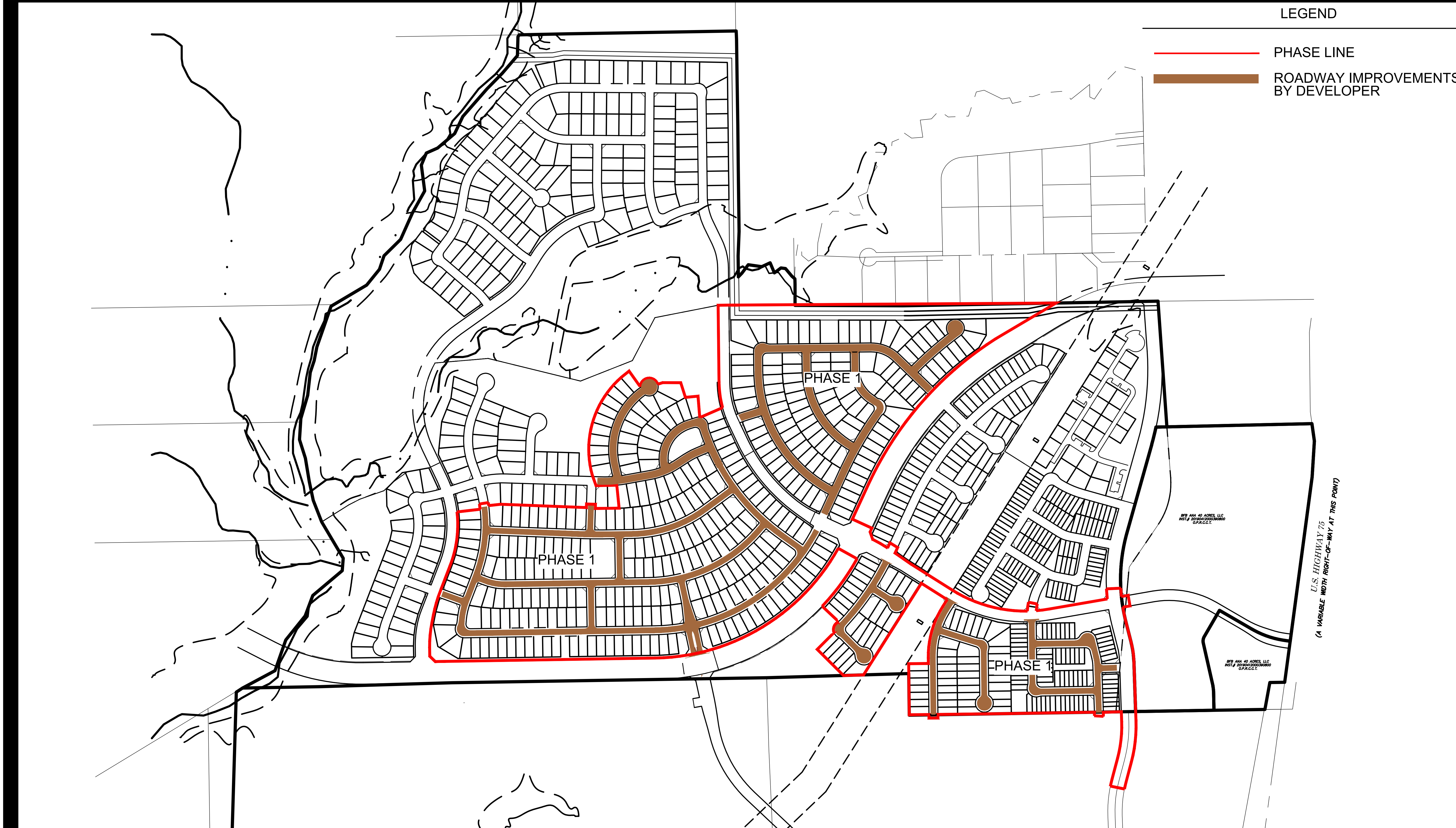
MISCELLANEOUS COSTS

DESCRIPTION	QTY	UNIT	Phase 1	Future	Total	Phase 1	Future	Total	Phase 1	Future	Total	Total Costs
Entitlements, Dev Agmt, District Creation	1	LOT	$122,255	$100,940	$223,195	$0	$0	$0	$0	$0	$0	$223,195
Eng & Surveying (Ph. 1 is per contract)	1	LS	$338,805	$767,311	$1,106,116	$842,985	$792,559	$1,635,544	$93,665	$103,868	$197,533	$2,939,192
LOMR (Assumes 2 required)	1	LS	$0	$78,000	$78,000	$0	$0	$0	$0	$0	$0	$78,000
FEMA LOMR Fees (Assumes 2 required)	1	LS	$0	$16,500	$16,500	$0	$0	$0	$0	$0	$0	$16,500
SWPPP (plan preparation & inspections)	1	LS	$12,500	$9,000	$21,500	$9,500	$6,000	$15,500	$9,500	$6,000	$15,500	$52,500
Preliminary Platting Fee	1	LS	$3,145	$2,385	$5,530	$0	$0	$0	$0	$0	$0	$5,530
Final Platting Fee	1	LS	$3,145	$2,385	$5,530	$0	$0	$0	$0	$0	$0	$5,530
Maintenance Bond (2% of Pvg & Util Contracts)	2%	%	$54,880	$113,340	$168,220	$136,940	$101,310	$238,250	$0	$0	$0	$406,470
Engineering Review Fee	1	LS	$5,000	$2,500	$7,500	$0	$0	$0	$0	$0	$0	$7,500
Inspection Fee	4%	%	$128,240	$239,770	$368,010	$300,270	$222,090	$522,360	$47,930	$96,250	$144,180	$1,034,550
Geotechnical Testing (10% of Earthwork)	10%	%	$46,750	$34,800	$81,550	$101,510	$46,940	$148,450	$30,660	$87,170	$117,830	$347,830
Cluster Mailboxes	1	LS	$0		$0	$0		$0	$44,000		$44,000	$44,000
Landscape & Hardscape Plans	1	LS	$0		$0	$40,000		$40,000	$0		$0	$40,000
Franchise Utilities - No cost for gas or electric install	1	LS	$0		$0	$0		$0	$0		$0	$0
TOTAL MISC. COSTS			**$714,720**	**$1,366,931**	**$2,081,651**	**$1,431,205**	**$1,168,899**	**$2,600,104**	**$225,755**	**$293,288**	**$519,043**	**$5,200,797**

SUMMARY

Construction Costs			$3,780,191	$6,425,213	$10,205,404	$7,696,122	$5,552,379	$13,248,501	$2,683,204	$2,724,151	$5,407,356	$28,861,261
Miscellaneous Costs			$714,720	$1,366,931	$2,081,651	$1,431,205	$1,168,899	$2,600,104	$225,755	$293,288	$519,043	$5,200,797
Contingency	3.5%	%	$157,322	$272,725	$430,047	$319,456	$235,245	$554,701	$101,814	$105,610	$207,424	$1,192,172
NET PROJECT COSTS			**$4,652,230**	**$8,064,870**	**$12,717,100**	**$9,446,780**	**$6,956,520**	**$16,403,310**	**$3,010,770**	**$3,123,050**	**$6,133,820**	**$35,254,230**

Per Acre: **$174,612**
Per Lot: **$38,698**



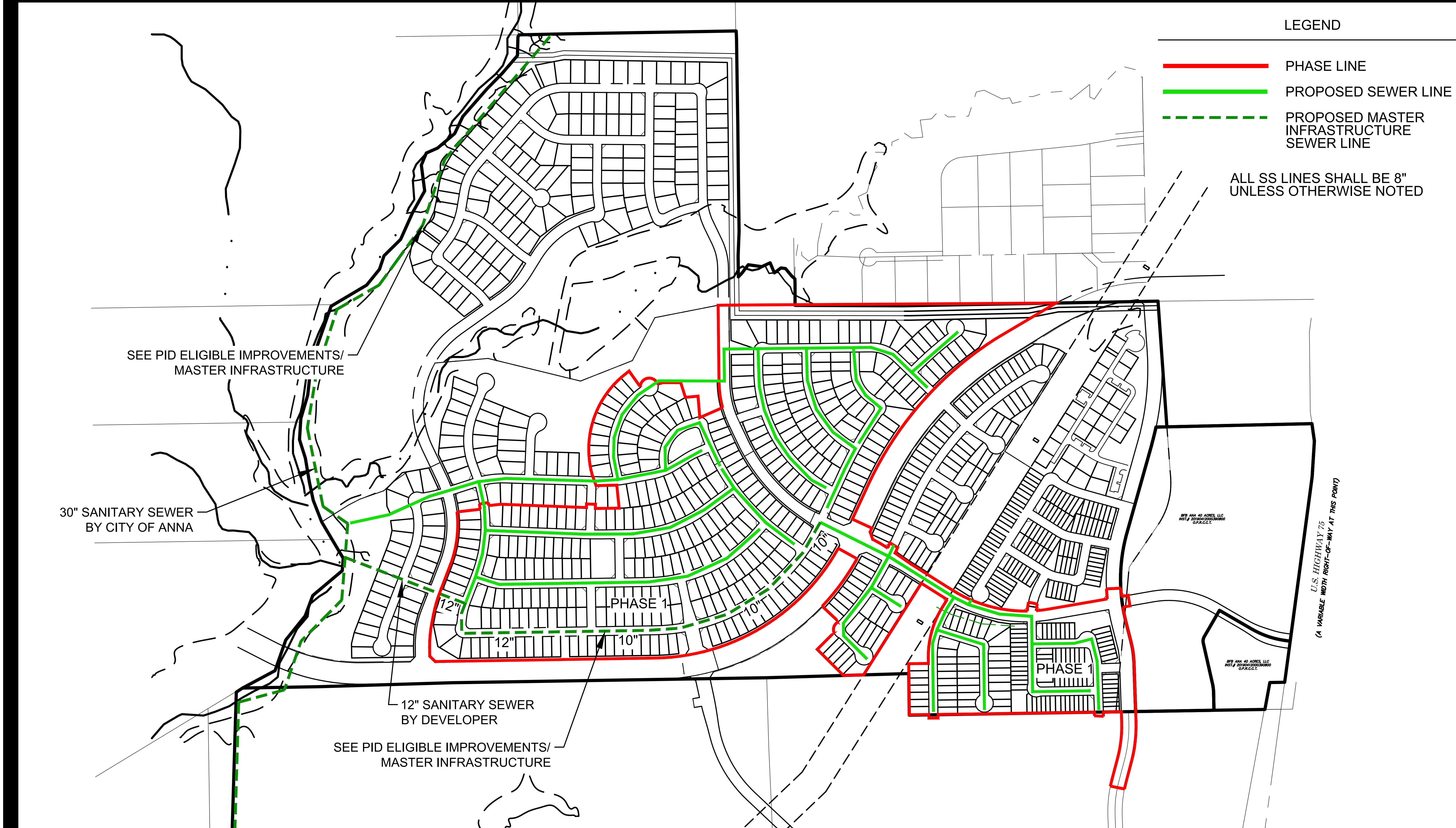
PELOTON LAND SOLUTIONS

EXHIBIT C

IMPROVEMENT AREA #1 ON-SITE STREETS

SHERLEY TRACT PID #2

MAY 17, 2021



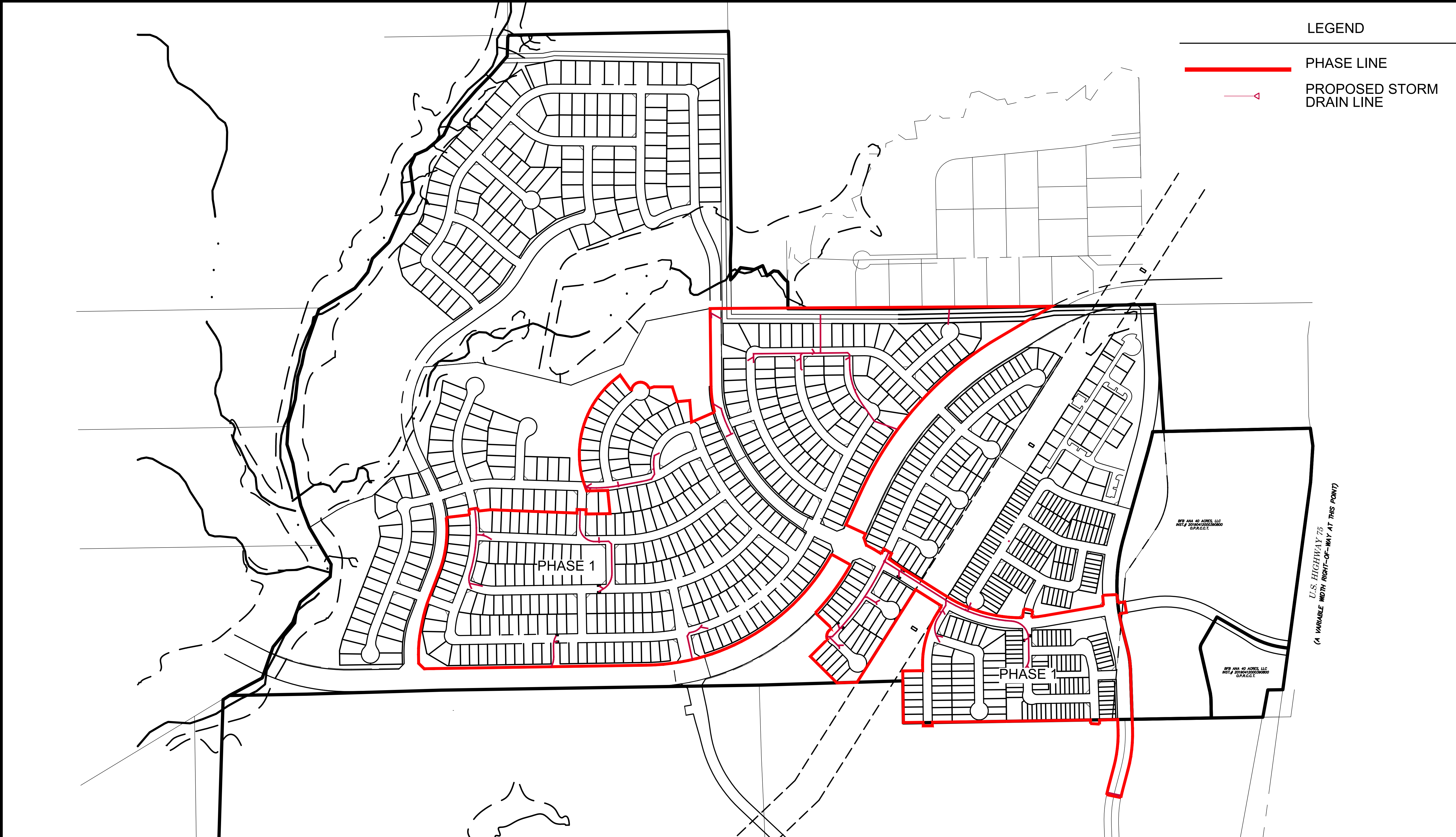
PELOTON LAND SOLUTIONS

EXHIBIT D

IMPROVEMENT AREA #1 ON-SITE SANITARY SEWER

SHERLEY TRACT PID #2

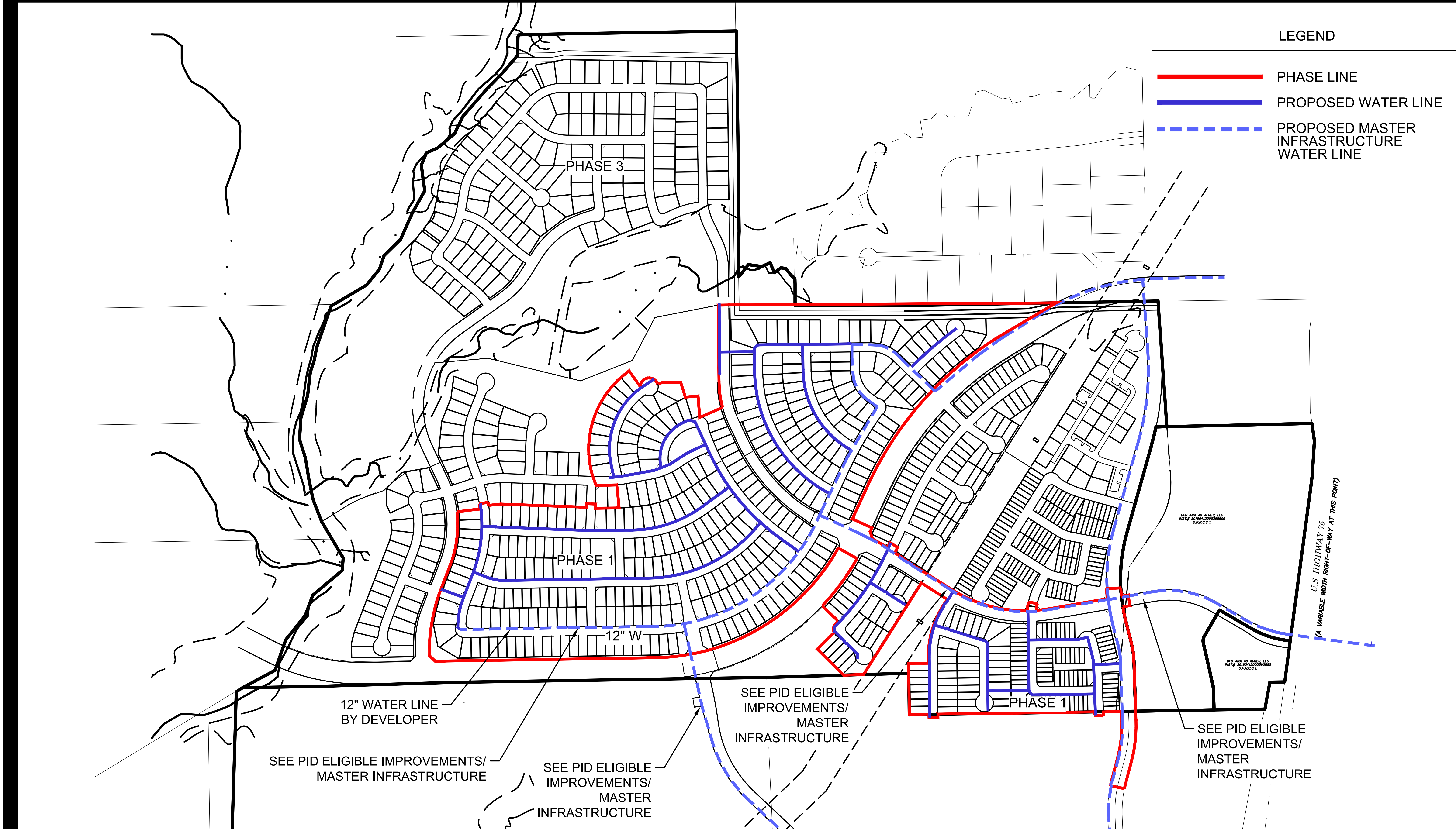
MAY 17, 2021



PELOTON
LAND SOLUTIONS

EXHIBIT E
IMPROVEMENT AREA #1 ON-SITE STORM DRAIN
SHERLEY TRACT PID #2

MAY 17, 2021



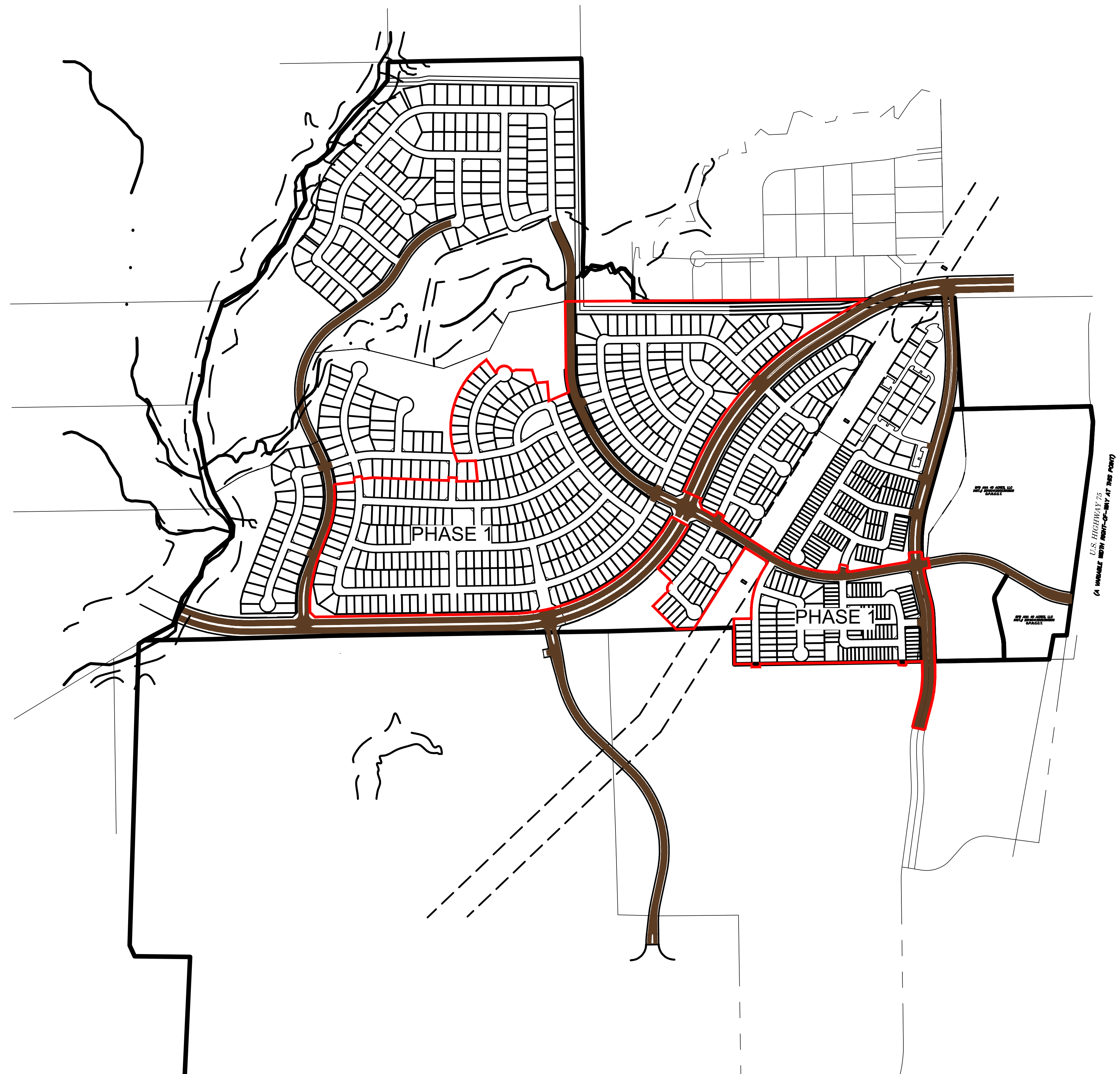
PELOTON LAND SOLUTIONS

EXHIBIT F

IMPROVEMENT AREA #1 ON-SITE WATER DISTRIBUTION

SHERLEY TRACT PID #2

MAY 17, 2021



LEGEND

PHASE LINE

ROADWAY IMPROVEMENTS BY DEVELOPER

PELOTON LAND SOLUTIONS

EXHIBIT G

MAJOR IMPROVEMENTS ROADWAY

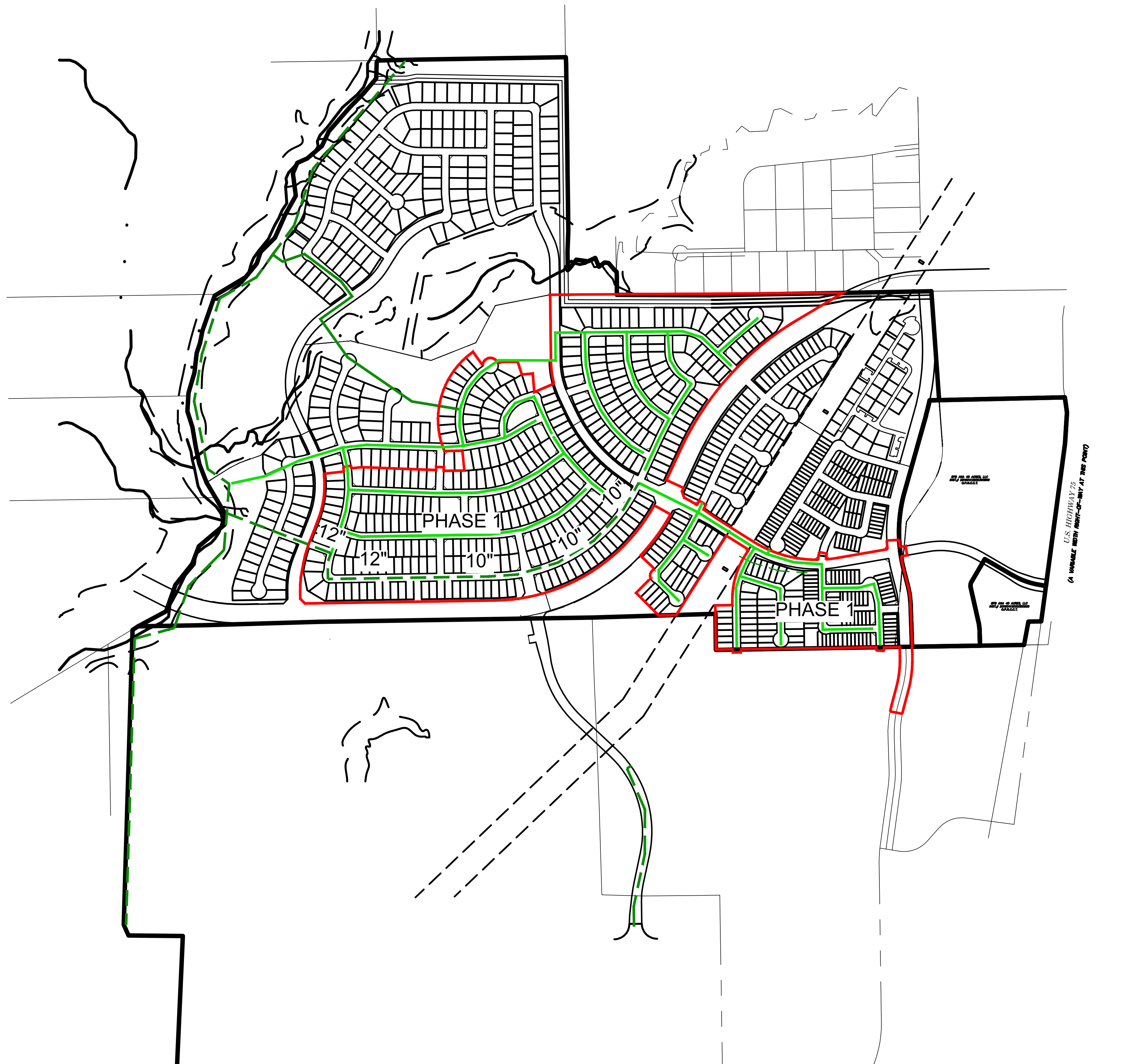
SHERLEY TRACT PID #2

MAY 17, 2021

LEGEND

PHASE LINE

PROPOSED SEWER LINE



PELOTON
LAND SOLUTIONS

EXHIBIT H

MAJOR IMPROVEMENTS SANITARY SEWER

SHERLEY TRACT PID #2

MAY 17, 2021

LEGEND

PHASE LINE

PROPOSED STORM DRAIN LINE

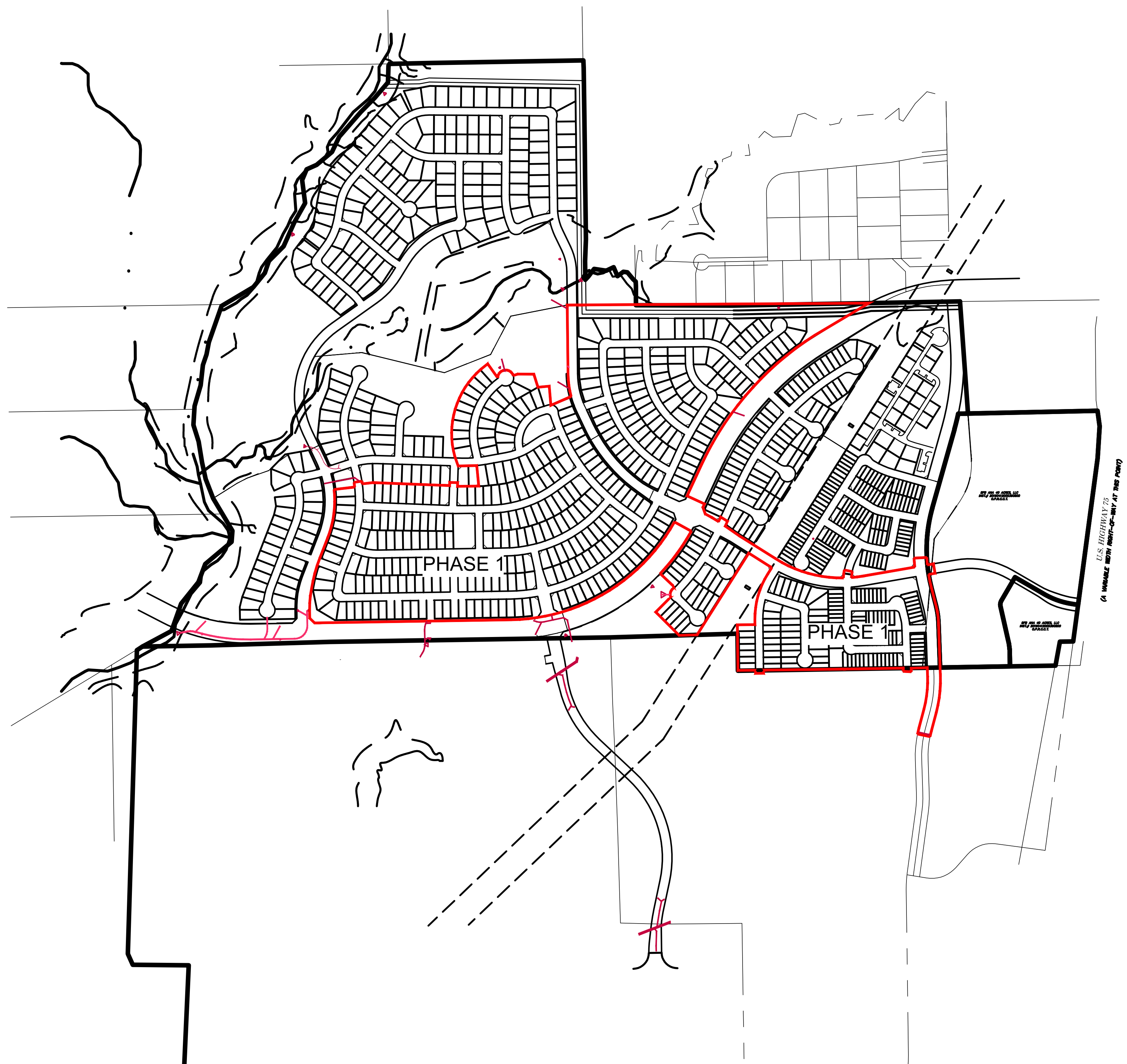


EXHIBIT I

MAJOR IMPROVEMENTS STORM SEWER

SHERLEY TRACT PID #2

MAY 17, 2021

PELOTON LAND SOLUTIONS

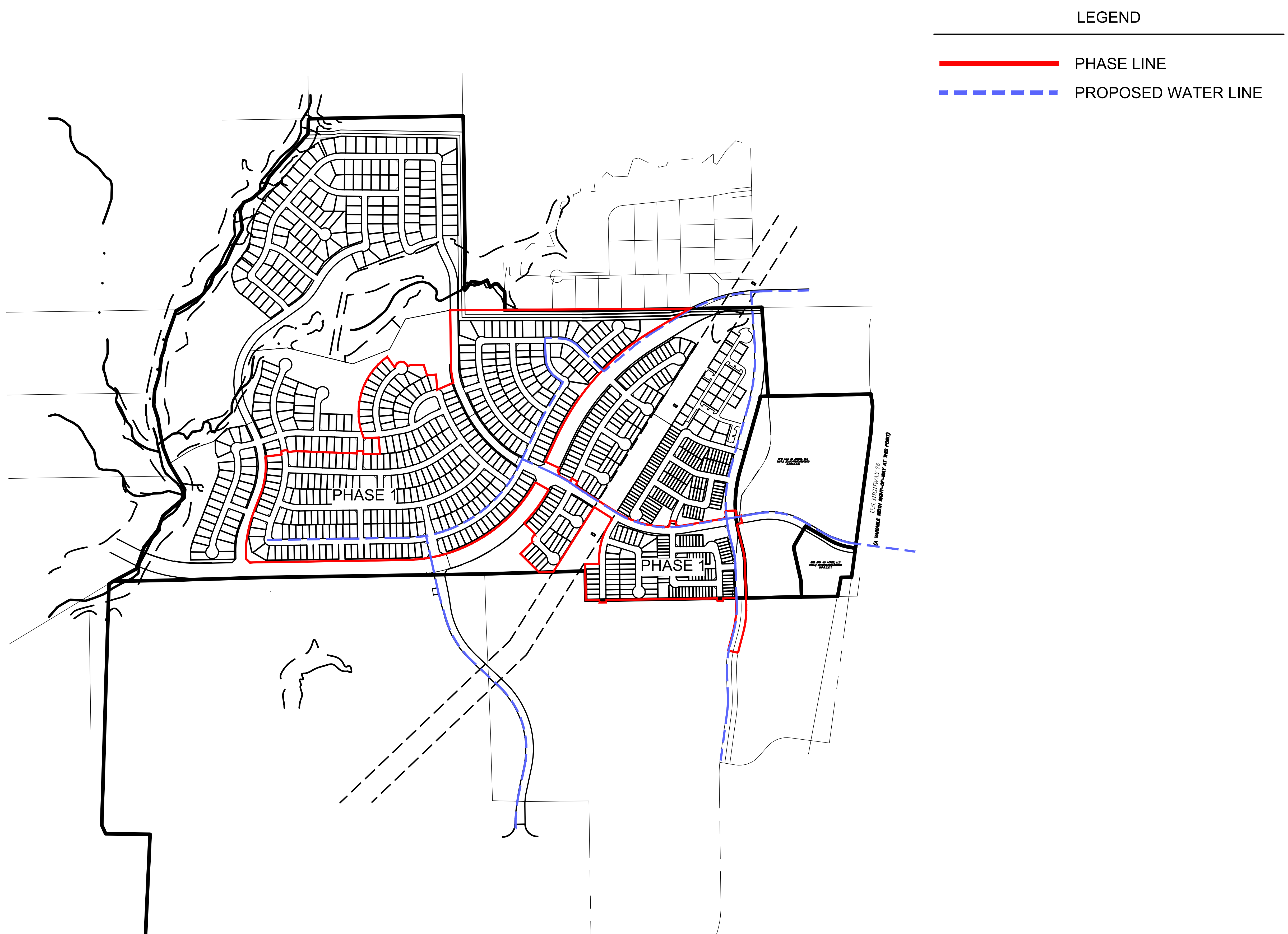


EXHIBIT J
MAJOR IMPROVEMENTS WATER

SHERLEY TRACT PID #2

PELOTON LAND SOLUTIONS

MAY 17, 2021

THE CITY OF Anna

Item No. 7.d.

City Council Agenda
Staff Report

Meeting Date: 5/25/2021
Staff Contact:

AGENDA ITEM:
Consider/Discuss/Action on a RESOLUTION SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE WITHIN THE CITY OF ANNA, TEXAS; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF ANNA, TEXAS REGARDING THE PUBLIC HEARING; AND DIRECTING THE CITY TO PREPARE A PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

SUMMARY:
Consider/Discuss/Action on a RESOLUTION SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE WITHIN THE CITY OF ANNA, TEXAS; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF ANNA, TEXAS REGARDING THE PUBLIC HEARING; AND DIRECTING THE CITY TO PREPARE A PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

FINANCIAL IMPACT:

STRATEGIC CONNECTIONS:
This item supports the City of Anna Strategic Plan, specifically advancing:
Goal 3: Sustainable Anna Community Through Planned Managed Growth

STAFF RECOMMENDATION:
Approve the resolution

ATTACHMENTS:
1. TIRZ No. 3 Creation Hearing Resolution Sherley Tract v2

APPROVALS:

Carrie Land, City Secretary	Created/Initiated - 5/21/2021
Jim Proce, City Manager	Final Approval - 5/21/2021

CITY OF ANNA, TEXAS

RESOLUTION NO. 2021-05-___

A RESOLUTION SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE WITHIN THE CITY OF ANNA, TEXAS; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF ANNA, TEXAS REGARDING THE PUBLIC HEARING; AND DIRECTING THE CITY TO PREPARE A PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

WHEREAS, the City of Anna, Texas (the "City"), is authorized under Chapter 311 of the Texas Tax Code, as amended (the "Act"), to create a tax increment reinvestment zone within its city limits;

WHEREAS, the City Council of the City (the "City Council") wishes to hold a public hearing in accordance with Section 311.003 of the Act regarding the establishment of a tax increment reinvestment zone in the City (the "Zone") with the boundaries being described in the metes and bounds attached as **Exhibit A**; and

WHEREAS, in order to hold a public hearing for the creation of the Zone, notice must be given in a newspaper of general circulation in the City no later than the 7th day before the date of the hearing in accordance with Section 311.003 of the Act; and

WHERAS, the City Council has determined to hold a public hearing on June 8, 2021 on the creation of the Zone.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:

Section 1. That a public hearing is hereby called for *June 8, 2021 at 6:30 p.m. at Anna ISD Board Room, 201 E. 7th Street, Anna, TX 75409*, for the purpose of hearing any interested person speak for or against the inclusion of property in the proposed Zone, the creation of the Zone, its boundaries, or the concept of tax increment financing with respect to the creation of the Zone.

Section 2. At such time and place the City Council will hear testimony regarding the creation of the Zone and will provide a reasonable opportunity for the owner of any property within the proposed Zone to protest the inclusion of their property within the Zone. Upon closing the public hearing, the City Council may consider the adoption of an ordinance authorizing the creation of the Zone.

Section 3. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved.

Section 4. The City Secretary is hereby authorized and directed to cause said notice to be published in substantially the form attached hereto in a newspaper of general circulation in the City on or before June 1, 2021.

Section 5. Before the June 8, 2021 hearing concerning the Zone, the City shall prepare a preliminary reinvestment zone financing plan.

Section 6. This resolution shall be in full force and effect from and after its passage and it is accordingly so resolved.

PASSED AND APPROVED on this the 25th day of May, 2021.

ATTEST:

____
Nate Pike, Mayor

____
Carrie L. Land, City Secretary

EXHIBIT A

Metes and Bounds for the Zone

BEING that certain tract of land situated in the J. Boyle Survey, Abstract Number 105, the J. Kincade Survey, Abstract Number 509, and the W. Rattan Survey, Abstract Number 752, Collin County, Texas, being all of tract 1 to MM Anna 325, LLC recorded in Instrument Number 20190411000386110 and a part of a tract of land to BFB Ana 40 Acres, LLC recorded in Instrument Number 20190412000390800 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.) and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for the most southerly southwest corner of said tract of land to MM Anna 325, LLC being in the north line of that tract of land described by deed to CADG Hurricane Creek, LLC recorded in Instrument Number 201505290000631020 of said O.P.R.C.C.T.

THENCE N 00° 42' 12" W, 287.34 feet with the common line of said CADG Tract and said MM Anna 325 Tract to a 5/8 inch iron rod with cap stamped "PELOTON" set;

> N 89° 17' 48" E, 110.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;
>
> N 00° 42' 12" W, 31.43 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the right;
>
> With said curve to the right, having an arc distance of 302.23 feet, through a central angle of 32° 59' 01", having a radius of 525.00 feet and a long chord which bears N 15° 47' 19" E, 298.07 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;
>
> N 32° 16' 49" E, 45.65 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the right;
>
> With said curve to the right, having an arc distance of 7.44 feet, through a central angle of 00° 30' 48", having a radius of 830.00 feet and a long chord which bears N 57° 58' 35" W, 7.44 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;
>
> N 57° 43' 11" W, 162.85 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;
>
> S 32° 16' 49" W, 605.16 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

THENCE S 88° 18' 50" W, 111.81 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set in the north line of said CADG Tract;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

> N 45° 08' 58" W, 366.07 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 520.46 feet, through a central angle of 22° 45' 50", having a radius of 1,309.97 feet, and a long chord which bears N 40° 23' 55" E, 517.04 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 60° 58' 59" W, 120.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 923.42 feet, through a central angle of 44° 14' 19", having a radius of 1,195.97 feet, and a long chord which bears S 51° 15' 12" W, 900.66 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 16° 30' 37" E, 120.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 27.21 feet, through a central angle of 01° 11' 24", having a radius of 1,310.00 feet, and a long chord which bears S 74° 05' 05" W, 27.21 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 31° 32' 06" W, 43.31 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 12° 15' 52" E, 4.77 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set in the north line of said CADG Tract;

THENCE S 89° 05' 29" W, 95.27 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

THENCE departing said north line over and across said tract of land to MM Anna 325, LLC the following bearings and distances:

N 56° 03' 28" W, 23.94 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 81° 23' 55" W, 27.22 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 08° 00' 22" W, 120.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 147.41 feet, through a central angle of 07° 05' 51", having a radius of 1,190.00 feet, and a long chord which bears S 85° 32' 34" W, 147.31 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 89° 05' 29" W, 1,229.11 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 45° 54' 31" W, 42.43 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 00° 54' 31" W, 48.75 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 139.72 feet, through a central angle of 12° 07' 49", having a radius of 660.00 feet, and a long chord which bears N 05° 09' 24" E, 139.47 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 11° 13' 18" E, 45.96 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.09 feet, through a central angle of 07° 14' 23", having a radius of 800.00 feet, and a long chord which bears N 14° 50' 30" E, 101.02 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 20° 08' 12" E, 50.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 21° 08' 00" E, 138.53 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 304.73 feet, through a central angle of 27° 42' 51", having a radius of 630.00 feet, and a long chord which bears N 07° 16' 34" E, 301.77 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 83° 25' 09" E, 130.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 32.75 feet, through a central angle of 02° 28' 08", having a radius of 760.00 feet, and a long chord which bears N 07° 48' 55" W, 32.75 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 80° 57' 01" E, 50.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.00 feet, through a central angle of 01° 24' 53", having a radius of 810.00 feet, and a long chord which bears S 08° 20' 32" E, 20.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 83° 35' 40" E, 67.70 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

S 87° 46' 29" E, 478.85 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 01° 44' 03" E, 19.96 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

S 88° 15' 57" E, 50.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

S 01° 44' 03" W, 23.48 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 89° 15' 16" E, 160.00 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 84° 17' 59" E, 91.31 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set;

N 81° 01' 54" E, 57.85 feet to a 5/8 inch iron rod with cap stamped "PELOTON" set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 258.41 feet, through a central angle of 22° 41' 49", having a radius of 652.34 feet, and a long chord which bears N 66° 04' 20" E, 256.73 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 57° 04' 08" E, 164.66 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 29° 16' 43" W, 12.47 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 20.42 feet, through a central angle of 00° 58' 31", having a radius of 1,200.00 feet, and a long chord which bears N 28° 29' 36" W, 20.42 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 61° 59' 39" E, 50.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 45.85 feet, through a central angle of 02° 17' 04", having a radius of 1,150.00 feet, and a long chord which bears S 29° 08' 53" E, 45.85 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 59° 43' 13" E, 120.15 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

With said curve to the left, having an arc distance of 434.08 feet, through a central angle of 24° 08' 48", having a radius of 1,030.00 feet, and a long chord which bears S 42° 21' 11" E, 430.88 feet and a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 54° 25' 35" E, 103.82 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 20° 34' 30" E, 10.35 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 20° 34' 30" E, 62.97 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 64° 44' 15" E, 16.45 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 63° 43' 20" E, 50.02 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 29.83 feet, through a central angle of 01° 46' 49", having a radius of 960.00 feet, and a long chord which bears S 64° 20' 42" E, 29.83 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 65° 14' 06" E, 70.17 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 69° 45' 54" E, 42.43 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 24° 45' 54" E, 22.77 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 65° 14' 06" E, 120.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 24° 45' 54" W, 23.65 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 19° 10' 53" E, 43.20 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 1.12 feet, through a central angle 00° 01' 53", having a radius of 2,040.02 feet, and a long chord which bears S 62° 41' 29" E, 1.12 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 95.34 feet, through a central angle of 05° 27' 46", having a radius of 1,000.00 feet, and a long chord which bears S 59° 56' 39" E, 95.31 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 24° 45' 54" E, 31.64 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 58° 13' 31" E, 50.38 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 24° 45' 54" W, 33.83 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 55° 20' 20" E, 104.47 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 57° 43' 11" E, 272.85 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 444.37 feet, through a central angle of 33° 03' 57", having a radius of 770.00 feet, and a long chord which bears S 74° 15' 09" E, 438.23 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 49.91 feet, through a central angle of 07° 37' 35", having a radius of 375.00 feet, and a long chord which bears N 07° 38' 20" E, 49.88 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 78° 32' 52" E, 50.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 37.57 feet, through a central angle of 06° 37' 24", having a radius of 325.00 feet, and a long chord which bears S 08° 08' 26" W, 37.55 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 71.20 through a central angle of 05° 17' 53", having a radius of 770.00 feet, and a long chord which bears N 82° 48' 59" E, 71.18 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 80° 10' 03" E, 330.53 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 56.36 feet, through a central angle of 03° 06' 19", having a radius of 1,040.00 feet, and a long chord which bears N 04° 30' 13" W, 56.36 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 87° 02' 56" E, 80.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 46.75 feet, through a central angle of 02° 47' 24", having a radius of 960.00 feet, and a long chord which bears S 04° 20' 46" E, 46.74 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

N 80° 10' 03" E, 38.26 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 09° 49' 57" E, 60.00 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 80° 10' 03" W, 40.67 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the left;

With said curve to the left, having an arc distance of 84.77 feet, through a central angle of 05° 03' 35", having a radius of 960.00 feet, and a long chord which bears S 11° 51' 19" E, 84.75 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 14° 23' 07" E, 120.30 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set and the beginning of a curve to the right;

With said curve to the right, having an arc distance of 101.47 feet, through a central angle of 12° 30' 04", having a radius of 465.07 feet, and a long chord which bears S 08° 14' 28" E, 101.27 feet to a 5/8 inch iron rod with cap stamped “PELOTON” set;

S 01° 59' 25" E, 283.25 feet to a 5/8-inch iron rod with cap stamped “PELOTON” set in the north line of a tract of land described in deed to One Anna Two, LTD recorded in Instrument Number 20070201000151600 of said O.P.R.C.C.T.;

THENCE S 89° 04' 42" W passing a 1/2 inch iron rod found at a distance of 80.01 feet for the northwest corner of said One Anna Two Tract continuing for a total distance of 1,264.39 feet to the POINT OF BEGINNING and containing 2,835,667 square feet or 65.098 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT B

City of Anna City Council
Notice of Public Hearing
On Creation of Reinvestment Zone

THE ANNA CITY COUNCIL WILL HOLD A PUBLIC HEARING ON TUESDAY JUNE 8, 2021 AT 6:30 P.M. AT ANNA ISD BOARD ROOM, 201 E. 7TH STREET, ANNA, TX 75409, ON THE CREATION OF A REINVESTMENT ZONE AND ITS BENEFITS TO THE CITY OF ANNA AND TO PROVIDE A REASONABLE OPPORTUNITY FOR ANY OWNER OF PROPERTY WITHIN THE PROPOSED REINVESTMENT ZONE TO PROTEST THE INCLUSION OF THEIR PROPERTY WITHIN THE PROPOSED REINVESTMENT ZONE, WHICH PROPOSED ZONE CONSISTS OF APPROXIMATELY 65.098 ACRES GENERALLY LOCATED WEST OF U.S. HIGHWAY 75 AND NORTH OF ROSEWAY STREET, WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY AND AS MORE PARTICULARLY DESCRIBED BY A METES AND BOUNDS DESCRIPTION AVAILABLE AT ANNA CITY HALL LOCATED AT 111 N. POWELL PARKWAY, ANNA, TEXAS 75409 AND AVAILABLE FOR PUBLIC INSPECTION. AT THE PUBLIC HEARING, ANY INTERESTED PERSON MAY SPEAK FOR OR AGAINST THE INCLUSION OF PROPERTY WITHIN THE ZONE, THE CREATION OF THE REINVESTMENT ZONE, ITS BOUNDARIES, OR THE CONCEPT OF TAX INCREMENT FINANCING. FOLLOWING THE PUBLIC HEARING, ANNA CITY COUNCIL WILL CONSIDER ADOPTION OF AN ORDINANCE CREATING THE REINVESTMENT ZONE.