IT ALL COMES TOGETHER

2013/2014 TOWN OF ADDISON, TEXAS BUDGET BOOK



4.3 SQUARE MILES

















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How To Read This Document

Welcome!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2013 and ending September 30, 2014. This document has been specially prepared to help you, the reader, learn of the issues affecting the Addison community. Many people believe a city budget is only a financial plan. Although you can learn much of the Town's finances from these pages, the 2013-2014 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the Town is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed written and graphically.

Budget Format

The document is divided into four major sections: Introduction, Financial/Operational, Town Chronicle, and Appendices. The Introduction section contains the City Manager's letter which is addressed to the City Council and explains the major policies and issues which impacted the development of the 2014 fiscal year Town budget. The section also contains a statement of the Town's vision and goals, the press release that accompanied the ordinance adopting the budget, the Town's organization and staffing chart, and the summary of all financial statements. Liberal use is made in this section of footnotes, which direct the reader to sections of the document that more fully describe programs or projects.

The Financial/Operational section describes various aspects of the Town's organization. This information is grouped first by fund and then by department. Like many local governments, the Town uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to keep track of the use of the hotel/motel occupancy tax. Most people are particularly interested in the General Fund which is comprised of most of the Town's operations like Police, Fire, and Parks. Financial statements, including

the adopted 2013-2014 budget, are presented for every fund. The statements show the fund's financial condition over a number of years. Like the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts for the 2011-2012 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2012-2013 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2012-2013 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2013-2014 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the Town's organization. Each department is presented with its mission statement, a listing of the department's accomplishments for the previous fiscal year, and operational objectives for the 2014 fiscal year. Selected service levels for each department are presented graphically. Actual prior year data and estimated fiscal year 2013 data is used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

The Town Chronicle reports on issues or special projects which affect the Addison community. The Chronicle divides the Town into six sectors and describes the important events which are happening, or are scheduled to happen, within each sector. The Chronicle also provides statistical information about the Town of Addison.

Finally, various appendices are presented towards the end of the document which more fully describe the budget process, the Town's major revenue sources, the long-term financial plans for the General, Hotel, Airport, and Utility Funds and a capital project summary. Also included are the Town's financial policies, a glossary of terms, the Town's compensation and merit pay plans, and departmental organization charts.

Letter To The Mayor and Council

This budget publication is the product of processes used by the City Council and Addison staff to create an environment that cultivates innovation to maintain a dynamic, progressive quality urban atmosphere in which to work, play and live.

The Honorable Mayor and City Council,

The budget is the most important and impactful policy statement the Town makes in how we plan to live up to the brand promise. It is where all the Town's plans for the next year and beyond come together.

Last year was a great year for Addison. The local economy saw many gains which resulted in higher occupancy rates in our commercial areas, increased hotel bookings, and additional sales for our retailers and restaurants. The Village on the Parkway redevelopment hit a major milestone with the opening of Whole Foods. On the other side of town, Fiori opened in Vitruvian Park and the final townhomes in Asbury Circle were completed. To the north, both Addison Keller Springs and Allegro Phase II added new quality multi-family living options and Methodist Hospital's Medical Office Building was completed and has filled quickly. These developments resulted in additional revenue for the Town which, in turn, allows the Town to maintain the high level of service to the community and continue investing in the future.

As part of the 2013-14 budget process, the City Council reaffirmed their value proposition to be a "Best Product" city, laid out a strategic plan, and ended with the establishment of a work program for the year that reduced the tax rate. We were able to accomplish this because of an 11% increase in appraised values primarily due to improving economic conditions detailed above and an increase in non-property taxes, including sales tax, of 13.9%.

During the next year, much of our efforts will be directed towards several major capital projects that were approved by voters in the 2012 Bond Election. Over the past eighteen months, the Town has issued a total of \$52.8 million in bonds and certificates of obligations to pay for these projects. Much of the last year was spent planning and designing these projects and we are near being able to break ground.

We have \$5 million to fund our continuing efforts towards replacing our public safety radio system that we share with the cities of Carrollton, Farmers Branch, and Coppell as well as establishing a combined dispatch center. \$10.8 million has been issued for placing the utilities underground on Belt Line. We anticipate construction beginning on this project in the spring of 2014. \$10 million was issued for the public infrastructure associated with the next phase of the Vitruvian Park development including the extension of Alpha Road which we anticipate will begin in the summer of 2014. Design is also progressing on the pedestrian connectivity projects along both Beltway Drive and Quorum Drive. This \$3.5 million project will begin construction in spring of 2014. There is also \$.5 million for Belt Line signage and \$3 million for streets land acquisition. We have \$2 million for installing a WiMaxx Network and have issued \$1 million to begin design work on reconstructing Midway Road.

Additionally, \$7.5 million was issued to fund various stormwater improvements. Part of our efforts in this area will be to make enhancements to both Les Lacs and Winnwood Pond which we expect to start within the next year. \$10 million was issued for improvements and land acquisition for Addison Airport that will be

used to leverage available grant funding from the Federal Aviation Administration. We are expecting to finalize the reconstruction of Taxiway Alpha in fall 2013. We are also set to begin the installation of an Engineered Materials Arresting System and various access controls improvements during the next year. These improvements will help improve the safety and security of operations on the airport. Addison has a strong history of investing in the future of the Town and we are continuing with that effort in a variety of areas this year.

Beyond our investment in physical capital, this budget also addresses our human capital. We managed through the recent economic downturn by limiting the growth of our employee count. The financial limitations associated with the recession caused us to fall behind other cities with which we compete for talent. Due to the quality of our employees, we were able to weather the storm while still providing the high level of service and competency expected of them. However, the increased work load and lower than market pay has caused difficulty in recruiting and retaining employees.

Last year, the City Council began to address these issues through the addition of several positions and with the adjustment of our pay plan. This budget continues in these efforts through the allocation of \$892,000 which is sufficient to provide employees up to a 6% increase based on their performance. This means that employees would be eligible for an increase in their base salary at a level between 0 % and 6% and will be determined by their individual performance and review. Additionally, the Council added a number of positions by approving an Events Coordinator, a part-time Attendant at the Conference Centre, a Police Officer for Vitruvian, a part-time Animal Control Officer, three Firefighter-Paramedics as recommended during the certification process, a Stormwater Fund Manager, and a Department Assistant for Economic Development.

This is a continuation of the City Council's acknowledgement of the value of a small number of employees doing great work to serve our citizens. It is our employee's commitment to excellent service that makes Addison the special place that it is. Although improved, our standing in the market will continue to need attention based on the actions of other cities in the area. In doing so, we will ensure that we

continue to hire and retain the quality of employees that our customers expect.

In summary, the outlook for the General Fund continues to improve. Our efforts to bring new investment into the community have resulted in increased revenue for the fund. We have used these revenues to make enhancements in Public Safety, Parks, and Streets while still maintaining a healthy reserve of 39.9%.

We are excited about the opportunities contemplated in the Economic Development Fund. We are anticipating completing construction on new Economic Development Department offices that will house the Accelerated Ventures Business Incubator project that we are participating in with Baylor University. Staff will also continue to explore ways to leverage the incubator concept to fuel additional entrepreneurial efforts in the Town.

Our work in the Hotel Fund is also paying dividends. Over the past year, we have seen substantial gains in hotel occupancy and in sales at the Conference Centre and Visit Addison. We continue to expand the awareness of Visit Addison and have hosted several successful art shows and receptions for various organizations. We are planning new marketing efforts based on our new brand and are continuing to refine the operating model in Visitor Services and Special Events. These efforts have the Hotel Fund set in a very positive trajectory.

In the Airport Fund, we are making the capital investments I mentioned above. Additionally, we anticipate finalizing a strategic plan for the airport that will guide the future development and operations on the Airport. These will both aid in making Addison Airport a more attractive choice for the general aviation industry as the region adjusts to the expiration of the Wright Amendment and increased commercial traffic at Love Field.

This budget also includes a reduction in the sewer rate because of a decreasing debt in the Utility Fund and growth in the system as a result of the Vitruvian development coming on line. The new rate structure contemplates funding additional improvements in these systems to maintain a safe and reliable system that is able to meet demand.

After establishing the Stormwater Utility

fund last year, we are in position with this budget to begin making the improvements contemplated when the fee was established. These efforts will address a wide variety of drainage projects that will support current development and allow for future growth throughout the Town.

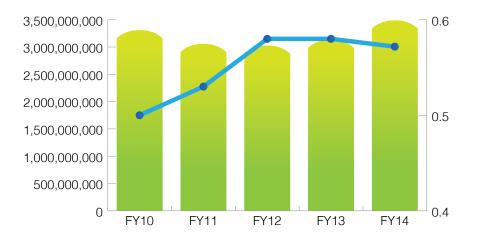
I thank the staff and City Council for the many hours of work and deliberation that resulted in this budget and strategic plan. Investing in the community is an important act. As you flip through this document, you will see that the organization is doing this through a variety of projects in each of our operations. These efforts all aim to keep Addison a great home, destination, and business environment. I truly believe that Addison is the place where it all comes together and I am proud of the organization's efforts to impact that in a positive way now and into the future.

Respectfully Submitted,

Ra White

Ron Whitehead | City Manager

Appraised Values and Tax Rate



- Property Tax Rate (per \$100 of appraised value)
 - Appraised Property Values (in billions)

ACTIVE CREATIVE CONVENIENT



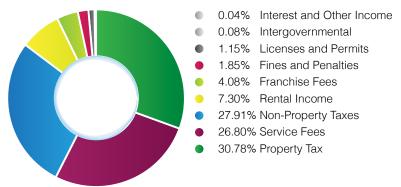
Press Release

The following is a summary of the 2013-2014 fiscal year (FY) annual budget of the Town of Addison that was adopted by council on September 10, 2013.

- Budget appropriates \$106,632,660, an increase of \$40,763,680 or 61.9 percent greater than the previous year's budget. The increase is attributed to the upcoming construction of capital projects throughout the Town.
- 2. Revenues total \$64,335,492, a net increase of \$5,396,472 or 9.2 percent compared to the 2012-13 budget. The increase is attributable to increased ad valorem values, increase in projected sales tax collections and recently adopted storm water fees. Significant variations in revenue sources include:
 - Property taxes are projected to be up \$1,750,410 from the previous year, due to an 11.3 percent increase over prior year values and new construction associated with various redevelopments throughout the community.
 - Non-property taxes (sales, alcoholic beverage, and hotel occupancy) are up a net \$2,197,485 or 13.9 percent due to an expanding regional economy.

- The property tax rate is proposed to decrease to 57.18¢, slightly lower than the prior year tax rate. The proposed rate will provide additional funding to support the payment of the newly issued debt, and for the costs associated with modifications in the Town's service levels. The proposed rate will provide an additional \$524,100 for the Town's annual debt service. Total proposed property tax levy for FY2014 is budgeted at \$19,955,860 which is 9.8 percent more than the FY2013 levy.
- 4. Appraised values for 2013 (used for fiscal year 2014 levy) total \$3,490,007,698 an increase of 11.3 percent from certified 2012 values. With the proposed tax rate, the city property taxes paid by the average homeowner in Addison will total \$1,399.49 or \$5.96 less than last year's average.
- Total staffing (all funds) is at 270.7 FTE (full-time equivalent), a net increase of 6.2 FTE(s) in workforce. Below is a summary of staffing changes:
 - Addition of an Events Coordinator for the Special Events department.
 - Addition of a Police Officer for Vitruvian storefront for the Police department.

All Funds Revenues by Type

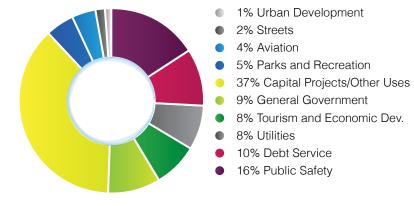


- Addition of a part-time Animal Control Officer for the Police department.
- Addition of three Firefighter-Paramedics.
- Addition of a Manager for the Storm Water Fund.
- Addition of a Part-time Attendant for the Conference Centre.
- Addition of a Department Assistant for the Economic Development department.
- Additional service hours for the Town's Judge.
- Deletion of an Accounting Specialist I position from the Finance department.
- 6. The budget provides funding for a proposed compensation adjustment to allow for a pay-for-performance merit increase. The cost of this benefit is projected at \$891,670.
- 7. The budget includes a five percent increase for healthcare costs from the prior year.
- 8. The budget includes several Modified Level of Service items that enhance operations and the quality of service provided the community. For fiscal year 2014 these items total \$2,315,812 for all funds. Significant items include:

- Comprehensive land use studies (\$75,000)
- Service Center facility emergency generator (\$60,000)
- Replacement of concrete ramps at Fire Stations (\$196,000)
- Streets maintenance program (\$100,000)
- Server room relocation (\$100,000)
- Addison Circle Park repairs/maintenance (\$227,000)
- CAD System Conversion/Implementation (\$75,000)
- The budget envisions over \$39.6 million being spent on capital projects that include:
 - Belt Line Road Streetscape and Interchange (\$9,152,172)
 - Vitruvian Park Public Infrastructure (\$8,574,774)
 - Park and Pedestrian Connectivity (\$3,200,546)
 - Public Safety Radio Replacement (\$3,000,000)
 - Runway Arresting System Design (EMAS) (\$2,100,000)
 - Belt Line Drainage Improvements (\$800,000)
 - Ashton Woods Development Streets (\$517,000)

(Note: Project amounts reflect anticipated expenditures for the year; total project budgets are greater than the amounts shown.)

All Funds Expenditures by Type



Municipal Tax Rate Comparison

2014 Budget

	20.0¢	50.0¢	80.0¢
Dallas			79.7¢
Duncanville			75.8447¢
DeSoto			75.74¢
Seagoville			71.3794¢
Garland			70.46¢
Cedar Hill			69.876¢
Grand Prairie		6	6.9998¢
Mesquite		64.	0¢
Coppell		63.7	75¢
Richardson		63.5	16¢
Carrollton		61.78	75¢
Irving		59.86¢	
Addicon		F7.40.4	

Addison 57.18¢

Farmers Branch 55.31¢

Plano 48.86¢

Sunnyvale 40.7962¢

University Park 27.432¢

Highland Park 22.0¢

Tax rates are expressed as cents per \$100 of taxable values.

Comparative Tax

	FY2013	FY2014
Dallas County		
Market Value	\$315,469	\$317,979
Homestead Exemptions	20%	20%
Taxable Value	\$252,375	\$254,383
Tax Rate/\$100	0.643412	0.6538
Tax Levy	\$1,623.81	\$1,663.16
Dallas ISD		
Market Value	\$315,469	\$317,979
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$268,922	\$271,181
Tax Rate/\$100	1.290347	1.282085
Tax Levy	\$3,470.03	\$3,476.77
Town of Addison		
Market Value	\$315,469	\$317,979
Homestead Exemptions	20%	20%
Taxable Value	\$252,375	\$254,383
Tax Rate/\$100	0.58000	0.57180
Tax Levy	\$1,463.78	\$1,454.56
TOTAL TAX LEVY	\$6,557.62	\$6,594.49

For an Average Addison Single-Family Residence

Property Tax Distribution Calculations

City Council Adopted 2013–2014 Budget

2013 Certified Tax Roll and Levy			
Appraised Valuation (100%)			\$3,490,007,698
Rate Per \$100	\$0.5718		
Total Tax Levy	\$19,955,860		
Percent of Current Collection	99.00%		
ESTIMATED CURRENT TAX COLLECTION	NS		\$19,769,330
Summary of Tax Collections			
Current Tax			\$19,769,330
Delinquent Tax			10,000
Penalty and Interest			25,000
TOTAL 2013-2014 TAX COLLECTIONS			\$19,804,330
Distribution of Tax Rate	Tax Rate	% of Total	Amount
General Fund	lax nate	/6 UI 10tai	Amount
Current Tax			\$11,603,710
Delinquent Tax			5,880
Penalty and Interest			14,680
Total General Fund	\$0.3358	58.73%	11,624,270
Economic Development Fund	ψ0.0000	30.7070	11,024,210
Current Tax			792,000
Delinquent Tax			400
Penalty and Interest			1,000
Total Economic Development Fund	\$0.0229	4.01%	793,400
Total Operations and Maintenance	\$0.3588	62.74%	12,417,670
Debt Service Fund	ψο.σσσσ	02.7 170	12,111,010
Current Tax			7,373,630
Delinquent Tax			3,720
Penalty and Interest			9,310
Total Debt Service Fund	\$0.2130	37.26%	7,386,660
TOTAL DISTRIBUTION	\$0.5718	100.000%	\$19,804,330

Fund Overview

Governmental Funds	
General Fund	\$12,557,076
Special Revenue Funds	
Hotel Fund	\$1,671,007
Economic Development Fund	\$273,450
Combined Grant Funds	\$17,182
Combined Other Funds	\$87,118
Combined Debt Service Funds	\$1,541,599
Capital Project Funds	
Street Capital Project Fund	\$-
Parks Capital Project Fund	\$-
Combined Bond Funds	\$9,554,738
Proprietary Funds	
Airport Fund	\$2,058,673
Utility Fund	\$7,408,156
Stormwater Fund	\$6,404,122
Combined Replacement Funds	\$4,558,309
Total All Funds	\$46,131,431

Staff Organization

Addison Citizens

Mayor/City Council · · · · · City Attorney · · · City Judge · · · City Secretary · · · Boards / Commissions · · · · City Manager · · · · · · · · · Police · · · · Fire · · · · Municipal Court · · · · Assistant City Manager · · Deputy City Manager · · · Human Resources · · · Development Services · · · Infrastructure Operations and Services · · · Information Technology · · · Parks / Recreation · · · General Services · · · Airport Finance · · · Economic Development · · · Special Events · · · Visitor Services · · · Marketing and Communications

Budgeted Departmental Staffing Summary

City Council Adopted 2013–2014 Budget

	Fisca	Difference				
	2010	2011	2012	2013	2014	2013-2014
General Fund						
City Manager	8.5	8.0	7.5	7.5	7.0	(0.5)
Finance	9.0	8.0	8.0	8.5	7.5	(1.0)
General Services	10.0	9.0	8.0	5.0	5.0	-
Municipal Court	5.7	5.4	5.4	5.4	5.7	0.3
Human Resources	5.2	4.2	5.2	4.2	4.2	-
Information Technology	6.0	6.0	6.0	7.0	7.0	-
Police	73.3	72.3	73.8	73.8	75.3	1.5
Emergency Communications	13.5	13.5	13.5	13.5	13.5	-
Fire	54.0	53.0	52.0	52.3	55.3	3.0
Development Services	7.0	7.0	7.2	7.2	7.2	-
Streets	7.0	7.0	5.0	5.0	5.0	-
Parks	20.0	20.0	20.0	21.0	21.0	-
Recreation	15.6	15.6	14.6	14.6	14.6	-
Total General Fund	234.8	229.0	226.2	225.0	228.3	3.3
Hotel Fund	14.0	13.5	15.0	15.3	16.7	1.4
Economic Development Fund	0.0	0.0	1.0	2.5	3.0	0.5
Airport Fund	2.0	2.0	3.0	3.0	3.0	-
Utility Fund	17.0	17.0	16.0	18.3	18.3	-
Stormwater Fund	0.0	0.0	0.0	0.4	1.4	1.0
TOTAL ALL FUNDS	267.8	261.5	261.2	264.5	270.7	6.2

All positions are shown as full-time equivalent (FTE).

Fund Summaries

Combined Summary of Revenues and Expenditures and Changes in Fund Balance

All Funds Subject to Appropriation (Expressed in \$000's)* City Council Adopted 2013–2014 Annual Budget With Comparisons to 2012-2013 Budget and 2011-2012 Actual

	General Fund	Hotel	Economic Dev.	Combined Grants	Combined Other	Combined Debt Service Funds
Beginning Balances	\$13,336	\$1,471	\$620	\$17	\$124	\$1,728
Revenues						
Ad valorem tax	11,624	-	793	_	_	7,387
Non-property taxes	13,035	4,922	-	_	_	,
Franchise fees	2,627	-	-	_	_	
Licenses and permits	740	-	-	_	_	
Intergovernmental	_	-	-	_	_	
Service fees	1,444	1,818	80	_	_	
Fines and penalties	1,000	-	-	_	40	
Rental income	170	940	-	-	-	
Interest and other income	59	10	2	-	10	1(
Total Revenues	30,699	7,690	875	-	50	7,396
Transfers from other funds	-	-	-	_	_	570
Total Available Resources	44,035	9,161	1,494	17	175	9,694
Expenditures						
General government	7,469	_	_	_	64	
Public safety	16,098	_	_	_	24	
Urban development	1,019	_	-	_	-	
Streets	1,837	-	-	_	_	
Parks and recreation	5,054	-	-	-	-	
Tourism and economic dev.	-	6,920	1,221	-	-	
Aviation	_	-	, -	_	_	
Utilities	_	-	-	-	-	
Debt service	_	-	-	-	-	8,152
Capital projects/other uses	-	-	-	-	-	
Total Expenditures	31,477	6,920	1,221	_	88	8,152
Transfers to other funds	_	570	-	_	_	
ENDING FUND BALANCES	\$12.557	\$1,671	\$273	\$17	\$87	\$1,542

^{*} Totals may not exactly match due to rounding.

TOTAL APPROPRIABLE FUNDS	106.063
Decrease in Fund Balance	34,227
Total Revenues	71,835

Capi	tal Proje	ct Funds		Propriet	ary Fund	S	To	tal All Fund	S
Street	Parks	Combined Bonds	Airport	Utility	Storm- water	Combined Replace- ment	2013-14 Budget	2012-13 Budget	2011-12 Actual
\$1,349	-	\$40,762	\$4,941	\$984	\$8,637	\$6,389	\$80,359	\$29,007	\$33,677
_	_	-	_	-	_	-	19,804	18,054	17,472
-	_	-	-	-	-	-	17,957	15,760	16,184
-	_	-	-	-	-	-	2,627	2,725	2,727
-	_	-	-	-	-	-	740	724	954
-	-	-	50	-	-	-	50	50	2,677
-	_	-	777	10,099	1,552	1,472	17,241	15,954	16,097
-	-	-	-	151	-	-	1,191	1,159	1,209
-	-	-	3,588	-	-	-	4,697	4,404	4,483
3	-	-	5	7,389	5	35	7,527	109	36,793
3	-	-	4,420	17,639	1,557	1,507	71,835	58,939	98,595
_	_	-	-	-	-	-	570	620	1,258
1,352	-	40,762	9,361	18,623	10,194	7,896	152,764	88,566	133,53
-	_	-	-	-	-	2,271	9,804	7,758	6,190
-	-	-	-	-	-	819	16,941	16,196	15,076
-	_	-	-	-	-	-	1,019	985	887
-	-	-	-	-	-	75	1,912	1,811	1,613
-	_	-	-	-	-	173	5,227	4,782	4,269
-	_	-	-	-	-	-	8,141	7,433	6,64
-	_	-	4,380	-	-	-	4,380	3,632	3,098
-	_	-	-	8,191	316	-	8,507	7,956	7,405
-	_	-	612	1,187	544	-	10,495	11,232	8,640
1,352	-	31,207	2,310	1,838	2,930	-	39,637	4,083	9,539
1,352	_	31,207	7,302	11,215	3,790	3,338	106,063	65,869	63,356
-	_	-	-	-	-	-	570	620	3,075
	_	\$9 555	\$2,059	\$7 408	\$6 404	\$4,558	\$46,131	\$22,077	\$67,100

WELCOMING INCLUSIVE



"The Addison Way"

This phrase encompasses who we are as an organization. It is a philosophy that serves as the cornerstone of our service delivery to our stakeholders. At the heart of the "Addison Way" is staff's charge to find a way to say "yes" to service requests rather than responding that we cannot do something. The staff searches out all options to try and meet expectations during each customer service interaction.

Council's Guiding Principles

The City Council sets policy direction that guides staff implementation. A critical step for the City Council in setting a policy course is to undertake their own visioning and goal setting process. This self-assessment endeavor resulted in the Addison City Council determining their Value Proposition. For fiscal year 2013-2014, the City Council decided they want Addison to continue to be known as a "Best Product" city. This means Council will set policy that promotes creativity, innovation, and a culture of excellence that will drive a clearly articulated Addison brand – all firmly grounded in sound fiscal policy.

Council's Values

The Council will at all times seek to enact policies that will promote, and to personally exemplify, the values of the Town of Addison. The Council values:

- Integrity
- Respectfulness
- Fun
- Innovation/Creativity
- Responsibility
- Efficiency
- Kindness

Council's Goals

Like most cities, Addison is confronted with a number of issues that demand time and attention of elected officials and the Town's management team. In order to best apply the Town's limited resources, the City Council has established the following goals to guide the organizations efforts.

- Create raving fans of the "Addison Experience".
- Practice Mindful Stewardship of Town Resources.
- Maintain and enhance our unique culture of creativity and innovation.

Council's Role

The role of the Council is to develop a long-term vision for the Town, to develop policies necessary to achieve the vision, and to communicate with, and seek input from, stakeholders. This includes:

- Providing the direction, trust, and support necessary for the City Manager to implement the operations aspects of our vision
- Making difficult and sometimes unpopular decisions that preserve our unique culture, safeguard our assets into the future, and effect the positive change necessary to achieve our goals
- Identifying future trends, challenges, and opportunities
- Being a positive and resourceful representative for the Town
- Communicating with residents, businesses, and regional partners
- Being good financial stewards

Council's Vision

To be an attractive, thriving community that delivers the "Addison Way" with superior services, enhanced sense of community, and a safe, high-quality experience for residents, businesses, visitors, and all other stakeholders. Addison will lead the way in creativity, innovation and fiscal responsibility within a culture of excellence and kindness.

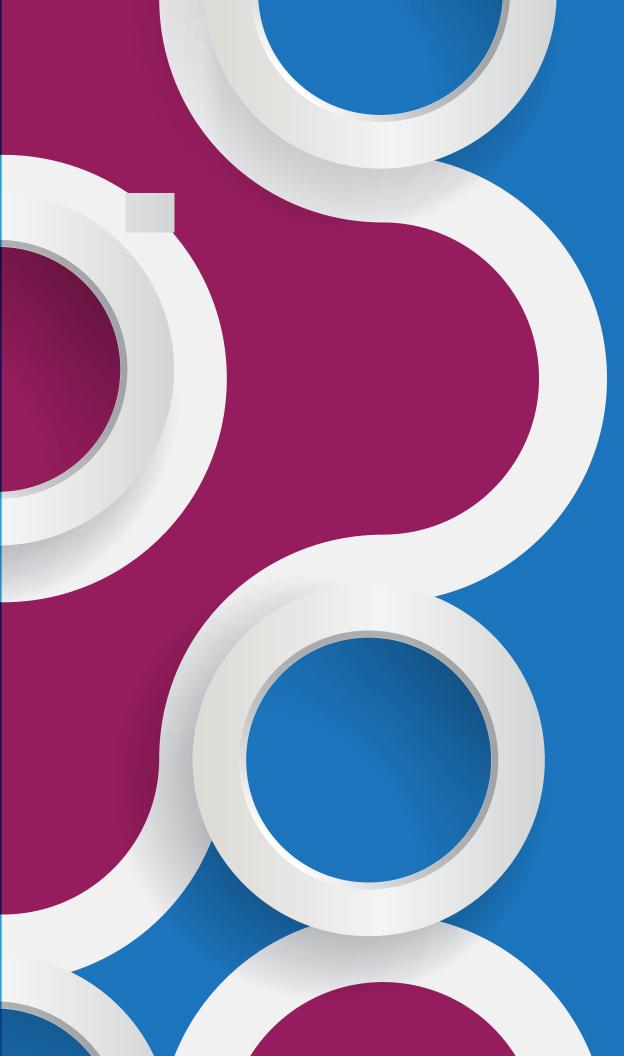
Rank Vision Element

- 1 We have a vibrant and diverse business community, and are a good home for both established businesses and startups. We have the physical and technological infrastructure and management practices to support and nurture our business community and enhance the quality of life.
- 2 Our Airport is a regional economic driver and is incorporated in the City's identity and Brand.
- 3 All of our roads are places that showcase our Brand; they are beautiful, safe, pedestrian friendly spaces with access to ample parking.
- 4 We continue to attract and retain superior employees.
- 5 Our walking, running, and biking trail system connects the City and surrounding communities.
- 6 We continuously improve our customer experience.
- 7 Cotton Belt is operational, and is connected to a regional rail network.
- The quality and variety of our restaurants and entertainment venues create a memorable experience that make people want to come back 365 days a year.
- 9 We have signature, creative, and unique amenities.
- Our special events continue to be locally, regionally, and nationally recognized as the best.
- 11 We are leaders in all areas of Sustainability.
- 12 Our Arts Programs are acclaimed and we integrate and encourage public art in all developments and public spaces.
- 13 We are inclusive and find innovative and creative ways to celebrate diversity.
- 14 Our community is highly engaged.

The Council further expanded on the elements of their vision which are listed below with the corresponding strategies that will impact each element.

Strategies
Attract new businesses to Addison Create and implement a Comprehensive Land Use/Revitalization Plan Brand Protection and Enhancement Explore new/other revenue sources
Create a vision for the airport to maximize the value Implement bond propositions Explore new/other revenue sources
Brand Protection and Enhancement Infrastructure improvement and maintenance Implement bond propositions Enhance Public Safety
Continue to attract, hire, develop, and retain great employees
Create and implement a Comprehensive Land Use/Revitalization Plan Brand Protection and Enhancement Infrastructure improvement and maintenance Implement bond propositions Develop Next Great Idea
Define, measure, evaluate, and improve success for all Town businesses (know your business and do it well) Brand Protection and Enhancement Infrastructure improvement and maintenance Enhance Public Safety
Attract new businesses to Addison Create and implement a Comprehensive Land Use/Revitalization Plan Brand Protection and Enhancement
Raise Property Values (Code Enforcement, Incentives to Improve) Implement bond propositions Develop Next Great Idea
Fully integrate the Arts as part of our brand
Sustainability
Fully integrate the Arts as part of our brand
Continue to attract, hire, develop, and retain great employees Fully integrate the Arts as part of our brand
Enhance sense of community for all stakeholders/Expand Volunteer Opportunities Establish a Non-profit Funding Strategy

GENUINE INSPIRED REAL



General Fund

Fund Description

The General Fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

Fund Narrative

During the budget process, it is the General Fund which receives the most scrutiny from Town staff, the Council, and the public. The attention is deserved because it is this fund that reflects most of the critical issues affecting the community, from establishing a tax rate to determining employee staffing and benefits. The following narrative reports the major aspects of the General Fund budget for both the concluding and new fiscal year. Operational accomplishments and goals are reported in the department narratives.

Concluding Fiscal Year Performance

Revenues for FY2013 are estimated to be \$29,829,949, which represents an increase of \$1,663,789, or 5.9 percent, over FY2013 budgeted revenues and is a 1.8 percent increase over FY2012 revenues. Revenues collected from property taxes are expected to come in just 0.5 percent less than budgeted. Sales tax collections continue to improve, and FY2013 revenues are projected to exceed budget by \$1,655,990 or more than 15 percent. License and permit revenue dropped 24.51 percent from FY2012 actual receipts, due in part to the decrease in submittal of plans for construction and redevelopment of projects currently under way.

Expenditures are expected to total \$28,867,268 which is \$680,232 less than the FY2013 budget. Four of the operating departments in the General Fund are expected to exceed their budget but all excess spending was recognized by Council with amendments to the original

budget. The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$13,335,745, which is \$3,599,365 more than budgeted.

2013-2014 Budget Narrative

There are three components that make up the Town's ad valorem tax rate of \$0.571800 per \$100 of appraised value: operations & maintenance, debt service and economic development. A tax rate of \$0.335842 is levied to generate revenues to fund the operations and maintenance activities budgeted in the General Fund. The revenue generated from this portion of the tax rate will increase by 11 percent in FY2014 to \$11,624,270. In order to accommodate the Town's annual debt service requirement, a tax rate of \$0.213035 is levied to generate \$7.386.660, an increase of \$516.840 from FY2013. A third tax rate of \$0.022923 is levied to provide dedicated revenues for economic development purposes and is reflected in the Economic Development Fund. Sales tax revenues for FY2014 are projected at \$12,250,000, a 14.1 percent increase from FY2013 budget. Other revenues in the General Fund are expected to remain stable or experience modest gains compared to last year's budget.

Total fund expenditures for the 2014 fiscal year have been appropriated at \$31,477,439 which is \$1,929,939 more than the FY2013 budget. Total personal services (employee salaries and benefits) rose by \$999,671. Most of the increase is attributed to a 5 percent increase in health insurance costs, additional positions in the Police and Fire Departments, and merit increases, in which employees are eligible to receive a 0 to 6 percent increase in their base salaries. Maintenance costs also increased by \$518,932, primarily due to maintenance programmed for Addison Circle Park and Information Technology costs.

The net impact on revenues and expenditures is a projected \$778,669 decrease in fund balance, used to fund one-time modified levels of service. The budget includes non-reoccurring capital purchases for improvements to the Fire Station, irrigation updates, and park repairs. The Town anticipates cost savings from the majority of these projects through reduced utility and maintenance costs. The ending fund balance of \$12,557,076 represents 39.9 percent of operating expenditures, which is above the 25 percent minimum balance required by the Town's financial policies. The long-term financial plan for the General Fund anticipates adjusting

expenditures for a 3 percent inflationary increase each year along with moderate increases in revenue. As such, the Town's long-term approach has been prepared to allow for a gradual reduction in fund balance to a level of 30 percent of operating expenditures.

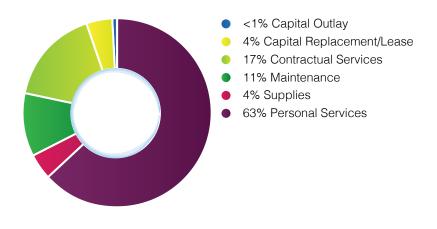
- For more information related to the Town's current projects and development, please refer to the Town Chronicle section of this document.
- 2. Please refer to Appendix B for the Town's financial policies.
- 3. For more information related to the General Fund long-term plan, please refer to Appendix F

General Fund By Major Cost Category

Category	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$17,804,843	\$18,925,910	\$18,598,152	\$19,925,581
Supplies	1,219,476	1,411,490	1,284,704	1,371,228
Maintenance	1,806,976	2,844,320	2,773,611	3,363,252
Contractual Services	5,138,302	5,087,960	5,006,880	5,218,278
Capital Replacement/Lease	1,083,204	1,223,820	1,194,920	1,338,100
Capital Outlay	171,337	54,000	9,000	261,000
Total Fund Budget	\$27,224,138	\$29,547,500	\$28,867,268	\$31,477,439

City government is a service industry that relies predominantly on its employees to serve the community. A majority of costs are associated with employee salaries and benefits.

General Fund Operating Expenditures by Cost Category



General Fund Statement of Revenue and Expenditures

Beginning Balance \$10,366,694 \$11,067,720 \$12,373,064 \$13,335,74 Revenues Ad valorem taxes 10,933,472 10,483,730 10,478,300 11,624,27 Non-property taxes 11,888,630 11,560,010 13,183,360 13,035,00 Franchise fees 2,727,370 2,724,690 2,676,469 2,627,00 Licenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 1,000 Interest earnings 19,928 5,000 10,000 10,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,		Actual	Budget	Estimated	Budget
Revenues Ad valorem taxes 10,933,472 10,483,730 10,478,300 11,624,27 Non-property taxes 11,888,630 11,560,010 13,183,360 13,035,00 Franchise fees 2,727,370 2,724,690 2,676,469 2,627,00 Licenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,55 Fines and penalties 1,071,177 1,047,000 1,040,000 1,000 Interest earnings 19,928 5,000 10,000 10,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government 1,192,617 1,233,820 1,216,190 1,151,07 City Manager 1,192,617 1,233,820		2011-12	2012-13	2012-13	2013-14
Ad valorem taxes 10,933,472 10,483,730 10,478,300 11,624,27 Non-property taxes 11,888,630 11,560,010 13,183,360 13,035,00 Franchise fees 2,727,370 2,724,690 2,676,469 2,627,00 Elicenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 10,000 Enterest earnings 19,928 5,000 10,000 170,00 Other 104,697 47,730 99,000 49,00 Other 104,697 47,730 99,000 9	Beginning Balance	\$10,366,694	\$11,067,720	\$12,373,064	\$13,335,745
Non-property taxes 11,888,630 11,560,010 13,183,360 13,035,00 Franchise fees 2,727,370 2,724,690 2,676,469 2,627,00 Licenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 10,000 Interest earnings 19,928 5,000 10,000 170,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures 2 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures 3 781,100 950,540 862,892 943,77 General Government 2 1,192,617 1,233,820	Revenues				
Franchise fees 2,727,370 2,724,690 2,676,469 2,627,00 Licenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 10,00 Interest earnings 19,928 5,000 10,000 170,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures 6 781,100 950,540 862,892 943,77 General Government 1,192,617 1,233,820 1,216,190 1,151,07	Ad valorem taxes	10,933,472	10,483,730	10,478,300	11,624,270
Licenses and permits 953,709 724,490 720,000 740,00 Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 1,000,00 Interest earnings 19,928 5,000 10,000 10,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070	Non-property taxes	11,888,630	11,560,010	13,183,360	13,035,000
Service fees 1,443,787 1,436,010 1,422,820 1,443,50 Fines and penalties 1,071,177 1,047,000 1,040,000 1,000,00 Interest earnings 19,928 5,000 10,000 10,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,92 Municipal Court 467,224 519,470 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070	Franchise fees	2,727,370	2,724,690	2,676,469	2,627,000
Fines and penalties 1,071,177 1,047,000 1,040,000 1,000,00 Interest earnings 19,928 5,000 10,000 10,00 Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,33 1,947 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 1,963,06 City Council 314,955 379,420 400,233 570,05 Public Safety Police	Licenses and permits	953,709	724,490	720,000	740,000
Interest earnings	Service fees	1,443,787	1,436,010	1,422,820	1,443,500
Rental income 162,738 137,500 200,000 170,00 Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 City Council 314,955 379,420 400,233 570,05 Publice 7,456,214 7,679,130 7,740,917 8,027,07 Emergency Communications 1,184,856 1,251,770 1,223,940	Fines and penalties	1,071,177	1,047,000	1,040,000	1,000,000
Other 104,697 47,730 99,000 49,00 Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,57 Expenditures General Government 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100	Interest earnings	19,928	5,000	10,000	10,000
Total Revenues 29,305,508 28,166,160 29,829,949 30,698,77 Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,57 Expenditures General Government 662,202 39,233,880 42,203,013 44,034,57 City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Development Services 886,705 <	Rental income	162,738	137,500	200,000	170,000
Total Resources Available 39,672,202 39,233,880 42,203,013 44,034,51 Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Stree	Other	104,697	47,730	99,000	49,000
Expenditures General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,666 Fire 5,731,504 6,073,100 5,990,100 6,786,86 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation Parks 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - Transfer to Parks (75,000) - Transfer to Parks (75,000) - Total Parks (75,000) - Total Parks (75,000) - Total Parks (75,000) - Total Parks (75,000) - Transfer to Parks (75,000) - Total Parks (75,0	Total Revenues	29,305,508	28,166,160	29,829,949	30,698,770
General Government City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,07 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,	Total Resources Available	39,672,202	39,233,880	42,203,013	44,034,515
City Manager 1,192,617 1,233,820 1,216,190 1,151,07 Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 <	Expenditures				
Finance 781,100 950,540 862,892 943,77 General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,07 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,68	General Government				
General Services 804,684 918,710 653,932 746,94 Municipal Court 467,224 519,470 526,420 567,31 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,68 Recreation 1,405,716 1,555,610 1,547,308 1,53	City Manager	1,192,617	1,233,820	1,216,190	1,151,075
Municipal Court 467,224 519,470 526,420 567,33 Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,68 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43	Finance	781,100	950,540	862,892	943,775
Human Resources 546,090 620,590 569,590 622,23 Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,07 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) 1,100,000 - -<	General Services	804,684	918,710	653,932	746,942
Information Technology 1,272,529 1,695,990 1,598,070 1,963,06 Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,07 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) -<	Municipal Court	467,224	519,470	526,420	567,319
Combined Services 703,580 646,980 671,753 904,76 City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Human Resources	546,090	620,590	569,590	622,237
City Council 314,955 379,420 400,233 570,05 Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Information Technology	1,272,529	1,695,990	1,598,070	1,963,064
Public Safety Police 7,456,214 7,679,130 7,740,917 8,027,010 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,666 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Combined Services	703,580	646,980	671,753	904,760
Police 7,456,214 7,679,130 7,740,917 8,027,01 Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	City Council	314,955	379,420	400,233	570,058
Emergency Communications 1,184,856 1,251,770 1,223,940 1,284,66 Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Public Safety				
Fire 5,731,504 6,073,100 5,990,100 6,786,80 Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Police	7,456,214	7,679,130	7,740,917	8,027,015
Development Services 886,705 984,930 925,326 1,019,37 Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) 1 50,000 - - Transfer to Parks (75,000) - - -	Emergency Communications	1,184,856	1,251,770	1,223,940	1,284,668
Streets 1,612,699 1,811,450 1,825,459 1,836,67 Parks and Recreation 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Fire	5,731,504	6,073,100	5,990,100	6,786,806
Parks and Recreation Parks 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - Transfer to Parks (75,000) - -	Development Services	886,705	984,930	925,326	1,019,372
Parks 2,863,665 3,225,990 3,115,137 3,523,65 Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Streets	1,612,699	1,811,450	1,825,459	1,836,671
Recreation 1,405,716 1,555,610 1,547,308 1,530,02 Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - - -	Parks and Recreation				
Total Expenditures 27,224,138 29,547,500 28,867,268 31,477,43 Other Financing Sources (Uses) - 50,000 - - Interfund transfer - 50,000 - - Transfer to Parks (75,000) - - -	Parks	2,863,665	3,225,990	3,115,137	3,523,652
Other Financing Sources (Uses) Interfund transfer - 50,000 - Transfer to Parks (75,000)	Recreation	1,405,716	1,555,610	1,547,308	1,530,027
Interfund transfer - 50,000 - Transfer to Parks (75,000)	Total Expenditures	27,224,138	29,547,500	28,867,268	31,477,439
Transfer to Parks (75,000)	Other Financing Sources (Uses)				
	Interfund transfer	-	50,000	-	-
		(75,000)	-	-	-
ENDING FUND BALANCE \$12,373,064 \$9,736,380 \$13,335,745 \$12,557,07		\$12,373,064	\$9,736,380	\$13,335,745	\$12,557,076

General Fund Statement of Revenues by Source

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Ad valorem taxes				
Current taxes	\$10,814,335	\$10,452,740	\$10,430,000	\$11,603,710
Delinquent taxes	70,081	11,620	14,200	5,880
Penalty and interest	49,056	19,370	34,100	14,680
Non-property taxes				
Sales tax	11,089,866	10,744,010	12,400,000	12,250,000
Alcoholic beverage tax	798,764	816,000	783,360	785,000
Franchise/right-of-way use fees				
Electric franchise	1,547,662	1,555,500	1,555,500	1,500,000
Gas franchise	204,559	208,650	171,849	175,000
Telecommunication access fees	665,883	663,000	663,000	665,000
Cable franchise	302,916	290,540	279,620	280,000
Street rental fee	6,350	7,000	6,500	7,000
Licenses and permits				
Business licenses and permits	145,059	179,740	175,000	180,000
Building and construction permits	808,650	544,750	545,000	560,000
Service fees				
General government	305	500	500	500
Public safety	790,070	763,460	750,000	765,000
Urban development	2,380	3,000	3,000	3,000
Streets and sanitation	378,982	379,320	379,320	380,000
Recreation	87,750	64,400	65,000	65,000
Interfund	184,300	225,330	225,000	230,000
Court fines	1,071,177	1,047,000	1,040,000	1,000,000
Interest earnings	19,928	5,000	10,000	10,000
Rental income	162,738	137,500	200,000	170,000
Recycling proceeds	26,414	21,000	24,000	24,000
Other	78,283	26,730	75,000	25,000
TOTAL REVENUES	\$29,305,508	\$28,166,160	\$29,829,949	\$30,698,770

City Manager

Department Mission

To effectively implement and administer the policies established by the City Council. The City Manager is responsible for making recommendations to the Council concerning policies and programs and developing methods to ensure the efficient operation of city services. The department accounts for all expenditures related to the City Manager, support staff, and the operation and maintenance of Town Hall.

Program Narrative

Accomplishments of FY2013

- Participated in leading the various successes of the other departments.
- Continued to implement a process of succession planning for the organization.
- Led the P3 process and the goals and objectives process for Council.
- Organized a citizen committee to plan a series of activities to celebrate the Town's 60th Anniversary and began implementation of that plan.
- Researched best practices and implemented a new policy regarding Trap, Neuter, Release for feral cats.
- Monitored approximately 1,700 city related bills that were filed during the 83rd Texas Legislative Session
- Researched and implemented a public art policy.
- Created an inventory of Town owned Real Estate and hired a real estate consultant.
- Reviewed business model for each department and established a definition of success for each department.
- Influenced ONCOR service line improvements to improve service reliability.
- Utilized consultant to review Addison Circle, Vitruvian and Inwood Rd areas.
- Selected personnel to undergo presentation and speaker training.

- Planned and conducted Citizen Academy with 32 graduates.
- Managed the strategic planning and budget process for Fiscal Year 2013-14

Objectives for FY2014

- Continue to work with UDR on the Vitruvian Park development.
- Continue the integration of the Strategic Application Management Solution (P3 Project) process.
- Continue the implementation of the 2012 bond program initiatives and projects.
- Implement a Performance Measurement System
- Continue to refine the business model for Visit Addison and the Addison Conference and Theatre Centre.

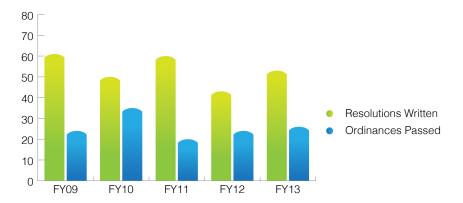
Notable Budget Items

- Modified Level of Service: Clean and refinish floors (\$5,000)
- Modified Level of Service: Town Hall repairs (\$15,000)

	Actual	Budget	Estimated	Budget
	2011-12	2012-13	2012-13	2013-14
Personal Services	\$743,570	\$738,230	\$764,130	\$813,145
Supplies	31,967	29,600	25,750	26,000
Maintenance	27,001	32,800	44,210	61,780
Contractual Services	373,779	413,330	362,240	208,150
Capital Replacement/Lease	16,300	19,860	19,860	42,000
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$1,192,617	\$1,233,820	\$1,216,190	\$1,151,075

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
City Manager*	N/C	1.0	1.0	1.0	1.0
Deputy City Manager**	34	1.0	0.0	0.0	0.0
Assistant City Manager	32	1.0	1.0	1.0	1.0
Assistant to the City Manager	25	0.0	1.0	2.0	3.0
Intern - Special Assignment***	24	0.0	0.5	0.0	0.0
Secretary - Executive	11	1.0	1.0	0.0	0.0
Secretary - Administrative****	9	2.0	1.0	0.0	0.0
Department Assistant	8	0.0	0.0	1.0	1.0
Receptionist****	8	1.0	1.0	0.0	0.0
Intern	5	1.0	1.0	1.0	1.0
TOTAL		8.0	7.5	6.0	7.0

Ordinances Passed and Resolutions Written



^{*}This position is not classified in the pay plan.
**This position was moved to the Utility Fund in FY12.

^{***}This was a partial year temporary position.

^{*****}One Secretary position was reclassified to an Assistant to the City Manager in FY12.
******This position was reclassified to Department Assistant in late FY12.

Finance

Department Mission

The Finance Department's mission is to optimally manage the Town's resources through its budgeting, purchasing, management analysis and financial reporting. This encompasses treasury and investment management, billing and collecting for all utilities, handling all accounts receivable and payable, and managing all the steps involved in debt financing, including presentations to the rating agencies, communication with the underwriters, financial advisors and bond attorneys. The Chief Financial Officer is charged with satisfying this mission by providing general supervision to all department functions. The department develops the Town's Comprehensive Annual Financial Report (CAFR), the Town's Annual Budget, and administers the Town's risk management functions.

Program Narrative

Accomplishments of FY2013

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 37th consecutive year.
- Received the Distinguished Budget Presentation Award from the GFOA for the 26th consecutive year.
- Implemented the billing of the new Stormwater fee.
- Completed a utility rate study implementing new utility rates starting October 2014.

- · Began digitizing bid document files.
- Upgraded from silver to "Gold" member status by the Texas Comptroller Leadership Circle for implementing financial transparency.
- Chief Financial Officer appointed to the TexStar Advisory Board for the TexStar investment pool.
- Updated the Purchasing Policies and Procedures manual to reflect industry best practices.
- Managed the issuance of certificates of obligation and general obiligation bonds.

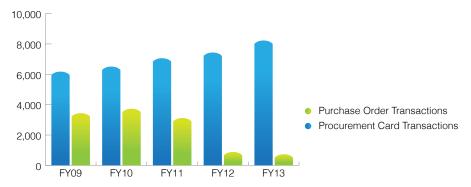
Objectives for FY2014

- Continue to receive the GFOA awards for the Comprehensive Annual Financial Report and the Annual Budget.
- Manage the issuance of certificates of obligation and general obligation bonds for street and utility projects.
- Complete RFP process and award ERP vendor.
- Implement new contract management process.
- Identify key performance measures for all departments.

Notable Budget Items

 Deletion of an Accounting Specialist Position.

Procurement Card Transactions by Method



	Λ ι Ι	D 1 1	- · · · ·	Б
	Actual	Budget	Estimated	Budget
Expenditures	2011-12	2012-13	2012-13	2013-14
Personal Services	\$415,246	\$534,390	\$451,258	\$529,987
Supplies	37,712	56,930	54,100	56,930
Maintenance	24,406	78,400	78,485	28,680
Contractual Services	284,236	257,310	255,539	273,448
Capital Replacement/Lease	19,500	23,510	23,510	54,730
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$781,100	\$950,540	\$862,892	\$943,775

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Chief Financial Officer	31	1.0	1.0	1.0	1.0
Accounting Manager	26	0.0	0.0	1.0	1.0
Financial Services Manager*	26	1.0	1.0	0.0	0.0
Revenue and Budget Supervisor	22	0.0	0.0	1.0	0.0
Financial Services Supervisor**	22	1.0	1.0	0.0	0.0
Purchasing and Billing Supervisor	22	0.0	0.0	1.0	0.0
Accountant	20	1.0	1.0	1.0	1.0
Management Analyst***	20	1.0	1.0	0.0	2.0
Department Assistant	8	0.0	0.0	0.0	0.5
Accounting Specialist	8	3.0	3.0	3.0	2.0
TOTAL		8.0	8.0	8.0	7.5

Procurement Card Transactions



^{*}This position was reclassified to Accounting Manager.

**This position was reclassified to Revenue and Budget Supervisor.

***This position was reclassified to Purchasing and Billing Supervisor.

General Services

Department Mission

The Department's mission is to ensure all Town facilities are maintained to be an attractive and comfortable environment conducive to conducting Town business, and the city's fleet of vehicles is maintained to meet the highest standards of safety and efficiency. Department staff also manages the city's inventory of fuel, office and custodial supplies, transports mail and supplies to all municipal buildings.

Program Narrative

Accomplishments of FY2013

Facilities

- Coordinated and supervised all budget-approved Town facilities projects – (15 projects).
- Remodeled the Finance Building interior.
- Completed replacement of new tile flooring to the AAC natatorium.
- Completed 366 tons of HVAC equipment replacement at the Conference & Theatre Centre.
- Completed ADA/TAS compliance modifications at the Conference & Theatre Centre and Athletic Club per the 2012 assessment.
- Completed 662 requests for facilities services.
- Restructured the Mail Carrier position to a Facilities Assistant that will provide both mail and facilities services.
- Completed replacement of new tile flooring to the Service Center 2nd floor and Parks department crew areas.
- Completed reconstruction of the overhead concrete cast stone sign at the Police facility.
- Managed the transition of facilities security alarm monitoring from dispatch to a contract vendor.
- Department staff obtained State of Texas TCEQ Class A, B, & C licensing to manage UST's (Underground Storage Tanks) and fuel dispensing.

Fleet

 Outsourced fleet operation services to provide operational efficiencies and higher service levels.

- Completed 603 Preventative Maintenance Services – up 27%.
- Completed 1,291 repair orders up 77%.
- 99% Fleet uptime.
- Worked with G4S Fleet Management to accomplish fleet priorities, further enhance fleet operations. Continue to work with the contract fleet service team to acclimate them to the Addison culture.
- Developed specifications, purchased and performed make-ready for 18 new fleet vehicles as approved.

Objectives for FY2014

Facilities

- Coordinate and supervise all budgetapproved Town facilities projects (MLS's).
- Develop an RFP for Job Order Contracts (JOC) for Electrical, Plumbing and Carpentry work at Town facilities.
- Facilities Staff development and training in new positions and job functions.

Fleet

- Provide Fleet Management Services based on recommendation of fleet assessment.
- Continue to expand the use of Hybrid Electric Vehicles to the fleet were applicable.
- Develop specifications, purchase and make-ready - 14 new fleet vehicles as approved.

- Modified Level of Service: Service Center facility emergency generator (\$60,000).
- Costs associated with operating the Service Center building, including utilities (\$129,680).

		ctual 1-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$469	,592 \$	522,640	\$286,796	\$443,002
Supplies	20),698	30,750	27,086	31,100
Maintenance	64	1,330	132,900	85,793	73,700
Contractual Services	103	3,053	187,900	238,637	88,660
Capital Replace- ment/Lease	40	0,000	44,520	15,620	110,480
Capital Outlay	107	7,011	-	-	-
TOTAL DEPT. BUDGET	\$804	,684 \$	918,710	\$653,932	\$746,942
Staffing	Level	Budget 2010-11	Budget 2011-12		Budget 2013-14
Director-General Svcs	31	1.0	1.0	1.0	1.0
Supervisor-Fleet Svcs	13	1.0	1.0	0.0	0.0
Supervisor-Facilities Svcs	11	1.0	1.0	1.0	1.0
Technician - Fleet	8	2.0	2.0	0.0	0.0
Department Assistant	8	0.0	0.0	1.0	1.0
Secretary - Department	8	1.0	1.0	0.0	0.0
Facilities Specialist	6	0.0	0.0	1.0	1.0
Clerk - Inventory	4	1.0	1.0	0.0	0.0
Facilities Assistant	4	0.0	0.0	0.0	1.0
Mail Carrier	4	1.0	1.0	1.0	0.0

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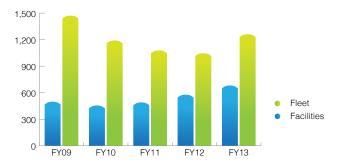
1.0

9.0

Work Orders Processed

Custodian

TOTAL



0.0

8.0

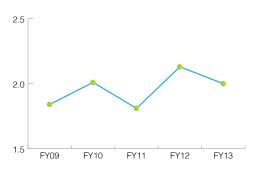
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5.0

0.0

5.0

Fleet Downtime (as a percentage of time in operation)



Municipal Court

Department Mission

To provide an impartial forum to adjudicate the charges brought by the State against an individual and provide a high level of integrity, professionalism and customer service.

The department must schedule offenders to appear before the court, adjudicate the trial, and collect fines from guilty offenders.

Issue writs and warrants of arrest for those who fail to obey the orders of the court.

Program Narrative

Accomplishments of FY2013

- Continued to improve collections by streamlining the warrant issue process and participating in the state wide warrant round-up.
- Evaluated new laws passed during the 2013 Texas State Legislative session to determine their impact on court procedures and implement necessary changes.
- Evaluated our current Court software program and developed a request for proposal.
- Updated Municipal Court pamphlet to include Spanish version.

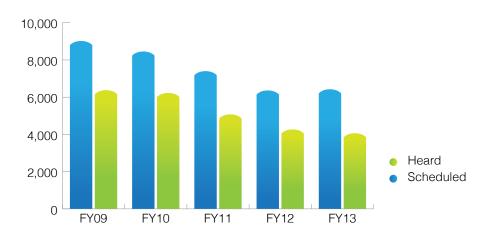
Objectives for FY2014

- Continue to participate in the State wide warrant round-up to collect on outstanding warrants.
- Implement a process to shorten the time from the filing of a case until it goes to trial.
- Implement a program to assist individuals and provide resources for the reinstatement of their driving privileges, which have been suspended by the State due to surcharges.
- Reduce the number of capias pro fine warrants by pre calling individuals in a payment plan.

Notable Budget Items

 Legal fees associated with prosecuting attorney and associate judge (\$26,900).

Cases Scheduled and Heard

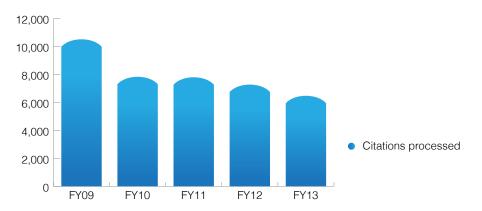


	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$392,764	\$423,430	\$423,430	\$459,389
Supplies	19,729	22,380	22,380	22,470
Maintenance	2,522	5,050	2,500	2,500
Contractual Services	38,909	52,440	61,940	54,900
Capital Replacement/Lease	13,300	16,170	16,170	28,060
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$467,224	\$519,470	\$526,420	\$567,319

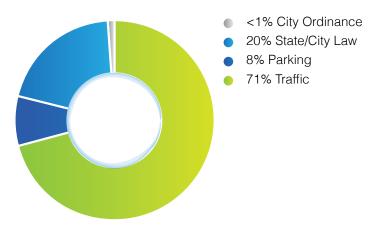
Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Administrator - Court	26	1.0	1.0	1.0	1.0
Clerk - Court	7	3.7	3.7	3.7	3.7
Municipal Judge*	N/C	0.7	0.7	0.7	1.0
TOTAL		5.4	5.4	5.4	5.7

^{*}This position is not classified in the pay plan.

Citations Processed



Violations by Type



Human Resources

Department Mission

To assist the Town of Addison in providing an environment that promotes high performance, customer service, accountability, integrity, involvement, and diversity.

Program Narrative

Accomplishments of FY2013

- Negotiated the Town's health benefits contract renewal process for calendar year 2013 for a cost savings of \$210,562 across all Town funds.
- Coordinated the Employee Benefits and Analysis Committee made up of employees representing various Town departments and two Council liaisons to review various benefit design options to enhance the Town's benefit package which would replace less sustainable options.
- Negotiated the Town's dental benefits contract renewal process for calendar year 2013 for a cost savings of \$12,000 across all funds.
- Implemented the results of the 2012 Comprehensive Job Review/Evaluation Study.
- Expanded the Addison Way Training curriculum to Addison Addvocate Volunteers.
- Formalized the Town's current Recognition Program to capture institutional knowledge and practice, including but not limited to, the service awards and meritorious luncheon process.

Objectives for FY2014

- Implement recommendations from the Employee Benefits and Analysis Committee for calendar year 2014's health insurance plan options.
- Explore partnerships with local public and private schools through the Addison Addvocate program, to support the Parks and Recreation Department for various community projects including park audits, plantings and debris pickup.

- Review and revise the Town's employee performance review form and process, to incorporate individual development plans and categories to assist Supervisors with performance management.
- Explore opportunities for employee self service for benefit and payroll online enrollment/management, to encourage employee awareness of the Town's various employee compensation options and minimize staff resources and time.
- Expand Volunteer Recognition Program to include opportunities for group gatherings and service presentations to enhance staff and volunteer relations.

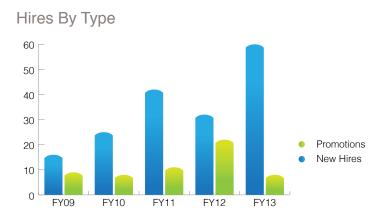
- Town-wide tuition reimbursement program (\$40,000)
- Training and professional development programs (\$45,000)
- Modified Level of Service: Presentation Training (\$15,000).
- Modified Level of Service: FISH Employee Training (\$5,800)

Expenditures	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$391,539	\$416,350	\$401,350	\$392,887
Supplies	11,034	15,250	13,750	13,750
Maintenance	220	240	240	740
Contractual Services	133,597	175,980	141,480	186,800
Capital Replacement/Lease	9,700	12,770	12,770	28,060
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$546,090	\$620,590	\$569,590	\$622,237

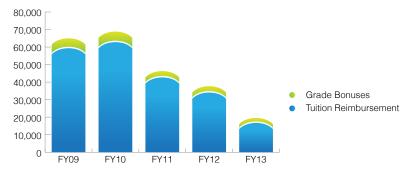
Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Human Resources	31	1.0	1.0	1.0	1.0
Benefits Specialist	22	1.0	1.0	1.0	1.0
Volunteer Coordinator	11	0.5	0.5	0.5	0.5
Payroll Specialist	10	0.7	0.7	0.7	0.7
Department Assistant*	8	0.0	0.0	0.0	1.0
Secretary - Department	8	1.0	1.0	1.0	0.0
Receptionist - Department**	6	0.0	1.0	0.0	0.0
TOTAL		4.2	5.2	4.2	4.2

^{*}The Department Secretary position was reclassified to Department Assistant in late FY12.

^{**}The Receptionist position was reclassified to Department Assistant and moved to the Utility Fund in late FY12.



Tuition Reimbursement



Information Technology

Department Mission

To identify, develop and maintain a standard, integrated information services architecture that enhances organization productivity and creates a customercentered business environment. The department's responsibilities include design and supervision of the Town's technology infrastructure; maintain a single point of contact for recording, tracking and coordinating problem resolution; provide asset management and support services for the network and desktop environment and, coordinate all technology training and education.

Program Narrative

Accomplishments of FY2013

- Replaced the video surveillance camera system at Addison Circle Park and the Addison Athletic Club.
- Replaced the content management system.
- Began upgrading the telecommunication system.
- Upgraded the credit cards processing system.
- · Upgraded the digital citation system.
- Worked closely with the Marketing Director to redesign the Town's websites.
- Replaced the Recreation Guest Registration system.
- Represented Addison in Contract Negotiation and Project Management sub-committees for the quad-cities simulcast radio system implementation.
- Worked closely with the quad-cities to investigate a "Consolidated Dispatch" model for Public Safety.
- Began implementation of moving CAD (Computer Aided Dispatch) system to a private cloud.
- Worked closely with the selected vendor to finalize an Access Control System design for Addison Airport.
- Upgraded the Reverse 9-1-1 system.
- Worked closely with AT&T to design and install WiFi and Cellular networks at Addison Circle Park.

- Replaced the Agenda Management System.
- Released a RFP for an ERP (Enterprise Resource Planning) system.

Objectives for FY2014

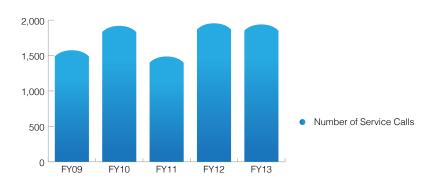
- Continue upgrading the telecommunication system.
- Continue working closely with the Marketing Director to redesign the Town's websites.
- Continue representing Addison in Contract Negotiation and Project Management sub-committees for the quad-cities simulcast radio system implementation and installation.
- Continue working closely with the quad-cities to investigate a "Consolidated Dispatch" model.
- Continue the implementation of moving CAD (Computer Aided Dispatch) system to a private cloud.
- Implement a ERP (Enterprise Resource Planning) system.
- Select and Install a Work Order system for the Infrastructure Operations & Services department.
- Upgrade Addison Circle Park Wireless Network.
- Upgrade Video Camera System at Addison Conference Centre.
- Replace rugged laptops in the Police cruisers and the Fire Trucks.
- Upgrade 9-1-1 system.

- Contract with a vendor to host the Town's Computer Aided Dispatch system (\$147,000).
- Modified Level of Service: Interactive Voice Response (\$50,000).
- Modified Level of Service: Server Room Relocation (\$100,000).
- Modified Level of Service: CAD System Conversion/Implementation (\$75,000).

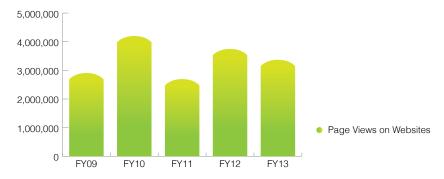
Expenditures	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$735,758	\$835,410	\$835,410	\$899,726
Supplies	56,701	58,980	57,980	58,980
Maintenance	343,726	612,410	613,910	815,408
Contractual Services	103,344	168,870	70,450	154,830
Capital Replacement/Lease	33,000	20,320	20,320	34,120
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$1,272,529	\$1,695,990	\$1,598,070	\$1,963,064

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Informa- tion Technology	31	1.0	1.0	1.0	1.0
Developer	29	0.0	0.0	1.0	1.0
Network Specialist	27	5.0	5.0	5.0	5.0
TOTAL		6.0	6.0	7.0	7.0

Number of Service Calls



Number of Unique Website Visitors



Combined Services

Department Mission

This department reflects expenditures incurred by the Town, as a single entity, in the conduct of its operations. These expenditures include the Town's membership in various state and local organizations, attorney fees, and insurance premiums.

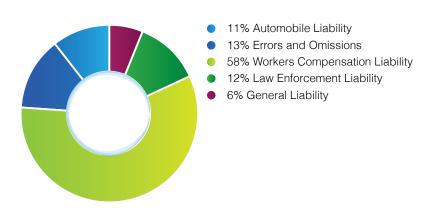
Program Narrative

Notable Budget Items

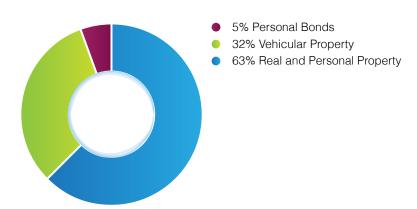
- Legal Fees (\$260,000)
- Library Cards (\$217,790)
- Town-wide liability insurance (\$110,000)

TOTAL DEPT. BUDGET	\$703,580	\$646,980	\$671,753	\$904,760
Capital Outlay	-	-	-	-
Capital Replacement/Lease	-	-	-	-
Contractual Services	574,548	469,350	540,753	737,290
Maintenance	-	-	-	-
Supplies	80,552	119,740	75,000	98,000
Personal Services	\$48,480	\$57,890	\$56,000	\$69,470
Expenditures	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14

Liability Insurance Premiums By Category



Property Insurance Premiums by Category



City Council

Department Mission

This department accounts for funds appropriated by the Council for special projects not directly related to Town operations. Also included are expenses incurred by the Mayor and six members of the Council in performing their responsibilities as elected officials of the Town of Addison.

Program Narrative

Accomplishments of FY2013

- Conducted strategic planning process to set the Town's value proposition and to create a vision and goals for the Town.
- Increased office and retail occupancy rates through implementation of economic development policies
- Continued discussion regarding a comprehensive land use plan and airport strategic plan
- Continued community engagement through City Council liaison assignments

Objectives for FY2014

- Seek out operational efficiencies without compromising the overall level of service provided by the Town
- Increase office occupancy rates through implementation of economic development policies

- Continue to leverage economic development assets to enhance Addison's business profile
- Complete a comprehensive land use plan and airport strategic plan
- Set strategic priorities for the town as part of the annual strategic planning process

- · Non-profit grant funding:
 - Communities in Schools (\$10,000)
 - CONTACT Crisis Line (\$7,500)
 - The Family Place (\$10,000)
 - Launchability (\$5,000)
 - Metrocrest Chamber of Commerce (\$35,000)
 - Metrocrest Social Services (\$50,000)
 - Addison Arbor Foundation (\$53,400)
- Modified Level of Service: Comprehensive land use plan special studies (\$75,000).

Expenditures	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$26,411	\$30,170	\$30,105	\$34,418
Supplies	21,707	13,500	21,995	16,500
Maintenance	-	-	3,178	-
Contractual Services	264,637	332,750	341,955	515,500
Capital Replacement/Lease	2,200	3,000	3,000	3,640
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$314,955	\$379,420	\$400,233	\$570,058

Police

Department Mission

The Addison Police Department is dedicated to a standard of excellence in promoting and maintaining a safe and peaceful community. We serve in a community partnership to preserve order, protect life and property, enforce laws and ordinances, and safeguard individual liberties. We conduct ourselves according to the highest ethical standards and treat others with fairness, dignity, and respect. We pledge to manage our organization with professionalism, leadership, and integrity.

Program Narrative

Accomplishments of FY2013

- Selected Vendor for the replacement of the Public Safety Radio system.
- Completed the recertification process to retain the distinction as a Texas "Best Practices" police department.
- Successfully provided police services for the Town's three major special events.
- Progressed the discussions related to the creation of a quad-cities combined dispatch center.
- Completed refurbishment of Dispatch Center.

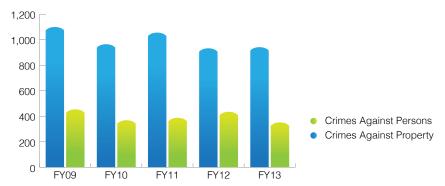
Objectives for FY2014

 Transition to the new Tiburon Computer Aided Dispatch (CAD) system.

Notable Budget Items

- Fuel (\$126,536).
- Overtime (\$200,000).
- Modified Level of Service items as follows:
 - Increase travel and training budget (\$23,720).
 - Ballistic Vest replacement for 40 police offers (\$20,000).
 - Replacement of K-9 (\$17,000).
 - Replace Vievu Body Cameras (\$10,000).
 - Vitruvian Park Storefront Officer (\$73,595).
 - Weapons purchase for SWAT team (\$31,000).
 - Two personal transport vehicles for Addison Citizens Assisting Police (\$20,000).
 - Part-time Animal Control Officer (\$27,275).

Property and Violent Crime Rates



	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$5,981,974	\$6,238,420	\$6,251,727	\$6,570,615
Supplies	335,898	345,890	315,108	350,608
Maintenance	201,481	175,210	216,422	211,422
Contractual Services	401,915	357,780	395,830	433,570
Capital Replacement/Lease	472,500	561,830	561,830	440,800
Capital Outlay	62,446	-	-	20,000
TOTAL DEPT. BUDGET	\$7,456,214	\$7,679,130	\$7,740,917	\$8,027,015

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Police Chief	31	1.0	1.0	1.0	1.0
Assistant Police Chief	P6	1.0	1.0	1.0	1.0
Captain	P5	1.0	1.0	1.0	1.0
Lieutenant	P4	3.0	4.0	4.0	4.0
Sergeant	P3	6.0	6.0	6.0	6.0
Supervisor - Detention	13	1.0	1.0	1.0	1.0
Police Services Supervisor	13	0.0	0.0	0.0	1.0
Police Officer**	P2	48.0	47.0	47.0	48.0
Police Administration Technician***	10	1.0	1.0	1.0	0.0
Animal Control Officer****	8	0.0	1.0	1.0	1.5
Department Assistant	8	0.0	0.0	0.0	1.0
Secretary - Department*****	8	1.0	1.0	1.0	0.0
Jailer	7	2.0	3.0	3.0	3.0
Clerk - Police Records	7	2.0	2.0	2.0	2.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Quartermaster	6	1.0	1.0	1.0	1.0
Intern*****	5	0.0	0.5	0.5	0.5
Jailer - Temporary*	N/C	3.3	2.3	2.3	2.3
TOTAL		72.3	73.8	73.8	75.3

^{*}This position is not classified in the pay plan.

**One Officer position was converted to a Lieutenant in mid-FY11.

***This position was reclassified to Police Services Supervisor in late FY12.

^{***}This position was reclassified to Police Services Supervisor in face 1, ****This position moved from Streets department in mid-FY11. *****This position was reclassified to Department Assistant in late FY12. ******This position was added in FY12.

Emergency Communications

Department Mission

This function reflects expenditures incurred by the Town for emergency communications. These expenditures include the Town's emergency dispatch services, radio maintenance, and other emergency management services related to public safety.

Program Narrative

Accomplishments of FY2013

- Completed a renovation of the dispatch center
- Completed Phase II of the Radio Replacement Project by selecting Harris Communications as the vendor to replace our Public Safety Radio System.

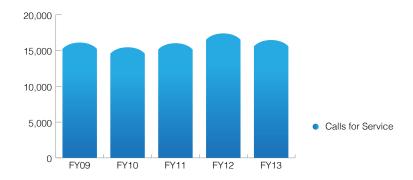
Objectives for FY2014

- Complete Phase III of the Radio Replacement Project which is the installation of the new Public Safety Radio System.
- Continue discussions and plans to combine our dispatch center with Coppell, Farmers Branch and Carrollton to create the Quad Cities Regional Communications Center.

Notable Budget Items

- Public relations services (\$42,000)
- Combined 9-1-1 lines (\$125,000)
- Simulcast site maintenance fee (\$35,000)
- Spectrum Centre Site Lease (\$24,200)

Calls for Service



Beginning in FY08, calls for service declined due to the demolition of several apartment complexes as part of the Vitruvian Park development. Now that the first phase of the development is complete, calls began rising again in FY11.

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Expenditures	Act 2011		Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$785,0	005	\$926,590	\$926,590	\$959,488
Supplies	5,5	520	5,000	5,000	15,000
Maintenance	70,	177	74,000	74,000	74,000
Contractual Services	324,	154	246,180	218,350	236,180
Capital Replacement/Lease		-	-	-	-
Capital Outlay		-	-	-	-
TOTAL DEPT. BUDGET	\$1,184,8	356 \$	1,251,770	\$1,223,940	\$1,284,668
Staffing	Level	Budge 2010-1	_	,	0
Supervisor - Communications	13	1.0) 1	1.0 1.0	1.0
Telecommunicator	T1	12.5	5 12	2.5 12.5	12.5
TOTAL		13.5	5 13	3.5 13.5	13.5

Fire

Department Mission

To protect the persons and property in Addison by providing quality and innovative emergency services. To accomplish the mission, the department performs the following functions: 1- fire suppression, including crash/ fire rescue for aircraft utilizing Addison Airport; 2- fire inspection prevention and investigation; and, 3- emergency medical services (EMS) with advanced life support capabilities practiced by professionally trained paramedics. These functions are provided by three 24-hour shifts, each staffed with 16 employees who operate out of two fire stations.

The department continues to be dedicated to protecting life and property in Addison by providing quality and innovative life safety services in the "Addison Way"

Program Narrative

Accomplishments of FY2013

- Modified Level of Service (MLS): Purchased one Lucas External Cardiac Compression Device.
- Replaced Engine 103 (1993 model) with a new pumper; moving Engine 101 (1997 model) to reserve status; through the capital equipment replacement fund.
- Replaced the Battalion 101 vehicle (2004 model) with a new incident commander vehicle; through the capital equipment replacement fund.
- Replaced one cardiac monitor/ defibrillator through the capital equipment replacement fund.
- Replaced one thermal imaging camera through the capital equipment replacement fund.
- The department continued to evaluate; benchmark and incrementally improve all of its program service areas to include fire suppression, EMS, training, prevention, code enforcement and emergency management.

- The department continued its annual open house public education program and conducted the annual smoke detector battery replacement program in residential dwellings and sought additional opportunities to provide public safety education as noted in the annual report.
- The department provided enhanced performance based and skills based hands on training for fire and life safety to including refresher ARFF training for 20-personnel, live burn training for all personnel and emergency operation center drills.
- The department completed the self assessment process and achieved accredited agency status from the Commission on Fire Accreditation International.

Budget Objectives for FY2014

- MLS: Hire three additional firefighter/ paramedics to meet increased demands associated with new commercial and residential development and redevelopment within the town.
- MLS: Repair and remodel the main bathroom at Fire Station 2.
- MLS: Repair and replace the concrete drives and ramps at both fire stations.
- MLS: Add one additional Outdoor Warning Siren for Vitruvian Park.
- Replace Medic 104 (2003 model) with a new ambulance; through the capital equipment replacement fund.

- Uniforms and protective clothing (\$74,650)
- Training (\$116,100)
- Motor vehicle/equipment maintenance (\$154,305)

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$4,758,093	\$4,843,180	\$4,843,180	\$5,320,846
Supplies	253,839	308,410	293,410	300,090
Maintenance	170,140	194,880	193,880	313,050
Contractual Services	230,552	323,710	301,710	304,620
Capital Replacement/Lease	317,000	357,920	357,920	307,200
Capital Outlay	1,880	45,000	-	241,000
TOTAL DEPT. BUDGET	\$5,731,504	\$6,073,100	\$5,990,100	\$6,786,806

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Fire Chief	31	1.0	1.0	1.0	1.0
Deputy Chief - Prevention*	F6	1.0	0.0	0.0	0.0
Deputy Chief – EMS/Training	F6	1.0	1.0	1.0	1.0
Battalion Chief	F5	0.0	3.0	3.0	3.0
Fire Captain**	F4	6.0	3.0	3.0	3.0
Fire Prevention Specialist	FP2	1.0	1.0	1.0	1.0
Fire Lieutenant	F3	6.0	6.0	6.0	6.0
Firefighter/Paramedic Fire Equip. Operator	F2a	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F2	27.0	27.0	27.0	30.0
Fire Inspector	FP1	0.0	0.0	0.3	0.3
Department Assistant	8	0.0	0.0	0.0	1.0
Secretary - Department***	8	1.0	1.0	1.0	0.0
TOTAL		53.0	52.0	52.3	55.3

Number of Fires and Corresponding Property Loss



In FY10, property losses increased substantially due to a large fire in the Oaks North subdivision, and continued in FY11, due to fires at a hotel and an apartment complex. In FY12, the numbers began to drop back down.

^{*}This position was eliminated in FY12.

**Three Fire Captain positions were reclassified to Battalion Chiefs in FY12.

^{***}This position was reclassified to Department Assistant in late FY12.

Development Services

Department Mission

To manage the planning, development, and growth of the Town in a manner that results in a pleasant, safe, and attractive environment and an enhanced quality of life for all of Addison's citizens and visitors. To protect the public's health and welfare through the enforcement of the Town's codes regarding construction, signs, community safety and appearance, food service, swimming pools, and a myriad of environmental hazards.

Program Narrative

Accomplishments of FY2013

- Completed construction inspection process for opening of Whole Foods Market, which opened on schedule on July 16, 2013.
- Completed the process for updating the Town's Comprehensive Plan and presented the Plan to the Council on June 11, 2013.
- Coordinated, inspected and licensed fourteen (14) new or reoccupied/ remodeled food establishments to date, including: Kahlo Mexican, Salata, Bawarchi Indian, Chicho's Perivian, Dream Café (relocation), Two Girls Toffery, and The Break Sports Grill.
- Worked with our Special Event Staff, the UDR promotions staff, US Food Truck Commissary, and various food truck operators towards growing a special event district at Vitruvian Park/ Savyoe Addison serviced largely by gourmet food trucks.
- Accelerated mosquito surveillance (trapping mosquitoes and testing for West Nile Virus and pesticide resistance), source reduction and larvaciding activity. To-date, West Nile virus had not been detected in Addison.
- During FY13 issued 1,130 permits with a valuation of \$58,221,027.
- Instituted new code enforcement process to better track Inspector's code activities and accomplishments.

Objectives for FY2014

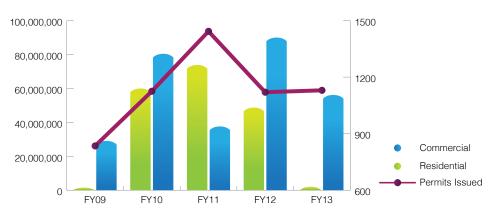
- Begin special area studies on areas that were identified in the 2013 Comprehensive Plan.
- Continue to work with developers of the Village on the Parkway through construction of the 9-screen AMC Theatre, set to open on May 31, 2014.
- Work more closely and innovatively with vendors and participants in Town-sponsored events and special events/promotions at restaurants to ensure food and beverage safety and conformance to all issues related to potential impact on the general public.
- Maintain vigilance in mosquito control matters in anticipation of possible West Nile Virus outbreak and other possible mosquito-borne illnesses. Warm weather this past winter will lead to an increased mosquito population this summer.
- Implement third phase of Building Inspection management system, including having all inspections logged to a central file and providing inspection results over the internet.
- Attend continuing education seminars to obtain certification in building code disciplines and maintain current professional license.

- Mowing of private property recoverable through billings and tax lien assessments (\$10,000).
- Rental for two Town-sponsored garage sales/recycling events & rental of storage space (\$25,000).

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$766,678	\$795,610	\$795,610	\$838,262
Supplies	18,399	19,800	17,050	21,250
Maintenance	3,727	3,400	3,451	5,400
Contractual Services	69,301	137,000	80,095	86,700
Capital Replacement/Lease	28,600	29,120	29,120	67,760
Capital Outlay	-	-	-	_
TOTAL DEPT. BUDGET	\$886,705	\$984,930	\$925,326	\$1,019,372

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Develop- ment Services	31	1.0	1.0	1.0	1.0
Official - Building	28	1.0	1.0	1.0	1.0
Official - Environ- mental Services	28	1.0	1.0	1.0	1.0
Inspector - Building*	13	2.0	2.2	2.2	2.2
Environmental Health Specialist	12	1.0	1.0	1.0	1.0
Department Assistant	8	0.0	0.0	0.0	1.0
Secretary - Department**	8	1.0	1.0	1.0	0.0
TOTAL		7.0	7.2	7.2	7.2

Number and Dollar Value (in millions) of Building Permits Issued



^{*}A part-time Inspector was added in FY12.
**This position was reclassified to Department Assistant in late FY12.

Streets

Department Mission

The Streets department is a sub-unit of the Infrastructure, Operations and Services department. The department has a multi-faceted mission which is comprised of the following components: 1. Maintain the Town's streets at a level where none of the estimated 150,000 vehicles that traverse the Town's streets every day are delayed due to pavement failure; 2. Maintain the Town's drainage system to remove storm water at the peak levels for which the system was designed; 3. Ensure all traffic signalization is operated to safely and efficiently move vehicular traffic through the community; 4. Collect all residential brush within two business days; 5. Administer the contract with a private waste hauler for the effective collection of recycling and residential waste; 6. Supervise and coordinate the placement of all utility lines (e.g. electricity, natural gas, telecommunications, and cable) within the Town's right-of-way to minimize the potential for disruption of utility services; 7. Administer the contract with a private street sweeping company to maintain clean streets; and 8. Oversee the installation, repair and maintenance of street lighting facilities Town-wide.

Program Narrative

Accomplishments of FY2013

- Began design process for Belt Line Road utility conversion project
- Installed nine battery backups as part of a 4-year program to update all signalized intersections
- Contracted for the signal rewiring at three intersections as part of an ongoing maintenance program
- Executed contract for street maintenance to facilitate more rapid response to maintenance needs
- Completed the engineering design for improvements at the intersections of Montfort Drive & Celestial Road and Beltway Drive & Les Lacs Avenue
- Complete joint seal project on Belt Line Road to aid in the extension of the life of the roadway surface

- Collaborated with Valeo Healthcare to complete the construction of Sojourn Drive to accommodate the Methodist One Pavillion medical office building
- Provided community service related to weather emergencies, traffic signals and street sign maintenance, brush and bulky waste pick-up, and special events management
- Completed 5 major street maintenance / repair projects
- Completed \$60k pavement marking projects
- Developed a conceptual drainage master plan to identify and prioritize necessary drainage capital projects
- Worked with Dallas County to design and bid the new pedestrian trail that will link Vitruvian Park to Brookhaven Community College

Objectives for FY2014

- Utilize street maintenance contract to provide superior street maintenance and pavement markings
- Begin construction activities for undergrounding Beltline Road utilities
- Begin preliminary engineering services for Midway Road improvement
- Begin design and project management activities for the second phase of the Vitruvian Park public infrastructure
- Begin design and construction of extension to Alpha Road
- Continue installation of street light battery backup program
- Continue traffic signal rewiring program
- Implement regulatory and street sign replacement program
- Begin preliminary work on Midway Road reconstruction

- Electricity for street lights and traffic signals (\$304,000)
- Residential garbage collection services (\$264,160)
- Modified Level of Service: Street maintenance program (\$100,000)
- Modified Level of Service: Traffic signal battery backups (\$42,000)
- Modified Level of Service: Increased funding for pavement markings (\$35,000)

- Modified Level of Service: Wireless radio for traffic signal system (\$10,000)
- Modified Level of Service: Regulatory and street sign replacement program (\$8,000)

TOTAL DEPT. BUDGET	\$1,612,699	\$1,811,450	\$1,825,459	\$1,836,671
Capital Outlay	-	-	-	-
Capital Replacement/Lease	26,700	23,520	23,520	77,640
Contractual Services	872,001	801,450	836,936	766,450
Maintenance	339,821	583,400	590,381	585,400
Supplies	30,245	28,060	8,550	30,550
Personal Services	\$343,932	\$375,020	\$366,072	\$376,631
	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Streets Superintendent*	24	1.0	0.0	0.0	0.0
Supervisor - Streets Services	12	1.0	1.0	1.0	1.0
Technician - Signs/Signals	11	2.0	2.0	2.0	2.0
Animal Control Officer**	8	1.0	0.0	0.0	0.0
Senior Maintenance Worker	5	2.0	2.0	2.0	2.0
TOTAL		7.0	5.0	5.0	5.0

^{*}This position was eliminated in FY12.

^{**}This position was moved to the Police department in mid-FY11.

Parks

Department Mission

To preserve and enhance the Town's exceptional quality of life through the landscaping and park amenities in the community's public open spaces, as well as through enhanced landscaping of commercial properties.

Program Narrative

Accomplishments of FY2013

- Completed the hiring process for the department landscape architect to focus on commercial property landscape aesthetics.
- Completed planning and implementation of park and hardscape renovation and repair projects throughout Town. These projects included: pedestrian light pole painting in Beckert Park and other areas of the Addison Circle District; Town Hall foot bridge, Winnwood and Lake Forest Bridge Railings; Town Park perimeter fence replacement; Town Park storage building roof replacement; Finance and Town Hall waterfall pumping system repair; Beckert Park and finance building parking lot lighting enhancements; Community Garden retaining wall; neighborhood screen wall repairs.
- Implemented various landscape/ hardscape renovation projects in Town Park, North Addison Park, Addison Circle District, Celestial Pump Station, Conference Center, and the Athletic Club. This also included new tree planting primarily in the Addison Circle District to replace missing or dead trees.
- Completed the park trails connectivity master plan as part of the Comprehensive Land Use update to identify future cross-town trail connectivity opportunities and options for optimizing use of existing park spaces.
- Completed design charettes and initiated schematic design process for the pedestrian connectivity project for the North and South Quorum Districts and the Beltway/Proton Drive corridors.

Completed planning and implementation of four Addison Arbor Foundation public sculpture projects along the Redding Trail and on Wiley Post Drive.

Objectives for FY2014

- Complete construction documents and begin construction of pedestrian connectivity improvements in the North and South Quorum and Beltway/Proton Drive corridors.
- Continue the department's momentum in improving commercial property landscaping and watering practices to increase the property values and enhance the Town's brand.
- Complete park infrastructure repairs and landscape renovation projects in Beckert Park, Belt Line Road, Town Hall, Addison Circle District, Oaks North Subdivision, Proton Drive, and other neighborhood sites.

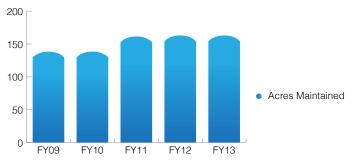
- Addison Circle District and Park Maintenance (\$83.000), Vitruvian Park District, Belt Line Road medians, Surveyor Water Tower. Elementary/Redding Bush extension and Spring Valley Road median maintenance (\$99,800),seasonal color (\$63,000), outdoor lighting (\$65,000), display fountain maintenance (\$74,000), and mowing contract (\$125,000).
- Water utility costs (\$516,000).
- Modified Level of Service: Irrigation system upgrades and contract tree pruning (\$58,500).
- Modified Level of Service: Addison Circle Park maintenance and repairs (\$113,500).

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$1,183,256	\$1,409,030	\$1,386,322	\$1,419,402
Supplies	166,021	177,700	177,700	177,700
Maintenance	383,641	728,500	643,855	990,200
Contractual Services	1,085,243	847,500	844,000	846,900
Capital Replacement/Lease	45,504	54,260	54,260	89,450
Capital Outlay	-	9,000	9,000	-
TOTAL DEPT. BUDGET	\$2,863,665	\$3,225,990	\$3,115,137	\$3,523,652

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Parks and Recreation	31	1.0	1.0	1.0	1.0
Manager - Parks	26	1.0	1.0	1.0	1.0
Landscape Architect	26	0.0	0.0	1.0	1.0
Superintendent - Parks	20	0.0	0.0	1.0	1.0
Foreman - Parks**	20	1.0	1.0	0.0	0.0
Supervisor - Parks	11	1.0	1.0	2.0	2.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Senior Groundskeeper	9	2.0	2.0	1.0	1.0
Department Assistant	8	0.0	0.0	1.0	1.0
Secretary - Department*	8	1.0	1.0	0.0	0.0
Groundskeeper - III	8	2.0	2.0	2.0	2.0
Groundskeeper - II	6	2.0	2.0	2.0	2.0
Groundskeeper - I	5	6.0	6.0	6.0	6.0
TOTAL		20.0	20.0	21.0	21.0

^{*}This position was reclassified to Department Assistant in late FY12.
**This position was reclassified to Parks Forman in FY13

Acres Maintained



Acres maintained increased in FY11 due to the addition of the first phase of the Vitruvian Park development, Vitruvian Way medians, the George H.W. Bush Elementary School campus, and the Redding Trail Extension.

Recreation

Department Mission

To offer and maintain for the Town's residents a wide array of recreation, health, fitness, and athletic programs at the Athletic Club. Facilities at the Club include an indoor, four-lane lap/swim pool with whirlpool, four racquetball courts, gymnasium, aerobic room, indoor running track, one lighted outdoor tennis court, weight and fitness room, and an outdoor leisure pool.

Program Narrative

Accomplishments of FY2013

- Implemented several successful programs that were well attended and satisfied member interests and requests. Senior Zumba, Dunn Brothers Coffee, Fit to be a Senior, Senior Trips and Lunches, Pancake Breakfast, Senior Thanksgiving Dinner, Swim Lessons, Friday Night In, Easter Eggstravaganza, Halloween Bash, Bouncing Saturday, Zumba, Spin Bike Class, Yoga, Personal Training, and Boot Camp.
- Completed a successful summer camp that served 34 families, averaged 22 kids per week, and made a small profit.
- Collaborated with Human Resources to implement the employee wellness program including yoga, boot camp, and co-ed sports.
- Selected ActiveNet to replace the department software package RecWare that was implemented in 2001. The new software has many new features that will increase the efficiency of Club operations and provide online registration for members.
- Completed the following building repairs and improvements: ADA/TAS Compliance, outdoor kid's outdoor pool re-plaster, purchase of new shade umbrellas for outdoor pools, installed new pool controllers, various painting projects, re-stained outdoor basketball court, replaced fitness televisions, replaced and added additional security cameras. Plus over 120 building work orders completed.
- Completed customer service training for all staff with Randy Pennington.
 Completed a customer service review and training with Bob Phillips.

Objectives for FY2014

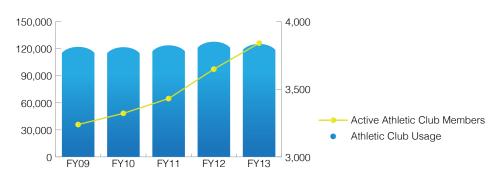
- Begin training on the new department software package ActiveNet and implement January 2014.
- Replace eight treadmills as part of the Capital Equipment Replacement Plan. (\$39,000)
- Continue to assess current recreation programs to ensure they are meeting Town goals. Offer new programs based on resident interests and requests. Review current marketing strategies to promote participation and discontinue programs that are not well attended.
- Provide excellent customer service and continue customer service training for staff including summer seasonal employees. Implement the results of the 2013 customer service survey.
- Expand free WiFi coverage to include the second floor fitness wing and outdoor pool. Currently free WiFi is offered in the main lobby and first floor multipurpose room.

- Building maintenance for the Addison Athletic Club (\$184,760).
- Utilities associated with the operation of the Addison Athletic Club (\$188,080).
- Rentals associated with activities and programs (\$30,000).
- Instructor fees recovered through charges to participants (\$62,000).

Maintenance Contractual Services	175,784	223,130	223,306	200,972
	279,033	316,410	316,965	324,280
Contractual Services Capital Replacement/Lease	279,033	316,410	316,965	324,280
	58,900	57,020	57,020	54,160
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$1,405,716	\$1,555,610	\$1,547,308	\$1,530,027

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Manager - Recreation	26	1.0	1.0	1.0	1.0
Supervisor - Recreation	11	1.0	1.0	1.0	1.0
Coordinator - Recreation	9	2.0	2.0	2.0	2.0
Coordinator - Fitness	9	1.0	1.0	1.0	1.0
Seasonal Pool Supervisor	8	0.2	0.2	0.2	0.2
Secretary - Division	7	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Recreation Associate	5	4.0	4.0	4.0	4.0
Seasonal Camp Counselor	5	0.6	0.6	0.6	0.6
Custodian	2	2.0	1.0	1.0	1.0
Seasonal Lifeguard	2	1.6	1.6	1.6	1.6
Porter	2	1.0	1.0	1.0	1.0
TOTAL		15.6	14.6	14.6	14.6

Addison Athletic Club Facility Usage (number of visits) and Active Athletic Club Members



SAFE EASY



Hotel Fund

Fund Description

The Hotel Fund accounts for the use of hotel/motel occupancy tax revenue generated by the Town's 22 hotels (representing 3,953 rooms) and which is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

Fund Narrative

Concluding Fiscal Year Performance

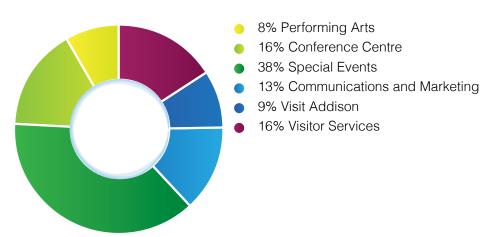
FY2013 revenues are expected to total \$7,333,865 or \$522,575 greater than budget. Hotel occupancy tax receipts are expected to increase 7.0 percent over FY2012 and are projected to exceed budget by \$396,865 or 9.4 percent. Proceeds from special events are expected to be up 9.4 percent from the previous year. Expenditures for the Hotel Fund came in \$677,788 over budget, primarily due to replacement of the HVAC system at the Addison Conference and Theatre Centre and increased security at the special events. The HVAC system is expected to significantly reduce utility and maintenance costs. All instances of expenditures exceeding budget were recognized with budget amendments approved by Council.

2013-2014 Budget Narrative

The Hotel Fund budget for FY2014 anticipates hotel occupancy tax collections will increase \$325,630. Barring inclement weather during scheduled events, special event income is expected to generate more than \$1.8 million. Rental income from the Conference Centre is projected at \$632,100 and Visit Addison rental income is expected to be \$237.500.

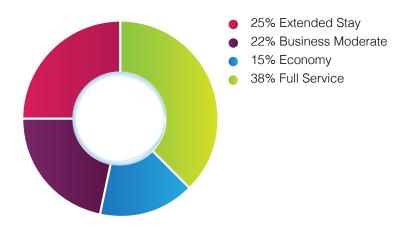
Total fund expenditures for FY2014 are budgeted at \$6,919,799, which represent a 10.2 percent increase over the FY2013 budget. The Hotel Fund budget includes a transfer of \$570,000 to the Hotel Occupancy Tax Debt Service Fund for retirement of debt associated with Addison Circle Park, the venue for the Town's special events. Fund balance for FY2014 is projected to be \$1,671,007, or 24.1 percent of operating expenditures.

Hotel Fund Expenditures by Department



Hotel Fund Statement of Revenue and Expenditures						
Category	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14		
Beginning Balance						
	\$2,131,381	\$1,560,870	\$2,030,014	\$1,471,211		
Revenues						
Hotel/motel occupancy taxes	4,295,149	4,200,000	4,596,865	4,922,495		
Proceeds from special events	1,660,805	1,700,000	1,817,500	1,817,500		
Conference Centre rental	509,458	603,290	602,000	632,100		
Visit Addison rental	181,760	230,000	237,500	237,500		
Theatre Centre rental	77,663	70,000	70,000	70,000		
Interest earnings and other	15,277	8,000	10,000	10,000		
Total Revenues	6,740,112	6,811,290	7,333,865	7,689,595		
Total Available Resources	8,871,493	8,372,160	9,363,879	9,160,806		
Expenditures						
Visitor Services	866,853	1,008,600	1,057,737	1,096,261		
Visit Addison	564,117	570,690	585,461	626,588		
Marketing	723,433	995,860	951,597	917,800		
Special Events	2,510,948	2,522,430	2,530,224	2,615,202		
Conference Centre	1,001,378	1,041,840	1,692,759	1,098,607		
Performing Arts	504,750	505,460	504,890	565,341		
Total Expenditures	6,171,479	6,644,880	7,322,668	6,919,799		
Other Financing Sources(Uses)						
Interfund transfer	(670,000)	(620,000)	(570,000)	(570,000)		
ENDING FUND BALANCE	\$2,030,014	\$1,107,280	\$1,471,211	\$1,671,007		

Percentage of Rooms by Hotel Category



Visitor Services

Department Mission

The Mission of the Visitor Services Department is to provide quality and innovative services to increase leisure and business travel to the Town of Addison.

Program Narrative

Accomplishments of FY2013

- Programs helped generate 40,193 room nights for Addison hotels.
- Continued Certified Tourism Ambassadors training for 18 volunteers.
- Standardized the sales assistance program to better track the room nights the department helps to generate.
- Created a new conference services pilot program that will enhance the experience of group visitors to Addison
- Worked with marketing to create and implement weekend marketing campaigns to generate hotel room nights.
- Developed new customer service training program that will train all Town Employees.
- Conducted market research and due diligence to identify a travel reservation services partner to give website visitors the ability to book hotel rooms, air and car travel, and attraction tickets on the Addison website and through a call center. This service will provide cross-promotional opportunities for Addison hotels and attractions, and provide a tracking and reporting mechanism to demonstrate value to our stakeholders. Additionally, negotiated a revenueshare pricing model with the vendor, which adds a new revenue source for the Town projected to generate approximately \$50,000.
- Implemented, tracked and analyzed third party weekend/weekday hotel data for a full calendar year to set a benchmark to determine the impact of Addison's special events on hotel occupancy, average daily rate, and revenue per available room.

Objectives for FY2014

- Programs to help generate 48,193 room nights for Addison hotels, a 20 percent increase over 2013.
- Increase Addison's hotel representation at tradeshows by 25% over prior year to increase awareness of Addison as a destination and generate group room nights.
- Continue to develop new programming for new Visit Addison Information Center-Artisan Center to maximize the return on investment for the town.
- Further develop plans for attracting amateur sporting events to overnight in Addison Hotels.
- Create new hotel committees to further cultivate relationships that will help increase overnight visitors to Addison.
- Revise the Hotel Support Program guidelines to increase participation and to generate additional room nights.
- Help develop new web site.
- Implement the travel reservation service to include an online hotel booking engine, travel packaging, experiential packaging, and callcenter service.
- Work with the reservation services provider, hotel partners and regional attractions to create experiential travel packages to drive weekend, transient hotel room nights.
- Work with the reservation services provider to create a group event page to support the meetings and events segment of the hotel business.
- Establish and implement a formalized structure to gather stakeholder input for tourism.

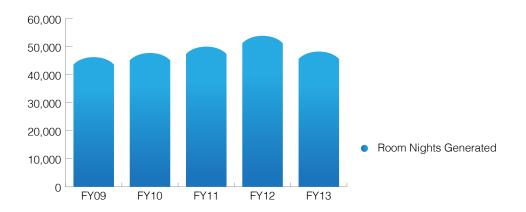
Notable Budget Items

 Modified Level of Service: Certified tourism ambassador program (\$31,000).

TOTAL DEPT. BUDGET	\$866,853	\$1,008,600	\$1,057,737	\$1,096,261
Capital Outlay	-	-	-	-
Capital Replacement/Lease	3,800	12,310	12,310	12,310
Contractual Services	393,170	613,450	660,250	643,550
Maintenance	39,335	69,220	69,220	69,720
Supplies	22,556	28,360	28,360	28,360
Personal Services	\$407,992	\$285,260	\$287,597	\$342,321
	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Visitor Services	31	1.0	1.0	1.0	1.0
Assistant to the City Manager	25	0.0	0.0	1.0	1.0
Sales Manager*	22	1.0	1.0	0.0	0.0
Department Assistant	8	0.0	0.0	1.0	1.0
Secretary - Department **	8	1.0	1.0	0.0	0.0
TOTAL		3.0	3.0	3.0	3.0

Hotel Room Nights - Visitor Services Sales Assistance Programs



^{*}This position was eliminated mid-FY12.
**This position was reclassified to Department Assistant in late FY12.

Visit Addison

Department Mission

To provide a visitor and arts center that will be unique, artistic, and a first of its kind in Texas that will promote the wares of local artisans and intermingle their art with the story, services, and offerings of the Town and the area.

As unique as Addison itself, the new facility is the place to get information about the Town of Addison's attractions including 22 hotels, over 170 restaurants, the Cavanaugh Flight Museum, the WaterTower Theatre, the Town's rich variety of shopping opportunities, and Addison special events. The center is comprised of approximately 26,000 square feet and is home to the Visitor Services department, the Metrocrest Chamber of Commerce, and the Craft Guild. The facility features a large flexible space for meetings, gatherings, and exhibitions; a retail space; and a new interactive artisan center that allows visitors to observe the creation of artistic wares as well as participate in craft development classes. The center is located in the Village on the Parkway retail area and is considered an "anchor tenant" that will attract shoppers for the area's other retail businesses.

Program Narrative

Accomplishments of FY2013

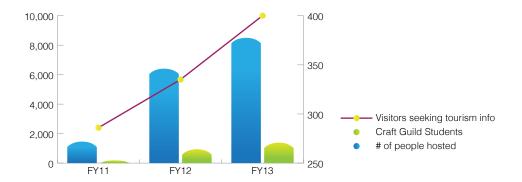
- Generated a combined (suites 400 and 430) meeting room revenue of \$103,937.
- Hosted seven art exhibits, up from three the previous fiscal year. Two of these showcased international artists from China and Mexico.
- Approximately 485 guests from Gallery art exhibits and their respective opening receptions.
- Hosted 9,900 people in the facility: 1,000 Craft Guild students, 8,500 Meeting and event attendees (include suite 400 and 430), and 400 estimated Visitors seeking tourism information

Objectives for FY2014

- Create a plan for rotating arts exhibitions for the Gallery
- Continue to grow our inventory of Addison branded private-label products in the store
- Develop and implement a systematic outreach and partnership effort with hotels and restaurants for serving visitors and multi-family communities for new residents
- Generate 10,800 visitors. 1,200 Craft Guild students, 9,000 meeting attendees, and 600 Visitors seeking tourism information
- Generate combined meeting room revenue of \$109,000.
- Work with Addison hotels to create room night producing events.

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$8,252	\$8,340	\$9,161	\$8,630
Supplies	49,290	41,650	41,650	41,650
Maintenance	31,892	50,500	22,572	50,500
Contractual Services	474,683	470,200	512,078	525,808
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$564,117	\$570,690	\$585,461	\$626,588

Number of Visitors Hosted - Seeking Tourism Info



Conference Centre

Department Mission

To promote the convention and tourism industry in Addison by offering exceptional service in a unique and architecturally-inspired meeting and event venue.

Program Narrative

Accomplishments of 2013

- Generated an additional \$100,000 in revenue over prior year.
- Hosted 625 events compared to 560 prior year.
- Hosted approximately 55,000 event attendees.
- Restructured staffing levels to reduce overtime costs.
- Purchased and implemented new event management software to improve efficiencies.
- Purchased new diagramming technology to enhance the client experience and reduce labor costs.
- Purchased and implemented employee scheduling technology to better manage labor costs.
- Implemented a new rate structure resulting in higher sales volume.
- Implemented a catering agreement and fee based upon a competitive analysis, resulting in \$25,000 in additional revenue.
- Refined the marketing strategy to target more profitable events.
- Conducted a review of operations to create efficiencies and maximize revenue.
- Replaced the 20 year old HVAC system with energy efficient units.

Objectives for FY2014

- Generate a 5 percent increase in revenue.
- Increase events hosted by 15 percent.
- Conduct advanced sales training for key staff members.
- Transition the invoicing process to the Conference Centre.
- Complete standard operating procedures, rental agreement revisions and event guidelines.
- Implement customer satisfaction survey program.
- Implement the Conference Centre's portion of the website to serve as a sales tool.
- Partner with a catering vendor to serve as the "in-house" caterer to both generate additional revenue and create a more simplified service experience for clients.

- Replacement and repair of equipment (\$27,000)
- Utilities (\$163,010)
- Modified Level of Service: Grout repair along flagstone path (\$6,500)
- Modified Level of Service: Painting of Daktronics sign (\$3,000)
- Modified Level of Service: Replacement of dance floor (\$11,000)
- Modified Level of Service: Replacement skirting (\$8,000)
- Modified Level of Service: Replace two commercial refrigerators (\$12,200)
- Modified Level of Service: Cost savings for 2 part-time Conference Centre Attendants (\$8,000)

TOTAL DEPT. BUDGET	\$1,001,378	\$1,041,840	\$1,692,759	\$1,098,607
Capital Outlay	-	-	649,000	29,700
Capital Replacement/Lease	16,300	16,230	16,300	26,060
Contractual Services	218,814	301,190	304,390	306,340
Maintenance	169,612	157,050	157,050	168,700
Supplies	72,471	106,050	107,515	84,180
Personal Services	\$524,181	\$461,320	\$458,504	\$483,627
	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
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Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Manager - Conference Centre	26	1.0	1.0	1.0	1.0
Coordinator - Technical	13	1.0	1.0	1.0	1.0
Coordinator - Conference Centre Services	13	0.0	1.0	1.0	1.0
Coordinator - Conference Centre *	11	1.0	0.0	0.0	0.0
Coordinator - Conference Centre Sales	11	0.0	1.0	0.0	0.0
Department Assistant	8	0.0	0.0	0.0	1.0
Secretary - Division **	7	1.0	0.0	0.0	0.0
Senior Attendant - Conference Centre	5	0.0	1.0	2.0	2.0
Attendant - Conference Centre ***	4	3.5	3.0	2.0	2.7
TOTAL		7.5	8.0	7.0	8.7

Rental Revenue



^{*}The Coordinator - Conference Centre position was reclassified to Coordinator - Services in mid-FY11.

**The Secretary - Division position was reclassified to Coordinator - Sales in mid-FY11.

***Position name changed from Houseman in mid-FY11. One position was reclassified to Senior Attendant in FY12, and one position was reclassified to full time in FY12.

Communications & Marketing

Department Mission

The Department of Communications and Marketing serves as the central point of contact for communications and marketing activities citywide. It is responsible for coordinating Addison's various communication efforts to ensure that they reflect the Town's philosophy and message, and manages all aspect of marketing products flowing to our businesses, residents, and visitors. Using industry best practices to lead, coordinate and manage Addison's brand, within our borders and beyond, the department provides strategic communications and marketing consulting, and coordinates information that is useful, fun, and informative to the public at large about Addison happenings, news, and events.

Program Narrative

Accomplishments of FY2013

- Working with website vendor, began work on an Addison integrated website project which will merge all primary Addison websites, add essential functions such as hotel booking, e-ticketing, and community engagement tools.
- Managed a comprehensive Addison Rebranding Project that included stakeholder interviews, a half-dozen "Addison Way" surveys, and an organized effort with our Branding Committee. The project culminated with the City Council approving our new Brand Vision for Addison and the initial planning for the roll-out phase.
- Consolidated and updated Addison's social media assets, developed measureable goals, and launched successful strategic community engagement campaigns designed to enhance and promote economic development, special events, and visitor services efforts.
- Designed and launched an "It's Always Game Time In Addison" advertising campaign designed to promote Addison as THE home base for sports enthusiasts and visitors in town for college and professional sporting events and/or those who attend alumni/ fan watch parties in our restaurants and hotels.
- Created cohesive "Business is Booming" economic development campaign which included a series of

four print and online ads promoting successful Addison businesses, two videos, and new business development kits designed to support Department of Economic Development efforts.

- Launched a monthly eblast, the Addison Buzz, which features a snapshot of our restaurants, businesses, and events in an engaging, easy, fun, and quick format. The eblast added a new digital outlet for communicating to our very broad target audiences.
- Developed and launched a multi-level community awareness campaign for the new CodeRED Emergency Alert system.

Objectives for FY2014

- Oversee the roll-out and launch of new Addison Brand which will help increase our competitive edge, define our Brand Guidelines, establish our core messaging, and give Addison a completely new look that will take Addison into the future.
- Completion and launch of a comprehensive website redesign project that will be progressive, relevant, and reflective of the Addison Brand (cost for the entire website project will be dispersed over several four Addison Funds).
- Develop stronger community engagement through digital and social media.

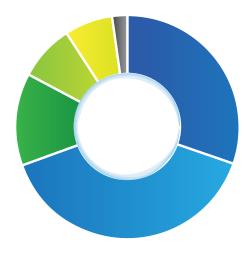
- Website design (\$40,000).
- Marketing for Special Events (\$71,000).
- The Vivanti Group and The Matchbox Studio contract for providing creative services and marketing consulting for the Town (\$70,000).
- Shiroma Southwest contract for providing marketing and public relations services for all special events and Access Addison (\$75,000).
- Addison/North Dallas Corridor Guide (\$111,000).
- Modified Level of Service: Rebranding rollout Public Relations campaign (\$25,000)

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$131,108	\$150,550	\$150,666	\$156,460
Supplies	6,461	5,770	5,794	5,770
Maintenance	1,108	6,090	6,090	6,090
Contractual Services	582,256	829,300	784,897	741,800
Capital Replacement/Lease	2,500	4,150	4,150	7,680
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$723,433	\$995,860	\$951,597	\$917,800

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Communications and Marketing *	31	0.0	1.0	1.0	1.0
TOTAL		0.0	1.0	1.0	1.0

^{*} This position was added in mid FY11

Marketing Expenditures by Category



- 2% Other
- 7% Website Design/Content Management
- 8% Events-Specific Marketing
- 13% Addison Magazine
- 39% Marketing Strategy, Branding, and Creative Services
- 30% PR/Media Support/Advertising

Special Events

Department Mission

To produce quality events that attracts tourists and enhances the Town's brand.

Program Narrative

Accomplishments of FY2013

- Delivered memorable experiences that brought tourists, residents, businesses and employees together in a fun and safe environment.
- Retained market share by hosting several new events and added new elements to keep existing events fresh;
 - Hosted both WorldFest and WorldFest: Spotlight China which attracted tourists and strengthened Addison's reputation within the international community.
 - Re-tooled the culinary offerings at Taste Addison which enhanced the Town's reputation as a unique culinary destination.
 - Hosted the first annual Tasty Run with 1,200 participants.
 - Assisted the Citizens Committee with Addison's 60th Anniversary Sock Hop.
 - Addison Kaboom Town!® continues to receive national acclaim and was recognized as one of the top shows in the country by a dozen media outlets, including Readers Digest, Yahoo.com, Fox News, MSN, Huffington Post and more.
 - Re-tooled the culinary offerings at Addison Oktoberfest which enhanced the visitor experience and provided Addison restaurant and community partners with marketing exposure and a venue to earn incremental revenue.
 - · Chamberlain's Brau Haus
 - Draught Haus Biergarten & Sports Tavern
 - Kaffee und Kuchen Haus
 - Secured Paulaner as an event sponsor

- Added Cure Search Walk An Addison-based company raising funds for children's cancer research.
- Worked with organizers of the Big Design Conference to retain and grow their Conference, further enhancing Addison as a thriving, entrepreneurial community.
- Implemented new security procedures at the (3) largest events.
- Issued Permits for nine events taking place in the Addison Arts & Events District as well as numerous Events/ Activities in Vitruvian Park.
- Implemented cost efficiencies through the bid process and earned revenue in excess of \$1,500,000.
- Worked with Visitor Services to book 1,527 hotel room nights during our major events.

Objectives for FY2014

- Produce a series of quality special events that bring tourists, residents, businesses and employees together in a fun and safe environment, including: Taste Addison, Addison Kaboom Town!®, Summer Series, Oktoberfest, WorldFest plus a series of third party events.
- Retain market share of approximately 650,000 visitors at the existing events by keeping the events fresh with new ideas.
- Continue to expand the culinary aspects of the special events with particular emphasis on Taste Addison.
- Look for operational efficiencies without cutting services and generate \$1.8 million in revenue.
- Implement online ticket sales and packages for events.

Notable Budget Items

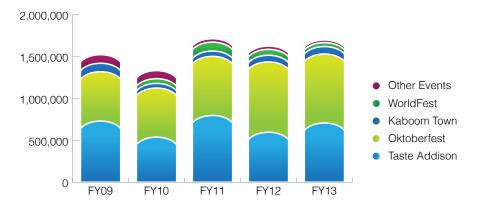
 Events including Taste Addison (\$606,000), Oktoberfest (\$550,000), Kaboom Town® (\$285,000), WorldFest (\$55,625), and Summer Series (\$49,160).

- Maintenance of and utilities for Addison Circle Park (\$236,140).
- Modified Level of Service: Intern position to full-time Special Events Coordinator (\$32,320)
- Modified Level of Service: Event turnstiles and stanchions (\$24,992).
- Modified Level of Service: Front gate and directional enhancements (\$35,000).
- Modified Level of Service: Addison Circle Park maintenance and repairs (\$113,500).

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Personal Services	\$550,093	\$643,300	\$631,530	\$677,010
Supplies	7,439	28,910	29,418	58,642
Maintenance	160,151	154,590	176,440	254,820
Contractual Services	1,761,865	1,654,660	1,651,866	1,583,760
Capital Replacement/Lease	31,400	40,970	40,970	40,970
Capital Outlay	-	-	-	-
TOTAL DEPT. BUDGET	\$2,510,948	\$2,522,430	\$2,530,224	\$2,615,202

Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Special Events	31	1.0	1.0	1.0	1.0
Senior Coordinator - Special Events	22	0.0	0.0	1.0	1.0
Billing Supervisor	10	0.0	0.0	0.0	0.3
Coordinator - Special Events	11	2.0	2.0	1.0	2.0
Intern	5	0.0	0.0	0.5	0.0
TOTAL		3.0	3.0	3.5	4.3

Proceeds by Event



Performing Arts

Department Mission

To provide artistic experiences for the citizens of Addison and the surrounding communities as well as to attract and promote tourism. To meet this mission, the Town will provide the highest quality facilities, equipment and staff to effectively support events and performances.

Program Narrative

Accomplishments of FY2013

WaterTower Theatre — Resident Company

- Hosted 23,000 (estimated) patrons
- Hosted 212 performances
- Subscriber base of 2,039 season ticket holders

WaterTower Theatre Season 2013-2014:

Main Stage

Hank Williams: Lost Highway by Randal Myler and Mark Harelik

Ken Ludwig's The Game's Afoot or Holmes for the Holidays

The Adventures of Tom Sawyer by Laura Eason adapted from the novel by Mark Twain

Spunk
by George C. Wolfe
Adapted for the stage from three short
stories by Zora Neale Hurston
Music by Chic Street Man

Good People by David Lindsay-Abaire

Dogfight
A New Musical
Music and Lyrics by Benj Pasek & Justin
Paul
Book by Peter Duchan

Studio Theatre

The Santaland Diaries
by David Sedaris, adapted by Joe Mantello
+ 2 shows TBD

Out of the Loop Fringe Festival
10 day Multi-discipline performance
festival March 6-16, 2014

Objectives for FY2014

WaterTower Theatre - Resident Company

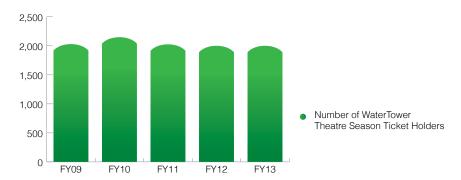
- Host 24,000 patrons
- Host 230 performances
- · Subscriber base 2,100

Notable Budget Items

- Funding for performing arts groups:
 - WaterTower Theatre (\$445,000)
 - Dance Council (\$7,000)

TOTAL DEPT. BUDGET	\$504,750	\$505,460	\$504,890	\$565,341
Capital Outlay	11,064	-	-	10,000
Capital Replacement/Lease	2,500	2,440	2,440	2,100
Contractual Services	399,908	399,570	400,900	454,930
Maintenance	51,862	50,390	50,390	51,740
Supplies	28,104	36,200	35,700	27,790
Personal Services	\$11,312	\$16,860	\$15,460	\$18,781
	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14

Number of WaterTower Theatre Season Ticket Holders



Economic Development Fund

Fund Description

The Economic Development Fund accumulates resources to support efforts that stimulate the Addison economy through attraction of commercial enterprises, business retention and expansion, redevelopment, and entrepreneurial development.

Fund Narrative

Accomplishments of FY2013

- Strategic marketing campaign helped build capacity amongst the local commercial brokerage community, business executives, and site selection partners. Ad placement was done in the Dallas Business Journal, D CEO Magazine, BisNow Online Newsletter, the Greater Dallas Chamber Economic Development Guide, and the State of Texas Economic Development Guide
- Strategic event sponsorships complemented the department's advertising efforts. Event sponsorships were leveraged with the North Texas Commercial Association of Realtors, BisNow, CoreNet, and the Metrocrest Chamber of Commerce.
- A new Economic Development Manager was hired.
- Spearheaded Business Registration Renewal process.
- Several "Meet and Greet" Events were hosted at various office buildings including Addison Circle One (1,200 Employees), The Addison (900 Employees), The Millennium (900 Employees), Homeward Residential (750 employees), and Hanover Building (400+ Employees).
- Co-sponsored "Doing Business in China" luncheon as part of new WorldFest format.
- Managed the service agreement with Metrocrest Chamber of Commerce.

- Participated in Metrocrest Chamber new business Ribbon Cutting Ceremonies.
- Provided support and actively participated in Airport Strategic Plan Development.
- Provide support to Addison Business Association.
- Negotiated incentives and executed agreement with Fiesta Restaurant Group and National Bankruptcy Services.
- Negotiated and executed Memorandum of Understanding with Baylor University for the Accelerated Ventures Program to serve as catalyst program for entrepreneurial development.
- The Town selected #7 largest economic development office in North Texas by the Dallas Business Journal based on deals closed and investment generated in 2012.
- Hosted local businesses at Oktoberfest Brau Haus.
- Responded to several corporate relocation RFPs to encourage companies to relocate to Addison.

Objectives for FY2014

- Focus on filling up commercial space in the community.
- Develop effective incentive criteria specific to airport prospects as part of our Chapter 380 Program policies and procedures.
- Develop a Town Spring Cleaning program and Yard of the Month program to help raise property values.
- Strengthen the Business Retention & Expansion Program.
- Take stronger advantage of ED Website and social media to activity promote local businesses activity and to promote Town's economic development successes.

- Strengthen the relationship with local businesses and building brokers so that businesses become more engaged in the community.
- Create at least two new local industry appreciation events.
- Host/sponsor at least three commercial broker events in Addison.
- Create strong working relationship with Accelerated Venture Program and develop substantive supporting programs so that it becomes a recognized model for public/private collaboration in entrepreneurship.
- Grow relationship with local economic development stakeholders to leverage their support.

					5
		Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance		\$358,676	\$241,830	\$516,823	\$619,526
Revenues					
Ad valorem taxes					
Current taxes		553,240	698,300	698,300	792,000
Delinquent taxes		-	780	1,000	400
Penalty and interest		-	1,290	2,300	1,000
Business license fee		72,650	85,000	80,000	80,000
Interest earnings and other		1,936	1,500	1,500	1,500
Total Revenues		627,826	786,870	783,100	874,900
Total Available Resources		986,502	1,028,700	1,299,923	1,494,426
Expenditures					
Personal services		153,005	192,140	232,535	295,428
Supplies		11,241	15,000	17,200	18,300
Maintenance		-	9,090	9,090	7,500
Contractual services		302,733	566,890	416,202	894,377
Capital replacement/lease		2,700	5,370	5,370	5,370
Total Expenditures		469,679	788,490	680,397	1,220,975
ENDING FUND BALANCE		\$516,823	\$240,210	\$619,526	\$273,450
				,	
Staffing	Level	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director - Economic Development	31	0.0	1.0	1.0	1.0
Manager - Economic Development	26	0.0	1.0	1.0	1.0
Department Assistant	8	0.0	0.0	0.0	1.0
TOTAL		0.0	2.0	2.0	3.0

Grant Funds

Fund Description

Three special revenue funds account for monies received from private and governmental agencies. Expenditures of these grant monies are also recorded in the grant funds. The Advanced Funding Grant Fund is utilized for grant monies that are received prior to the related expenditure. This fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year. The Reimbursement Grant Fund will track expenditures for which the Town expects to be reimbursed. The Town will record a receivable for any reimbursements not received prior to the fiscal year end. The American Recovery

and Reinvestment Act (ARRA) Grant Fund was established to track receipts and expenditures of ARRA grant monies. The Act requires that agencies separate ARRA funds from other funds.

Fund Narratives

Advanced Funding Grant Fund

No advanced funding grants are anticipated in the budget for fiscal year 2014.

Reimbursement Grant Fund

The fiscal year 2014 budget does not anticipate any additional grant revenue or expenditures.

Advanced Funding Grant Fund Statement of Revenues and Expenditures

	Actual	Budget	Estimated	Budget
	2011-12	2012-13	2012-13	2013-14
Beginning Balance	\$26,104	\$24,100	\$14,732	\$17,182
Revenues				
Intergovernmental	4,560	-	2,400	-
Interest earnings and other	562	-	50	-
Total Revenues	5,122	-	2,450	-
Total Available Resources	31,226	24,100	17,182	17,182
Expenditures				
Supplies	11,352	-	-	-
Contractual services	5,142	-	-	-
Total Expenditures	16,494	-	-	-
ENDING FUND BALANCE	\$14,732	\$24,100	\$17,182	\$17,182

Reimbursement Grant Fund Statement of Revenues and Expenditures

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$(1,945,361)	\$100	\$(3,422)	\$-
Revenues				
Intergovernmental	1,964,680	-	5,000	-
Interest earnings and other	(81)	-	2,500	-
Total Revenues	1,964,599	-	7,500	1 1 -
Total Available Resources	19,238	100	4,078	-
Expenditures				
Personal services	2,932	-	-	-
Supplies	9,953	-	4,078	-
Contractual services	4,189	-	-	-
Construction and equipment	5,586	-	-	-
Total Expenditures	22,660	-	4,078	-
ENDING FUND BALANCE	\$(3,422)	\$100	\$-	\$-



Other Special Revenue Funds

Public Safety Fund

Fund Description

Police forfeiture funds are awards of monies or property by the courts related to cases that involve the Addison Police department. According to Chapter 59, Article 6, Paragraph (d) of the Texas Code of Criminal Procedure, "Proceeds awarded under this chapter to a law enforcement agency may be spent by the agency after a budget for the expenditures of the proceeds has been submitted to the governing body of the municipality."

Fund Narrative

The resources for the fund are equivalent to that of FY2013, but expenditures for the 2014 fiscal year are expected to rise slightly. The budget includes increased funding for miscellaneous tools and equipment for the Quad Cities Police Consortium shared services initiative (\$24,000).

Municipal Court Fund

Fund Description

The court building security and technology fees represented in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified security or technology improvements for the Town's municipal court.

Fund Narrative

For FY2014, the budget anticipates that funds generated by the building security fee will pay part-time bailiff costs (\$24,000), and training for court personnel (\$1,500). Funds generated by the court technology fee will be used for continued remote execution of warrants (\$4,000).

Public Safety Fund Statement of Revenues and Expenditures

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$17,810	\$23,170	\$36,793	\$21,393
Revenues				
Court awards	25,791	7,500	7,500	7,500
Interest earnings and other	96	100	100	100
Total Revenues	25,887	7,600	7,600	7,600
Total Available Resources	43,697	30,770	44,393	28,993
Expenditures				
Supplies	4,156	23,000	23,000	24,000
Contractual services	2,748	-	-	-
Total Expenditures	6,904	23,000	23,000	24,000
ENDING FUND BALANCE	\$36,793	\$7,770	\$21,393	\$4,993

Municipal Court Fund Statement of Revenues and Expenditures

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	Actual	Budget	Estimated	Budget
	2011-12	2012-13	2012-13	2013-14
Beginning Balance	\$156,289	\$121,800	\$143,895	\$102,825
Revenues				
Court security fees	16,911	15,380	15,380	16,000
Court technology fees	22,244	23,200	23,200	24,000
Interest earnings and other	2,821	2,750	2,750	2,800
Total Revenues	41,976	41,330	41,330	42,800
Total Available Resources	198,265	163,130	185,225	145,625
Expenditures				
Personal services	14,135	24,000	24,000	24,000
Supplies	150	2,000	2,000	2,000
Maintenance	40,085	54,900	54,900	30,000
Contractual services	-	1,500	1,500	7,500
Total Expenditures	54,370	82,400	82,400	63,500
ENDING FUND BALANCE	\$143,895	\$80,730	\$102,825	\$82,125

Debt Service Funds

General Obligation Debt Service Fund

Fund Description

The debt service funds, also known as interest and sinking funds, are established by ordinances authorizing the issuance of bonds and providing for the payment of bond principal and interest as they come due. In the General Obligation Debt Service Fund, an ad valorem (property) tax rate and tax levy is required to be computed and levied that will be sufficient to produce the money to satisfy the annual debt service requirements. General obligation bonds of the Town carry an "Aa1" rating from Moody's Investors Service and a "AAA" rating from Standard and Poor's Ratings Service.

Fund Narrative

The Town issued \$17,975,000 of new debt during the 2013 fiscal year. Shown below is the Town's debt position as of the beginning of FY2014.

The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan adopted for the General Fund, the Town intends to utilize surplus operating

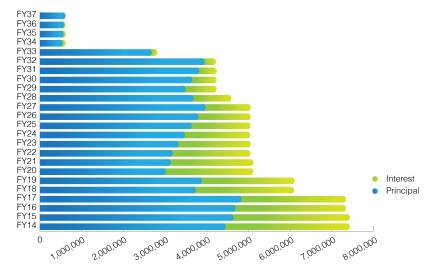
funds to support capital projects. In those instances when debt has to be issued for projects which cannot be delayed, a second policy stipulates that debt will not be issued for any period longer than 15 years, except under special circumstances, in order to rapidly retire outstanding debt.

The Town's legal capacity for additional debt is very large. Rules promulgated by the Office of the Attorney General of Texas stipulate that such Office will not approve tax bonds of any city unless the city can demonstrate its ability to pay debt service requirements on all outstanding tax debt, including the issue to be approved, from a tax level of \$1.50 per \$100 of valuation, based on 90 percent collection of the tax. Assuming the maximum tax rate for debt service of \$1.50 on the 2013 taxable assessed valuation of \$3,490,007,698 at 90 percent collection, tax revenue of \$47,115,104 would be produced. This revenue could service the debt of roughly \$480 million issued as 5 percent 15-year serial bonds, which is more than \$378 million greater than the Town's outstanding obligations.

 For more information related to the General Fund long-term plan please refer to Appendix E.

Total debt \$101,010,000 Less self-supporting debt from Hotel, Airport, and Utility Funds 23,581,847 NET OUTSTANDING GENERAL OBLIGATION DEBT \$77,428,153

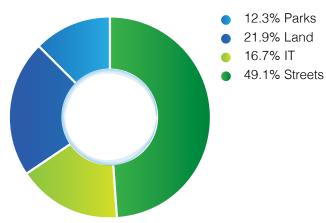
Annual Requirement to Amortize General Obligation Debt



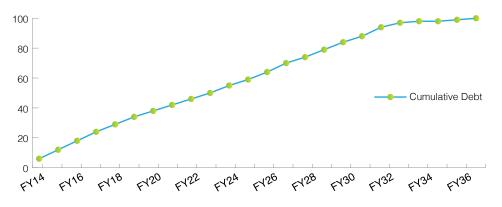
General Obligation Debt Service Fund Statement of Revenues & Expenditures

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$1,127,831	\$880,080	\$1,079,254	\$1,097,930
Revenues				
Ad valorem taxes	5,984,930	6,869,820	6,869,820	7,386,660
Interest earnings and other	36,696	7,500	7,500	7,500
Total Revenues	6,021,626	6,877,320	6,877,320	7,394,160
Total Available Resources	7,149,457	7,757,400	7,956,574	8,492,090
Expenditures				
Debt service - principal	4,118,040	4,101,160	4,101,160	4,461,153
Debt service - interest	1,810,497	2,747,480	2,747,480	2,969,375
Fiscal fees	141,666	10,000	10,000	10,000
Total Expenditures	6,070,203	6,858,640	6,858,640	7,440,528
ENDING FUND BALANCE	\$1,079,254	\$898,760	\$1,097,934	\$1,051,562

Distribution of Debt Service by Application



Percent Cumulative Debt Retired Until Maturity



Hotel Occupancy Tax Debt Service Fund

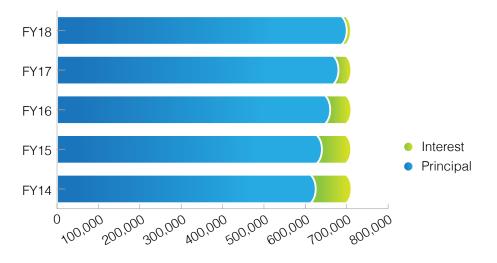
Fund Description

The Hotel Occupancy Tax Debt Service Fund receives, as a transfer from the Hotel Fund, occupancy taxes to meet the debt service requirements associated with the \$8,000,000 of certificates of obligation issued in 2003 to fund the additions and improvements to the Arts and Events District. The issue carries the Town's "Aa1" and "AAA" general obligation ratings.

Fund Narrative

The financial statement for this particular fund is fairly straightforward. Transfers are made to the fund from the Hotel Fund sufficient for supporting annual debt service requirements. Although the Town pledged its full faith and credit for repayment of debts, including the levying of a property tax rate if needed, there will be sufficient resources in the Hotel Fund to pay for the annual debt service and support operating expenditures.

Annual Requirement to Amortize Hotel Occupancy Tax Debt



Hotel Occupancy Tax Debt Service Fund Statement of Revenues and Expenditures

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$817,273	\$762,050	\$761,647	\$629,987
Revenues				
Interest earnings and other	2,517	3,000	2,000	2,000
Total Revenues	2,517	3,000	2,000	2,000
Total Available Resources	819,790	765,050	763,647	631,987
Expenditures				
Debt service - principal	620,000	600,000	600,000	625,000
Debt service - interest	108,143	103,360	103,360	86,650
Fiscal fees	-	300	300	300
Total Expenditures	728,143	703,660	703,660	711,950
Other Financing Sources (Uses)				
Interfund transfer	670,000	570,000	570,000	570,000
ENDING FUND BALANCE	\$761,647	\$631,390	\$629,987	\$490,037

Capital Project Funds

Fund Description

Capital project funds are created to account for proceeds from the sale of general obligation or revenue bonds to be used for the acquisition or construction of major capital facilities. Descriptions of the projects, as well as the impact these projects may have on operating budgets, are included in the Town Chronicle section of this document. Budgets are developed by project and may transcend more than one fiscal year.

Street Capital Project Fund Statement of Revenues and Expenditures

The budget for fiscal year 2014 reflects \$362,081 for railroad improvements and quiet zones, \$517,000 for the development of streets related to the Ashton Woods development, \$211,990 for improvement Keller Springs Road, and \$260,900 worth of street and lighting projects including replacement of aging street lights along Quorum Drive and in the Oaks North Neighborhood and repairs to Midway Road. These projects were included in the budget for fiscal year 2013 but have been delayed to fiscal year 2014.

	Actual	Rudget	Estimated	Rudget
	Actual 2011-12	Budget 2012-13	2012-13	Budget 2013-14
	2011-12	2012-13	2012-13	2013-14
Beginning Balance	\$1,585,889	\$1,291,850	\$1,346,971	\$1,349,471
Revenues				
Interest earnings and other	5,761	2,500	2,500	2,500
Total Revenues	5,761	2,500	2,500	2,500
Total Available Resources	1,591,650	1,294,350	1,349,471	1,351,971
Expenditures				
Engineering and contractual services	178,018	-	-	-
Construction and equipment	66,661	1,294,350	-	1,351,971
Total Expenditures	244,679	1,294,350	-	1,351,971
ENDING FUND BALANCE	\$1,346,971	\$-	\$1,349,471	\$-

2006 Capital Project Fund

Funds were reserved in fiscal year 2010 for lighting projects in Midway Meadows and along Proton Drive. These projects were delayed, and funds were reallocated into fiscal year 2014.

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$149,094	\$354,140	\$354,473	\$354,473
Revenues				
Interest earnings and other	205,379	500	-	-
Total Revenues	205,379	500	-	-
Total Available Resources	354,473	354,640	354,473	354,473
Expenditures				
Engineering and contractual services	-	354,640	-	354,473
Total Expenditures	-	354,640	-	354,473
ENDING FUND BALANCE	\$354,473	\$-	\$354,473	\$-

2008 Capital Project Fund

Fiscal year 2013 expenses were related to professional services for and construction of the Vitruvian Park development and Spring Valley Road. The 2014 budget includes \$175,000 for the Surveyor Learning Center.

	\$2,863,278	\$1,295,690	\$2,098,798	\$1,923,798
ENDING FUND BALANCE				
Interfund transfer	(1,816,416)	-	-	-
Other Financing Sources (Uses)				
Total Expenditures	2,226,442	1,725,000	773,480	175,000
Construction and equipment	1,722,431	1,725,000	703,239	175,000
Engineering and contractual services	504,011	-	70,241	-
Expenditures				
Total Available Resources	6,906,136	3,020,690	2,872,278	2,098,798
Total Revenues	170,650	9,000	9,000	-
Developer contributions	150,000	-	-	-
Interest earnings and other	20,650	9,000	9,000	-
Revenues				
Beginning Balance	\$6,735,486	\$3,011,690	\$2,863,278	\$2,098,798
	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14

2012 Capital Project Fund

Fiscal year 2013 expenses were related to professional services for and construction of Belt Line streetscape and interchange, Viturvian Park improvements, park and pedestrian connectivity, and public safety radio replacement. These projects will continue in FY2014 along with a wireless network improvement project.

Expenditures	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$-	\$-	\$34,960,940	
Revenues				
Interest earnings and other	8,607	-	-	-
Developer contributions	-	-	_	-
Total Revenues	8,607	-	-	-
Total Available Resources	8,607	-	34,960,940	31,558,432
Expenditures				
Engineering and contractual services	-	-	2,302,282	1,677,077
Construction and equipment	-	-	1,100,226	22,250,415
Total Expenditures	-	-	3,402,508	23,927,492
Other Financing Sources (Uses)				
Interfund transfer	34,952,333	-	-	-
ENDING FUND BALANCE	\$34,960,940	\$-	\$31,558,432	\$7,630,940

2013 Capital Project Fund

Fiscal year 2013 expenses relate to the purchase of land for the Addison Airport. For fiscal year 2014, the Town plans to acquire other parcel(s) of land for airport use and begin the design phase for Midway Road.

2013 Capital Project Fund - Tax Exempt Bonds

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$-	\$-	\$-	\$4,898,222
Revenues				
Interest earnings and other	-	-	-	-
Developer contributions	-	-	-	-
Total Revenues	-	-	-	-
Total Available Resources	-	-	-	4,898,222
Expenditures				
Engineering and contractual services	-	-	-	-
Construction and equipment	-	-	-	4,898,222
Total Expenditures	-	-	-	4,898,222
Other Financing Sources (Uses)				
Bond Proceeds	-	-	4,898,222	-
ENDING FUND BALANCE	\$-	\$-	\$4,898,222	\$-

2013 Capital Project Fund - AMT Bonds

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$-	\$-	\$-	\$1,852,101
Revenues				
Interest earnings and other	-	-	-	-
Developer contributions	-	-	-	-
Total Revenues	-	-	-	-
Total Available Resources	-	-	-	1,852,101
Expenditures				
Engineering and contractual services	-	-	-	-
Construction and equipment	-	-	-	1,852,101
Total Expenditures	-	-	-	1,852,101
Other Financing Sources (Uses)				
Bond Proceeds	-	-	1,852,101	-
ENDING FUND BALANCE	\$-	\$-	\$1,852,101	\$-

2013 Capital Project Fund - Taxable Bonds

	Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Beginning Balance	\$-	\$-	\$-	\$-
Revenues				
Interest earnings and other	-	-	-	-
Developer contributions	-	-	-	-
Total Revenues	-	-	-	-
Total Available Resources	-	-	-	-
Expenditures				
Engineering and contractual services	-	-	-	-
Construction and equipment	-	-	1,232,169	-
Total Expenditures	-	-	1,232,169	-
Other Financing Sources (Uses)				
Bond Proceeds	-	-	1,232,169	-
ENDING FUND BALANCE	\$-	\$-	\$-	\$-

CENTRAL INNOVATIVE ENERGY



Airport Fund

Fund Description

The Town of Addison owns a general aviation airport, which the Town considers to be one of the community's greatest assets. Addison Airport is a single runway facility and is ranked by the Federal Aviation Administration (FAA) as one of the busiest airports of its kind. The airport is used extensively by corporate executives who wish to conduct business in offices located in the North Dallas area.

The airport's operations are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through rentals, leases, and user charges. The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of private corporations. In addition to the income statement, there is included a statement of changes in working capital which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc). For the Airport Fund, working capital represents fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets or retirement of debt that are not included in the income statement.

Fund Narrative

The Town of Addison has contracted with a private operator for operation and maintenance of the airport. The Town has contracted with URS Energy & Construction (URS) to perform all functions directly associated with the operation and maintenance of the airport and related facilities. URS is also responsible for developing, in coordination with the Town, a capital improvement program and obtaining capital grant funding from the FAA and the Texas Department of Transportation (TxDOT) Aviation Division. All real estate functions, including rental of Town facilities and the management of ground leases, have been contracted to SAMI Management, Inc. (SAMI). SAMI is also responsible for the billing and collection of all revenue related to rentals, leases, fuel flowage fees, and miscellaneous income.

Under the terms of the two agreements, URS will submit each year to the Town a budget that will fund all airport and real estate functions. All expenditures will be made in accordance with the budget as approved by the City Council. These operating expenditures are supported with revenue generated by the airport. Each company is compensated for their services with URS receiving a base annual fee of \$170,000 plus 2.5 percent of revenue received in excess of \$4 million. SAMI receives a base annual fee of \$120,000 with financial incentives for realizing increased revenues from the airport.

For the 2013 fiscal year, operating revenue is projected to total \$4,429,000, which is 6.9 percent more than budget. The increase in revenues is a result of increased fuel flowage fees and commercial rental income. Operating expenses are estimated to come in \$108,677 or 3.0 percent less than budget. Uses of working capital include the Town's local match for capital grants to maintain and enhance airport facilities.

For fiscal year 2014, the budget anticipates operating revenue of \$4,414,830, a 6.5 percent increase from the 2013 budget. Operating expenses increase by \$748,712 or 20.6 percent from the previous year's budget, primarily due to increased maintenance expenses due to deferred projects in previous years. The budget includes \$2,280,000 as the Town's local match for FAA/TxDOT capital projects. By making these improvements the Airport will remain a viable option for new and existing users; most importantly, retaining its existing market share and revenues. Working capital in the upcoming fiscal year is expected to decrease \$2,882,122 from the prior year budget, primarily due to expenses related to capital acquisitions and improvements of the airport.

 For more information related to airport projects and initiatives, please refer to Sector 4 of the Town Chronicle section of this document.

Airport Fund Statement of Income

	2	Actual 011-12	Budget 2012-13	Estimated 2012-13	Budget 2013-14
Operating revenues		011 12	2012 10	2012 10	2010 14
Operating grants		\$-	\$50,000	\$50,000	\$50,000
Fuel flowage fees	7	17,667	679,250	730,000	724,840
Rental		51,536	3,363,080	3,595,000	3,587,690
User fees and other		13,656)	52,300	54,000	52,300
Total operating revenues		55,547	4,144,630	4,429,000	4,414,830
Operating expenses	0	00.000	000 500	070 000	070 550
Town - Personal services		62,802	366,530	370,000	370,553
Town - Supplies		37,926	62,600	57,500	62,600
Town - Maintenance		56,884	21,000	48,500	57,300
Town - Contractual services		89,396	543,850	525,000	546,810
Grant - Maintenance		92,784	100,000	100,000	100,000
Operator - Operations and maintenance	1,8	45,839	2,242,320	2,060,569	2,923,289
Operator - Service contract		12,008	295,210	361,264	319,670
Total operating expenses		97,639	3,631,510	3,522,833	4,380,222
Net operating income	1,1	57,908	513,120	906,167	34,608
Non-operating revenues (expense	s)				
Interest earnings and other		8,338	29,800	15,000	5,000
Interest on debt, fiscal fees and other	(11	16,035)	(104,990)	(103,485)	(216,730)
Capital Contributions	1,2	58,798	-	_	_
Net non-operating revenues (expenses)	1,1	51,101	(75,190)	(88,485)	(211,730)
NET INCOME (EXCLUDING DEPRECIATION)	\$2,3	09,009	\$437,930	\$817,682	\$(177,122)
(EXCEODING BEITHEOMITION)					
Changes in working capital					
Net income (excluding depreciation)	\$2,3	09,009	\$437,930	\$817,682	\$(177,122)
Sources (uses) of working capital					
Retirement of long-term debt	(27	75,000)	(290,000)	(290,000)	(395,000)
Net additions to fixed assets with grants	(2,49	94,663)	(98,000)	(113,100)	(2,280,000)
Other net additions to fixed assets	s (1	2,676)	(20,000)	(20,000)	(30,000)
Bond Proceeds	,	-	-	3,006,552	-
Net sources (uses) of working capital	(2,78	32,339)	(408,000)	2,583,452	(2,705,000)
Net increase (decrease) in working capital	(47	73,330)	29,930	3,401,135	(2,882,122)
Beginning working balance	2.0	12,994	1,566,180	1,539,660	4,940,795
ENDING WORKING CAPITAL		39,664	\$1,596,110	\$4,940,795	\$2,058,673
Staffing	Level	Budge 2010-1			
Sergeant*	P3	0.0			
Police Officer	P2	2.0			
TOTAL		2.0			
*Position was added in mid EV11					

^{*}Position was added in mid-FY11.

Utility Fund

Fund Description

The Town's water and wastewater utilities are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of private corporations. In addition to the income statement, there is included a statement of changes in working capital which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc). For the Utility Fund, working capital represents fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets or retirement of debt that are not included in the income statement.

Fund Narrative

Operating revenues for fiscal year 2013 are projected to total \$11,135,010, which is \$394,990 more than budget and \$6,310 more than was generated in fiscal year 2012. Operating expenses were \$259,764 more than budget, largely due to the purchase of more water than projected. Ending Working capital totaled \$984,068, which is \$511,658 or 108 percent more than budget.

This year the Town conducted a comprehensive rate study to determine the water and wastewater rates necessary to cover operating and capital expenses. FY2014 operating revenues reflect a 1.5 percent increase in water rates, which recognizes the rising cost to purchase wholesale treated water from Dallas Water Utilities. Sewer revenues reflect an 8.47 percent decrease in rates, due to the retirement of a large component of the Town's utility-related debt. Budgeted operating revenues total \$10,249,846, a decrease of \$490,174 from the previous year. Operating expenses are budgeted at \$8,190,979, an increase of \$234,909 over the prior year. In order to meet the capital needs of the Town's aging water and wastewater infrastructure, the FY2014 budget anticipates the issuance of \$7,500,000 in self-supporting certificates of obligation. Working capital is projected to increase \$6,424,088 because of the recognition of bond proceeds.

 For more information related to airport projects and initiatives, please refer to Sector 4 of the Town Chronicle section of this document.

Utility Fund Statement of Income

ENDING WORKING CAPITAL	\$2,326,419	\$472,410	\$984,068	\$7,408,15
Beginning working capital	2,734,120	1,537,750	2,326,420	984,06
Net increase (decrease) in working capital	(407,701)	(1,065,340)	(1,342,352)	6,424,08
Net sources (uses) of working capital	(3,492,779)	(3,395,320)	(3,856,782)	5,151,48
Net (increase) decrease in other assets	(56,344)	-	20,000	
Net additions to fixed assets	(2,520,891)	(516,480)		(1,837,600
Debt issuance	- (0.500.004)	- (E40 400)	(007.040)	7,500,00
Retirement of long-term debt	(915,544)	(2,878,840)	(2,878,840)	(510,919
Sources (uses) of working capital				
Net income (excluding depreciation)	\$3,085,078	\$2,329,980	\$2,514,430	\$1,272,60
Changes in working capital				
NET INCOME (EXCLUDING DEPRECIATION)	\$3,085,078	\$2,329,980	\$2,514,430	\$1,272,60
revenues (expenses)				
fees and other Net non-operating	(638,792)	(453,970)	(404,746)	(786,260
Interest on debt, fiscal	(579,016)	(395,970)	(419,160)	(675,750
(expenses) Interest earnings and other	(59,776)	(58,000)	14,414	(110,510
Non-operating revenues				
Net operating income	3,723,870	2,783,950	2,919,176	2,058,86
Total operating expenses	7,404,830	7,956,070	8,215,834	8,190,97
Utility operations	2,482,333	2,721,410	2,786,864	2,881,32
Wastewater treatment	2,063,043	2,279,460	2,296,205	2,337,58
Operating expenses Water purchases	2,859,454	2,955,200	3,132,765	2,972,06
Total operating revenues	11,128,700	10,740,020	11,135,010	10,249,84
Penalties	79,555	73,500	74,533	151,11
Tap fees and other	15,490	18,500	11,087	10,28
Sewer charges	4,761,033	4,679,200	4,783,860	4,320,76
Water sales	\$6,272,622	\$5,968,820	\$6,265,530	\$5,767,68
Operating revenues				
	2011-12	2012-13	2012-13	2013-1

Utility Operations

Division Description

To provide safe, uninterrupted water and wastewater (sewer) services to Addison residents and businesses. The Town purchases water from the City of Dallas and delivers its sewage to treatment facilities in Dallas and to the Trinity River Authority's northern region treatment plant. Staff is responsible for maintaining over 80 miles of water line, 3,660 water meters, 1,052 fire hydrants, 1,955 main valves, two water pump stations, 66 miles of sanitary sewer lines, 1,052 manholes, and one wastewater lift station.

Program Narrative

Accomplishments of FY2013

- Began re-tooling the department from Public Works to Infrastructure Operations & Services, including hiring a department director and assistant director.
- Implemented work management and asset maintenance program and selected vendor to convert to electronic program
- Executed sanitary sewer investigation and analysis contract and completed the field work and assessment for year 1
- Executed maintenance contract for comprehensive scheduled maintenance activities and completed initial benchmark assessment for pumps and electrical equipment at the pump and lift stations.
- Collaborated with the Finance Department to complete a comprehensive utility rate study

- Finalized Vitruvian Park, Spring Valley, and Redding Trail projects
- Commissioned Surveyor 1.5MG elevated storage tank
- Completed RFQ selection process for consulting engineers associated with CIP and Bond projects
- Began the implementation of a comprehensive maintenance action plan that will aid in productivity and scheduling
- Sold \$18.5 Million of General Obligation bonds and certificates of obligation for Airport land acquisition and capital improvements, Midway Road design and drainage improvements

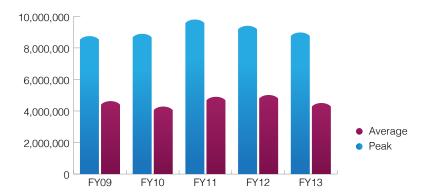
Objectives for FY2014

- Implement recommendations from sanitary sewer investigation
- Update water system master plan and system evaluation
- Implement electronic asset inspection and management program
- Work with IT staff to continue implementation of GIS web mapping tools
- Begin first series of task under executed Stormwater Master Plan
- Begin water tank evaluation and assessment

Notable Budget Items

 Electricity to power the Town's pump and lift stations (\$208,000)

Water Usage (millions of gallons)



- Meter replacement and repair costs (\$140,000)
- Engineering services (\$172,880)
- · Modified Level of Service: Valve maintenance trailer (\$55,000)
- · Modified Level of Service: Work order system hardware (\$20,000)

	Actual	Budget	Estimated	Budget
Expenditures	2011-12	2012-13	2012-13	2013-14
Personal Services				
	\$1,252,883	\$1,386,020	\$1,346,117	\$1,565,086
Supplies	111,913	129,870	116,360	129,220
Maintenance	426,121	428,280	494,683	488,820
Contractual Services	691,416	741,530	793,994	622,952
Capital Replacement/Lease	-	35,710	35,710	75,250
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$2,482,333	\$2,721,410	\$2,786,864	\$2,881,328

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14
Deputy City Manager*	34	0.0	0.0	1.0	1.0	1.0
Director - Infrastructure Operations & Services	31	1.0	1.0	0.0	1.0	1.0
Assistant Director	29	0.0	0.0	0.0	0.0	1.0
City Engineer**	27	1.0	1.0	0.0	0.0	0.0
Manager - Operations	26	0.0	0.0	1.0	1.0	0.0
Assistant to the City Manager	25	0.0	0.0	0.0	1.0	1.0
Utilities Superintendent***	24	1.0	1.0	0.0	0.0	0.0
Assistant to the Infra- structure Director ****	21	1.0	0.0	1.0	0.0	0.0
Management Assistant****	20	0.0	1.0	0.0	0.0	0.0
Inspector - Infrastructure	13	1.0	1.0	1.0	1.0	1.0
Supervisor - Utilities	13	2.0	2.0	2.0	2.0	2.0
Billing Supervisor	10	0.0	0.0	0.0	0.3	0.3
Water Quality Specialist	12	1.0	1.0	1.0	1.0	1.0
Senior Utility Operator	11	1.0	1.0	1.0	1.0	1.0
Assistant Infrastructure Inspector	9	1.0	1.0	1.0	1.0	1.0
Department Assistant*****	8	0.0	0.0	0.0	1.0	1.0
Utility Operator III	8	2.0	2.0	2.0	2.0	2.0
Utility Operator II	6	3.0	3.0	3.0	3.0	3.0
Utility Operator I	5	2.0	2.0	2.0	2.0	2.0
TOTAL		17.0	17.0	16.0	18.3	18.3

^{*}This position was moved to the Utility Fund from the General Fund in FY12.

^{**}This positions was eliminated in FY12.

^{***}This positions was reclassified to Manager-Operations in mid-FY11.

***This positions was reclassified to Manager Operations in mid-FY11.

***This positions was reclassified to Manager Operations in mid-FY11.

^{******}This position was reclassified to Assistant to the Director in mid-FY11.
******This position was moved to the Utility Fund from the Human Resources department in mid-FY12.

Stormwater Fund

Fund Description

The Town's stormwater utility is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of private corporations. In addition to the income statement, there is included a statement of changes in working capital which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc). For the Stormwater Fund, working capital represents fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets or retirement of debt that are not included in the income statement.

Fund Narrative

The Stormwater fund was created in 2013 to address the necessary stormwater activities and capital projects. The fee will fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town's drainage infrastructure including drainage relief systems, detention facilities and improvements to the Les Lacs and Winwood ponds.

Operating revenues for fiscal year 2013 are projected to be \$1,182,600 and the FY2014 budget for operating revenue is \$1,552,000. Working capital is estimated to be \$6,404,122 at the end of FY2014, which includes proceeds from the 2013 debt issuance of \$7,275,000. The FY2014 budget assumes working capital will decrease approximately \$2.2 million due expense related to capital projects and retirement of debt. The FY2014 budget assumes no increase in the stormwater rate.

Capital projects included in the fiscal year 2014 budget:

- Dredge and de-silt Les Lacs and Winnwood ponds (\$600,000),
- Drainage improvements for the EMAS facility at the airport (\$800,000),
- Bridge and Channel Repair (\$80,000),
- Belt Line Drainage Improvements (\$800,000),
- Engineer study and system evaluation of the Hutton Brach and Rawhide Creek basins (\$250,000),
- Keller Springs Basin Improvements (\$400,000).

Stormwater Fund Statement of Income

		Actual 2011-12	Budget 2012-13	Estimated 2012-13	Budge ¹ 2013-14
Operating revenues					
Drainage Fees		\$-	\$-	\$1,182,600	\$1,552,000
Total operating revenues		-	-	1,182,600	1,552,000
Operating expenses					
Utility Operations		-	-	65,000	316,341
Total operating expenses		-	-	65,000	316,341
Net operating income		-	-	1,117,600	1,235,659
Non-operating revenues (exp	enses)				
Interest earnings and other		-	-	3,500	5,000
Interest on debt, fiscal fees and other		-	-	-	(309,018
Net non-operating revenues (expenses)		-	-	3,500	(304,018
NET INCOME (EXCLUDING DEPRECIATION	DN)	\$-	\$-	\$1,121,100	\$931,641
Changes in working conital					
Changes in working capital	ociation)	\$	Φ.	\$1 121 100	\$031.6 <i>1</i> :
Net income (excluding depre		\$-	\$-	\$1,121,100	\$931,64 ⁻
Net income (excluding depre Sources (uses) of working ca	pital	\$-	\$-	\$1,121,100	
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer	pital	\$- - -	\$- - -	\$1,121,100 - 7,516,381	
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds	pital t	\$- - -	-	-	(235,000
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of	pital t	\$- - - -	-	-	(235,000
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease)	pital t	\$- - - -	- - -	- 7,516,381 -	(235,000 (2,930,000 (3,165,000
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease) in working capital	pital t	\$- - - -	- - -	- 7,516,381 - 7,516,381	\$931,64* (235,000 (2,930,000 (3,165,000 (2,233,359 8,637,48*
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease)	pital t	- - - -	- - - -	- 7,516,381 - 7,516,381	(235,000 (2,930,000 (3,165,000 (2,233,359
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Net income (excluding depressources (uses) of working can Retirement of long-term debth Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease) in working capital Beginning Working Capital	pital t	- - - -	- - - -	7,516,381 - 7,516,381 8,637,481 - \$8,637,481	(235,000 (2,930,000 (3,165,000 (2,233,359 8,637,48
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease) in working capital Beginning Working Capital BEGINNING WORKING CAF	pital t	- - - - - \$-	- - - - \$- Budge	- 7,516,381 - 7,516,381 8,637,481 - \$8,637,481	(235,000 (2,930,000 (3,165,000 (2,233,359 8,637,48
Net income (excluding depre Sources (uses) of working ca Retirement of long-term deb Debt issuance/transfer of debt proceeds Net additions to fixed assets Net sources (uses) of working capital Net increase (decrease) in working capital Beginning Working Capital BEGINNING WORKING CAF	pital t	- - - - - \$- Budget 2012-13	- - - - \$- Budge 2013-14	- 7,516,381 - 7,516,381 8,637,481 - \$8,637,481	(235,000 (2,930,000 (3,165,000 (2,233,359 8,637,48

Information Technology Replacement Fund

Fund Description

This fund is intended to accumulate sufficient resources to replace existing computer systems (equipment and software) that have reached or exceeded their useful lives. Resources are acquired through charges to operating departments. The charges are calculated using a straight-line amortization of each component of a system based upon the component's expected life. When a component of a system has reached the end of its projected useful life, a decision is made as to whether the component should be replaced. If the component is still working as intended and is not requiring excess maintenance expenses, it will be kept in service. However, once the component has been fully amortized, the department will stop making payments to the fund for that item. Interest income earned by the fund and proceeds from the sale of surplus equipment will offset the impact of inflation on the replacement costs of equipment.

The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of a private corporation. In addition to the income statement, the fund summary includes a statement of changes in working capital, which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc.). For the Information Technology Replacement Fund, working capital represents

fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets which are not included in the income statement.

Fund Narrative

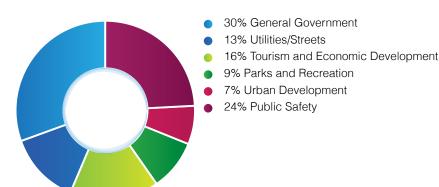
Expenses in FY2012-13 were associated:

- Redesign of web portal (\$50,000),
- Digital citation system (\$40,000),
- Replacement of video camera and RecWare systems at Addison Athletic Club (\$110,000),
- Upgrade of the video camera system at Addison Circle Park (\$150,000),
- Upgrade to the Town's telephone system (\$250,000).

Scheduled purchases through fiscal year 2013-14 are:

- ERP (Enterprise Resource Planning) system (\$1,600,000)
- Document Management (\$150,000),
- Video Camera System at ACC (\$40,000),
- In-Car Video Camera and Mobile Data Terminals (\$253,650)
- 9-1-1 System (\$200,000),
- Work Order (\$70,000).

Contributions to the IT Replacement Fund by Function



Information Technology Replacement Fund Statement of Income

	Actual	Budget	Estimated	Budget
On and the second	2011-12	2012-13	2012-13	2013-14
Operating revenues	457 0.000	47 50 000	47 50 000	47 50.000
Department contributions and other	\$576,000	\$750,000	\$750,000	\$750,000
Total operating revenues	576,000	750,000	750,000	750,000
Operating expenses				
Contractual services	16,768	54,560	54,560	55,000
Total operating expenses	16,768	54,560	54,560	55,000
Net operating income	559,232	695,440	695,440	695,000
Non-operating revenues (expenses)				
Interest earnings and other	9,705	10,000	10,000	5,000
Proceeds from sale of assets	495	-	-	-
Net non-operating revenues (expenses)	10,200	10,000	10,000	5,000
NET INCOME (EXCLUDING DEPRECIATION)	\$569,432	\$705,440	\$705,440	\$700,000
Changes in working capital				
Net income (excluding depreciation)	\$569,432	\$705,440	\$705,440	\$700,000
Sources (uses) of working capital				
Acquisition of capital hardware/se	oftware			
General government	(225,086)	(550,000)	(300,000)	(2,175,000)
Public safety	-	-	-	(653,650)
Net sources (uses) of working capital	(225,086)	(550,000)	(300,000)	(2,828,650)
Net increase (decrease)	344,346	155,440	405,440	(2,128,650)
in working capital				
Beginning working capital	2,460,574	2,655,710	2,804,920	3,210,360

Capital Replacement Fund

Fund Description

This fund was established to accumulate sufficient resources to replace existing equipment that has reached or exceeded its useful life. Resources are acquired through charges to operating departments in the General Fund. The charges are calculated using a straightline amortization of each piece of equipment based upon the item's expected life. When a piece of equipment has reached the end of its projected useful life, a decision is made as to whether the equipment should be replaced. If the costs of retaining the equipment (e.g. maintenance expenditures and length of down-time) do not exceed a predetermined amount, the item will be kept in service. However, once the equipment has been fully amortized, the department will stop making payments to the fund for that item. Interest income earned by the fund and proceeds from the sale of surplus equipment will offset the impact of inflation on the replacement costs of equipment. The fund is also used to finance replacement equipment in those instances in which the cost of replacement far exceeds the original cost of the equipment. In these instances, the fund purchases equipment "on loan" to the user departments at a loan rate equivalent to the yield the fund receives on its invested cash.

The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of a private corporation. In addition to the income statement, the fund summary includes a statement of changes in

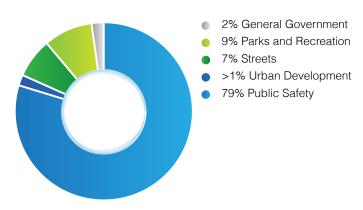
working capital, which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc.). For the Capital Replacement Fund, working capital represents fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets which are not included in the income statement.

Fund Narrative

Expenses in FY2013 were primarily associated with the purchase of fifteen Police Patrol Cars, one Fire Pumper Truck, one Battalion Vehicle, one Cardiac Monitor and a Thermal Image Camera (\$1,169,000) for Public Safety. Additionally, an upgrade to the Automated Fuel System (\$14,000) was purchased through this fund. The Town anticipates higher efficiency from these purchases through reduced maintenance and utility costs. Equipment purchases included in the fiscal year 2014 budget include:

- Fire Mobile Intensive Care Unit Ambulance (\$165,000).
- Streets Dump Truck (\$50,000)
- Streets Service Truck (\$25,000)
- Parks (4) Service Trucks (\$110,000)
- Parks (2) Utility Vehicles (\$20,000)
- Environmental Services Service Truck (\$35,000)
- Recreation (8) Treadmills (\$43,000)

Contributions to the Capital Replacement Fund by Function



Capital Replacement Fund Statement of Income

ENDING WORKING CAPITAL	\$3,836,599	\$3,174,830	\$3,178,599	\$3,476,599
Beginning working capital	3,559,289	3,832,830	3,836,599	3,178,599
Net increase (decrease) in working capital	277,310	(658,000)	(658,000)	298,000
Net sources (uses) of working capital	(366,267)	(1,269,000)	(1,269,000)	(448,000)
Parks and recreation	-	-	-	(173,000)
Streets	(172,909)	-	-	(75,000)
Public safety	(193,358)	(1,169,000)	(1,169,000)	(165,000)
General government	-	(100,000)	(100,000)	(35,000)
Acquisition of capital equipment				
Sources (uses) of working capital				
NET INCOME (EXCLUDING DEPRECIATION)	\$643,577	\$611,000	\$611,000	\$746,000
Changes in working capital				
Net income (excluding depreciation)	\$643,577	\$611,000	\$611,000	\$746,000
Net non-operating revenues (expenses)	64,334	32,000	32,000	30,000
Proceeds from sale of assets	50,945	20,000	20,000	20,000
Interest earnings and other	13,389	12,000	12,000	10,000
Non-operating revenues (expenses)				
Net operating income	579,243	579,000	579,000	716,000
Total operating expenses	5,757	6,000	6,000	6,000
Contractual services	5,757	6,000	6,000	6,000
Operating expenses				
Total operating revenues	585,000	585,000	585,000	722,000
Operating revenues Department contributions and other	\$585,000	\$585,000	\$585,000	\$722,000
	2011-12	2012-13	2012-13	2013-14
	Actual	Budget	Estimated	Budget

FRIENDLY ACCESSIBLE DIVERSE



013 / 2014 TOWN OF ADDISON BUDGET BOOK

Addison Fast Facts*

2013 Population: 15,179

2013 Assessed Value: \$3,490,007,698

Median Age: 32.5 years

Median Household Income: \$59,085

Average Household Income: \$87,981

Number of Households: 7,378

Total Employment in Addison: 74,000

Square Miles: 4.3 square miles

Developable Land Remaining: 5%

Housing Units: (Census)

Owner Occupied: 22.6%

Renter Occupied: 63.2%

Vacant: 14.2%

Education Level: 47.7% with a Bachelor's degree or higher

Top 10 Employers in Addison:

- Bank of America MBNA
- Mary Kay Cosmetics, Inc.
- · Homeward Residential, Inc.
- Rexel Holdings USA Corp.
- National Default Exchange Management
- Intercontinental Hotel Dallas
- Hitachi Consulting Corp.
- United Surgical Partners International
- USAA
- Hilton Worldwide, Inc

*Sources: United States Census, North Central Texas Council of Governments, Town of Addison Development Services and Economic Development departments, and Dallas Central Appraisal District.

Addison Planning Sectors



Addison within the Dallas Metroplex



Addison Town Chronicle

Town Description

The Town of Addison is located in the Dallas North Parkway area that encompasses the Dallas suburbs of Carrollton, Farmers Branch, and Plano. The area is home to affluent residential neighborhoods, multiple corporate office parks, scores of quality restaurants, and the prestigious Galleria mall. The area commands a central location in reference to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

Epitomizing the best features of the area is the Town of Addison. The Town places a special emphasis on quality of life that demands all development meet the most rigorous building requirements. For example, all commercial development must submit landscaping plans to ensure attractive green areas accompany buildings. The attention to aesthetics extends to all of the Town's major boulevards, which are also landscaped. This approach has made Addison a cosmopolitan "downtown uptown" distinguished from almost any other urban area in the nation. The Town's blend of residential, retail, and office uses creates an open environment that avoids the confining effect usually associated with densely developed areas.

The Town's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 94 office buildings providing nearly 10 million square feet of office space, and an additional 47 retail buildings representing approximately two million square feet of space. Most of Addison's office buildings are designated "Class A" due to the amenities they offer. The Town boasts 22 hotels with 3,953 rooms and over 170 restaurants, or an average of 46 per square mile.

Because of its concentration of commercial and retail development, Addison is particularly susceptible to changes in the regional and national economies. The national recession greatly impacted the local economy and the revenue generated by Addison's businesses, however we are beginning to see signs that we are emerging from the downturn. The

Town's taxable appraised values as of January 1, 2013 rose 11.3 percent; the first significant increase in values since before the recession. The increase can be attributed to Addison being in the midst of an economic boom in the community, with the redevelopment of Village on the Parkway (\$90 Million investment) now underway and construction of Methodist Hospital's new 80,000 square foot Medical Office Building (\$16 Million investment). The redevelopment of Village on the Parkway began this year with the opening of the Whole Foods Grocery Store and will be completed over the next year with the construction of the AMC movie theater, a parking structure and the addition of new restaurants and retailers. Multi-family construction also rebounded over the last year with the addition of approximately 853 luxury apartments to the market as part of the Addison Keller Springs, Allegro, and Fiori developments. Sales tax for the 2013 fiscal year is expected to increase 13 percent compared to the prior year's collections, and Addison's hotels, which cater primarily to business travelers, are beginning to experience improved bookings resulting in a 7 percent increase in hotel occupancy tax for the 2013 fiscal year compared to the previous fiscal year. Although Texas has been impacted by the national recession, its economy continues to expand, evident by the 2.3 percent annual growth in employment. Over the past year, Texas' unemployment rate has decreased .7 percent to 6.5 in July 2013, and remains lower than the U.S. rate of 7.4 percent. The Dallas Fed Outlook Survey points to continued economic growth in the near term, helped by strong improvement in housing construction and continued vitality in the energy sector. The Town of Addison will share in any economic recovery experienced by the region and the State, but the outlook remains volatile based on the current economic and political instability of the country.

- Town of Addison, Economic Development Department.
- Texas Economic Indicators for September 2013, Federal Reserve Bank of Dallas.

For purposes of easily identifying the events affecting the community, the Town has been divided into six planning sectors. The remainder of this Chronicle section focuses on the attributes of each area of the Town and summarizes the issues, programs, and projects related to the sectors. Estimates for costs related to capital projects are derived from current costs of engineering, building, or operating projects of similar scope, with no adjustment for inflation.

Sector 1

Sector Description

This sector of the Town is the most topographically interesting of the community. A small creek runs to the east paralleling Belt Line Road and creates several small ponds before it reaches White Rock Creek. Running along the two creeks is a jogging trail that leads to the uniquely landscaped Celestial Park. Perhaps because of these amenities, the area contains the Oaks North, Bellbrook, and Winnwood subdivisions, three of the more affluent residential developments in the Town, if not the entire North Dallas area. The northwest section of Sector 1 contains a mixture of retail and restaurant establishments.

Capital Projects

Intermediate (13 to 36 months)

Belt Line Urban Interchange – The intersection of Belt Line Road and the Dallas Parkway is one of the busiest in the entire Dallas metropolitan area. This project will improve pedestrian access to the intersection. The preliminary project estimate is \$2,500,000. The project is on hold pending coordination with the City of Dallas.

Sector Community Issues

Village on the Parkway - The Town has made a significant investment in the redevelopment that is currently underway at the Village on the Parkway retail complex. The center is home to Visit Addison, a 26,000 square foot space that houses the Town's Visitor Services, Special Events and Marketing departments, the Metrocrest Chamber of Commerce, and the Craft Guild. Total operating expenses are budgeted at \$632,588 for FY2014. As the centre continues its transformation, staff expects the site to require continued attention. Eventually, the additional traffic will most likely necessitate improvements on Montfort Drive including a signalized

intersection near the southern end of the site.

Sector 2

Sector Description

The most densely developed section of the Town is in Sector 2. Within this area are the Quorum Office Park, two convention hotels, several motels, and most of the Town's restaurants and retail establishments. The major thoroughfares of Belt Line Road, Inwood Road, Midway Road, and the Dallas North Tollway influenced the rapid growth of the area. The area is bisected by the St. Louis and Southwestern railroad line.

Capital Projects

Accomplished

Belt Line Road - Belt Line Road is Addison's "Main Street" where most of Addison's restaurants and retail establishments reside. Although the road was designed for optimal vehicular traffic flow, it is not conducive to pedestrian traffic. Included in the Town's 2000 Bond Capital Improvement Program was \$11 million for relocating sidewalks away from the roadway and adding landscaping to make Belt Line Road a more pedestrian friendly street between Dallas Parkway and Addison Road. The conceptual design for the project was completed in FY2010, and the street lights, median landscaping, and enhanced median paving were completed in 2012. Additional funding was approved in the May 2012 bond election that provides funding to relocate overhead utilities along Belt Line Road. Design for this project began in November 2012 and is currently being finalized.

Immediate (1 to 12 months)

Belt Line Road Utilities Construction work to underground utilities along Belt Line Road is expected to begin in 2014.

North and South Quorum District Pedestrian Connectivity - Improvement of pedestrian connectivity in the town was approved in the 2012 Bond Program under Proposition 6 totaling \$3.5 million. The goal of this project is to continue to make the Town of Addison a pedestrian friendly city by: creating more pedestrian connections throughout the town with enhanced trails and sidewalks, enhancement of street and trail lighting and providing shade structures to protect

pedestrians from the elements, informing pedestrians of the possible connections through a hierarchy of way-finding signage, and enhancing property values with the addition of landscaping along the pedestrian connections. Design of this project will be completed in early 2014, and construction of some phases is expected to begin in the mid to latter part of 2014 if funding is available.

Long-Term (37 to 60 months)

Arapaho Road/Tollway Overpass Modification – This project would expand the section of Arapaho Road that crosses over the Dallas North Tollway to accommodate a free lane for southbound traffic along Dallas Parkway (access road to the Tollway) to make a U-turn to go northbound. The project has been suspended because a source of funding for the project's estimated cost (\$750,000) has yet to be identified.

Midway Road Reconstruction – In May 2012, voters approved a bond proposition that would allocate \$16 million for the reconstruction of Midway Road, from Spring Valley Road to Keller Springs Road. The improvements include reconstruction of the street paving, water, sewer and stormwater improvements, sidewalks, lighting improvements, enhanced land-scaping, and other pedestrian amenities.

Sector Community Issues

Addison Beverage Center - When Addison began developing in the early 1980's it was the first city in the North Dallas area to allow for the sale of packaged (versus restaurant sale) alcoholic beverages. The Town's Charter originally required that the sale of these beverages be limited to a one-mile section of Inwood Road. In November 2010, voters approved a proposition to lift the Inwood Road restriction on beer and wine sales and allow those to be sold Town-wide. This has caused a change in land use on Inwood Road and vacancies in retail centers. This will be the subject of a special study conducted as part of the Comprehensive Land use plan update currently underway.

Sector 3

Sector Description

The majority of the Town's population and single-family housing is contained within the boundaries of Sector 3. Prominent features of the sector include Fire Station

2, the Addison Athletic Club, Redding Trail (formerly Les Lacs Linear Park), the private Greenhill School, and DISD's Loos Field athletic complex. The sector includes the Vitruvian Park development area and the new George H.W. Bush Elementary School.

Capital Projects

Accomplished

Elevated Storage Tank - To ensure adequate water pressure is provided to all areas of the community, consulting engineers recommended the Town build a second elevated water storage tank. The tank has a capacity of 1.5 million gallons with an overflow elevation of 777 feet and is located on Arapaho Road across from the existing Surveyor ground storage tank. The total construction budget is \$5.7 million and was funded through certificates of obligation sold during the 2008 fiscal year as well as \$472,000 in grant funding. Engineering of the project was completed during FY2010. Construction began in FY2011 and was completed in FY2013. The project will require minimal operating expenses, but the tank will have to be repainted every 10 to 15 years at a cost of approximately \$30,000.

Immediate (1 to 12 months)

Vitruvian Park Public Improvements Program Phase II – As the Vitruvian Park redevelopment reaches certain milestones, additional debt will be issued to complete Phase II of public infrastructure projects. This phase includes additional streets, public parks and green space. The total debt issued for this phase is scheduled for \$26 million, including both certificates of obligation and voterapproved general obligation bonds. This project included in the General Fund long-term financial plan.

Sector Community Issues

Vitruvian Park – UDR Inc. is a self-administered real estate investment trust that acquired over 100 acres of the Brookhaven Club area and the related apartment complexes. UDR and the Town are working together on a total reinvention of the neighborhood which entails demolishing more than 3,200 aging apartment units and replacing them with 5,500 new units. The neighborhood will also incorporate new parks and open spaces, including a 12-acre park along the Farmers Branch Creek.

In FY2010, the project reached its first major milestone with the completion of Savoye, a complex comprised of 392 multi-family units. Construction of Phase II was completed in FY2011, which contains another 347 multi-family units, some office space, and retail space at the street edge. Leasing activity for Phases I and II continues to be strong. Construction of Phase III began in FY2012 and will add an estimated 401 multi-family units. The development will create another urban community for Addison, similar to Addison Circle (see Sector 5). The Town is participating in the project by funding public infrastructure improvements totaling approximately \$49 million. Construction of all infrastructure is being coordinated through a Master Facilities Agreement between the Town and UDR. At ultimate build out, the development is anticipated to add \$1 billion in value to the Town's property tax base..

Sector 4

Sector Description

The distinguishing feature of this area is the Addison Airport, one of the busiest single-runway general aviation airports in the region. The airport has attracted considerable commercial activity including several hangar/office complexes. The south and western areas of the sector encompass almost all of Addison's light industrial development. Located within Sector 4 are the Town's police station, Fire Station 1, and Service Center.

Capital Projects

Accomplished

Taxiway Alpha – This project includes engineering, design, and reconstruction of Taxiway Alpha. The reconstruction was completed September 2013 at a cost of \$10 million. The Town's cost for the project is estimated at \$1 million.

Perimeter Security and Access Control System – A study was performed to determine the best product for an Access Control System that is best suited for Addison Airport. The Town's cost of the study is budgeted at \$10,000. Design and engineering for the system will begin once funding is available from TxDOT Aviation. The Town's budgeted cost for the design and engineering is \$20,000.

Engineered Materials Arrestor System (EMAS) –Engineering and design for the construction of an EMAS was completed in September 2013. The Town's cost for the design and engineering is estimated to be \$20,000.

Intermediate (1 to 12 months)

Master Plan Update – This project will include a design and compilation of various strategic objectives for the airport. The Town's cost for the Master Plan update is budgeted at \$20,000.

Automatic Weather Observation System (AWOS) – This system automatically provides incoming pilots with real-time weather updates. Included in the project is an upgrade designed to detect frost, snow, sleet, and ice. These features add to the safety of operations in inclement weather. The cost of the system is budgeted at \$15,000.

A Wildlife Hazard Assessment Study - This study is a year-long evaluation by a wildlife damage management biologist to evaluate potential wildlife hazards to aviation and airport operations. The approximated cost to the Town for this study is \$13,000.

Intermediate (13 to 36 months)

Addison Road/Keller Springs Intersection – This project adds two turn lanes on Keller Springs Road and replaces existing traffic signals to accommodate a wider pavement section at the entrance of the Keller Springs Toll Tunnel. The cost is estimated to be \$1.2 million with Dallas County contributing \$400,000 and NTTA providing \$600,000 along with the Town's contribution of \$200,000. The project was tentatively scheduled to begin in fiscal year 2011 but has since been delayed. The project will not have a material impact on operating expenditures.

Engineered Materials Arrestor System (EMAS) – The construction of the EMAS system will begin in , Spring of 2014 at an estimated cost of \$7.2 million.

Taxiway Uniform and Victor – This project includes engineering and design of drainage improvements for Taxiway Uniform and Victor. The estimated cost for the engineering and design phase is \$450,000 and is scheduled for comple-

tion in FY2014. The drainage improvements are scheduled for FY2015 at a cost of \$4.5 million.

Perimeter Security and Access Control System – This project is anticipated to be implemented in two phases. Phase I in 2015 and Phase II in 2016 for an estimated project cost of \$1.2 million. The Town's share of cost is estimated at \$120,000.

Extend Taxiways Bravo and Golf – To provide enhanced safety and greater accessibility on the west side of the airport. Engineering and design is estimated at \$350,000, of which the Town is responsible for an estimated cost of \$35,000.

West Lindbergh/Richard Byrd Sewer Rehabilitation - This project consists of sliplining 2,700 feet of the existing six-inch clay tile line. This line is approximately 30 years old and is a source of inflow and infiltration into the wastewater system. The use of this liner will eliminate ground water from entering the sanitary sewer system and will improve the structural and flow characteristics of the line without the need of any major line construction. The project is scheduled to take place in fiscal year 2016 with a budget of \$108,000. The completed project is expected to save an estimated \$5,000 a year in sewer treatment charges by reducing the volume of storm water infiltration.

Long-Term (37 to 60 months)

Midway Water Line Rehabilitation – The project, which includes the replacement of 2,000 feet of twelve-inch cast iron pipe, is scheduled for fiscal year 2014 with a budget of \$610,000.

Taxiway Uniform and Victor – This project includes engineering and design of drainage improvements for Taxiway Uniform and Victor. The estimated cost for the engineering and design phase is \$450,000 and is scheduled for completion in FY2014. The drainage improvements are scheduled for FY2015 at a cost of \$4.5 million.

Sector Community Issues

Million Air, a fixed base operator, broke ground in October 2010 on a new expanded hangar facility that opened in Winter 2012. This new 275,000 square

foot hangar, terminal, and ramp was built at an estimated cost of \$4 million and has increase the company's capacity by nearly 50 percent. In addition to office and storage space, the structure contains a new 40,000 square foot hangar to house the Million Air managed fleet and is able to accommodate the new Gulfstream G-650.

Sector 5

Sector Description

The smallest of the planning sectors, Sector 5 contains Addison's old business district. While the area had been among the least developed in the Town, the Addison Circle development has transformed this sector into a vibrant nucleus of the Addison community. The Addison Circle Urban Community District combines extensive park and median landscaping with upscale multi-family housing and small retail shops in the North Quorum area. The sector is also home of the Arts and Events District which includes the Town's Conference Centre and Theatre and Addison Circle Park, which is used extensively for special events such as Oktoberfest and Taste Addison.

Sector Community Issues

Addison Circle Development - With the completion of Meridian Square in FY2013, the Addison Circle development is near build-out. Phase II of the Allegro apartments took the last available parcel in Addison Circle. The 121-unit apartment project opened in April 0f 2013. Addison Circle began as a vision crafted by the Addison 2020 Committee, which was established in 1992 to envision Addison's future. The project broke ground in 1997 and has transformed Addison's profile and confirmed its brand as a true urban destination. The award-winning, nationally acclaimed mixed-use development now boasts 2,141 multi-family units, 407 townhome and condominium units, 550,000 square feet of office space, and 75,000 square feet of retail space.

DART Rail – Located near the Addison Circle Urban Community District and the Arts and Events District (discussed in greater detail in the Sector 5 narrative) is the DART transit center that is used by over a dozen bus routes serving Addison and the North Dallas corridor. The center is adjacent to the former Cotton Belt railroad line that is now owned by DART. The line extends to the DFW International

Airport and represents an opportunity for commuter rail that would serve the area. The Town contracted with a consultant to study the issue. The result of their analysis is that the rail line serves more companies and a greater employment base than the entire Dallas central business district. DART has included the project in its long-term 2035 capital plan. Addison staff will work to ensure the project is high on the agency's priority list. The Town is continuing to pursue various innovative financing initiatives with DART and others. The Town also needs to advance the planning for the development of the property adjacent to Festival Way and the Rail Line.

Sector 6

Sector Description

Sector 6 is distinguished from the other planning areas by the fact that it has the most footage fronting the Dallas North Tollway, making it conducive for future office development. Located in the sector are the private Trinity Christian Academy and the newly completed Methodist Hospital for Surgery.

Sector Community Issues

Methodist Hospital for Surgery – Medical Development, LLC completed construction of Phase I of a spine and orthopedic specialty hospital with 32 beds for the partnership of Methodist Health System and Nueterra Healthcare in September 2010 at a cost of \$60 million. The developer has completed an 80,000 square foot medical office building that is completely leased. The development will ultimately contain an additional 232-bed hospital and a second medical office building.



ENTERTAINING AUTHENTIC SPIRITED



Appendix A The Budget Process

April 2013 — Schedules Distributed to City Council

City Manager presents Council with budget schedule. Council reviews goals and vision to determine whether these goals should be revised.

April 26, 2013 — Budget Requests Submitted and Reviewed

Deadline for department budgets to be submitted to Finance. Staff spends the next several weeks reviewing department budgets for presentation to the Council in July work sessions.

June - July 2013 — Work Session with City Manager

A series of meetings are conducted by the City Manager's Office with individual departments to discuss each department's budget requests.

July 16, 2013 — Certified Tax Rolls Received

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$3,490,007,698.

July 31, 2013 — 2013-2014 City Manager's Proposed Budget

City Manager's proposed budget is filed with the City Secretary and made available to the public as required by the City Charter. The budget reflects total appropriations of \$89,306,883 and a tax rate of 57.3995 cents.

August 2013 — Effective Tax Rate Published

Upon receipt of the certified appraisal rolls, Finance performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 53.9388 cents with a rollback rate of 57.3995 cents.

Council attends General, Hotel, Airport, and Utility Fund workshops to discuss various aspects of the individual budgets.

August 27 & September 3, 2013 — Public Hearing Held

Following the required newspaper notices, public hearings on the budget are conducted.

September 10, 2013 — Council Adopts the 2013–2014 Budget

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2013 with total appropriations of \$106,632,660 and a tax rate of 57.18 cents.

December 2013 — 2013-2014 Budget Document is Published

Finance department staff develops final budget document. The document is returned from the printer and distributed to users.

Typically in August, a work session is conducted to discuss budget amendments. Any budget amendments are adopted by ordinance at

a regularly scheduled Council meeting.

August 2013 — Work Session with Council

Appendix B Financial Policies

Introduction

The Town of Addison, Texas financial policies set forth the basic framework for the fiscal management of the Town. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the Town of Addison City Charter. The policies are intended to assist the City Council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

Annual Budget

Sections 1-6 are requirements set forth in the Town's Charter.

- 1. The fiscal year of the Town of Addison shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.
- 2. The City Manager, prior to August 1 of each year, shall prepare and submit to the City Secretary the annual budget covering the next fiscal year, which shall contain the following information:
 - a. The City Manager's budget message shall outline the proposed financial policies for the next fiscal year with explanations of any changes from previous years in expenditures and any major changes of policy and a complete statement regarding the financial condition of the Town.
 - **b.** An estimate of all revenue from taxes and other sources, including the present tax structure rates and property valuations for the ensuing year.
 - **c.** A carefully itemized list of proposed expenses by office, department, agency, and project for the budget year, as

compared to actual expenses of the last ended fiscal year, and estimated expenses for the current year compared to adopted budget.

- d. A description of all outstanding bonded indebtedness of the Town.
- e. A statement proposing any capital expenditure deemed necessary for undertaking during the next budget year and recommended provision for financing.
- **f.** A list of capital projects which should be undertaken within the next five succeeding years.
- g. A five-year financial plan for the General, Hotel, Airport, and Utility Funds.
- 3. The City Manager's budget should assume, for each fund, operating revenues that are equal to or exceed operating expenditures. The City Manager's budget message shall explain the reasons for any fund that reflects operating expenditures exceeding operating revenues.
- 4. At least one public hearing shall be conducted before the City Council, allowing interested citizens to express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any items of expense. The notice of hearing shall be published in the official newspaper of the Town not less than 15 days or more than 30 days following date of notice.
- 5. Following the public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least three days prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote. If the City Council fails to adopt the budget, the Town shall continue to operate under the existing budget until such time as the City Council adopts a budget for the

ensuing fiscal year.

- 6. On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise, the City Council may amend or change the budget to provide for any additional expense.
- 7. 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 ninety days following the date of the budget's adoption by the City Council.

Basis of Accounting and Budgeting

- The Town's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).
 - a. The accounts of the Town are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financerelated legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.
 - b. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when

- they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.
- **c.** The Town utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriation.
- **d.** The Town's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.
- 2. The Town's annual budgets 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 adopt project-length budgets. Also, depreciation of fixed assets is not

recognized in proprietary fund budgets. All annual appropriations lapse at fiscal year end. Under the Town's budgetary process, outstanding encumbrances are reported as assignments of fund balances and do not constitute expenditures or liabilities since the amounts will be expended the subsequent fiscal year.

3. The issuance of Statement 34 by GASB has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the Town will continue utilizing the accounting and budgeting processes as described in paragraphs 1 and 2 of this section. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types. Also, the Town will limit the use of internal service funds and incorporate the financial transactions of those funds into other governmental funds.

Budget Administration

- 1. All expenses of the Town shall be made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
- 2. The following represents the Town's budget amendment policy delineating responsibility and authority for the amendment process. Transfers

between expenditure accounts in one department may occur with the approval of the Chief Financial Officer (CFO). Transfers between operating departments may occur with the approval of the City Manager and CFO provided that a department's total budget is not changed by more than 5 percent. Transfers between funds or transfers between departments that change a department's total budget by more than 5 percent 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.

Financial Reporting

- 1. Following the conclusion of the fiscal year, the Town's CFO shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
- 2. The CAFR shall show the status of the Town's finances on the basis of GAAP. The CAFR shall show fund revenues and expenditures for governmental funds on both a GAAP basis and budget basis for comparison purposes. In all but two cases this reporting conforms to the way the Town prepares its budget. Compensated absences (accrued but unused sick leave) are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds, although the full purchase price of equipment and capital improvements is reflected as uses of working capital.
- Included as part of the CAFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.

4. The CFO shall, within 60 days following the conclusion of each calendar quarter, issue a report to the City Council reflecting the Town's financial condition for that quarter. The quarterly report format shall be consistent with the format of the annual budget document.

Revenues

- 1. To protect the Town's financial integrity, the Town 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 Town will attempt to reduce its dependence on sales tax revenue.
- 2. For every annual budget, the Town shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the Town'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. The operation and maintenance levy will be established within the 8 percent rollback rate as defined by the State of Texas Property Tax Code. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.
- 3. The Town 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 Town may consider providing tax abatements or other incentives to encourage development.
- **4.** The Town will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
 - **a.** User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.

- **b.** Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
- c. The Town will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).
- 5. The Town will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
- **6.** The Town will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
- 7. 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.
- 8. The Town will invest idle cash to obtain interest income within the constraints of the Town's annually adopted investment policy. That policy established the following six objectives: a.) conformance with all Federal regulations, State of Texas statutes and other legal requirements including the Town Charter and Town Ordinances, including this Policy, b.) preservation of capital and the protection of investment principal, c.) maintenance of sufficient liquidity to meet anticipated disbursement and cash flow, d.) marketability of the investment if the need arises to liquidate the investment prior to maturity. e.) diversification to avoid incurring unreasonable risks regarding securities owned, and f.) attainment of a market rate of return equal to or higher than the performance measure established from time to time by the

CFO of the Town which is commensurate with the acceptable risk and liquidity objectives of this policy.

Operating Expenditures

- Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - a. Operating, Recurring Expenditures
 - i. Personal Services
 - ii. Supplies
 - iii. Maintenance
 - iv. Contractual Services
 - v. Capital Replacement/Lease
 - b. Operating, Non-Recurring Expenditures
 - i. Capital Equipment
- 2. 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.
- 3. The Town 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.
- 4. Personal service 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 Town shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
- **5.** Supply expenditures shall be sufficient for ensuring the optimal productivity of Town employees.
- 6. Maintenance expenditures shall be sufficient for addressing the deterioration of the Town'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 Town 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 Town. The Town will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the Town.
- 8. Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least one year. Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of Town employees. Existing capital equipment associated with General Fund operations will be amortized by charges to the departments using the equipment. The amortization charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The amortization charges and application of those funds will be accounted for in the Capital Replacement Fund.
- **9.** Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
- 10. 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 CFO. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

Fund Balance

- 1. The annual budget shall be presented to the City Council with each fund reflecting an ending fund balance in the current budget year or within the long-term planning horizon which is no less than 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, ending fund balances may be established which exceed the 25 percent minimum.
- **2.** Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs.

- 3. The Town will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Addison community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to address the future use of fund balance for operating expenditures.
- 4. The Town shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:
 - Nonspendable (includes amounts that are not in a spendable form or are required to be maintained intact, such as inventory or permanent funds)
 - Restricted (includes amounts that can be spent only for specific purposes stipulated by external parties, such as grants and child safety fees)
 - Committed (includes amounts that can be used only for specific purposes set by resolution of the City Council, such as economic development funding)
 - Assigned (includes amounts intended to be used for specific purposes, such as encumbrances)
 - Unassigned (includes all amounts not contained in other classifications; can be used for any purpose)
- 5. The Town shall approve all commitments by resolution of the City Council. The action to commit funds must occur prior to the fiscal yearend to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by resolution of the City Council.
- **6.** When it is appropriate for fund balance to be assigned, the Town delegates the responsibility to assign funds to the CFO or his designee. Assignments may occur subsequent to fiscal year-end.

- **7.** The Town will utilize funds in the following spending order:
 - Restricted
 - Committed
 - Assigned
 - Unassigned

Fund Transfers

- 1. With the exceptions noted below, there will be no operating transfers between funds. Any costs incurred by one fund to support the operations of another shall be charged directly to the fund. (For example, actual hours worked by General Fund employees for Hotel Fund events will be charged to the Hotel Fund.)
- 2. Fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses or when needed to satisfy debt service obligations.
- Transfers are permitted from between funds to support economic development programs.

Debt Expenditures

- The Town will issue debt only to fund capital projects that cannot be supported by current, annual revenues.
- 2. To minimize interest payments on issued debt, the Town will seek to maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 15 years, except in instances when the capital improvements will significantly benefit the community beyond the 15 year period. Retirement of debt principal will be structured to ensure consistent annual debt payments.
- **3.** The Town will attempt to maintain base bond ratings (prior to insurance) of "Aa1" (Moody's Investors Service) and "AAA" (Standard & Poor's) on its general obligation debt.

4. When needed to minimize annual debt payments, the Town will obtain insurance for new debt issues.

Capital Project Expenditures

- The Town will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.
- 2. Capital projects will be constructed to:
 - **a.** Protect or improve the community's quality of life.
 - **b.** Protect or enhance the community's economic vitality.
 - **c.** Support and service new development.
- **3.** To minimize the issuance of debt, the Town will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

Utility Capital Expenditures

 The Town will design utility rates sufficient for funding a depreciation reserve which will accumulate resources to replace or rehabilitate aging infrastructure that no longer can be serviced by regular maintenance. Attempts should be made to fund the reserve at a level approximate to annual depreciation of assets as reported in the Town's CAFR.

Long-Term Financial Plans

- The Town 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.
- 2. 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.





Appendix C Compensation Plan

N = Non-Exempt Position (hourly). Eligible for overtime pay when overtime is requested or approved by the supervisor in excess of 40 hours in any work week.

E = Exempt Position (salaried). Not eligible for overtime wages.

P = Police, Non-Exempt Position (hourly). Biweekly wages are calculated on hours worked in two 40-hour work weeks. Overtime wages are paid on hours worked in excess of 40 hours in any work week. Non-exempt (hourly) employees accumulate up 2,080 hours per year. Dispatcher hourly wages are based on a 38.75-hour work week, or 2,015 hours per year. Overtime wages are paid on hours worked in excess of 38.75 hours in any work week.

F = Fire, Non-Exempt Position (hourly). Hourly wages are based on a 56-hour work week, 2,912 hours per year or 168 hours per 21-day work period. Half time overtime applies on the first nine hours worked over 159 hours each 21-day work period. Regular time plus one-half applies on all hours worked over 168 hours each 21-day work period.

Merit and Market Pay Plan

The purpose of the merit and market pay plan is threefold: to encourage excellence in service by tying salary increases to job performance rather than tenure; to reward employees for their efforts and job performance; and to remain competitive with other metroplex cities in regards to the Town's compensation program.

Performance evaluations for all employees are completed during the month of September, regardless of the anniversary date of an employee's employment. Any approved merit increases are awarded during the month of October. There is no set time interval employees can expect to reach the top salary of their range.

Included in the 2013-2014 budget is a merit increase in which employees are eligible to receive a 0-6 percent increase in their base salaries.

Promotions generally result in an immediate salary increase of at least 5 percent without regard to the date of the last increase. New employees who have yet to complete their initial trial periods by October 1 will be eligible for an increase at the completion of their trial periods, which lasts a minimum of six months.

Wage and Salary Scale

Departments

-		
Level	Base Salary	Top Salary
1-N	20,966	31,470
2-N	22,256	33,384
3-N	23,608	35,422
4-N	25,064	37,586
5-N	26,582	39,874
6-N	28,226	42,286
7-N	29,931	44,886
8-N	31,741	47,632
9-N	33,675	50,523
10-N	35,734	53,602
11-N	37,918	56,888
12-N	40,227	60,361
13-N	42,681	64,022
20-E	42,742	64,091
21-E	46,022	69,034
22-E	49,567	74,328
23-E	53,373	80,059
24-E	57,484	86,205
25-E	61,881	92,855
26-E	66,672	99,985
27-E	71,790	107,664
28-E	77,324	115,953
29-E	83,273	124,878
30-E	89,662	134,503
31-E	96,573	144,849
32-E	103,989	156,005
33-E	111,994	167,992
34-E	120,613	180,920

Police Department

Level	Base Salary	Top Salary
T1	35,746	53,599
P1	45,740	
P2	48,006	70,928
P3	71,739	81,869
P4	79,881	92,446
P5	90,241	102,977
P6	92,700	106,605

Fire Department

Level	Base Salary	Top Salary
F1	44,787	
F2	47,524	65,840
F2a	60,540	69,626
F3	70,441	77,663
FP2	75,754	83,533
F4	75,799	83,545
F5	79,905	104,570
F6	81,504	106,163

Appendix D Major Revenue Sources

The revenue sources described in this section account for \$52,029,275 or 80.9 percent of the Town's total operating revenues (excluding interfund transfers).

Property Taxes

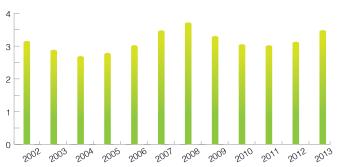
Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The Town's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by the Dallas Central Appraisal District (DCAD) at 100 percent of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll as of January 1, 2013, upon which the fiscal year 2014 levy is based, is \$3,490,007,698. This amount is net of \$401,647,062 (representing 11.5 percent of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. New construction valued at \$96,092,700 is included on the 2013 certified tax roll, which increased 2.1 percent over the previous year and decreased 2.2 percent from the 2011 certified tax roll. The steady increase in values is due, in large part, to the moderate expansion of the Texas economy, in bleak contrast to the sluggish progress on the national stage. However, Addison has experienced resurgence in construction projects and economic development, and recognizes that the local economy is cyclical. The Town continues to realize increased

values particularly that related to the Vitruvian Park development, and expects a continued growth as the nation's economy stabilizes.

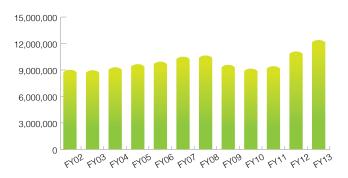
The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ending September 30, 2014 is 57.18¢ per \$100 of valuation, of which 35.8765¢ is allocated for general government operation and maintenance and 21.3035¢ is allocated for retirement of general obligation long-term debt. Of the 35.8765¢ allocated for operations and maintenance, 22.923¢ is committed to economic development.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement the Town continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate

Assessed Valuation of Taxable Property as of January 1st of Levy Year (in billions)



Sales Tax Revenue (in millions)



for the previous year by more than 8 percent, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year. The tax rate that equates to an 8 percent increase above the prior year rate is known as the "rollback rate." The FY2014 tax rate adopted by the Town is less than the calculated 57.3995¢ rollback rate.

Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2014 are estimated to be 99 percent of the levy and will generate \$19,769,330 in revenues. Delinquent taxes and penalties are expected to produce an additional \$35,000.

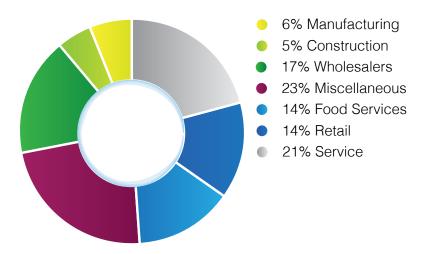
 For more information related to the Town's current projects and development, please refer to the Town Chronicle section of this document.

Sales Tax

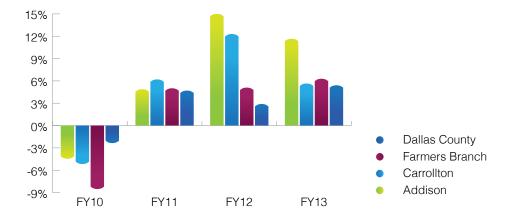
The sales tax in Addison is 8.25 percent of goods or services sold within the Town's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25 percent tax, the State retains 6.25 percent and distributes 1 percent to the Town of Addison and 1 percent to the DART mass transportation authority. The State distributes tax proceeds to local entities within 40 days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2014, the Town of Addison expects to receive \$12,250,000 in sales and use tax revenue. This amount represents a 1.2 percent decrease over the projected FY2013 collections of \$12,400,000 and a 14 percent increase over the FY2013 budget. Monthly collections during FY2013 averaged about 11.7 percent above what was collected in FY2012, far

Breakdown of FY 2013 Sales Tax by Economic Category



Sales Tax Receipts Year-Over-Year Percentage Change



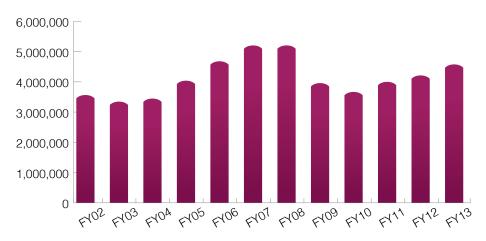
more than Dallas County's 5.4 percent increase, and the State's 6.6 percent increase. The Town's General Fund long-term plan assumes a 2 percent growth in sales tax for FY2015 through 2018.

Another sales tax levied by the State of Texas is the alcoholic beverage tax which is applied against all mixed drinks and packaged liquor sold in the Town. The tax is 14 percent of the sales price and, like the general sales tax, is collected by the State. However, the Town's share of the dollar revenues generated by the tax thru FY2014 was only 8.4 percent of the States' collections, due to amendments during the 82nd Texas Legislature that reduced the local percentage (previously 10.7 percent in Addison) by over 2 percent, giving a larger portion of revenue to the State. The modifica-

tion significantly impacts a city like Addison, with its numerous restaurants and hotels. Although Addison has less than 15,000 residents, its concentration of hotels and restaurants make it the 12th highest city in Texas for alcoholic beverage sales, surpassing Irving with a population of 216,290 and Frisco with a population of 116,989 (2010 Census). Alcoholic beverage tax is expected to produce \$785,000 for the 2014 fiscal year, compared to \$812,273 collected in FY2013.

2. Window of State Government, Texas Comptroller of Public Accounts.

Hotel Occupancy Tax Revenue (in millions)



Percentage of FY 2011 Hotel Occupancy Tax Receipts by Establishment

Establishment	Number of Rooms	Percentage of Revenue
Full Service		
Marriott Quorum	535	15.5%
Hotel Intercontinental	532	16.1%
Crowne Plaza	429	11.4%
Extended Stay		
Budget Suites	344	0.0%
Hawthorne Suites	70	1.4%
Marriott Residence Inn	150	4.3%
Summerfield Suites	132	3.4%
Homewood Suites	128	4.6%
Springhill Suites	159	5.4%
Business Moderate		
Marriott Courtyard Quorum	176	6.6%
LaQuinta Inn	152	3.8%
Marriott Courtyard Proton	145	3.9%
Holiday Inn Express	102	3.9%
Hilton Garden Inn	96	4.3%
Holiday Inn - Arapaho	101	2.7%
Best Western	86	1.2%
Economy		
Motel 6	126	2.0%
Hampton Inn	159	4.9%
Quality Inn	115	1.3%
Comfort Suites	78	1.8%
Super 8	78	1.1%
Best Value	60	0.4%
TOTAL	3,953	100.0%

Hotel/Motel Occupancy Tax

The occupancy tax is levied by both the Town and the State against a hotel or motel's gross occupancy receipts on a monthly basis. The Town's tax is 7 percent, the maximum allowed by law, and is levied along with the State's 6 percent rate. Revenue generated by the tax is restricted by State law to directly enhance and promote the tourism, convention, and hotel industries. According to State law, individuals renting rooms for more than 30 consecutive days are exempt from paying the tax.

In 2012, Addison was ranked number 19 in the State in total hotel revenues out of over 550 Texas cities reporting, ahead of

cities like Richardson with a population of 99,233 (2010 Census). In total hotel revenues, the Town experienced a 5.8% increase from \$72,859,000 in 2011 to \$77,065,000 in 2012.

In hotel occupancy tax receipts, the Town continued to showed significant gains in FY2013 with year-over-year growth for hotel tax receipts of more than 5 percent, and end-of-year receipts estimated at \$4,596,865. For the year ending September 30, 2014, the Town occupancy tax is budgeted at \$4,922,495.

Franchise Fees

Effective January 1, 2002, the method of collecting franchise payments changed

with the partial deregulation of electric power in Texas. In the past, the Town received franchise fee payments once per year based on 4 percent of Oncor's total electric sales within Addison. Under deregulation, the franchise fee payment has been replaced by a per kilowatt hour fee. The fee is calculated by taking the total franchise amount paid by Oncor to Addison in 1998 and dividing the amount by the number of kilowatt hours sold that same year. That fee was calculated to be \$0.0025441. Competing retail electric providers (REPs) will collect a per kilowatt charge from their customers and then remit the fee to Oncor's regulated transmission and distribution company. Oncor will then pay the Town the fee revenue collected from the REPs. The Town expects to receive \$1,500,000 as an electric franchise fee payment in FY2014.

Deregulation of the telecommunications industry and Federal laws governing the treatment of telecommunication companies by cities caused the Texas State Legislature to review the methods by which cities are compensated by telecommunication companies for use of public right-of-ways. A law was passed in 1999 that required cities to be compensated based on the number and type of telecommunication access lines each company has in a particular jurisdiction. This method of compensation is different from the percentage of gross receipts formula historically used by most cities. The law was passed with the goal of maintaining the cities' revenue base. Using guidelines promulgated by the Texas State Public Utilities Commission, cities across the state developed access line fees that were implemented on July 1, 2000. In Addison, the computed fees that are added to telecommunication customer monthly bills currently are as follows:

Category 1

(Residential lines) \$1.07

Category 2

(Non-residential or business lines) \$2.59

Category 3

(Point-to-point or dedicated lines) \$5.13

The FY2014 budget anticipates \$665,000 from telecommunication access line fees. While this revenue source has seen significant decline in past years with the movement away from traditional land line telephone service, the popularity of "bundle" packages where customers can bundle land line telephone, Internet, and cable services has stabilized this revenue source.

Other franchise fees paid to Addison include gas, cable, and street rental fees. For FY2014 cable franchise fees are budgeted at \$280,000. In 2011 the cable franchise structure changed in Texas where cable companies will now begin reporting under a state cable franchise agreement rather than individual local agreements. The transition had little financial impact, as cable companies were still required to remit 5 percent of their gross receipts. Gas franchise fees for FY2014 are budgeted at \$175,000, and various street rental fees are budgeted at \$7,000.

Utility Fees

The Town of Addison charges fees for the provision of water and sewer services to residents and businesses located within the Town. The Town utilizes a comprehensive utility rate structure which is based upon charging minimum bills for customer classifications depending upon the demand each classification places upon the utility system. This structure allows the fund to equitably recover a greater portion of its fixed expenses through a relatively constant revenue

For FY2014, the Town Council approved changes to water and sewer rates in order to support operating expenses, debt service associated with capital projects of previous years and future capital projects needed to maintain the Town's water and sewer systems. Under these rates, each customer will pay a minimum monthly bill depending upon how their account is classified. For example, a single-family customer will pay a minimum rate of \$10.66 for water and \$13.34 for sewer, which includes 2,000 gallons, totaling \$24.00 each month. At the other end of the scale. a commercial customer with a meter greater than two inches in size pays a minimum monthly bill of \$258.41, with an allowance of 37,000 gallons. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exception

Utility Accounts and Revenues by User Type

FY2011-2012		Water		Sewer
Customer Classification	Number of Accounts	Percent of Revenues	Number of Accounts	Percent of Revenues
Single Family	1,742	12.6%	1,739	14.3%
Multi-Family	132	11.9%	130	30.5%
Municipal/School	31	0.6%	29	1.3%
Irrigation	631	50.2%	-	0.0%
Hotel/Motel	31	6.0%	30	10.7%
Commercial	647	16.8%	631	42.8%
Fire Meter	336	1.7%	-	0.0%
Industrial	9	0.2%	9	0.4%
TOTAL	3,559	100.0%	2,568	100.0%

to this rule is single-family residential customers who cease paying sewage fees once water consumption exceeds 8,000 gallons. The combined monthly water and sewer bill for a single-family residence that consumes 10,000 gallons is \$87.23.

The Town's rate schedule includes a conservation water rate that was first implemented in 2003. This rate applies to all customers with irrigation meters and single-family customers who consume more than 15,000 gallons in a month. The conservation rate is \$4.62 per 1,000 gallons compared to the base water rate of \$2.33 per 1,000 gallons over the minimum.

This section includes a distribution of customers by classification and the approximate percentage of contribution each classification made to water and sewer operating revenues in FY2013. For the 2013-2014 budget year, the Town's Utility Fund anticipates receiving \$5,767,686 from the sale of water and \$4,320,764 from sewer fees. The total utility fees represent a slight decrease compared to the previous year's budget.

Stormwater Fees

The Town of Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town's drainage infrastructure. The Town's Stormwater Fund anticipates receiving \$1,552,000 in Stormwater fees.

Water Consumption (in billions of gallons) and Water/Sewer Revenue (in millions)



Appendix E Long-Term Financial Plans

Narrative

In accordance with the Town's financial policies, the 2013-2014 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for all the Town's major operating funds: General, Hotel, Airport, and Utility. Each plan presents the fund over seven fiscal years: two previous vears, the adopted "base year" budget for fiscal year 2014, and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on Town staff. The plans establish funding ceilings on recurring operating expenditures. Department directors may only exceed these ceilings by presenting requests to the City Manager and Council that provide new or expanded services to the community. Operating budgets are increased only when Council votes to approve each request.

Finally, the plans help the Town in absorbing the impact of economic booms and busts. The Town of Addison is particularly susceptible to economic fluctuations due to its dense commercial base. Although the Town has less than 14,000 residents (2010 Census data), because of its office buildings, hotels, restaurants, and shops, it is estimated that the Town serves a population in excess of 150,000. By establishing funding ceilings, revenue generated by an economic "boom" is added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plans is exercised in all four operating funds with the planning horizon beginning with the 2014 fiscal year. The Town is emerging from the economic malaise of the past three years that was associated with the national economic recession. However, the growth in economic activity is beginning to show signs of improvement with general tax revenues expected to increase slightly

over the next few years. In the General and Hotel Funds, operating balances built up during the economic expansion period had been drawn down significantly in FY2013. The 2013-2014 budget for these two funds curtailed operating expenditures to minimize the disparity between revenues and expenditures in order to retain, or recover, balances that are at least 25 percent of operating expenditures as established by the financial policies that govern Addison's budget development.

General Fund Long-Term Plan

The plan reflects the following assumptions based on historic trends and knowledge of economic conditions present when the budget was developed:

- 1. Non-property taxes increased 10.9 percent from fiscal year 2012 to the estimated 2013 total. The FY2014 budget assumes a 14 percent growth in sales tax compared to the prior year's budget. The Town is optimistic regarding its FY2014 sales tax collections based on the past twelve months of collections. The projected years of 2015 through 2018 assume modest 2 percent annual increases.
- 2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2013 (used for the 2014 levy) increased 11.3 percent; this is the second year in a row of increased in values. From FY2012 through FY2013, values have increased a cumulative 14.8 percent. The Town's focus on expanding their economic development efforts has improved economic trends throughout the community, and has helped spur the majority of our new construction and redevelopment throughout the community. The tax rate established for the 2014 fiscal year is 57.18 cents per \$100 assessed values, a decrease from the previous year. The Town's interest and sinking portion of the rate provided an additional \$524,100 for debt service,
- Please refer to Appendix D, which discusses the Town's major revenues in context of urban populations.

while increasing the maintenance and operations funding by \$1,244,670. Of this amount, \$93,700 is directed to the Economic Development Fund and the remaining \$1,150,970 for General Fund activities. The General Fund long-term plan assumes 4 percent average increase of appraised values from fiscal year 2015 to 2016, and 2 percent for fiscal year 2017 to 2018, and much of this expected growth can be attributed to new construction each year and increased value in multi-family residential.

- **3.** All other revenues during the planning horizon are expected to increase a modest 2 percent per year.
- 4. Approximately two-thirds of the General Fund's expenditures are associated with employee compensation. The base 2014 year budget for personal services is \$999,671 more than the 2013 budget due to the addition of 3.3 FTE, and a council approved merit increase as a part the compensation study that was conducted by Waters Consulting. Future years project a three percent increase in compensation.
- **5.** Due to the uncertainty of healthcare cost an additional five percent was added to the budget to cover an any increase to the organization.
- 6. The 2014 budget reflects a \$518,932 increase in appropriations for maintenance projects associated with the Town's streets, parks, and technology projects. Contractual services are up \$130,318 primarily as a result of the cost associated with a comprehensive land use study, increased services hours for municipal court.
- 7. The General Fund makes contributions to the Town's Capital Replacement and Information Technology Funds that essentially amortize capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment.
- 8. All operating expenditures for fiscal years 2015 through 2018 are adjusted for a 3 percent inflationary increase. If possible, when the Town experiences revenues that do not support projects, departments will accommodate for this inflationary increase in supplies or contractual

- services through operational efficiencies or reductions to scope of services delivered to the public.
- 9. For fiscal years 2015 through 2018, expenditures are projected to exceed revenues by an average of \$550 thousand. The Town has prepared a long-term approach that allows organization to reduce the fund balance to a level of 30 percent of the operating expenditures. This allows the Town to maintain compliance with it fund balance policy and elevate the Town's financial burden for non-reoccurring and capital expenditures. As a result, fund balances gradually declines thru 2018 at which point the \$10.3 million fund balance will represent 30 percent of operating expenditures. If need be, the town will increase its tax rate to maintain the 30 percent fund balance that has been set as a benchmark by the Council.

Hotel Fund Long-Term Plan

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. In recent years, due to the national recession, hotel occupancy tax declined almost 23 percent from fiscal years 2008 through 2011. However, the tax experienced a modest recovery in both 2011 and 2012, with 2013 estimated revenues increasing 7 percent over 2012. The plan reflects the following assumptions:

- 1. Hotel occupancy tax revenue for the 2014 budget is expected to be higher than estimated 2013 numbers by 7.1 percent. For the 2015-2018 planning period, revenues from the tax are expected to increase 3.1 percent per year. The inventory of hotel rooms is assumed to remain constant at 3,953.
- 2. Proceeds from special events in 2013 exceeded prior year results by 9.4 percent. Event revenue for the 2014 budget period is expected to remain constant with 2013 expected results, and projected to experience 2 percent annual increases for the 2015-2018 planning period.
- 3. Rental of the Addison Conference Centre is estimated to meet its prior year budget, an increase of 23 percent, and expects to increase 5 percent in fiscal year 2014 as the Town continues to implement

changes set forth in our new strategic plan. Subsequent years anticipate 2 percent annual increases in rental revenue. Visit Addison center is expected to generate nearly \$237,500 and increase 3 percent annually from fiscal years 2015 through 2018.

- **4.** Operating expenditures are forecasted to increase at 3 percent to adjust for inflation.
- **5.** The fund reflects a transfer of \$570,000 in 2014 to satisfy the debt service obligation. This amount increases to \$670,000 for 2015-2018. These payments reflect the retirement of certificates of obligation that were sold to finance construction of the Arts and Events District.
- **6.** The fund also includes a \$292,000 reimbursement to the General Fund to reduce an advance. Council has agreed to review the feasibility to reimburse the remaining portion of the advance in the 2015 budget process.
- 7. The plan reflects revenues exceeding expenditures through fiscal year 2018 with fund balance growing to \$3,545,882 or 47.6 percent of operating expenditures. Unlike other funds where expenditures are directly related to critical public services, much of the Hotel Fund's budget is associated with marketing and the production of special events which can be reduced should hotel occupancy taxes decline in future years.

Airport Fund Long-Term Plan

The goal of the Airport Fund's plan is to generate sufficient revenues to support operating expenses as well as to fund capital projects in order to minimize the issuance of debt. Also, in recent years the Airport Fund has been able to capitalize on the opportunity to continuously improve it's infrastructure with federal and state matching grants.

- 1. Operating revenue increased in 2013 due to the combination of increased fuel flowage fees and rental income. For fiscal years 2015 through 2018 revenues are expected to remain flat.
- Operating expenses for the 2014 budget will be 20.6 percent greater than the 2013 budget, due to the necessity of several maintenance

- projects that were delayed in the previous years. Over the planning horizon, expenses are expected to increase by 3 percent per year.
- 3. The plan recognizes the debt service associated with the issuance of \$4.4 million in certificates of obligation in 2005 to fund the new fuel farm and recently issued \$3 million for other capital projects.
- **4.** Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.

Utility Fund Long-Term Plan

Like the Airport Fund, the goal of the Utility Fund's plan is to generate sufficient revenues to support operating expenses as well as to fund capital projects. Recently, a utility rate study was completed to analyze the rate needed to maintain operations and implement an asset management program. Below are other features of the plan.

- Operating revenues are determined by the water and sewer rates as well as the volume of water sold and sewer treated. These revenues are highly influenced by weather patterns. Hot, dry summers result in high water sales which to a certain extent also generate higher sewer revenues. Due to a reasonably precipitous season and mild summer, utility operating revenue for 2014 is estimated to be 7.9 percent less than generated in 2013. This is directly attributable to a 1.5 percent water rate increase and a 8.5 percent sewer rate decrease, this was made possible by the recent reduction in debt services obligations. The long-term plan assumes that for fiscal years 2015 through 2018, water sales will grow 3 percent per year based on new residential and commercial development.
- 2. Operating expenses, dominated by payments to other entities for the purchase of water and the treatment of sewage, are expected to increase an average 7 percent per year for water purchases and 5 percent for sewer services. These assumptions are based on historical trends of the last five years.
- **3.** From fiscal years 2014 through 2018, net income is expected to average

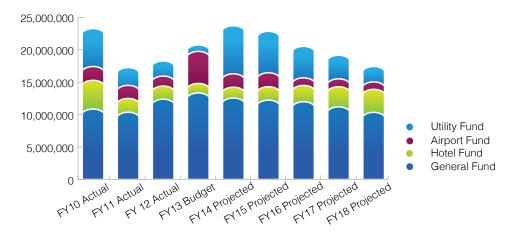
\$1.3 million, which is needed to retire debt principal and fund capital projects. This is significantly lower than previous years and is feasible because of the recent debt service retirement.

4. Debt service was reduced significantly in 2014 due to the retirement of debt that had been issued in the 1990's. The Town plans to issue approximately \$7.5 million for the purpose of updating various infrastructure throughout the community.

Capital Project Long-Term Plan

Included in this appendix is a financial statement that summarizes the Town's capital improvement program over the five year planning horizon. The statement reports the projected timing of the projects as well as the source of funding.

Ending Fund Balance (in millions) — Four Major Funds Over the Long-Term Planning Horizon



General Fund Long-Term Financial Plan

	2011-2012	2012-2013
Beginning Balance	\$10,366,694	\$12,373,064
Revenues		
Ad valorem taxes	10,933,472	10,478,300
Non-property taxes	11,888,630	13,183,360
Franchise fees	2,727,370	2,676,469
Licenses and permits	953,709	720,000
Service fees	1,443,787	1,422,820
Fines and penalties	1,071,177	1,040,000
Interest income	19,928	10,000
Rental income	162,738	200,000
Miscellaneous	104,697	99,000
Total Revenues	29,305,508	29,829,949
Expenditures		
Personal services	17,804,843	18,598,152
Supplies	1,219,476	1,284,704
Maintenance	1,806,976	2,773,611
Contractual services	5,138,302	5,006,880
Capital replacement/lease	1,083,204	1,194,920
Capital outlay	171,337	9,000
Fund transfer out	75,000	-
Total Expenditures	27,299,138	28,867,268
Excess (Deficiency) of Revenues over Expenditures	2,006,370	962,681
ENDING FUND BALANCE	\$12,373,064	\$13,335,745
ENDING BALANCE AS A % OF EXPENDITURES	45.4%	46.2%
Debt leevenee Veriebles		
Debt Issuance Variables	ΦΕΩ 010 77 0	Φ77 C44 O44
Beginning debt outstanding	\$52,018,770	
Principal retired	20,689,456	4,101,160
Principal issued	46,315,000	7,790,000
Ending Debt Outstanding	\$77,644,314	\$81,333,154
Tax Rate Variables		
Taxable values (thousands)	\$2,993,024	\$3,134,895
Maintenance & Operation - General fund	\$0.3634	\$0.3368
Maintananaa & Operation From Day Fund	\$0.0185	\$0.0226
Maintenance & Operation - Econ. Dev. Fund	+	
Interest & Sinking - Debt Service Fund	\$0.1981	\$0.2207

Actual

2011-2012

Estimated

2012-2013

Year 4	Year 3	Year 2	Year 1	
Projected 2017-2018	Projected 2016-2017	Projected 2015-2016	Projected 2014-2015	Budget 2013-2014
\$11,200,446	\$11,979,486	\$12,232,936	\$12,557,076	\$13,335,745
\$12,531,760	\$12,208,590	\$12,354,340	\$11,814,860	\$11,624,270
14,109,500	13,832,840	13,561,610	13,295,700	13,035,000
2,843,550	2,787,790	2,733,130	2,679,540	2,627,000
801,010	785,300	769,900	754,800	740,000
1,562,500	1,531,860	1,501,820	1,472,370	1,443,500
1,082,430	1,061,210	1,040,400	1,020,000	1,000,000
10,820	10,610	10,400	10,200	10,000
184,020	180,410	176,870	173,400	170,000
53,040	52,000	50,980	49,980	49,000
33,178,630	32,450,610	32,199,450	31,270,850	30,698,770
00 000 000	04.007.500	04.400.050	00 500 050	10.005.504
22,209,220	21,667,530	21,139,050	20,523,350	19,925,581
1,487,570	1,451,290	1,415,890	1,381,360	1,371,228
3,343,910	3,262,350	3,182,780	3,105,150	3,363,252
5,602,010	5,465,380	5,332,080	5,202,030	5,218,278
1,338,100	1,338,100	1,338,100	1,338,100	1,338,100
45,000	45,000	45,000	45,000	261,000
34,025,810	33,229,650	32,452,900	- 31,594,990	31,477,439
(847,180	(779,040)	(253,450)	(324,140)	(778,669)
\$10,353,26	\$11,200,446	\$11,979,486	\$12,232,936	\$12,557,076
30.49	33.7%	36.9%	38.7%	39.9%
\$106,705,374	\$98,543,704	\$88,233,854	\$86,872,004	\$81,333,154
3,739,150	4,838,330	4,690,150	4,638,150	4,461,150
	13,000,000	15,000,000	6,000,000	10,000,000
\$102,966,224	\$106,705,374	\$98,543,704	\$88,233,854	\$86,872,004
\$3,918,560	\$3,841,726	\$3,766,398	\$3,625,591	\$3,490,008
\$0.3230	\$0.3210	\$0.3313	\$0.3292	\$0.335842
\$0.020	\$0.0210	\$0.0215	\$0.0223	\$0.022923
\$0.2363	\$0.2380	\$0.2272	\$0.2285	\$0.213035
\$0.5800	\$0.5800	\$0.5800	\$0.5800	\$0.571800

Hotel Fund Long-Term Financial Plan

	Actual 2011-2012	Estimated 2012-2013
Beginning Balance	\$2,131,381	\$2,030,014
Revenues		
Hotel/motel occupancy taxes (HOT)	4,295,149	4,596,865
Proceeds from special events	1,660,805	1,817,500
Conference Centre rental	509,458	602,000
Other rental	259,423	307,500
Interest and other	15,277	10,000
Total Revenues	6,740,112	7,333,865
Expenditures		
Visitor Services	866,853	1,057,737
Visit Addison	564,117	585,461
Marketing	723,433	951,597
Special Events	2,510,948	2,530,224
Conference Centre	1,001,378	1,692,759
Performing Arts	504,750	504,890
Total Expenditures	6,171,479	7,322,668
Net Other Sources (Uses)	670,000	570,000
ENDING FUND BALANCE	\$2,030,014	\$1,471,211
ENDING BALANCE AS A % OF EXPENDITURES	32.9%	20.1%

	Year 1	Year 2	Year 3	Year 4
Budget	Projected	Projected	Projected	Projected
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
\$1,471,211	\$1,671,007	\$2,068,826	\$2,521,566	\$3,102,832
4,922,495	5,067,212	5,266,163	5,544,058	5,559,276
1,817,500	1,853,850	1,890,927	1,928,746	1,967,320
632,100	644,742	657,637	670,790	684,205
307,500	316,125	324,964	333,523	343,308
10,000	10,000	10,000	10,000	10,000
7,689,595	7,891,929	8,149,690	8,487,116	8,564,110
1,096,261	1,128,780	1,162,280	1,196,780	1,232,320
626,588	645,390	664,760	684,700	705,250
917,800	919,340	946,690	974,850	1,003,870
2,615,202	2,489,730	2,563,190	2,638,850	2,716,790
1,098,607	1,078,540	1,110,900	1,144,230	1,178,560
565,341	562,330	579,130	596,440	614,270
6,919,799	6,824,110	7,026,950	7,235,850	7,451,060
570,000	670,000	670,000	670,000	670,000
\$1,671,007	\$2,068,826	\$2,521,566	\$3,102,832	\$3,545,882
24.1%	30.3%	35.9%	42.9%	47.6%

Airport Fund Long-Term Financial Plan

	Actual 2011-2012	Estimated 2012-2013
Beginning Working Capital	\$2,012,994	\$1,539,660
Operating Revenues	, , , , , , , , , , , , , , , , , , , ,	· ,,
Operating grants	\$-	50,000
Fuel flowage fees	717,667	730,000
Rental	3,551,536	3,595,000
User fees	(13,656)	54,000
Total Operating Revenues	4,255,547	4,429,000
Operating Expenses		
Town - Personal services	362,802	370,000
Town - Supplies	37,926	57,500
Town - Maintenance	56,884	48,500
Town - Contractual services	389,396	525,000
Grant - Operations and maintenance	92,784	100,000
Operator - Operations and maintenance	1,845,839	2,060,569
Operator - Service contract	312,008	361,264
Total Operating Expenses	3,097,639	3,522,833
Net Operating Income	1,157,908	906,167
Non-Operating Revenues (Expenses)		
Interest earnings and other	8,338	15,000
Interest on debt, fiscal fees and other	(116,035)	(103,485)
Capital Contribution	1,258,798	-
Net Non-Operating Revenues (Expenses)	1,151,101	(88,485)
Net Income (Excluding Depreciation)	2,309,009	817,682
Sources (Uses) of Working Capital		
Retirement of long-term debt	(275,000)	(290,000)
Net additions to fixed assets with grants	(2,494,663)	(113,100)
Other net additions to fixed assets	(12,676)	(20,000)
Bond Proceeds	-	3,006,552
Net Sources (Uses) of Working Capital	(2,782,339)	2,583,452
ENDING WORKING CAPITAL	\$1,539,664	\$4,940,795
ENDING WORKING CAPITAL AS A % OF EXPENSES	49.7%	140.3%
ENDING WOLLKING ON HITE 10 1/2 OF EXILENCES	40.170	140.070
Uses of Working Capital		
Grant Projects - Capital (Town's Share)		
South Runway Arresting System (EMAS)	7,900	38,100
	7,000	
Perimeter Access Controls and Monitoring System	-	10,000
Perimeter Access Controls and Monitoring System Master Plan Update	-	10,000 20,000
	- - 1,011,005	
Master Plan Update	-	
Master Plan Update Runway 15/33 Overlay and Enhancement	- - 1,011,005	20,000
Master Plan Update Runway 15/33 Overlay and Enhancement Taxiway Rehabilitation/Drainage	- - 1,011,005	20,000 - 17,000
Master Plan Update Runway 15/33 Overlay and Enhancement Taxiway Rehabilitation/Drainage Automated Weather Ops. System Update (AWOS)	- - 1,011,005	20,000 - 17,000 15,000
Master Plan Update Runway 15/33 Overlay and Enhancement Taxiway Rehabilitation/Drainage Automated Weather Ops. System Update (AWOS) Wildlife Hazard Assessment	- - 1,011,005	20,000 - 17,000 15,000
Master Plan Update Runway 15/33 Overlay and Enhancement Taxiway Rehabilitation/Drainage Automated Weather Ops. System Update (AWOS) Wildlife Hazard Assessment JetPort Project	- 1,011,005 35,930 - -	20,000 - 17,000 15,000 13,000
Master Plan Update Runway 15/33 Overlay and Enhancement Taxiway Rehabilitation/Drainage Automated Weather Ops. System Update (AWOS) Wildlife Hazard Assessment JetPort Project Total	- 1,011,005 35,930 - -	20,000 - 17,000 15,000 13,000

	Year 1	Year 2	Year 3	Year 4
Budget	Projected	Projected	Projected	Projected
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
\$4,940,795	\$2,058,680	\$2,146,860	\$1,168,470	\$1,211,440
50,000	50,000	50,000	50,000	50,000
724,840	730,600	730,600	730,600	730,600
3,587,690	3,695,320	3,695,320	3,695,320	3,695,320
52,300	53,870	53,870	53,870	53,870
4,414,830	4,529,790	4,529,790	4,529,790	4,529,790
370,553	381,670	393,120	404,910	417,060
62,600	64,480	66,410	68,400	70,450
57,300	59,020	60,790	62,610	64,490
546,810	563,210	580,110	597,510	615,440
100,000	100,000	100,000	100,000	100,000
2,923,289	2,122,390	2,186,060	2,251,640	2,319,190
319,670	329,260	339,140	349,310	359,790
4,380,222	3,620,030	3,725,630	3,834,380	3,946,420
34,608	909,760	804,160	695,410	583,370
04,000	300,700	004,100	000,410	300,070
5,000	5,150	5,300	5,460	5,620
(216,730)	(216,730)	(192,850)	(177,900)	(162,400)
(211,730)	(211,580)	(187,550)	(172,440)	(156,780)
(177,122)	698,180	616,610	522,970	426,590
(395,000)	(420,000)	(435,000)	(450,000)	(465,000)
(2,280,000)	(160,000)	(1,130,000)	(100,000)	(100,000)
(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
- (2.725.222)	-	- (4, 505, 000)	- (100.000)	- (105.000)
(2,705,000)	(610,000)	(1,595,000)	(480,000)	(495,000)
\$2,058,676	\$2,146,860	\$1,168,470	\$1,211,440	\$1,143,030
47.0%	59.3%	31.4%	31.6%	29.0%
17.070	00.070	01.170	01.070	20.070
2,100,000	-	-	-	-
-	75,000	30,000	-	-
-	-	-	-	-
-	-	-	-	-
180,000	85,000	1,100,000	-	-
-	-	-		-
-	-	-	-	-
\$2,280,000	\$160,000	\$1,130,000	\$-	\$-
30,000	30,000	30,000	30,000	30,000
\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Ψ50,000	Ψ30,000	Ψου,υυυ	Ψ30,000	ψου,υυυ

Utility Fund Long-Term Financial Plan

	Actual 2011-2012	Estimated 2012-2013
Beginning Working Capital	\$2,734,120	\$2,326,420
Operating Revenues		
Water sales	6,272,622	6,265,530
Sewer charges	4,761,033	4,783,860
Tap fees	15,490	11,087
Penalties	65,056	74,533
Total Operating Revenues	11,114,201	11,135,010
Operating Expenses	, , -	,,
Water purchases	2,859,454	3,132,765
Wastewater treatment	2,063,043	2,296,205
Utility operations	2,482,333	2,786,864
Total Operating Expenses	7,404,830	8,215,834
Net Operating Income	3,709,371	2,919,176
Non-Operating Revenues (Expenses)	3,1 33,31 1	_,0.0,0
Interest earnings and other	(102,215)	14,414
Interest on debt, fiscal fees and other	(522,078)	(419,160)
Net Non-Operating Revenues (Expenses)	(624,293)	(404,746)
Net Income (Excluding Depreciation)	3,085,078	2,514,430
Sources (Uses) of Working Capital	0,000,070	2,011,100
Net retirement of long-term debt	(915,544)	(2,878,840)
Debt issuance	(0.10,01.1)	(2,070,010)
Net additions to fixed assets	(2,520,891)	(997,942)
1401 daditiono to mod docoto	(2,020,001)	
Net increase (decrease) to other assets	(56.344)	20 000
Net increase (decrease) to other assets Net Sources (Lises) of Working Capital	(56,344)	20,000
Net Sources (Uses) of Working Capital	(3,492,779)	(3,856,782)
Net Sources (Uses) of Working Capital	(3,492,779)	(3,856,782)
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES	(3,492,779) \$2,326,420	(3,856,782) \$984,068
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital	(3,492,779) \$2,326,420	(3,856,782) \$984,068
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment	(3,492,779) \$2,326,420 31.4%	(3,856,782) \$984,068
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles	(3,492,779) \$2,326,420	(3,856,782) \$984,068
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects	(3,492,779) \$2,326,420 31.4%	(3,856,782) \$984,068
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water	(3,492,779) \$2,326,420 31.4%	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank	(3,492,779) \$2,326,420 31.4%	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services Master Planning	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services Master Planning	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services Master Planning MLS	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services Master Planning MLS One-time	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0%
Net Sources (Uses) of Working Capital ENDING WORKING CAPITAL ENDING WORKING CAPITAL AS A % OF EXPENSES Uses of Working Capital Equipment Motor vehicles Capital Projects Utility Plant - Water Water Mains/Hydrants Elevated Storage Tank Engineering/Architectural Services Master Planning MLS One-time Reoccurring	(3,492,779) \$2,326,420 31.4% 49,934	(3,856,782) \$984,068 12.0% - 375,000 379,942 -

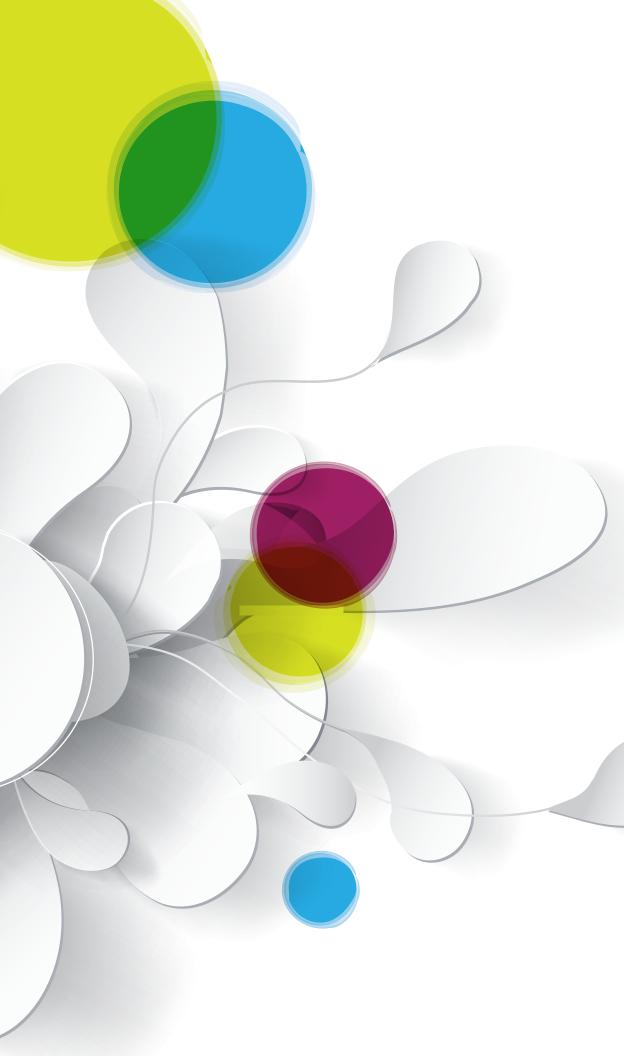
	Year 1	Year 2	Year 3	Year 4
Budget	Projected	Projected	Projected	Projected
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
\$984,070	\$7,408,158	\$6,389,640	\$4,851,090	\$3,637,630
5,767,686	5,934,312	6,192,875	6,369,445	6,555,182
4,320,764	4,507,676	4,523,530	4,539,786	4,556,453
10,280	10,568	10,864	11,168	11,481
151,116	155,347	159,697	164,168	168,765
10,249,846	10,607,903	10,886,966	11,084,567	11,291,881
2,972,065	3,100,315	3,257,099	3,422,297	3,596,374
2,337,586	2,397,195	2,458,323	2,521,010	2,585,296
2,881,328	2,946,262	3,066,462	3,192,193	3,323,080
8,190,979	8,443,772	8,781,884	9,135,500	9,504,750
2,058,867	2,164,131	2,105,082	1,949,067	1,787,131
(110,510)	(113,604)	(116,785)	(120,055)	(123,416)
(675,750)	(654,378)	(632,002)	(580,764)	(568,488)
(786,260)	(767,982)	(748,787)	(700,819)	(691,904)
1,272,607	1,396,149	1,356,295	1,248,248	1,095,227
(510,919)	(534,679)	(557,741)	(599,038)	(611,315)
7,500,000	-	-	-	-
(1,837,600)	(1,879,988)	(2,337,108)	(1,862,670)	(1,745,720)
-	-	-	-	-
5,151,481	(2,414,667)	(2,894,849)	(2,461,708)	(2,357,035)
\$7,408,158	\$6,389,640	\$4,851,086	\$3,637,630	\$2,375,822
90.4%	75.7%	55.2%	39.8%	25.0%
70,000	171,000	380,000	156,000	108,000
430,000	211,500	464,845	168,290	171,839
291,400	330,392	369,804	384,648	399,937
-	-	-	-	-
133,200	137,196	141,312	145,551	149,917
425,000	245,000	170,000	170,000	50,000
65,000	-	-	-	-
10,000	10,000	10,000	10,000	10,000
388,000	749,900	776,147	803,181	831,027
25,000	25,000	25,000	25,000	25,000
\$1,837,600	\$1,879,988	\$2,337,108	\$1,862,670	\$1,745,720

Appendix F Capital Projects Summary

	Actual 2011-2012	Estimated 2012-2013
reet Capital Project Fund		
Belt Line Road Streetscape	\$94,920	\$-
Storm Water Master Study	149,759	-
Street and Lighting Improvement Projects	-	-
Ashton Woods Development Streets	-	-
Railroad Improvements/Quiet Zones	-	-
Keller Springs Road/Addison Road Intersection	-	-
rks Capital Project Fund		
Addison Trail	49,838	
Elevated Water Tank	-	110,462
Sews Demonstration Garden	13,146	1,376
George H.W. Bush Elementary School Landscaping	36,673	-
02 Capital Project Fund		
Belt Line Road Streetscape	842,012	7,984
04 Capital Project Fund		
Belt Line Road Streetscape	440,304	-
06 Capital Project Fund		
Undesignated Residential Lighting Projects	-	-
Various Streets Improvements	-	-
08 Capital Project Fund		
Vitruvian Park Public Infrastructure	1,839,759	180,581
Spring Valley Road/Vitruvian Way Intersection Improvements	112,455	28,899
Storm Water Master Study	37,933	-
George H.W. Bush Elementary School Landscaping	75,350	-
Addison Trail	160,945	-
Sojourn Rehabilitation	-	564,000
Various Land Acquisition	-	-
Surveyor Learning Center	-	-
12 Capital Project Fund		
Belt Line Road Streetscape and Interchange	-	1,677,828
Vitruvian Park Public Infrastructure	-	1,425,226
Acquisition of Land/Streets	-	-
Park and Pedestrian Connectivity	-	299,454
Public Safety Radio Replacement	-	-
Wireless network improvements	-	-
13 Capital Project Fund		
Midway Road Design	-	4 000 400
Airport Land Acquisition	-	1,232,169
rport Fund	7,000	20.100
South Runway Arresting System Design (EMAS)	7,900	38,100
Perimeter Access Controls and Monitoring System	-	10,000
Master Plan Update	4 044 005	20,000
Runway 15/33 Overlay and Enhancement	1,011,005	47.000
Taxiway Rehabilitation/Drainage	35,930	17,000
Wildlife Hazard Assessment	-	13,000
lity Fund		
Utility Plant - Water	-	- 075 000
Water Mains/Hydrants	- 470.057	375,000
Elevated Storage Tank	2,470,957	379,942
Engineering/Architectural Services	-	-
Master Planning	-	-
Sanitary Sewers	-	223,000
Utility Plant - Sewer	-	20,000
MLS		
One-time Description	-	-
Reoccurring	-	-
orm Water Fund		
Les Lacs/Winnwood Ponds Improvements	-	-
Airport EMAS Drainage	-	-
Misc. Bridge & Channel Improvements	-	-
Belt Line Drainage Improvements	-	-
Libration Discounts (Devotation D. 11, NA. 11, 11)	-	-
Hutton Branch/Rawhide Basin Masterplan		
Hutton Branch/Rawhide Basin Masterplan Keller Springs Basin Improvements TAL CAPITAL PROJECTS	\$7,378,886	\$6,624,021

 Budgeted 2013-2014	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018
\$-	\$-	\$-	\$-	\$-
260,900	-	-	-	-
517,000	-	-	-	-
362,081	-	-	-	-
211,990	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
180,000	-	-	-	-
174,473	-	-	-	-
	-		-	-
-	-	-	-	-
- -	- -	- -	-	_
-	-	-	-	-
-	-	-	-	-
-	4 000 000	-	-	-
175,000	1,800,000	-	-	-
9,152,172	500,000	-	-	-
8,574,774	-	-	-	-
-	3,000,000	-	-	-
3,200,546 3,000,000	2,000,000	-	-	-
-	2,000,000	-	-	-
1,000,000	-	-	-	_
5,750,323	-	-	-	-
2,100,000	-	-	-	-
-	75,000	30,000	-	-
-	-	-	-	-
180,000	85,000	1,100,000	-	-
-	-	-	-	-
430,000	211,500	464,845	168,290	171,839
291,400	330,392	369,804	384,648	399,937
100.000	407.400	-	-	440.047
133,200 425,000	137,196 245,000	141,312 170,000	145,551 170,000	149,917 50,000
388,000	749,900	776,147	803,181	831,027
25,000	25,000	25,000	25,000	25,000
65,000	-	-	-	-
10,000	10,000	10,000	10,000	10,000
600,000	-	-	-	-
800,000	- E00 000	-	-	-
80,000 800,000	500,000	220,000	-	-
250,000	250,000	-	-	-
400,000	3,000,000	600,000	-	_
\$39,536,859	\$14,918,988	\$3,907,108	\$1,706,670	\$1,637,720

WELCOMING DYNAMIC FRIENDLY



Appendix G Glossary of Terms

A

Accounts Payable – A liability account reflecting the amount of open accounts owed to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

Accounts Receivable – An asset account reflecting amounts owed from private persons or organizations for goods or services furnished by a government.

Accrual Accounting – Recognition of the financial effects of transactions, events and circumstances in the period(s) when they occur regardless of when the cash is received or paid.

Ad Valorem – Latin for "value of." Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property.

Amortization – Payment of principal plus interest over a fixed period of time.

Appropriation – A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligation for designated purposes.

Arbitrage – The interest earnings derived from invested bond proceeds or debt service fund balances.

ARRA – Acronym for American Recovery and Reinvestment Act. Passed in 2009 by the Federal government, the Recovery Act seeks to create new jobs, spur economic activity, and encourage accountability and transparency in government spending.

Assessed Valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

B

Balance Sheet – The basic financial statement, which discloses the assets, liabilities and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

Balanced Budget – Annual financial plan in which expenses do not exceed revenues.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

Budget – A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

C

Capital Outlays – Expenditures which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

Capital Replacement/Lease – A cost category which typically reflects costs associated with the acquisition of capital equipment. Category also includes department contributions to the Capital Replacement and Information Technology Replacement Funds.

Certificate of Obligations (COs) – Similar to general obligation bonds except the certificates require no voter approval.

Contractual Services – The costs related to services performed for the Town by individuals, businesses, or utilities.

Cost – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before the money is paid; that is, as soon as liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

Current Assets – Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and tax receivables which will be collected within one year.

Current Liabilities – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

D

DART – Acronym for Dallas Area Rapid Transit, a mass transit authority serving the Dallas Metroplex which is funded through a 1 percent sales tax levied in participating cities.

Delinquent Taxes – Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

Depreciation – Change in the value of assets (equipment, buildings, etc. with a useful life of five years or more) due to use of the assets.

DISD – Acronym for Dallas Independent School District, which serves most of Addison.

E

Encumbrances – Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Exempt – Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete their job assignments. Compensatory time-off, as partial compensation for overtime hours worked, may be allowed by the respective department head.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

F

FAA – Acronym for Federal Aviation Administration, an operating mode of the United States Department of Transportation which regulates aerospace.

Fixed Assets – Assets of a long-term character, which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Franchise – A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

FTE – Acronym for full-time equivalent, a measurement of staffing. One FTE is a 40 hours per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be a 0.5 FTE.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The difference between governmental fund assets and liabilities, also referred to as fund equity.

FY – Acronym for fiscal year, a 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The Town of Addison's fiscal year begins October 1st and the ends the following September 30th. The term FY2011 denotes the fiscal year beginning October 1, 2011 and ending September 30, 2012.

G

GAAP – Acronym for Generally Accepted Accounting Principles, which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the Town conform to the GAAP applicable to state and local

governments.

GASB – Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

General Obligation Bonds – Bonds for the payment of which the full faith and credit of the issuing government is pledged. In issuing its general obligation bonds, the Town of Addison pledges to levy whatever property tax is needed to repay the bonds for a particular year. Bonds cannot be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

GIS – Acronym for geographic information system which is any system, that captures, stores, analyzes, manages, and presents data that are linked to location.

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

M

Maintenance – The upkeep of physical properties in condition for use of occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Modified Accrual Accounting – Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

Modified Level of Service – A modified level of service represents an increase or decrease in a department's scope of service or funding levels. A modified level of service may be a request for additional funding submitted by a department during the budget process for new or expanding programs or services, or it may be the elimination of a position in a department. Modified levels of service are highlighted in the department narratives in alternate color text.

Ν

NCTCOG – Acronym for the North Central Texas Council of Governments, which is a voluntary association of, by, and for local governments, established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

Non-Exempt – Personnel eligible to receive overtime pay when overtime work has been authorized or requested by the supervisor.

NTTA – Acronym for the North Texas Tollway Authority, which manages the Dallas North Tollway and the Addison Airport Toll Tunnel which both run through Addison.

O

Operating Expenditure – Expenditure on an existing item of property or equipment that is not a capital expenditure.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

P

PVC – Acronym for polyvinyl chloride, a plastic compound used for water and sewer pipes.

Personal Services – The costs associated with compensating employees for their labor.

P-Card – Acronym for procurement card, a Town-issued credit card which allows employees to make small purchases in a cost effective manner.

Proprietary Fund – Operation that operates like a private commercial operation, in which services are financed through

user charges and expenditures include the full cost of operations.

Purchase Order (PO) – A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

Revenues – Increases in net financial resources. Revenues include the receipt of assets for goods sold or services provided in the current reporting period, intergovernmental grants, and interest income.

S

Sliplining – The process of restoring deteriorated sewer (wastewater) lines. The process involves inserting a "sock" of special material through the length of line, which, when filled with hot water, cures to produce a hard, seamless pipe.

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources that are legally restricted or formally committed to expenditures for specified purposes.

Streetscape - The amenities of a street including landscaping, lighting, hardscape elements such as plazas, fountains, pedestrian walkways/trails/crosswalks, decorative paving and enhanced signage found within or near the street.

Supplies – A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

Sustainability – Practices that meet the needs of the present without compromising the ability of future generations to meet their needs.

т

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessment.

TCEQ – Acronym for Texas Commission on Environmental Quality, a state agency responsible for enforcing federal and state environmental laws.

TxDOT – Acronym for Texas Department of Transportation, a state agency responsible for administering Addison Airport's FAA capital grants.

W

Working Capital – The amount of current assets which exceeds current liabilities.

CONNECTING TOGETHER PURPOSEFUL





The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Addison, Texas, for its annual budget for the fiscal year beginning October 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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

The Town was also awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA for its comprehensive annual financial report (CAFR) for the fiscal year ending September 30, 2012. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

Together, the award and the certificate are evidence of the Finance department's dedication to producing documents which effectively communicate the Town's financial condition to elected officials, city administrators and the general public.

City Council

Council	Name	Profession	Term of Office
Mayor	Todd Meier	Business Person/ Attorney	05/13-05/15
Mayor Pro Tempore	Blake W. Clemens	Corporate Real Estate	05/13-05/15
Deputy Mayor Pro Tempore	Bruce Arfsten	Residential Real Estate	05/13-05/15
Council Member	Chris DeFrancisco	Senior Vice President, Comm. Banking	05/13-05/15
Council Member	Margie Gunther	Educational Consultant	05/12-05/14
Council Member	Janelle Moore	Medical and Business Development Consultant	05/12-05/14
Council Member	Neil Resnik	Financial Services/ Life Insurance	05/12-05/14

Town Staff

Mayor's Office	Todd Meier, Mayor	(972) 450-7026
	City Council	(972) 450-7027
City Manager's Office	Ron Whitehead, City Manager	(972) 450-7027
City Manager's Office	Lea Dunn, Deputy City Manger	(972) 450-7037
City Manager's Office	Chris Terry, Assistant City Manager	(972) 450-7010
Economic Development	Orlando Campos, Director	(972) 450-7034
Financial / Strategic Services	Eric Cannon, Chief Financial Officer	(972) 450-7050
General Services	Mark Acevedo, Director	(972) 450-2848
Human Resources	Passion Hayes, Director	(972) 450-2819
Information Technology	Hamid Khaleghipour, Director	(972) 450-2868
Police	Ron Davis, Chief	(972) 450-7168
Fire	John O'Neal, Chief	(972) 450-7203
Development Services	Carmen Moran, Director	(972) 450-2886
Infrastructure Operations and Services	Lisa Pyles, Director	(972) 450-2878
Parks / Recreation	Slade Strickland, Director	(972) 450-2869
Communications & Marketing	Carrie Rice, Director	(972) 450-7032
Special Events	Barbara Kovacevich, Director	(972) 450-6221
Visitor Services	Bob Phillips, Director	(972) 450-6202

Consultants

Auditors	Weaver & Tidwell LLP – Jerry Gaither	(972) 490-1970
Bond Counsel	Bracewell & Giuliani, LLP - Julie Partain	(214) 758-1606
City Attorney	Cowles & Thompson – John Hill	(214) 672-2170
Financial Advisors	First Southwest, Co David Medanich	(817) 332-9710



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