

Addison!

WE'RE GLAD YOU'RE HERE

On Course

TOWN OF ADDISON, TEXAS
ANNUAL BUDGET

2011/2012

Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Compass Reading: The opening of George H.W. Bush Elementary School — Addison's first public educational institution established in cooperation with the Dallas Independent School District.



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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, 2011 and ending September 30, 2012. 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 2011-2012 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 verbally 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 affected development of the 2012 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 2011-2012 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 2009-2010 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2010-2011 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2010-2011 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2011-2012 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 unit's accomplishments for the previous fiscal year, and operational objectives for the 2012 fiscal year. Selected service levels for each department are presented graphically. Actual prior year data and estimated FY2011 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.

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.

This budget publication is the product of processes used by the City Council and city 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 fiscal year 2011-2012 budget is the culmination of a very full summer's worth of work. Beginning in May, Council began to piece together an overarching mission, vision, and set of objectives, which served as a guidepost for each of our work sessions and late-night meetings. In July, I submitted to you a budget which served as the first major step in getting to a budget that the Council is comfortable with, and we all continued to work through August and even September to refine the finished product which this budget document reflects.

We have lost about 20 percent of our property tax value in the last three years due to the economy. Addison enjoys a large commercial tax base which generates 80 percent of the taxes for our community. This allows our residents to experience a high level of services and amenities which far exceed the capabilities of other cities with 14,000 residents. However, this also means that we tend to be impacted more than traditional bedroom communities when that growth slows down.

Several years ago, Council leadership identified this boom-bust economic cycle, and took steps to ensure that the Town would be insulated, as best as possible, from the negative effects of future downturns. Despite periods of economic prosperity, Addison's staff levels did not dramatically increase. Expenditures remained relatively flat. Debt issuances were always structured to avoid biting off more than we could chew. In short, just because we had the money did not mean we would automatically look to spend it.

This illustration of foresight and careful planning is central to our budget theme for this year: "On Course." As you flip through the pages of this document, you will no doubt notice a recurring theme of maps and other cartographical instruments. Just as Town leadership has set forth long-term policies and procedures which aid us today, we are ever mindful of providing similar guidance for the future.¹ Even now, in some of the most challenging times our nation has faced, we are well positioned for growth. We are, effectively, what we have always been: a city poised to reach for excellence wherever we encounter it. And so, we can rightfully say that we are "On Course."

At Council's direction, this budget includes a combination of expenditure cuts and revenue increases aimed at stabilizing and even growing our fund balances.

I have always said that the budget is simply a series of choices. Like many of our fellow local governments, there were several very tough choices to be made this year. As in past years, we have made staffing cuts and greatly reduced funding of our operations. The FY2012 budget appropriates 20.5 percent less than the previous year's budget. We are able to do so by embracing technology and through the dedicated efforts of our city staff to get creative and find better ways of doing business wherever possible.

On the other side of this equation, we are hard at work on enhancing revenues. One of the principal drivers of these enhancements is the filling of office space, an objective Council clearly communicated as a priority. Filling vacant office space works to our advantage is a number of ways – not only adding lots

of business personal property to our tax rolls, but also adding a number of people who will eat in our restaurants, stay in our hotels, and otherwise contribute to the vibrancy of our economy. Our Economic Development office has been hard at work in recruiting businesses to Addison, and doing so at a fiscally responsible level that is commensurate with our expected rate of return.² While budgeted revenue remains relatively flat from the previous year's budget, new revenues including a business license fee and library card fee have been included in the FY2012 budget.

The 2012 year looks to be flush with new development opportunities. Vitruvian Park continues to expand, with new phases continually opening and breaking ground. The Village on the Parkway's new ownership team, Lincoln Properties and the Retail Connection, has some really game-changing plans for that center. We have been in contact with the Methodist Hospital for Surgery, which is working to bring a new Medical Office Building to their site – an addition which could serve as a development catalyst for the whole area.

One of the main businesses of a local government is the provision of infrastructure. This year, many of the projects we've been working on will come to fruition. Belt Line Road has been undergoing a lighting and landscaping overhaul, and I think the entire community will really like the new look of our signature road when it is completed later this fall. The new water tower is expected to come online in phases, with the bowl being raised in December, the wind turbines powering the facility in February, and active use of water storage beginning in August. This year will be the first of many for our newest piece of educational infrastructure, the George H.W. Bush Elementary school.³

As much as the FY2012 budget reflects efficiency efforts, it also advances the Council's value proposition of being the "Best Product" in local government services. Though cuts are sometimes necessary in the course of doing business, cutting our way to success can be difficult. Instead, we have identified several investments in our organization which we expect to yield some great things.

Any investment we make as a service organization must start with the great employees who have frankly gone well above and beyond each day for the Town.

For the fourth straight year, we have reduced staffing levels, and yet, through employees' efforts, have managed to maintain high quality services. This budget includes a one time 1 percent merit payment to recognize and reward their hard work and dedication.

This year's budget also supports the design and rollout of the "A3" process which leverages technology to streamline project management, improve transparency, and provide truly top-tier financial accountability.

The Airport Fund looks to be in order without much to be concerned about. As usual, Airport operations are self-sustaining, and I will be having a conversation in the future about how we fund future development on the field and how we maintain our market position. I am also excited about the continuing revitalization of the Airport property, which this year will feature the completion of a 40,000 square foot hangar by our largest fixed base operator, Million Air. We completed the overlay of the runway this year and won a safety award from the Federal Aviation Administration for the project.⁴

Thanks to brisk water sales from a hot and dry summer, our Utility Fund looks to be on track. We often find ourselves in the middle of wanting to encourage conservation, but also balance the need to sell enough water to offset operations and the maintenance of our infrastructure. So, even though revenues were aided by the weather in summer months, we realize the need to be prudent in how we manage our water resources. The budget also contemplates a 5 percent increase in water rates to enable us to service the debt for the new water tower. The increase in storage capacity enables us to redevelop the Vitruvian area, which will greatly enhance our tax values in that area of town. I am also recommending that we begin to complete the process for instituting a storm water management fund to address the growing need to manage our drainage system, the dredging and maintenance of water ways and the potential treatment of parking lot runoff in the future.⁵

The Hotel Fund has the most stress on it, due to declines over the last few years in hotel occupancy taxes and because we have the expense of opening a new venture with the Visit Addison operations.

Like most new businesses the cost of getting operational in the first few years is expensive and it takes time to figure things out. We had two purposes here. The first was to reinvest in the Village on the Parkway. The second was to find a creative way to do a visitor center and drive business to our hotels. We have already achieved part of our mission by partnering with the Craft Guild to create the most unique visitor center in the state. Now we must put our business plans in place to drive business to our hotels and the community at large. Over the coming year, we will be reviewing operations throughout the Hotel Fund to ensure that our practices are in line with the goals of each department. We will continue to market the community through Special Events and are encouraged by the success of WorldFest this year. The addition of the new Marketing and Communications position will help us better define our message and how we communicate it to the public.

The Town's priority continues to be the idea of providing value to our citizens through quality service and infrastructure investment. I wish to take this opportunity to thank the Mayor and City Council for setting the direction for the employees to execute the Town's policies. You have provided true leadership in some very challenging times. In light of that direction, we will continue to make Addison a safe, attractive, innovative and progressive community. This budget supports that effort and brings considerable value to all our constituencies at an exceptionally reasonable cost.

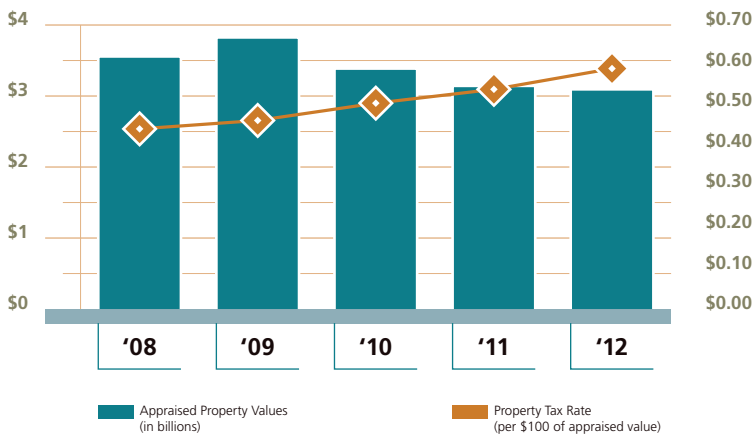
Respectfully submitted,



Ron Whitehead
City Manager

1. Please refer to Appendix E of this document for a discussion of the long-term financial plans of the Town's major funds.
2. Additional information related to the Economic Development Fund can be located on page 75 of this document.
3. Please refer to the Town Chronicle section of this document for information related to these and other developments and projects.
4. Additional information related to the Airport Fund can be located on page 91 and in the Town Chronicle section of this document.
5. Additional information related to the Utility Fund can be located on page 93 and in the Town Chronicle section of this document.
6. Additional information related to the Hotel Fund can be located on page 61 of this document.

Appraised Values and Tax Rate



Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery

5



Full Steam Ahead: Addison is steaming ahead with several aggressive multi-family construction projects — including Vitruvian Park Phase III, Keller Springs Lofts, and Allegro Phase II — all of which will expand our resident and economic base.



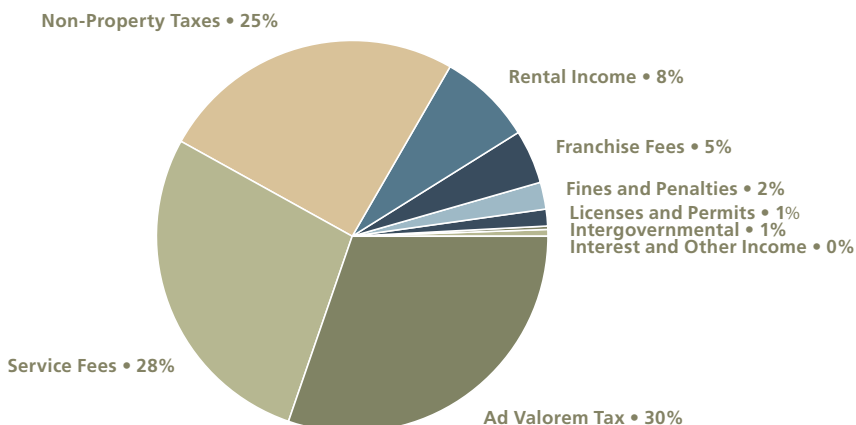
Press Release

The following is a summary of the 2011-2012 fiscal year (FY) annual budget of the Town of Addison that was adopted by the City Council at its September 13, 2011 meeting.

1. Budget appropriates \$61,773,780, a decline of \$15,956,540 or 20.5 percent less than the previous year's budget.
 - The decline is attributed to a reduced scope of projects related to the Vitruvian Park urban residential development.
2. Revenues total \$56,960,950, a net decline of \$342,420 or 0.6 percent compared to the 2010-2011 budget.
 - The decline is primarily due to a reduction in intergovernmental revenue. Last fiscal year, over \$2.7 million was budgeted to be received from other governmental entities, particularly capital project grants.
 - Property taxes are projected to be up \$1,433,900 from the previous year, primarily due to an increased tax levy and new construction associated with the Vitruvian Park development and the Methodist Hospital for Surgery.

- Non-property taxes (sales, alcoholic beverage, and hotel occupancy) are up a net \$517,560 or 3.7 percent due to an expanded regional economy.
 - The budget reflects a 5 percent increase in water and sewer rates that increases utility revenue by \$580,530. Fee increases are also planned for Conference Centre rental, and the budget includes the establishment of a library card fee and a business license fee.
3. The property tax rate will increase to 58.00¢ per \$100 of taxable value, up 5.00¢ from the previous year.
 - The increased rate will offset the decline in property values and provide an additional \$457,580 for the Town's annual debt service.
 - Total property tax levy is budgeted at \$17,562,650 which is 8.3 percent more than the FY2011 levy.
 4. Appraised values for 2011 (used for fiscal year 2012 levy) total \$3,028,042,600, a decline of 1 percent from certified 2010 values.
 - With the proposed tax rate, the city property taxes paid by the average homeowner in Addison will total \$1,276.02 or \$81.22 more than last year's average.

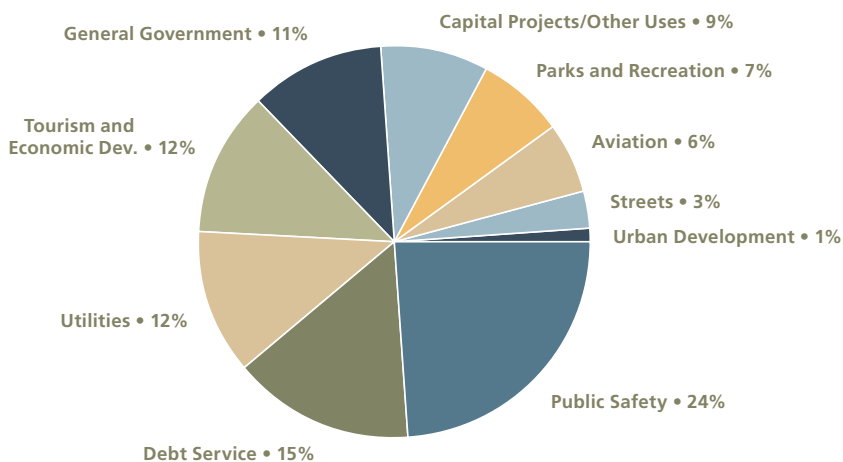
All Funds Revenues by Type



5. Total staffing (all funds) is at 261.2 FTE (full-time equivalent), a net decline of 0.3 FTE in workforce. Changes to staffing include:
 - Through the contracting out of engineering services, the budget reflects deletion of the Public Works Director position (duties to be assumed by Deputy City Manager) and a City Engineer position.
 - Removal of two custodial positions from the General Services and Recreation departments.
 - Addition of a Receptionist for the Human Resources department.
 - Transfer of the Animal Control Officer from the Streets department to the Police department and recognition of summer intern positions in the Police department (0.5 FTE).
 - Through the contracting out of fire inspection services, the budget reflects the deletion of the Deputy Chief in charge of fire prevention functions.
 - Addition of a part-time Building Inspector (0.2 FTE).
 - Deletion of the Streets Superintendent position.
 - Addition of a Director of Communications and Marketing in the Hotel Fund's Marketing department.
 - Converting a part-time Conference Centre Attendant to a full-time position (0.5 FTE).
 - Addition of a Director of Economic Development.
 - Addition of a Sergeant's position for the Airport Fund.
 - Addition of one temporary Intern position in the City Manager's Office (0.5 FTE).
6. The budget provides for funding of a 1 percent merit benefit to employees. The benefit will be distributed as a one-time payment to employees that will not increase their base salary. The cost of this benefit is \$165,200. An anticipated 5 percent increase in health costs has been included at a cost of \$129,400.
7. The budget envisions \$5.3 million being spent on capital projects that include:
 - Completion of the Surveyor elevated water storage tank (\$2,280,000).
 - Rehabilitation of Taxiway A at the Airport (local match) (\$817,300).
 - Miscellaneous street and park projects (\$2,013,410).

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

2011–2012 Budget

	20.0¢	50.0¢	80.0¢
Dallas			79.7¢
DeSoto			75.74¢
Duncanville			73.7692¢
Garland			70.46¢
Seagoville			69.0853¢
Coppell			69.046¢
Cedar Hill			68.588¢
Grand Prairie			66.9998¢
Mesquite			64.0¢
Richardson			63.516¢
Carrollton			61.7875¢
Irving			59.58¢
Addison			58.0¢
Farmers Branch			52.95¢
Plano			48.86¢
Sunnyvale			40.7962¢
University Park			27.8450¢
Highland Park			22.0¢

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

Comparative Tax

For an Average Addison Single-Family Residence

	FY2011	FY2012
Dallas County		
Market Value	\$281,793	\$275,005
Homestead Exemptions	20%	20%
Taxable Value	\$225,434	\$220,004
Tax Rate/\$100	0.62333	0.62377
Tax Levy	\$1,405.20	\$1,372.32
Dallas ISD		
Market Value	\$281,793	\$275,005
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$238,614	\$232,505
Tax Rate/\$100	1.23781	1.290347
Tax Levy	\$2,953.59	\$3,000.11
Town of Addison		
Market Value	\$281,793	\$275,005
Homestead Exemptions	20%	20%
Taxable Value	\$225,434	\$220,004
Tax Rate/\$100	0.53000	0.58000
Tax Levy	\$1,194.80	\$1,276.02
TOTAL TAX LEVY	\$5,553.59	\$5,648.45

Property Tax Distribution Calculations

City Council Adopted 2011–2012 Budget

2011 Certified Tax Roll and Levy	
Appraised Valuation (100%)	\$3,028,042,600
Rate Per \$100	\$0.5800
Total Tax Levy	\$17,562,650
Percent of Current Collection	98.00%
ESTIMATED CURRENT TAX COLLECTIONS	\$17,211,400

Summary of Tax Collections	
Current Tax	\$17,211,400
Delinquent Tax	15,230
Penalty and Interest	30,470
TOTAL 2011-2012 TAX COLLECTIONS	\$17,257,100

Distribution of Tax Rate	Tax Rate	% of Total	Amount
General Fund			
Current Tax			\$10,783,840
Delinquent Tax			9,540
Penalty and Interest			19,090
Total General Fund	\$0.3634	62.655%	10,812,470
Economic Development Fund			
Current Tax			548,980
Delinquent Tax			490
Penalty and Interest			970
Total Economic Development Fund	\$0.0185	3.190%	550,440
Total Operations and Maintenance	\$0.3819	65.845%	11,362,910
Debt Service Fund			
Current Tax			5,878,580
Delinquent Tax			5,200
Penalty and Interest			10,410
Total Debt Service Fund	\$0.1981	34.155%	5,894,190
TOTAL DISTRIBUTION	\$0.5800	100.000%	\$17,257,100

Fund Overview

Governmental Funds

General Fund	\$27,630,880
Special Revenue Funds	
Hotel Fund	\$6,533,530
Economic Development Fund	\$753,790
Combined Grant Funds	\$198,000
Combined Other Funds	\$93,060
Combined Debt Service Funds	\$6,608,990
Capital Project Funds	
Street Capital Project Fund	\$819,400
Parks Capital Project Fund	\$142,510
Combined Bond Funds	\$1,051,500

Proprietary Funds

Airport Fund	\$4,938,320
Utility Fund	\$12,189,280
Combined Replacement Funds	\$814,520
TOTAL 2011-2012 ALL FUNDS	\$61,773,780

Staff Organization

Addison Citizens

Mayor / City Council

Planning / Zoning Board

City Attorney

City Judge

City Secretary

Other Boards / Commissions

City Manager

Police

Fire

Municipal Court

Assistant City Manager

Deputy City Manager

Human Resources

Development Services

Public Works

Information Technology

Parks / Recreation

General Services

Airport

Financial /
Strategic Services

Economic Development

Special Events

Visitor Services

Marketing

Budgeted Departmental Staffing Summary

City Council Adopted 2011–2012 Budget

	Fiscal years ending September 30					Difference
	2008	2009	2010	2011	2012	2011-2012
General Fund						
City Manager	8.5	8.5	8.5	8.0	7.5	(0.5)
Financial and Strategic Services	10.0	10.0	9.0	8.0	8.0	-
General Services	10.0	10.0	10.0	9.0	8.0	(1.0)
Municipal Court	4.7	5.7	5.7	5.4	5.4	-
Human Resources	4.7	5.2	5.2	4.2	5.2	1.0
Information Technology	6.0	6.0	6.0	6.0	6.0	-
Police	69.3	70.3	73.3	72.3	73.8	1.5
Emergency Communications	12.5	13.5	13.5	13.5	13.5	-
Fire	55.0	55.0	54.0	53.0	52.0	(1.0)
Development Services	7.0	7.0	7.0	7.0	7.2	0.2
Streets	7.0	7.0	7.0	7.0	5.0	(2.0)
Parks	20.0	21.0	20.0	20.0	20.0	-
Recreation	15.6	15.6	15.6	15.6	14.6	(1.0)
Total General Fund	230.3	234.8	234.8	229.0	226.2	(2.8)
Hotel Fund	14.0	14.0	14.0	13.5	15.0	1.5
Economic Development Fund	0.0	0.0	0.0	0.0	1.0	1.0
Airport Fund	2.0	2.0	2.0	2.0	3.0	1.0
Utility Fund	17.0	18.0	17.0	17.0	16.0	(1.0)
TOTAL ALL FUNDS	263.3	268.8	267.8	261.5	261.2	(0.3)

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 2011–2012 Annual Budget

With Comparisons to 2010-2011 Budget and 2009-2010 Actual

	Special Revenue Funds					
	General Fund	Hotel	Economic Dev.	Combined Grants	Combined Other	Combined Debt Service Funds
Beginning Balances	\$9,397	\$2,379	\$248	\$23	\$144	\$1,965
Revenues						
Ad valorem tax	10,812	-	550	-	-	5,894
Non-property taxes	10,305	4,100	-	-	-	-
Franchise fees	2,597	-	-	-	-	-
Licenses and permits	728	-	-	-	-	-
Intergovernmental	-	-	-	198	-	-
Service fees	1,408	1,727	150	-	-	-
Fines and penalties	1,144	-	-	-	45	-
Rental income	153	760	-	-	-	-
Interest and other income	78	16	1	3	10	14
Total Revenues	27,226	6,603	701	201	55	5,908
Transfers from other funds	-	-	-	-	-	670
Total Available Resources	36,623	8,982	949	224	198	8,543
Expenditures						
General government	6,143	-	-	-	85	-
Public safety	14,481	-	-	198	8	-
Urban development	902	-	-	-	-	-
Streets	1,649	-	-	-	-	-
Parks and recreation	4,456	-	-	-	-	-
Tourism and economic dev.	-	6,534	754	-	-	-
Aviation	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Debt service	-	-	-	-	-	6,609
Capital projects/other uses	-	-	-	-	-	-
Total Expenditures	27,631	6,534	754	198	93	6,609
Transfers to other funds	-	670	-	-	-	-
ENDING FUND BALANCES	\$8,992	\$1,778	\$195	\$26	\$105	\$1,934

* Totals may not exactly match due to rounding.

Total Revenues	\$56,961
Decrease in Fund Balance	4,813
TOTAL APPROPRIABLE FUNDS	\$61,774

Capital Project Funds			Proprietary Funds			Total All Funds		
Street	Parks	Combined Bonds	Airport	Utility	Combined Replacement	2011-12 Budget	2010-11 Budget	2009-10 Actual
\$1,357	\$142	\$4,474	\$1,602	\$2,364	\$5,978	\$30,074	\$51,776	\$61,336
-	-	-	-	-	-	17,257	15,823	15,901
-	-	-	-	-	-	14,405	13,888	13,745
-	-	-	-	-	-	2,597	2,608	2,578
-	-	-	-	-	-	728	621	833
-	-	-	50	-	-	248	2,760	1,417
-	-	-	666	10,755	1,161	15,867	15,249	12,637
-	-	-	-	74	-	1,262	1,347	1,270
-	-	-	3,488	-	-	4,401	4,424	4,130
7	1	28	32	(36)	45	196	584	2,757
7	1	28	4,235	10,793	1,206	56,961	57,303	55,268
-	-	-	-	-	-	670	1,370	2,134
1,363	143	4,502	5,837	13,157	7,184	87,705	110,449	118,738
-	-	-	-	-	536	6,763	6,675	6,518
-	-	-	-	-	124	14,811	15,188	14,192
-	-	-	-	-	-	902	899	887
-	-	-	-	-	155	1,804	1,795	1,725
-	-	-	-	-	-	4,456	4,068	3,856
-	-	-	-	-	-	7,287	6,944	5,445
-	-	-	3,591	-	-	3,591	3,483	3,004
-	-	-	-	7,645	-	7,645	7,332	6,694
-	-	-	390	2,215	-	9,214	9,702	10,375
819	143	1,052	957	2,330	-	5,301	21,645	12,812
819	143	1,052	4,938	12,189	815	61,774	77,730	65,508
-	-	-	-	-	-	670	1,370	2,134
\$544	\$-	\$3,450	\$899	\$968	\$6,370	\$25,261	\$31,349	\$51,096

Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Exploring New Horizons: The Visit Addison center opened its doors to residents and visitors, providing travel, restaurant and hotel information, as well as contemporary, gallery-type meeting spaces.



“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 Vision and 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 2011-2012, 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.

Addison is a thriving community that delivers superior services and a safe, clean, high-quality experience, the “Addison Way”, to our residents, businesses, visitors, and other stakeholders. We lead the “Way” in creativity, innovation, and fiscal responsibility within a culture of excellence.



Our Goals

Increase Revenues – *How do we do that?*

Increase and diversify revenue streams, maximize existing revenue streams; attract and retain quality users of space to bolster economic development; attract visitors and promote tourism; advance Addison Airport's reputation as a nationally recognized general aviation airport.

Be Good Financial Stewards – *How is this accomplished?*

Maintain reserves; streamline and make operations more efficient; ensure financial transparency.

Deliver a Consistent "Addison Experience" – *How do we achieve this?*

Take Addison Airport to the next developmental level so it has comparable standards to the rest of the city; pursue transportation alternatives to enhance mobility; redevelop aging infrastructure and assets; define and develop Addison's niche for arts and entertainment; safeguard our safe environment; promote "green-ness". Pursuit of all these items leads to what the City Council calls "creating raving fans of Addison"!

Promote A Standard of Excellence – *How is this done?*

Continue to further the Town vision in response to changing times and conditions; maintain and enhance our unique culture; provide a representative face and voice in public forums and give ear to wants and concerns; communicate with and seek the buy-in and enthusiastic support of stakeholders and the Town's wider constituencies on matters of public interest; enact policies that empower the city manager to successfully execute Addison's vision, values, and goals with superior and committed staff.

Our Council's Role

- To set direction or have a vision for the Town
- To communicate to and get buy-in from our stakeholders
- To develop policies that allow the City Manager to successfully execute and implement that vision

Council Strategies

Like most cities, Addison is confronted with a number of issues that demand the 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 evaluated over 35 major initiatives/projects during their budget development process. These initiatives were scored and ranked based on four factors:

- How does the initiative fit with the Value Proposition?
- Does the initiative enable us to fulfill the Vision?
- Does the initiative support our Values?
- Does the initiative support the "Addison Way"?

Rank Strategy

1	Look for operational efficiencies without decreasing our level of service through tactics like "shared services" with other municipalities
2	Fill office space
3	Create and implement a comprehensive marketing strategy
4	Develop the Next Great Ideas
5	Create and implement a comprehensive communications strategy
6	Create a comprehensive Land Use Plan
7	Raise property values
8	Create and implement a strategy for Town owned real estate to optimize use
9	Implement a comprehensive retail/restaurant strategy
10	Enhance trust with staff and employees
11	Implement an Addison Foundation
12	Explore cost sharing
13	Expand volunteer opportunities
14	Evaluate brand driven traditions
15	Formalize a non-profit funding strategy and process
16	Protect the "magic" of the Town's hiring process
17	Enhance our sense of community for all stakeholders



Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Harness the Trade Winds: Visit Addison boasts a unique, creative, public private partnership with the Craft Guild of Dallas. The Craft Guild, who moved into Visit Addison in February 2011, offers public classes for pottery, glass blowing, book and jewelry making in their studios at the Visit Addison center. The partnership is very seaworthy, so much so that the Fall Craft Guild Show and Sale saw a 14 percent increase over last year's event.



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 are estimated to be \$26,965,050, slightly above the original FY2011 budget but 1 percent less than received during the 2010 fiscal year. Property taxes are expected to come in just 1 percent less than budget. Reversing a trend over the past three years, sales tax revenues are projected to exceed budget by \$52,740. License and permit revenue was boosted approximately \$400,000 by the submittal of plans for the construction of Phase II of the Vitruvian Park urban residential development.¹

Expenditures are expected to total \$27,724,520, which is within \$4,000 of the adopted budget. Seven of the operating departments 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 \$9,397,280, which is \$387,340 more than budgeted.

2011-2012 Budget Narrative

Revenues are projected to total \$27,225,990, which represents a \$409,990, or 1.5 percent, increase compared to the previous year's budget. The property tax levy is expected to generate \$10,812,470 for the General Fund, or \$425,880 more than the FY2011 levy. However, the components of the tax

rate and levy vary significantly from the previous year. First, appraised values of \$3.028 billion were 1 percent less than the prior year. The Town's annual debt service requirement increased approximately \$457,000, requiring a tax rate of \$0.1981 per \$100 appraised value that is reflected in the Debt Service Fund. Because the Town wanted to commit funds for economic development purposes, a separate tax rate of \$0.0185 was levied for this purpose and is reflected in the Economic Development Fund. The tax rate for General Fund purposes was established at \$0.3634, for a total tax rate of \$0.5800.² This rate is a nickel more than the \$0.5300 levied the previous year. Due to the experience of sales tax collections in FY2011 and economic forecasts that project a slow recovery, the FY2012 budget for sales tax is \$9,565,340, a 2 percent increase from FY2011. Mixed alcoholic beverage tax, which typically brings in \$950,000 a year, is expected to generate only \$740,000 in FY2012 due to the State of Texas withholding a larger share of the local tax remittance in order to balance the State 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 2012 fiscal year have been appropriated at \$27,630,880, which is \$97,090 less than the 2011 budget. Total personal services (employee salaries and benefits) were reduced by \$543,350. Most of the decline is attributed to the Town's pension contribution through the Texas Municipal Retirement System (TMRS) being reduced from 15.3 percent of wages to 11.0 percent. The Town also saved approximately \$370,000 through the deletion of 2.8 full-time equivalent (FTE) positions, bringing total General Fund staffing to 226.2 FTE. Maintenance costs increased about \$215,000, primarily due to an expanded scope of park maintenance activities associated with the new Vitruvian Park development. Although the budget does not include funding of a merit salary increase, in recognition of the quality work provided by Town employees, a one-time merit payment equal to 1 percent of employee salaries was added to the budget by the City Council. The cost of this non-recurring adjustment in the General Fund is \$143,880.

In the FY2011 budget, economic development activities were funded through a \$700,000 transfer from the General Fund to the Economic Development Fund. Because of the tax levied specifically for economic development activities noted previously in this section, this transfer has been eliminated. The net impact on revenues and expenditures is a projected \$404,890 reduction in fund balance. This disparity in funding is significantly better than the \$1,611,970 projected in the 2011 fiscal year budget. The ending fund balance of \$8,992,390 represents 32.5 percent of operating expenditures, which is above the 25 percent minimum balance required by the Town's financial policies.³ The long-term financial plan for the General Fund anticipates the capping of General Fund expenditures and slight increases in revenue which will allow for funding surpluses and a gradual increase in fund balance.⁴

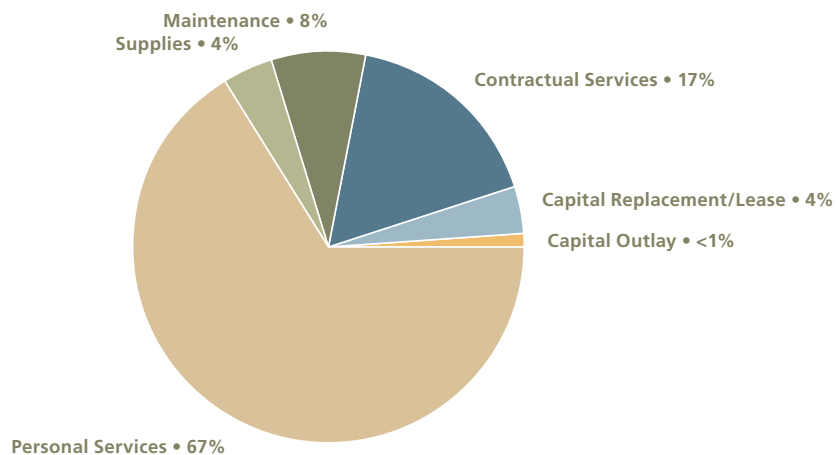
1. Please refer to the Sector 3 narrative in the Town Chronicle section for more information related to Vitruvian Park.
2. The table that reflects the components of the property tax levy and rates can be found in the Introduction section of this document.
3. Please refer to Appendix B for the Town's financial policies.
4. For more information related to the General Fund long-term plan please refer to Appendix E.

General Fund By Major Cost Category

Category	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$18,518,652	\$19,003,920	\$18,760,620	\$18,460,570
Supplies	1,182,729	1,237,360	1,218,300	1,276,050
Maintenance	1,808,160	1,917,200	2,023,200	2,132,460
Contractual Services	4,509,932	4,400,190	4,542,420	4,670,500
Capital Replacement/Lease	4,843	1,073,300	1,073,300	1,084,300
Capital Outlay	35,556	96,000	106,680	7,000
TOTAL FUND BUDGET	\$26,059,872	\$27,727,970	\$27,724,520	\$27,630,880

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

	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$10,652,742	\$10,621,910	\$10,856,750	\$9,397,280
Revenues				
Ad valorem taxes	10,771,166	10,386,590	10,280,000	10,812,470
Non-property taxes	10,077,839	10,337,780	10,401,510	10,305,340
Franchise fees	2,578,154	2,607,960	2,602,160	2,597,000
Licenses and permits	833,178	621,080	1,016,090	728,490
Service fees	1,491,528	1,346,600	1,346,150	1,408,460
Fines and penalties	1,158,581	1,225,000	1,039,090	1,143,500
Interest earnings	60,681	80,000	34,580	30,000
Rental income	146,821	153,000	153,000	153,000
Other	144,670	57,990	92,470	47,730
Total Revenues	27,262,618	26,816,000	26,965,050	27,225,990
Total Resources Available	37,915,360	37,437,910	37,821,800	36,623,270
Expenditures				
General Government				
City Manager	1,271,118	1,527,890	1,590,640	1,225,440
Financial and Strategic Services	851,725	839,820	886,550	909,820
General Services	781,312	826,270	820,700	783,380
Municipal Court	500,958	509,580	477,140	501,730
Human Resources	485,057	519,630	467,710	552,740
Information Technology	1,234,661	1,325,600	1,300,600	1,290,000
Combined Services	602,005	602,680	613,530	617,270
City Council	597,055	297,650	310,980	262,330
Public Safety				
Police	6,986,208	7,630,580	7,622,250	7,344,420
Emergency Communications	1,073,368	1,156,290	1,103,120	1,259,040
Fire	5,418,067	5,780,280	5,810,050	5,877,700
Development Services	887,132	898,680	883,310	902,300
Streets	1,672,375	1,794,880	1,708,830	1,648,510
Parks and Recreation				
Parks	2,348,874	2,535,480	2,626,820	2,976,220
Recreation	1,349,957	1,482,660	1,502,290	1,479,980
Total Expenditures	26,059,872	27,727,970	27,724,520	27,630,880
Other Financing Sources (Uses)				
Interfund transfer	(998,737)	(700,000)	(700,000)	-
ENDING FUND BALANCE	\$10,856,751	\$9,009,940	\$9,397,280	\$8,992,390

General Fund Statement of Revenues by Source

	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Ad valorem taxes				
Current taxes	\$10,748,821	\$10,375,430	\$10,200,000	\$10,783,840
Delinquent taxes	2,392	9,850	35,000	9,540
Penalty and interest	19,953	1,310	45,000	19,090
Non-property taxes				
Sales tax	9,155,849	9,377,780	9,430,520	9,565,340
Alcoholic beverage tax	921,990	960,000	970,990	740,000
Franchise/right-of-way use fees				
Electric franchise	1,445,519	1,500,000	1,500,000	1,500,000
Gas franchise	215,705	250,000	219,960	215,000
Telecommunication access fees	682,102	650,000	650,000	650,000
Cable franchise	228,478	200,000	225,200	225,000
Street rental fee	6,350	7,960	7,000	7,000
Licenses and permits				
Business licenses and permits	147,885	167,340	168,470	171,540
Building and construction permits	685,293	453,740	847,620	556,950
Service fees				
General government	419	650	650	50,650
Public safety	884,912	757,080	750,710	746,080
Urban development	2,630	5,300	3,000	3,000
Streets and sanitation	332,330	319,870	326,180	337,630
Recreation	86,937	79,400	81,310	86,800
Interfund	184,300	184,300	184,300	184,300
Court fines	1,158,581	1,225,000	1,039,090	1,143,500
Interest earnings	60,681	80,000	34,580	30,000
Rental income	146,821	153,000	153,000	153,000
Recycling proceeds	21,126	20,000	22,010	21,000
Other	123,544	37,990	70,460	26,730
TOTAL REVENUES	\$27,262,618	\$26,816,000	\$26,965,050	\$27,225,990

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, his support staff, and the operation and maintenance of Town Hall.

Program Narrative

Accomplishments of FY2011

- Hired an Economic Development Director, Fire Chief, and Director of Communications and Marketing.
- Developed and adopted economic development policies and best practices.
- Completed an analysis of Town facilities, including current usage and potential options for expansion and consolidation.
- Assisted the City Council in development of an annual strategic planning process.
- Implemented a Citizen's Academy, graduating a full class and improving the municipal knowledge base of Addison's citizens.
- Transitioned the Town's blog to a broader-based approach including source materials from the City Manager, Mayor, and various Town departments.
- Assisted the City Council in the development and implementation of an advisory bond committee.

Objectives for FY2012

- Implement a new business plan for the Conference Centre, Visitor Services, and Visit Addison.
- Implement a comprehensive program of communications, marketing, and branding strategies.
- Direct and assist the bond committee in the analysis of potential bond program issues.

- Reorganize the City Manager's Office to reassign operational department responsibilities among the City Manager, Deputy City Manager, and Assistant City Manager.
- Continue to work with United Dominion Realty on the Vitruvian Park development.
- Work with the Methodist Hospital for Surgery to advance the construction of a medical office building.
- Oversee the lighting and landscaping revitalization of Belt Line Road.
- Pursue and integrate technology enhancements and tools for Visitor Services, Addison Airport, and Economic Development.
- Complete the Integrated Strategic Application Management Solution (A3 Project) process.
- Continue to explore opportunities for shared services.
- Continue to work with Lincoln Properties to develop the Village on the Parkway retail center.

Notable Budget Items

- Library cards for residents to use the City of Farmers Branch and City of Dallas libraries (\$217,790). Expense will be partially offset by a new library card use fee (\$50,000).
- Modified Level of Service: Format change of community calendar (savings of \$20,000 in the General Fund).
- Modified Level of Service: Reassign Deputy City Manager to the Utility Fund (savings of \$210,400).
- Modified Level of Service: Reclassify Administrative Secretary position to Assistant to the City Manager (\$28,130).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$872,438	\$929,510	\$1,066,080	\$710,180
Supplies	39,121	26,850	37,610	37,630
Maintenance	33,655	31,000	29,170	37,340
Contractual Services	325,904	523,030	440,280	423,990
Capital Replacement/Lease	-	17,500	17,500	16,300
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,271,118	\$1,527,890	\$1,590,640	\$1,225,440

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
City Manager	N/C*	1.0	1.0	1.0	1.0
Deputy City Manager **	34	1.0	1.0	1.0	0.0
Assistant City Manager	32	2.0	1.0	1.0	1.0
Assistant to the City Manager	25	0.0	1.0	0.0	1.0
Intern - Special Assignment ***	24	0.0	0.0	0.0	0.5
Secretary - Executive	11	1.0	1.0	1.0	1.0
Secretary - Administrative ****	9	2.0	2.0	2.0	1.0
Receptionist	6	0.5	0.5	1.0	1.0
Intern	1	1.0	1.0	1.0	1.0
TOTAL		8.5	8.5	8.0	7.5

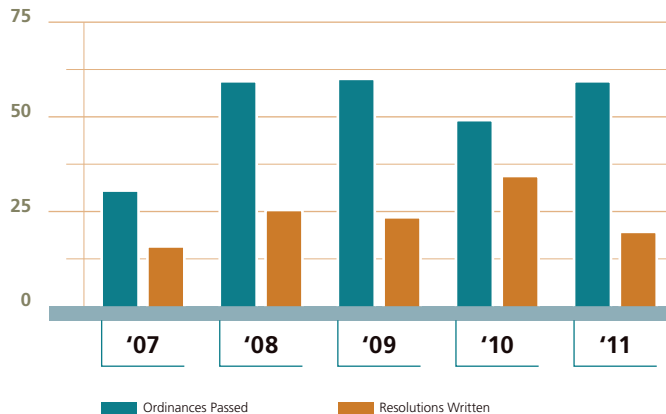
*Not classified.

**Beginning in FY12 this position will be reflected in the Utility Fund.

***This is a partial year temporary position.

****One Secretary position was reclassified to an Assistant to the City Manager in FY12.

Ordinances Passed and Resolutions Written



Financial and Strategic Services

Department Mission

To optimally manage the Town's resources through its Financial Services and Strategic Services divisions. The Strategic Services division has three core services: budgeting, purchasing, and management analysis. The Financial Services division manages all aspects of the Town's financial reporting including treasury and investment management, coordinates utility billing, and handles all accounts receivable and accounts payable for the Town. 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 and administers the Town's risk management and treasury functions.

Program Narrative

Accomplishments of FY2011

- Digitized all remaining utility billing records. All utility customer records are now stored and managed electronically.
- Awarded a new ambulance billing and collections contract and managed the transition to the new provider.
- Worked with the Information Technology department to implement financial transparency on the Town's website including publishing the check register. The Town was awarded the Texas Comptroller Leadership Circle Silver Award for financial transparency.

- Worked with the Information Technology department to improve online utility forms and create electronic routing for requests like new service applications.
- Began digitizing journal entry records.

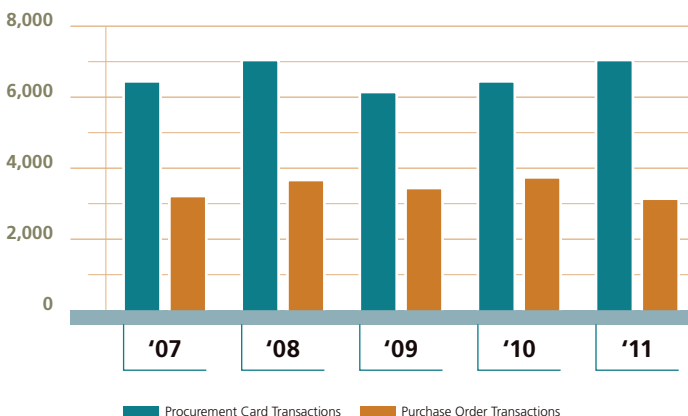
Objectives for FY2012

- Review and update inventory of capital assets within replacement funds.
- Digitize all remaining journal entry records.
- Release a request for proposal for external auditing services.
- Review purchasing and accounts payable policies and recommend improvements.
- Investigate options for digitizing cash receiving records.
- Investigate the ability to e-mail accounts receivable invoices from the Town's accounting system rather than sending paper invoices.

Notable Budget Items

- Professional services including annual audit services (\$20,290), payment to the Dallas Central Appraisal District for appraisal services (\$79,430), sales and hotel occupancy tax reporting and audit services (\$16,000), and Dallas County tax collection fees (\$8,030).

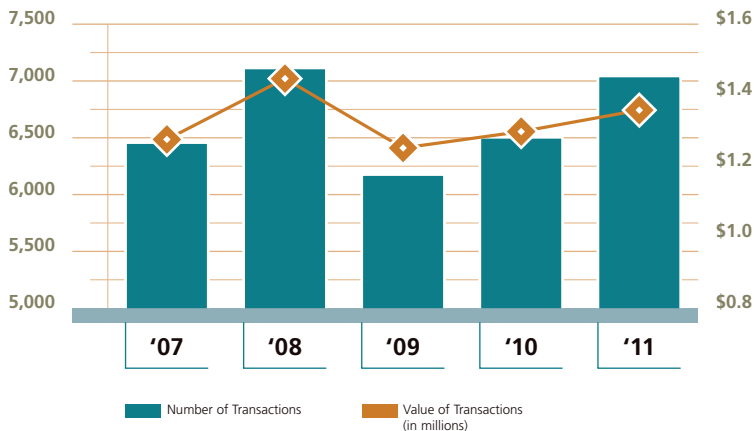
Procurement Transactions by Method



Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$560,597	\$501,250	\$558,510	\$532,290
Supplies	38,092	39,500	42,880	52,070
Maintenance	39,902	27,590	23,430	31,650
Contractual Services	213,134	253,680	243,930	274,310
Capital Replacement/Lease	-	17,800	17,800	19,500
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$851,725	\$839,820	\$886,550	\$909,820

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Chief Financial Officer	31	1.0	1.0	1.0	1.0
Dir. of Financial and Strategic Services	31	1.0	0.0	0.0	0.0
Financial Services Manager	26	1.0	1.0	1.0	1.0
Strategic Services Manager	26	1.0	1.0	0.0	0.0
Financial Services Supervisor	22	1.0	1.0	1.0	1.0
Accountant	20	1.0	1.0	1.0	1.0
Management Analyst	20	1.0	1.0	1.0	1.0
Accounting Specialist	8	3.0	3.0	3.0	3.0
TOTAL		10.0	9.0	8.0	8.0

Procurement Card Transactions



General Services

Department Mission

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

Program Narrative

Accomplishments of FY2011

- Completed 450 requests for service and 21 Town facilities projects.
- Completed a facilities analysis with MPI Architects for future planning of facility needs.
- Coordinated and supervised the completion of an upgrade to the energy management system at the Addison Athletic Club.
- Coordinated and supervised the completion of electrical panel inspections and repairs at all Town facilities.
- Evaluated fleet operations to maintain service levels with minimal downtime.
 - Outsourced the Fire department fleet for all preventative maintenance and repairs.
 - Performed preventative maintenance and minor repairs for all other departments.
 - Outsourced all major repairs for all departments.
- Purchased and performed make-ready for seven new fleet vehicles.

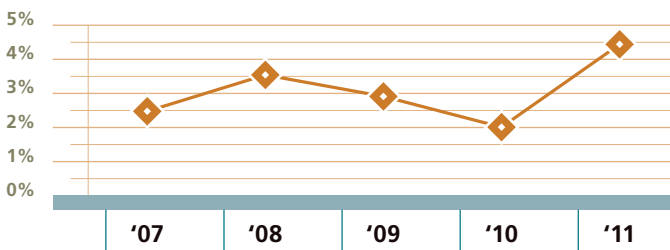
Objectives for FY2012

- Coordinate and supervise all Town facilities maintenance projects.
- Continue to participate in the "Take A Load Off" Texas Government Facilities Program including:
 - Identify and implement energy efficiency projects where technology is available.
 - Pursue grant funding for projects.
- Maintain fleet operation service levels with minimal downtime.
 - Continue to outsource the Fire department fleet for all preventative maintenance and repairs.
 - Continue to perform preventative maintenance and minor repairs for all other departments.
- Develop specifications, purchase, and perform make-ready for five new fleet vehicles.
- Continue to expand the use of hybrid electric vehicles to the fleet where applicable.

Notable Budget Items

- Costs associated with operating the Service Center building including utilities (\$108,800).
- Modified Level of Service: Americans with Disabilities Act (ADA) facilities study for compliance (\$40,000).
- Modified Level of Service: Replace Service Center hot water heater #2 (\$7,000).
- Modified Level of Service: Shared services opportunities for the garage (savings of \$50,000).

Fleet Downtime (as a percentage of time in operation)

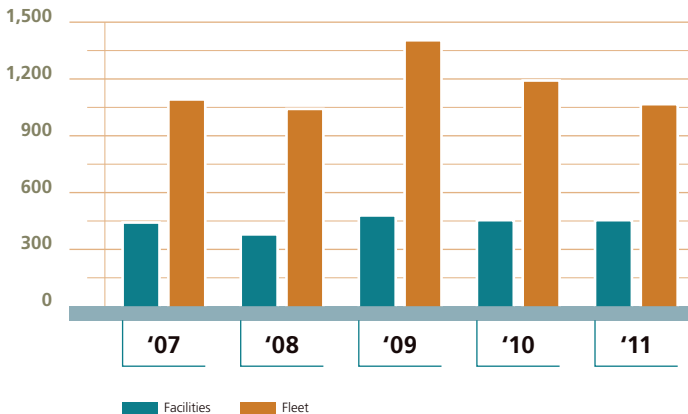


Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$641,732	\$606,590	\$601,020	\$583,670
Supplies	20,344	27,700	27,700	27,540
Maintenance	50,263	55,600	55,600	58,500
Contractual Services	68,973	77,580	77,580	66,670
Capital Replacement/Lease	-	33,800	33,800	40,000
Capital Outlay	-	25,000	25,000	7,000
TOTAL DEPARTMENT BUDGET	\$781,312	\$826,270	\$820,700	\$783,380

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - General Services	31	1.0	1.0	1.0	1.0
Supervisor - Fleet Services	13	1.0	1.0	1.0	1.0
Supervisor - Facilities Services	11	1.0	1.0	1.0	1.0
Technician - Fleet	8	3.0	3.0	2.0	2.0
Secretary - Department	8	1.0	1.0	1.0	1.0
Clerk - Inventory	4	1.0	1.0	1.0	1.0
Mail Carrier	4	1.0	1.0	1.0	1.0
Custodian *	2	1.0	1.0	1.0	0.0
TOTAL		10.0	10.0	9.0	8.0

*This position was eliminated in mid-FY11.

Work Orders Processed



Municipal Court

Department Mission

To provide a fair, impartial, and timely adjudication of misdemeanor fine only offenses committed and filed in the Town of Addison. To properly administer this function, the department must schedule offenders to appear before the court, adjudicate the trial, collect fines from guilty offenders, and issue warrants of arrest.

Program Narrative

Accomplishments of FY2011

- Participated in the statewide warrant round-up to collect on outstanding warrants.
- Implemented an upgrade to the Court software that allows customers to make partial payments online once they have been granted a payment plan by the Court.
- Implemented an upgrade to the Court software that allows eligible customers to apply for the opportunity to request defensive driving and pay Court costs online.
- Evaluated new laws passed during the 2011 Texas State Legislative session to determine their impact on Court procedures and implemented necessary changes.
- Maintained and enhanced the Court's website to improve customer service.
- Received new procedures from the Dallas County District Clerk to use electronic communications for the expungement of records.

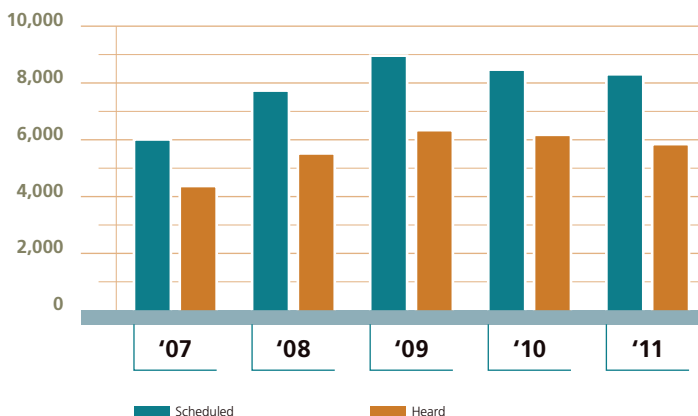
Objectives for FY2012

- Continue to improve collections by streamlining the warrant issue process and participating in the statewide warrant round-ups.
- Improve daily operations in the Court by participating in internal training sessions and webinars.
- Work with the Police department Criminal Investigation division to institute a remote warrant execution process to allow search and/or arrest warrants to be executed online reducing the time and expense of obtaining off hour warrants.
- Continue to improve the scanning process to reduce paper storage requirements.

Notable Budget Items

- Legal fees associated with prosecuting attorney and associate judges (\$41,000).

Cases Scheduled and Heard

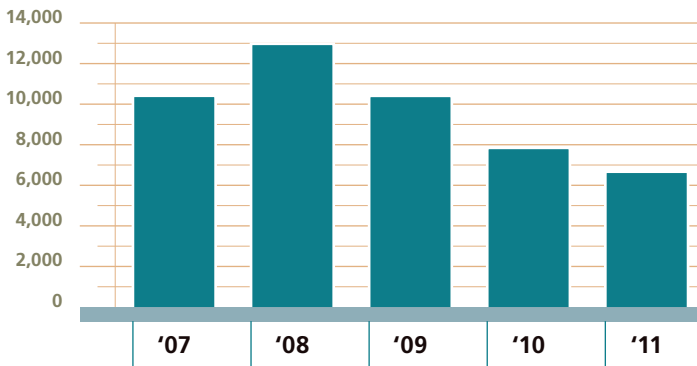


Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$439,784	\$413,550	\$384,110	\$417,130
Supplies	12,343	15,240	15,240	15,220
Maintenance	813	-	-	-
Contractual Services	48,018	56,390	53,390	56,080
Capital Replacement/Lease	-	24,400	24,400	13,300
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$500,958	\$509,580	\$477,140	\$501,730

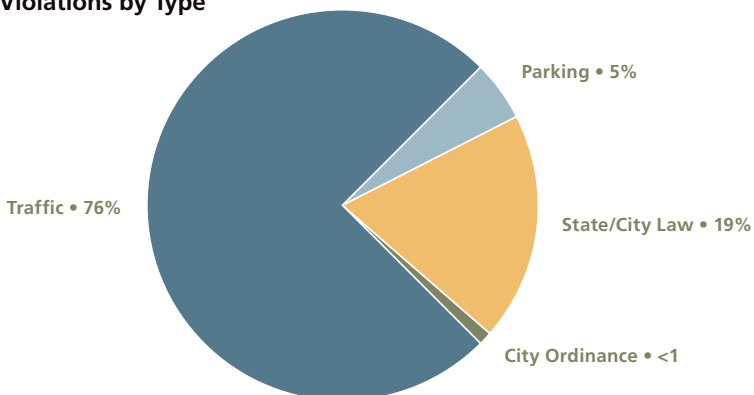
Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Administrator - Court	24	1.0	1.0	1.0	1.0
Warrant Officer	P2	1.0	1.0	0.0	0.0
Clerk - Court	7	3.0	3.0	3.7	3.7
Municipal Judge	N/C *	0.7	0.7	0.7	0.7
TOTAL		5.7	5.7	5.4	5.4

*Not classified.

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 FY2011

- Completed a health benefits review of local municipal employer benefits to identify best practice trends with regards to healthcare plan design.
- Negotiated the Town's health benefits contract renewal process for calendar year 2011 for cost savings of \$243,000.
- Negotiated the Town's dental benefits contract renewal process for calendar year 2011 for cost savings of \$12,000.
- Expanded the Addison Advocates program to include over 3,700 volunteer hours donated valued at over \$79,000, almost double the previous year.
- Coordinated the Class of 2010-2011 Citizen Academy Program for 30 Town of Addison residents which was designed to give citizens an opportunity to learn more about local government policies and procedures.
- Developed and implemented the Town's first training series for seasonal and temporary employees which was designed to reinforce the importance of customer service and leadership.
- Processed approximately 750 applications for 15 positions.

Objectives for FY2012

- Implement, if applicable, best practice results of the market benefits

survey of various benefit plan design options to ensure a balance between a fiscally sustainable health plan and maintaining a total compensation package for effective recruitment and placement of employees.

- Complete a strategic review of the wellness program to redefine focus and ensure that initiatives encompass and encourage aspects of the employee's physical, mental, and financial wellbeing.
- Implement an Electronic Volunteer Management Tracking Program to help support and streamline the volunteer hour management process but also track important milestones such as birthdays, anniversaries, and other events to support the Town's volunteer recognition efforts.
- Pursue a possible training partnership with surrounding cities to maximize opportunities at a lower cost while continuing to focus on employee developmental growth.
- Conduct an organizational position audit for all Town positions to ensure correct classification, as many positions have evolved due to realignment of duties.
- Implement a new online employment management system that will assist with the application intake and review process to ensure the Town is providing a seamless process for internal and external customers.

Notable Budget Items

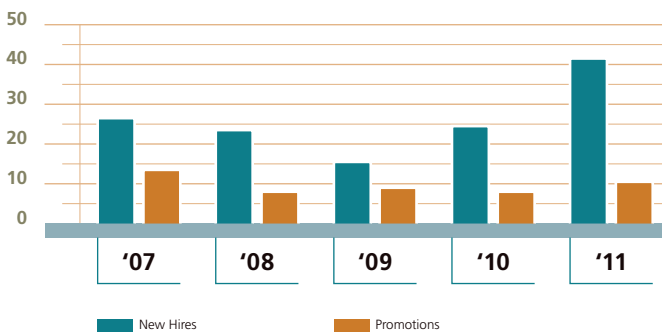
- Town-wide tuition reimbursement program (\$55,000).
- Training and professional development programs including the Dynamic Leadership Training series (\$46,280).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$391,000	\$372,670	\$376,870	\$416,200
Supplies	6,559	11,750	9,180	13,950
Maintenance	-	500	250	500
Contractual Services	87,498	125,610	72,310	112,390
Capital Replacement/Lease	-	9,100	9,100	9,700
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$485,057	\$519,630	\$467,710	\$552,740

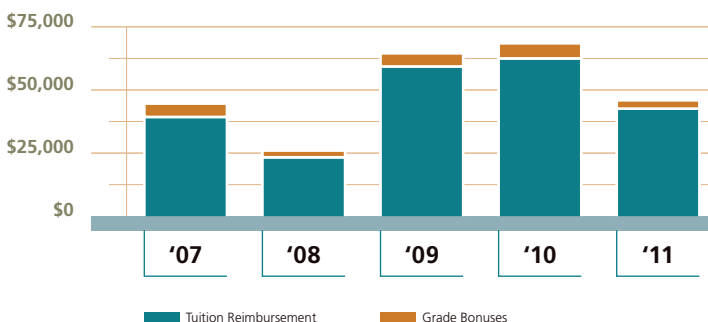
Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Human Resources	31	1.0	1.0	1.0	1.0
Benefits Specialist	21	1.0	1.0	1.0	1.0
Employment Specialist	21	1.0	1.0	0.0	0.0
Volunteer Coordinator	11	0.5	0.5	0.5	0.5
Payroll Specialist	10	0.7	0.7	0.7	0.7
Secretary - Department	8	1.0	1.0	1.0	1.0
Receptionist - Department *	6	0.0	0.0	0.0	1.0
TOTAL		5.2	5.2	4.2	5.2

*This position was added in mid-FY11.

Hires By Type



Tuition Reimbursement



Information Technology

Department Mission

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

Program Narrative

Accomplishments of FY2011

- Replaced the rugged laptops and in-car video cameras inside patrol vehicles.
- Investigated, designed, and deployed a Social Media Management System to manage the flow of information between disparate social media platforms.
- Deployed laptops and iPads Town-wide and used them to streamline the Council agenda packet distribution process.
- Enhanced the wireless coverage in the Arts and Events District.
- Upgraded the supervisory control and data acquisition (SCADA) software.
- Facilitated the installation of the telecommunication systems and the design and installation of digital architecture at the Visit Addison center.
- Worked with departments to deploy a smarter way to manage, monitor, and route forms electronically.
- Began implementing an Integrated Strategic Application Management Solution (A3 Project).

Objectives for FY2012

- Continue the implementation of an Integrated Strategic Application Management Solution (A3 Project).
- Deploy Phases II and III of the Mashup technology to promote the Addison Airport and economic development opportunities.
- Replace personal computers (PCs) Town-wide and deploy iPads to the Building Inspection division.
- Replace the video surveillance camera system in the Arts and Events District.
- Replace the fire report management system (FRMS) and deploy webcams in all patrol vehicles.
- Work closely with the Economic Development and Marketing Directors to streamline the Town's marketing efforts.
- Begin managing and supporting the geographic information system (GIS) in a decentralized format.
- Begin utilizing an Addison public, educational, and government (PEG) channel.
- Perform an internal and external vulnerability assessment and targeted network penetration test.

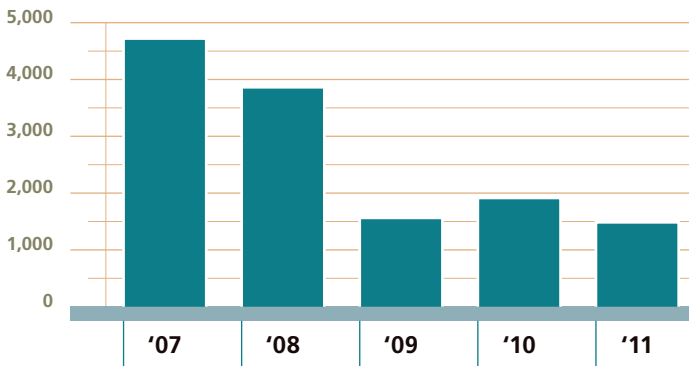
Notable Budget Items

- Contracts with vendors to maintain the Town's general government information technology systems (\$184,710).
- Contracts with vendors to maintain the Town's public safety information technology systems (\$147,500).
- **Modified Level of Service: Payment card industry (PCI) compliance and security assessment (\$40,000).**

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$730,268	\$747,400	\$747,700	\$733,810
Supplies	58,843	64,170	63,870	63,870
Maintenance	372,804	344,210	344,210	344,210
Contractual Services	72,746	84,720	59,720	115,110
Capital Replacement/Lease	-	55,100	55,100	33,000
Capital Outlay	-	30,000	30,000	-
TOTAL DEPARTMENT BUDGET	\$1,234,661	\$1,325,600	\$1,300,600	\$1,290,000

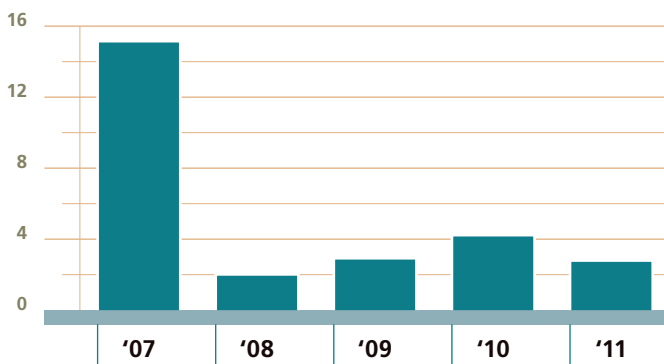
Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Information Technology	31	1.0	1.0	1.0	1.0
Network Specialist	25	5.0	5.0	5.0	5.0
TOTAL		6.0	6.0	6.0	6.0

Number of Service Calls



In FY07, the number of calls were higher due to updating the telecommunication network.

Number of Unique Website Visitors (in millions)



In FY08, the method for calculating website visitors changed.

Combined Services

Department Mission

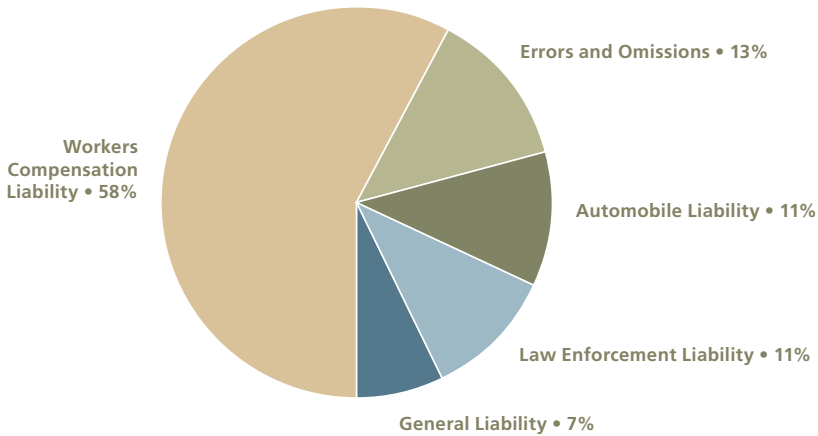
This department reflects expenditures incurred by the Town, as a single entity, in the conduct of its operations. These expenditures include the Town's membership in various state and local organizations, attorney fees, insurance premiums, and postage.

Program Narrative

Notable Budget Items

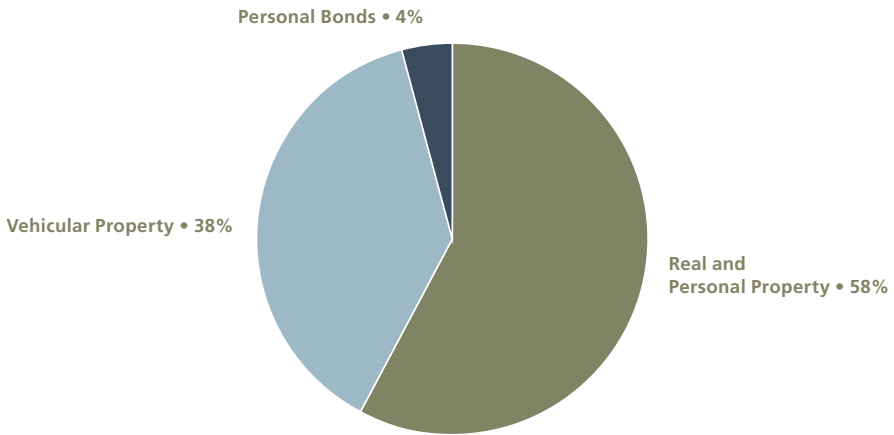
- Legal fees (\$240,000).
- Delivery and postage for Town mailings (\$78,000).
- Town-wide liability insurance (\$110,000).

Liability Insurance Premiums By Category



Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$51,695	\$37,090	\$51,320	\$57,890
Supplies	77,278	111,490	116,330	117,570
Maintenance	-	-	-	-
Contractual Services	473,032	454,100	445,880	441,810
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$602,005	\$602,680	\$613,530	\$617,270

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 FY2011

- Developed a charge and framework for the Bond Advisory Committee.
- Adopted a formal economic development policy.
- Adopted marketing policies related to global articulation of strategic objectives.
- Affirmed the Town's Value Proposition and created strategies to achieve that goal.
- Affirmed the Council's priorities regarding reserves through the adoption of the 2011-2012 budget.

Objectives for FY2012

- 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.
- Create and implement a comprehensive marketing strategy.
- Continue to develop the "Next Great Ideas" through the bond committee process, focusing on making Addison a destination attraction.
- Create and implement a comprehensive communication strategy.
- Create a comprehensive land use plan.
- Develop a means by which donations can be made to Addison through the creation of the Addison Foundation.
- Complete development of and implement City Council Liaison assignments.
- Update City Council Policies and Procedures.

Notable Budget Items

- Non-profit grant funding:
 - Communities in Schools (\$40,000).
 - Contact Crisis Line (\$5,000).
 - Metrocrest Chamber of Commerce (\$10,000).
 - Metrocrest Family Medical Clinic (\$3,000).
 - Metrocrest Social Services (\$30,000).
 - Senior Adult Services (\$17,000).
 - Special Care and Career Services (\$5,000).
 - The Family Place (\$10,000).
 - United Basketball League (\$2,000).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$26,241	\$30,130	\$26,980	\$30,290
Supplies	30,861	17,340	24,450	19,770
Maintenance	-	-	-	-
Contractual Services	529,476	249,780	259,150	210,070
Capital Replacement/Lease	-	400	400	2,200
Capital Outlay	10,477	-	-	-
TOTAL DEPARTMENT BUDGET	\$597,055	\$297,650	\$310,980	\$262,330

Council	Name	Profession	Term of Office
Mayor	Todd Meier	Business Person/Attorney	05/11-05/13
Mayor Pro Tempore	Blake W. Clemens	Corporate Real Estate	05/11-05/13
Deputy Mayor Pro Tempore	Kimberly Lay	Commercial Real Estate	05/10-05/12
Council Member	Bruce Arfsten	Residential Real Estate	05/11-05/13
Council Member	Chris DeFrancisco	Senior Vice President, Comm. Banking	05/11-05/13
Council Member	Roger S. Mellow	Investments	05/10-05/12
Council Member	Neil Resnik	Financial Services/ Life Insurance	05/10-05/12

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 FY2011

- Assumed responsibility for the animal control function from the Streets department and integrated animal control personnel and operations into the department.
- Increased the department's role in providing security and enforcement of Federal Aviation Administration (FAA) rules and regulations at the Addison Airport.
- Participated in a multi-city study (Quad Cities Police Consortium) conducted by the U.S. Department of Justice on the feasibility of combining several independent jail operations into one.

- Provided security for three major protests and Super Bowl XLV activities in Addison.

Objectives for FY2012

- Continue transitioning animal control duties into the department.
- Continue to improve police services at the Addison Airport.
- The Quad Cities Police Consortium consisting of Addison, Carrollton, Farmers Branch, and Coppell is working with the U.S. Department of Justice on the feasibility of a combined jail. The Consortium is also exploring the creation of a single tactical team made up of officers from all four agencies.

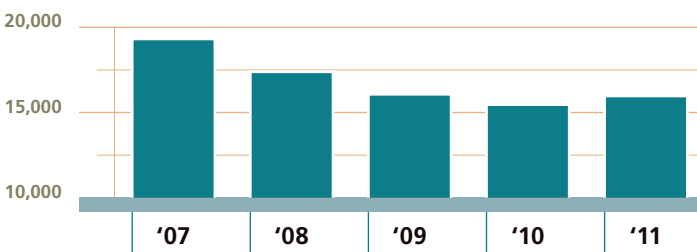
Notable Budget Items

- Fuel (\$149,580).
- Overtime (\$200,000).
- Modified Level of Service: Animal boarding expenses (\$55,000).
- Modified Level of Service: Dallas County prisoner transfers (\$9,000).
- Modified Level of Service: Shared services opportunities for the jail and animal control (savings of \$50,000).

Property and Violent Crime Rates



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.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$5,952,514	\$6,101,490	\$6,066,110	\$6,044,460
Supplies	331,489	314,080	301,960	317,910
Maintenance	325,660	209,290	204,200	167,990
Contractual Services	373,342	327,920	372,180	341,560
Capital Replacement/Lease	-	677,800	677,800	472,500
Capital Outlay	3,203	-	-	-
TOTAL DEPARTMENT BUDGET	\$6,986,208	\$7,630,580	\$7,622,250	\$7,344,420

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - 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	3.0	3.0	4.0
Sergeant	P3	6.0	6.0	6.0	6.0
Assistant to the Chief	22	0.0	1.0	0.0	0.0
Manager - Public Safety Comm.	22	1.0	0.0	0.0	0.0
Supervisor - Detention	12	1.0	1.0	1.0	1.0
Police Officer *	P2	45.0	48.0	48.0	47.0
Police Administra- tion Technician	10	1.0	1.0	1.0	1.0
Animal Control Officer **	8	0.0	0.0	0.0	1.0
Secretary - Department	8	1.0	1.0	1.0	1.0
Jailer	7	2.0	2.0	2.0	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 ***	1	0.0	0.0	0.0	0.5
Jailer - Temporary	N/C ****	3.3	3.3	3.3	2.3
TOTAL		70.3	73.3	72.3	73.8

*One Officer position was converted to a Lieutenant in mid-FY11.
**This position moved from the Streets department in mid-FY11.
***This position was added in FY12.
****Not classified.

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 FY2011

- Addison, as part of the Quad Cities Police Consortium, contracted with RCC Consultants to perform a needs assessment and identify alternatives for replacing the public safety radio system currently shared by Addison, Carrollton, and Farmers Branch. This was the first phase of a three phase project.

Objectives for FY2012

- Proceed to the second phase of the public safety radio system replacement process, which is the development of procurement specifications, proposal evaluation, and selection of a vendor.

Notable Budget Items

- Public relations services (\$42,000).
- Combined 9-1-1 lines (\$148,000).
- Simulcast site maintenance fee (\$31,550).
- Spectrum Centre site lease (\$19,000).
- Modified Level of Service: Tri-Cities Radio Replacement Phase II (\$75,000).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$801,854	\$845,710	\$790,090	\$858,350
Supplies	12,216	5,000	5,000	5,000
Maintenance	73,825	70,180	70,180	73,190
Contractual Services	185,473	235,400	237,850	322,500
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,073,368	\$1,156,290	\$1,103,120	\$1,259,040

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Supervisor - Communications	11	1.0	1.0	1.0	1.0
Dispatcher	D1	12.5	12.5	12.5	12.5
TOTAL		13.5	13.5	13.5	13.5

Fire

Department Mission

To protect the persons and property in Addison by providing quality and innovative emergency services. To accomplish this 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.

Program Narrative

Accomplishments of FY2011

- Remodeled Fire Station 1 administrative offices with new flooring and painting.
- Received and placed into service a new ambulance.
- Continued to accomplish significant certification level training and in-service recurrent training exceeding industry standards.
- Responded to 2,383 incidents resulting in 5,244 unit responses.
- Conducted 1,394 commercial building inspections and corrected 1,046 hazards.
- Issued 302 fire alarm and sprinkler permits.
- Continued annual open house public education program and conducted the annual smoke detector battery replacement program in residential dwellings.

Objectives for FY2012

- Complete department reorganization by promoting three existing Captains to Battalion Chief.
- Perform an all-hazard risk analysis of the Town to ensure the department is prepared to provide a level of service commensurate with its responsibilities and fire, health, and safety risks that exist (or will exist) within the community. The department will develop a Standards of Response policy based on this analysis to respond to and mitigate emergencies within our community safely and effectively.
- Implement Firehouse software as the new comprehensive records management tool to track fire reporting, inspections, training, staffing, and maintenance.
- Pursue the “Storm Ready” designation from the National Weather Service to help enhance the Town’s overall emergency management program.
- Continue to evaluate, benchmark, and incrementally improve all program service areas to include suppression, EMS, training, prevention, inspections, and emergency management.

Notable Budget Items

- Uniforms and protective clothing (\$74,650).
- Training (\$81,850).
- Motor vehicle/equipment maintenance (\$105,000).
- Modified Level of Service: Departmental reorganization (\$14,830).
- Modified Level of Service: Replacement of self contained breathing apparatus (\$51,000).
- Modified Level of Service: Outsourcing of fire inspection/plan review (savings of \$100,000).

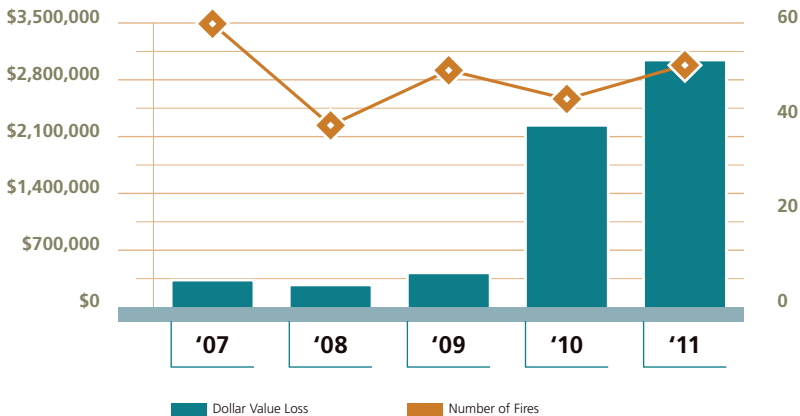
Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$4,759,833	\$4,963,620	\$4,891,180	\$4,808,310
Supplies	248,585	255,420	257,950	259,070
Maintenance	143,777	188,300	261,800	206,010
Contractual Services	243,996	264,440	279,940	287,310
Capital Replacement/Lease	-	108,500	108,500	317,000
Capital Outlay	21,876	-	10,680	-
TOTAL DEPARTMENT BUDGET	\$5,418,067	\$5,780,280	\$5,810,050	\$5,877,700

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Fire Chief	31	1.0	1.0	1.0	1.0
Deputy Chief - Operations	F6	1.0	1.0	0.0	0.0
Deputy Chief - Prevention *	F6	1.0	1.0	1.0	0.0
Deputy Chief - EMS/Training	F6	1.0	1.0	1.0	1.0
Battalion Chief	F5	0.0	0.0	0.0	3.0
Fire Captain **	F4	6.0	6.0	6.0	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
Fire Prevention Technician	FP1	1.0	0.0	0.0	0.0
Firefighter/Paramedic Fire Equip. Operator	F2a	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F2	27.0	27.0	27.0	27.0
Secretary - Department	8	1.0	1.0	1.0	1.0
TOTAL		55.0	54.0	53.0	52.0

*This position was eliminated in FY12.

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

Number of Fires and Corresponding Property Loss



In FY10, property losses increased substantially due to a large fire in the Oaks North subdivision. In FY11, losses increased again due to several large fires including fires at a hotel and an apartment complex.

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 hazardous materials.

Program Narrative

Accomplishments of FY2011

- Implemented new regulations for beer and wine sales for off-premises consumption and processed 14 special use permits for beer and wine sales.
- Processed zoning cases for the third phase of Vitruvian Park and the second phase of Allegro.
- Implemented new e-govern program for Building Inspection, including e-permitting to allow customers to apply for building permits online.
- Worked with the City Secretary to bring all Town departments into compliance with current records control schedules, including updating and re-filing new control schedules for several departments.
- Managed fabrication and installation of Super Bowl XLV banners on Belt Line Road.
- Coordinated, inspected, and licensed 15 new or reoccupied/remodeled food establishments.
- Organized and managed the Town-sponsored fall and spring garage sales which included e-recycling and document shredding for residents.
- Issued 65 permits to private businesses hosting outdoor sales and/or special promotion events.

- Completed the razing and clean-up of the property at 4099 Vitruvian Way, including an environmental site assessment, underground storage tank removal and tank pit remediation, asbestos survey and remediation, removal of utilities, and demolition and removal of building.
- Issued 1,443 permits with a valuation of over \$110 million.
- Adopted 2009 International Building Codes.

Objectives for FY2012

- Work with the new owners of the Village on the Parkway retail center on a redevelopment plan.
- Update and re-format the Town's Comprehensive Plan.
- Closely monitor the recent emergence of the Shiga toxin producing E. coli bacteria.
- Continue to work with restaurants to provide a suitable experience for non-smoking customers.
- Implement second phase of Building Inspection management system, including having all inspections logged to a central file and providing laptops to field inspectors so that inspections can be entered in the field.
- Complete scanning of past permits and certificates of occupancy with the help of volunteers in order to take all Building Inspection records to an electronic filing system.

Notable Budget Items

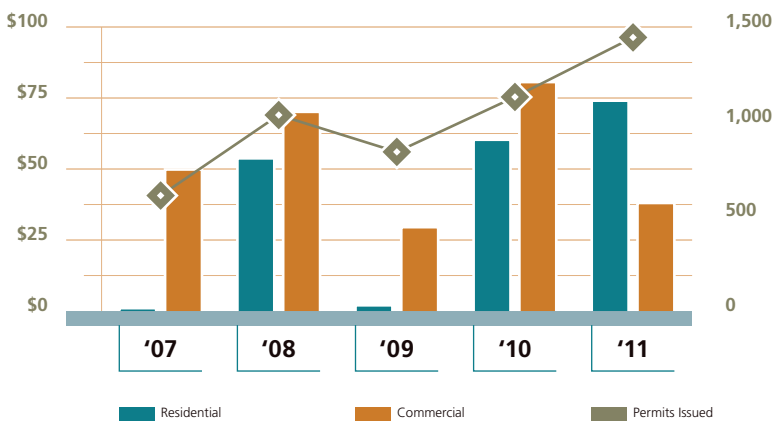
- Rental costs for two Town-sponsored garage sale and recycling events (\$25,000).
- **Modified Level of Service: Add part-time (0.2 FTE) Building Inspector (\$8,790).**

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$757,199	\$770,150	\$765,690	\$771,620
Supplies	16,165	16,170	13,520	16,110
Maintenance	274	5,150	1,100	2,650
Contractual Services	113,494	83,810	79,600	83,320
Capital Replacement/Lease	-	12,400	12,400	28,600
Capital Outlay	-	11,000	11,000	-
TOTAL DEPARTMENT BUDGET	\$887,132	\$898,680	\$883,310	\$902,300

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Development Services	31	1.0	1.0	1.0	1.0
Official - Building	28	1.0	1.0	1.0	1.0
Official - Environmental Services	28	1.0	1.0	1.0	1.0
Inspector - Building *	13	2.0	2.0	2.0	2.2
Environmental Health Specialist	12	1.0	1.0	1.0	1.0
Secretary - Department	8	1.0	1.0	1.0	1.0
TOTAL		7.0	7.0	7.0	7.2

*A part-time Inspector was added in FY12.

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



Streets

Department Mission

The Streets department is a sub-unit of the Public Works 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 FY2011

- Transitioned animal control function to the Police department.
- Contracted major pavement repairs on Midway Road and Quorum Drive.
- Contracted roadway joint and crack sealing on Quorum Drive, from Belt Line Road to Keller Springs Road.
- Contracted the replacement of pavement markers (buttons, stop bars, arrows, etc.) on various roadways.
- Accomplished the repair of failed brick pavers on Arapaho Road.
- Procured and installed nine battery power backups on traffic signals on Belt Line Road.
- Worked closely with the Special Events Committee to ensure successful traffic management and orderly parking at all special events.

- Provided emergency response to all weather emergencies including storm debris cleanup and road sanding during icing conditions.

Objectives for FY2012

- Complete installation of Belt Line Road street lights and landscaping.
- Perform Belt Line Road asphalt overlay.
- Complete construction of Bella Lane.
- Update Transportation Thoroughfare Plan.
- Provide community service related to weather emergencies, traffic signal and street sign maintenance, brush and bulk item pick-up, and special events management.

Notable Budget Items

- Electricity for street lights and signals (\$304,000).
- Residential garbage collection services (\$224,160).
- Modified Level of Service: Eliminate Streets Superintendent position (savings of \$88,590).
- Modified Level of Service: Storm water compliance and dry weather screening (\$15,000).
- Modified Level of Service: Storm water mapping (\$70,000).
- Modified Level of Service: Joint and crack sealing (\$50,000).
- Modified Level of Service: Traffic signal rewiring (\$36,000).

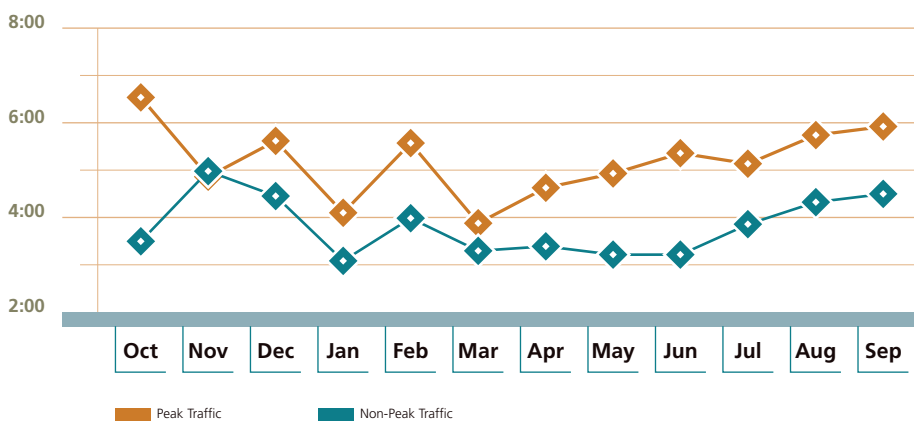
Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$530,666	\$548,440	\$476,880	\$374,990
Supplies	24,492	32,900	27,040	32,810
Maintenance	298,529	399,200	396,700	354,400
Contractual Services	818,688	798,740	792,610	859,610
Capital Replacement/Lease	-	15,600	15,600	26,700
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,672,375	\$1,794,880	\$1,708,830	\$1,648,510

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Streets Superintendent *	24	1.0	1.0	1.0	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	1.0	1.0	0.0
Senior Maintenance Worker	5	1.0	2.0	2.0	2.0
Maintenance - II	4	1.0	0.0	0.0	0.0
TOTAL		7.0	7.0	7.0	5.0

*This position was eliminated in FY12.

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

Average Travel Time in Minutes on Belt Line Road in FY2011 (Two Miles Traveled)



Belt Line Road is Addison's heaviest traveled thoroughfare handling an average of 51,300 cars per day. To evaluate the effectiveness of traffic signalization and intersection improvements, the Streets department measures the time it takes to travel between the Town's west and east boundaries. Peak time is during lunchtime hours when Addison's restaurants are busiest.

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 landscaping of private properties.

Program Narrative

Accomplishments of FY2011

- Implemented a tree pruning permit process for commercial properties to prevent excessive pruning.
- Completed bidding, construction, and inspection phases for the Redding Trail Extension and the George H.W. Bush Elementary campus landscaping project.
- Completed the design and bidding process for the Spring Valley Road streetscape, Vitruvian Way streetscape, and Belt Line Road redevelopment landscaping and irrigation.
- Completed the planning and implementation process for the Addison Arbor Foundation Community Garden.
- Completed several park infrastructure and landscape renovation projects including: Quorum Park fountain landscaping; Oaks North neighborhood common area landscaping; Les Lacs neighborhood common area landscaping; fence and structure painting at various park and park trail sites; landscape renovation at Town Hall, Fire Station 1, and Fire Station 2; and painting and sealing of the Blueprints sculpture.
- Replaced landscape lighting in the following areas: Celestial Park, Redding Trail at Brookwood Lane, Winnwood Park gazebo, Arapaho Road pedestrian lights, and Dome Park bollard lights.
- Received grant reimbursements from Dallas County and the North Central Texas Council of Governments Sustainable Grant programs totaling \$450,000 for the construction of Redding Trail and Bush Elementary improvements.

- Recognized by the America In Bloom "Package Your Community For Success" program for excellence in urban forestry as well as turf grass and ground cover maintenance.

Objectives for FY2012

- Develop and implement a communication program to notify landscape maintenance companies and commercial property managers/owners about the new tree pruning permit requirements.
- Continue landscape and hardscape renovation projects throughout the Town including: renovation of decomposed granite trails and walks in Celestial Park and Beckert Park; Les Lacs neighborhood screen wall repairs; shrub and tree replacements in the Arts and Events District; and shrub bed refurbishment along the Redding Trail behind the Athletic Club.
- Implement a maintenance management program for 23 acres of new park and street median landscaping, which include Vitruvian Park, Vitruvian Way medians, Spring Valley Road medians, Bush Elementary campus, Redding Trail Extension, and Belt Line Road medians.
- Complete recreation improvements as part of the license agreement with the Addison Arbors office complex. Improvements include renovation of the existing tennis courts and restrooms and installation of a synthetic putting green.

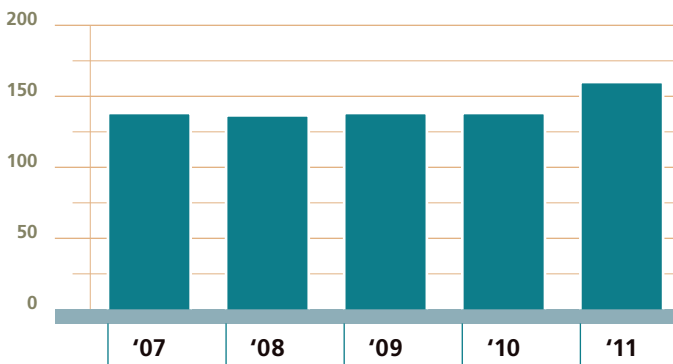
Notable Budget Items

- Addison Circle Park maintenance (\$83,000), seasonal color (\$63,000), outdoor lighting (\$65,000), and mowing contract (\$120,280).
- Water utility costs (\$475,000).
- Modified Level of Service: Annual maintenance costs for new park and streetscape amenities (\$169,300).
- Modified Level of Service: Replace Blueprints sculpture up-lighting (\$20,000).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$1,187,522	\$1,302,480	\$1,163,190	\$1,339,250
Supplies	141,391	165,400	155,400	160,200
Maintenance	349,166	492,500	467,160	676,800
Contractual Services	665,952	542,800	808,770	753,370
Capital Replacement/Lease	4,843	32,300	32,300	46,600
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$2,348,874	\$2,535,480	\$2,626,820	\$2,976,220

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
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	1.0	0.0	0.0	0.0
Foreman - Parks	20	1.0	1.0	1.0	1.0
Supervisor - Parks	11	1.0	1.0	1.0	1.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Senior Groundskeeper	9	2.0	2.0	2.0	2.0
Secretary - Department	8	1.0	1.0	1.0	1.0
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		21.0	20.0	20.0	20.0

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 FY2011

- Converted the printed Accolade brochure to a high quality digital brochure that is available on the Town's website, saving \$25,000 per year.
- Implemented the Standards of Care for youth programs. The standards are required by the State and help ensure the department's youth programs are run in a safe and professional manner.
- Implemented several successful programs including: Senior Zumba, Fit to be a Senior, senior trips and lunches, Pancake Breakfast, Senior Thanksgiving Dinner, Summer Camp, swim lessons, Friday Night In, Easter Eggstravaganza, Halloween Bash, Bouncing Saturday, Zumba, spin bike class, yoga, and personal training.
- Increased online marketing efforts for programs and services by using the Town's website, blog, and mass email.
- Replaced the energy management system which ensures the HVAC (heating ventilation air conditioning) system is running as efficiently as possible and allows scheduling of the building and specific zones to save energy.
- Completed the following building repairs and improvements: roof repairs, HVAC mechanical repairs, upgraded steam room electrical and refurbished steam generators, locker room tile and grout repair, hot tub railing replacement, outdoor pool fence replacement, indoor pool re-plaster, and hot tub repairs.

Objectives for FY2012

- Celebrate the 25th anniversary of the Addison Athletic Club in March 2012.
- Continue to work with the Human Resources department to provide wellness opportunities to Town employees.
- 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.
- Offer customer service training for staff including seasonal employees.
- Research options with the help of the Information Technology department for implementing online program registration and online reservations for facilities and meeting rooms.

Notable Budget Items

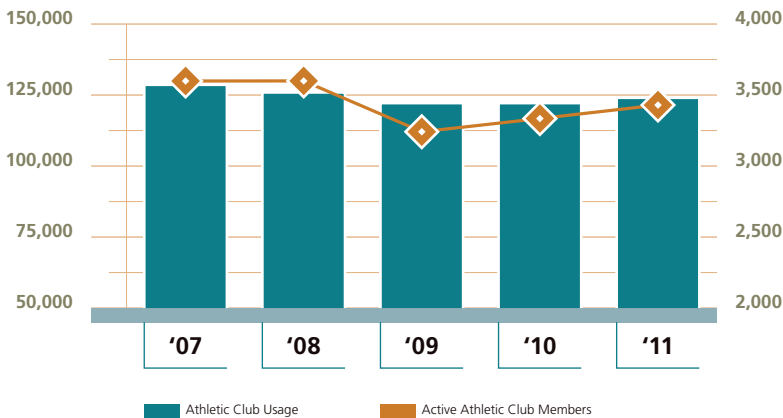
- Building maintenance for the Addison Athletic Club (\$164,320).
- Utilities associated with the operation of the Addison Athletic Club (\$204,010).
- Rentals associated with activities and programs (\$26,000).
- Instructor fees (\$53,680). These fees are recovered through charges to participants.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$815,304	\$833,840	\$794,890	\$782,130
Supplies	124,952	134,350	120,170	137,330
Maintenance	119,494	93,680	169,400	179,220
Contractual Services	290,207	322,190	319,230	322,400
Capital Replacement/Lease	-	68,600	68,600	58,900
Capital Outlay	-	30,000	30,000	-
TOTAL DEPARTMENT BUDGET	\$1,349,957	\$1,482,660	\$1,502,290	\$1,479,980

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
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	2.0	2.0	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	15.6	15.6	14.6

*One Custodian position was eliminated in mid-FY11.

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



In FY09 the number of visits declined slightly due to the demolition of several apartment complexes as part of the Vitruvian Park development.

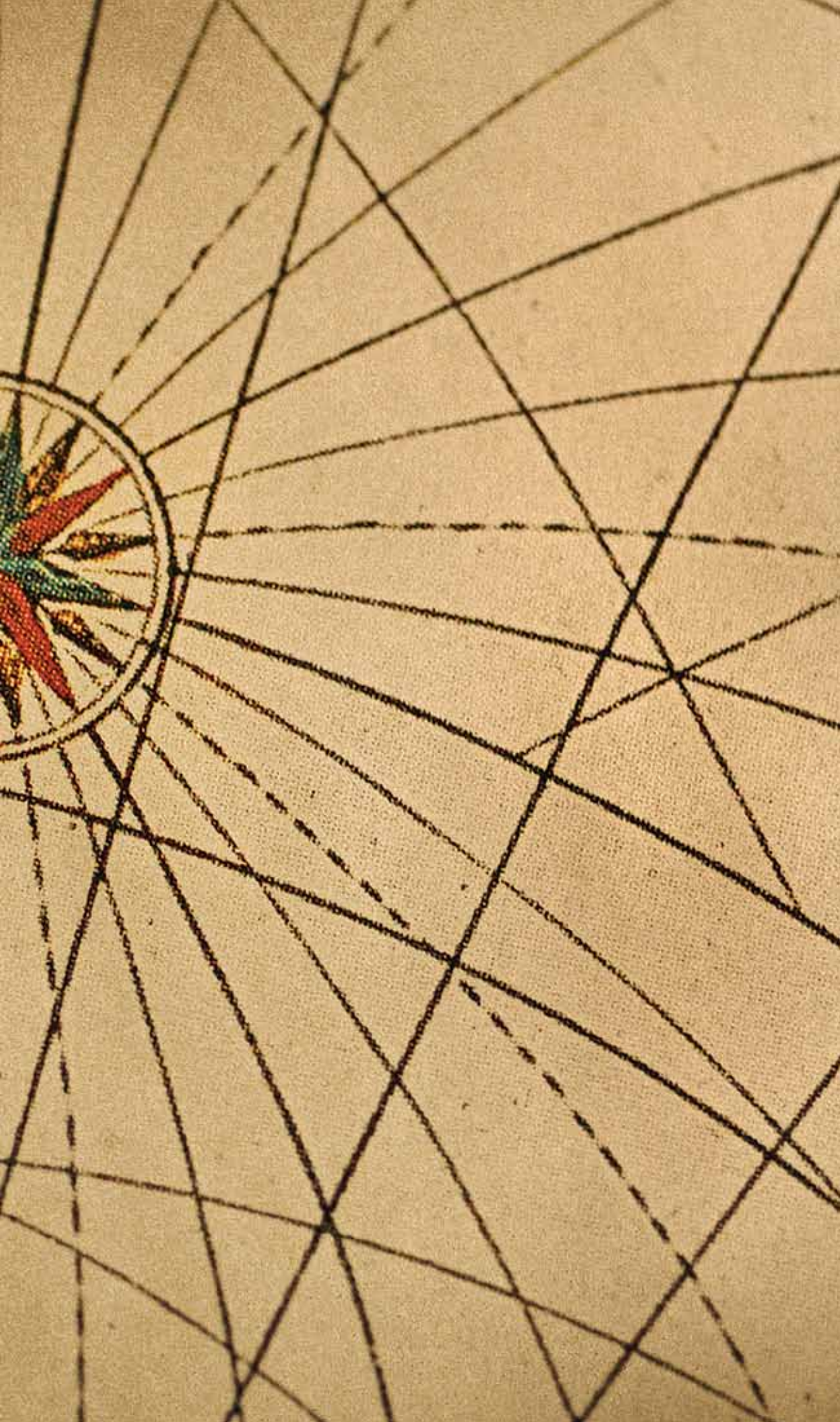
Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Striking Out On New Adventures: Addison's new water tower is going up — and up! The bowl is slated to be lifted in early December. The tower will boast a 1.5 million gallon capacity with eight wind turbines on top of the tower and one on the ground, capable of generating 70,000 kwh per year. It also will boast an Educational Center.



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

Revenues are expected to total \$6,178,550 or \$130,710 more than budget. For two consecutive years, the national economic recession had curtailed business travel resulting in significant declines to hotel occupancy tax. However, the 2011 fiscal year showed a recovery with hotel occupancy tax expected to generate \$4,000,000, a 9 percent increase over 2010. Proceeds from special events are expected to be down 5 percent from the previous year due to rain which limited the attendance at Taste Addison and Oktoberfest. Conference Centre rental estimates reflect an anticipated 10.5 percent decline from FY2010. Expenditures exceeded the original budget by more than \$1.3 million due to non-recurring expenditures related to making ready the Visit Addison center located in the Village on the Parkway retail complex. These expenditures had been budgeted in the 2009-2010 budget but delays in signing the lease pushed the costs to the 2011 fiscal year. All instances of expenditures exceeding budget were recognized with budget amendments approved by Council.

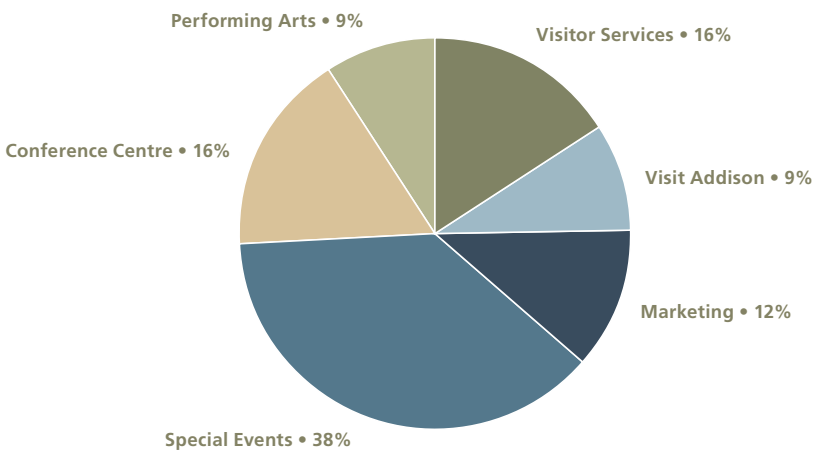
2011-2012 Budget Narrative

The Hotel Fund budget for FY2012 anticipates hotel occupancy tax collections will modestly increase \$100,000. Barring inclement weather during scheduled events, special event income is expected to generate more than \$1.7 million. Rental rates for the Conference Centre will be adjusted to market and are expected to bring in \$488,750. The Visit Addison center will be open for the entire fiscal year and should generate at least \$193,000 in income.

Operating expenditures will be impacted by the operating and maintenance costs of Visit Addison center that are projected to total about \$610,740. Total fund expenditures are budgeted at \$6,533,530, which represent a 4.6 percent increase over the 2011 fiscal year budget. The Hotel Fund budget includes a transfer \$670,000 to the Hotel Occupancy Tax Debt Service Fund to retire the debt associated with Addison Circle Park, the venue for the Town's special events. The fund's long term plan reflects fund balance to gradually decline through the 2014 fiscal year with a projected ending fund balance of \$1,230,660, which represents 18.8 percent of operating expenditures.¹ By capping operating expenditures and with modest growth in operating revenues, fund balance is expected to recover over the 25 percent balance established by the Town's financial policies in fiscal year 2016.

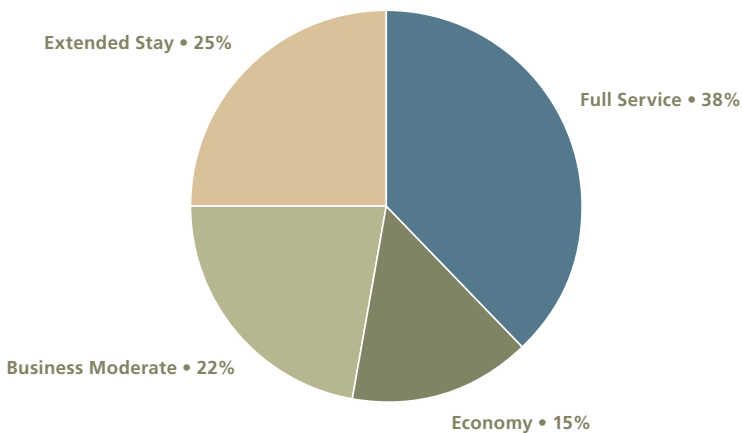
1. Please refer to the Hotel Fund long-term plan in Appendix E for more information on this topic.

Hotel Fund Expenditures by Department



Category	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$4,643,100	\$3,261,770	\$4,430,940	\$2,379,370
Revenues				
Hotel/motel occupancy taxes	3,666,781	3,550,000	4,000,000	4,100,000
Proceeds from special events	1,643,906	1,680,500	1,562,000	1,727,000
Conference Centre rental	475,366	500,000	425,000	488,750
Visit Addison rental	-	225,540	94,400	193,000
Theatre Centre rental	78,020	78,000	78,000	78,000
Interest earnings and other	35,949	13,800	19,150	15,800
Total Revenues	5,900,022	6,047,840	6,178,550	6,602,550
Total Available Resources	10,543,122	9,309,610	10,609,490	8,981,920
Expenditures				
Visitor Services	806,786	1,098,570	1,057,850	1,053,700
Visit Addison	113,376	440,110	1,890,870	610,740
Marketing	617,637	731,460	677,710	763,910
Special Events	2,376,492	2,392,720	2,359,950	2,461,960
Conference Centre	963,908	1,028,370	1,027,200	1,080,980
Performing Arts	563,980	552,950	546,540	562,240
Total Expenditures	5,442,179	6,244,180	7,560,120	6,533,530
Other Financing Sources(Uses)				
Interfund transfer	(670,000)	(670,000)	(670,000)	(670,000)
ENDING FUND BALANCE	\$4,430,943	\$2,395,430	\$2,379,370	\$1,778,390

Percentage of Rooms by Hotel Category



Visitor Services

Department Mission

To provide quality and innovative services to increase leisure and business travel to the Town of Addison.

Program Narrative

Accomplishments of FY2011

- Generated 49,950 room nights for Addison hotels, a 12.5 percent increase over FY2010.
- Represented Addison hotels at three trade shows to increase awareness of Addison as a meeting destination.
- Worked closely with the 2011 North Texas Super Bowl XLV Host Committee to increase bookings at Addison hotels.
- Developed e-mail marketing campaign to meeting planner database.
- Completed relocation of Visitor Services offices to the new Visit Addison center.
- Developed a new Visit Addison logo.

Objectives for FY2012

- Generate an increase in room nights by 5 percent.
- Develop new programming for the Visit Addison visitor and arts center to maximize the return on investment for the Town.
- Represent Addison hotels at five trade shows to increase awareness of Addison as a meeting destination.
- Further develop plans for attracting amateur sporting events to encourage bookings at Addison hotels.
- Continue e-mail marketing campaign to meeting planner database.

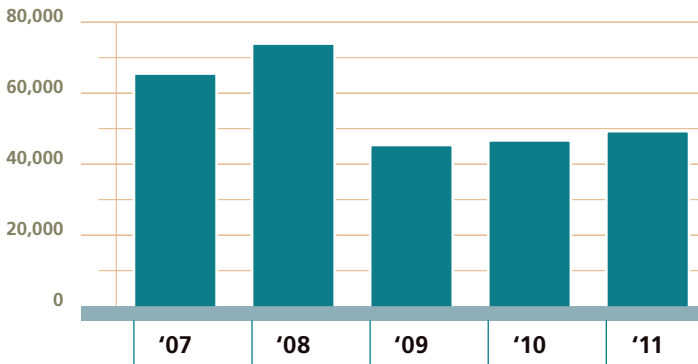
Notable Budget Items

- Hotel support program (\$200,000).
- Professional services and programs including hotel resources program (\$21,900), sports marketing limited service (\$25,000), and the Dallas Cup (\$8,200).
- Modified Level of Service: Strategic plan for Visitor Services (\$37,000).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$312,201	\$381,810	\$330,550	\$368,310
Supplies	11,081	23,260	69,000	23,220
Maintenance	25,554	47,660	193,200	46,300
Contractual Services	457,950	642,540	461,800	612,070
Capital Replacement/Lease	-	3,300	3,300	3,800
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$806,786	\$1,098,570	\$1,057,850	\$1,053,700

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Visitor Services	31	1.0	1.0	1.0	1.0
Sales Manager	22	1.0	1.0	1.0	1.0
Secretary - Department	8	0.5	0.5	1.0	1.0
TOTAL		2.5	2.5	3.0	3.0

Hotel Room Nights Generated by the Visitor Services Department



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 Water-Tower 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 FY2011

- Completed renovations and opened facility to the public.
- Successfully moved in the Visitor Services department, Metrocrest Chamber of Commerce, and Craft Guild.
- Began promoting and renting space to guests.
- Began hosting art exhibits.

Objectives for FY2012

- Generate revenue of \$193,000.
- Generate 1,000 Addison hotel room nights.
- Develop a social media presence to promote and inform the public about Addison and the center.
- Assist Village on the Parkway restaurants and businesses in generating revenue through events held at Visit Addison.
- Partner with Addison hotels to create events that increase room nights.

Notable Budget Items

- Rental of space at Village on the Parkway (\$378,000).
- Modified Level of Service: Additional audio/visual needs (\$6,000).
- Modified Level of Service: Two automated external defibrillators (AEDs) (\$5,000).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$-	\$-	\$-	\$7,940
Supplies	-	16,000	91,400	75,350
Maintenance	679	58,000	1,166,200	44,000
Contractual Services	112,697	366,110	621,600	483,450
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	11,670	-
TOTAL DEPARTMENT BUDGET	\$113,376	\$440,110	\$1,890,870	\$610,740

Marketing

Department Mission

To coordinate the Town's various communication efforts to ensure that they reflect the Town's philosophy and message.

Program Narrative

Accomplishments of FY2011

- Implemented and received direction from City Council subcommittee on marketing and communications.
- Hired a Director of Communications and Marketing.
- Retooled, rebranded, and introduced the Town's customer loyalty program as Access Addison.
- Advanced the Town's social media plan.
- Successfully marketed and realized enhanced exposure and increased hotel revenues through the Town's participation with Super Bowl XLV events.

Objectives for FY2012

- Under the leadership of the new Director of Communications and Marketing, develop a strategic communications and marketing plan for the organization.
- Work with the Special Events and Fire departments to explore the acquisition of an Addison radio frequency for public information, emergency communications, Town promotions, KaboomTown simulcast, etc.
- Work with the Information Technology department to enhance the Town's social media strategies and tactics.

Notable Budget Items

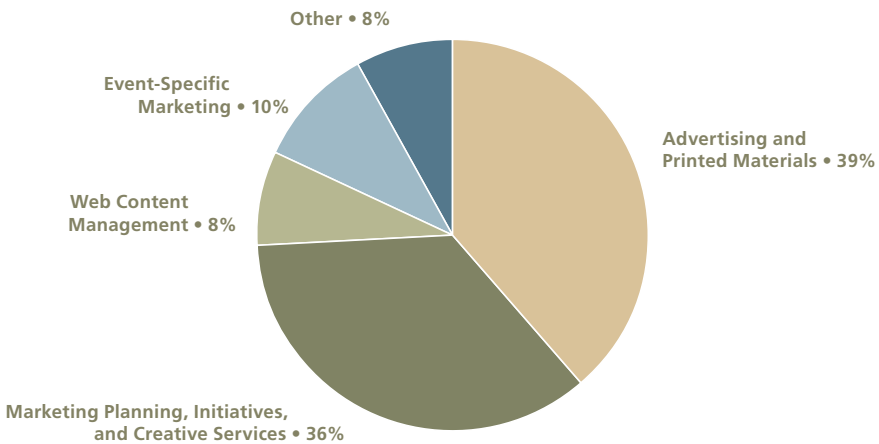
- Strategic marketing plan (\$80,000).
- Addison/North Dallas Corridor Guide (\$111,750).
- Marketing for special events (\$71,000).
- Creative services and marketing consulting for the Town (\$70,000).
- Shiroma Southwest contract for providing marketing and public relations services for all special events and Access Addison (\$60,000).
- Dallas Morning News/online advertising (\$40,000).
- Modified Level of Service: Format change of community calendar (a savings of \$20,000 in the Hotel Fund).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$50	\$210	\$210	\$133,760
Supplies	25	500	760	1,400
Maintenance	-	-	-	-
Contractual Services	617,562	730,750	676,740	626,250
Capital Replacement/Lease	-	-	-	2,500
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$617,637	\$731,460	\$677,710	\$763,910

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Marketing *	31	0.0	0.0	0.0	1.0
TOTAL		0.0	0.0	0.0	1.0

*This position was added in mid-FY11.

Marketing Expenditures by Category



Special Events

Department Mission

To produce quality events that attract tourists and enhance the Town's brand.

Program Narrative

Accomplishments of FY2011

- Continued to host a series of special events on 27 weekends featuring expanded promotions. Retained market share for existing events with estimated attendance of 600,000 people and generated approximately \$1.56 million in revenue.
- Generated over 100 million gross marketing impressions.
- Addison Kaboom Town was rated the third best fireworks show in the country by AOL/Huffington Post. In addition, the event received coverage on the front page of The Dallas Morning News on July 4th.
- Addison Oktoberfest was rated one of the most authentic events outside of Munich by USA Today and Forbes Magazine. The event was also featured on the front cover of The Dallas Morning News Guide.
- Added new social media promotions that increased traffic to restaurants and provided media value for Addison and the community.
- Hosted the third annual WorldFest at the Village on the Parkway retail center that attracted approximately 25,000 people and represented the Town of Addison as a community that celebrates global diversity.
- Booked approximately 2,000 room nights through the Spend the Night in Addison program that generated approximately \$150,000.
- Worked with the Information Technology department to begin design and implementation of an e-commerce portal.

Objectives for FY2012

- Produce a series of quality special events that attract tourists and enhance the Town's assets including:

- Taste Addison – 20th anniversary promotion and expanded entertainment.
- Summer Series – Continue to develop Songwriter Saturdays, July Jazz, and Summer Salsa.
- Kaboom Town – Continue with Silver for Service and after-party and complete analysis of traffic plan.
- Oktoberfest – Continue to develop the Brau Haus and Sporthalle plus family activities.
- WorldFest – Global Business Series, grants and cultural partners.
- Develop a strategic plan for hosting events at Vitruvian Park.
- Work with Visitor Services to expand the Spend the Night program including booking 2,000 weekend room nights. 2011 room nights estimated at 1,792 with a value of over \$90,000.
- Work with the Information Technology department to develop an e-commerce portal.
- Develop strategic partnerships and programs that generate marketing value and revenue of at least \$1.6 million.
- Explore sale of sponsorships for non-traditional assets and explore grant opportunities.
- Analyze admission and vendor fees.
- Work with the Director of Communications and Marketing to refine the marketing and social media strategy for the events.

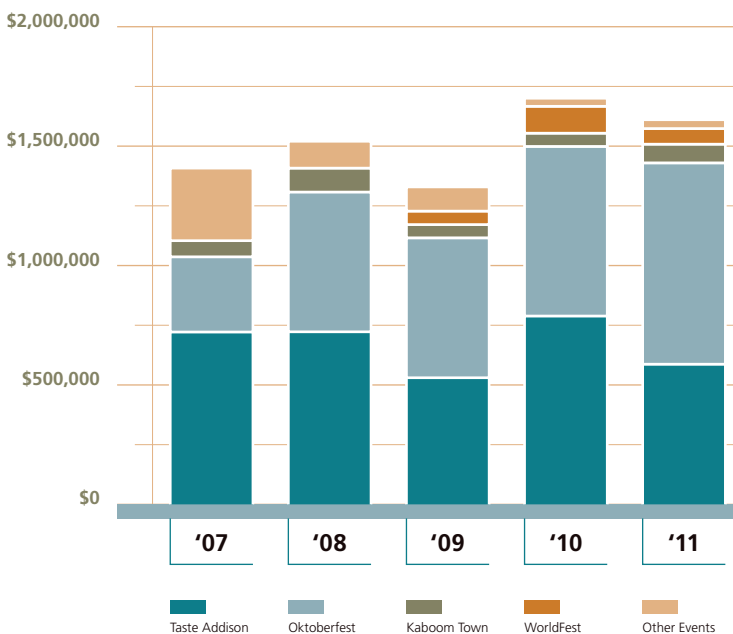
Notable Budget Items

- Events including Taste Addison (\$573,440), Oktoberfest (\$504,640), Kaboom Town (\$242,140), WorldFest (\$209,350), and Summer Series (\$44,320).
- Maintenance of and utilities for Addison Circle Park (\$231,140).
- Modified Level of Service: Vitruvian Park special events (\$92,000).
- Modified Level of Service: Web 2.0 Mashup phases II and III (\$9,530).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$610,300	\$626,160	\$614,860	\$578,780
Supplies	13,750	12,700	12,700	12,400
Maintenance	158,603	170,740	173,780	196,770
Contractual Services	1,593,839	1,549,020	1,524,510	1,642,610
Capital Replacement/Lease	-	34,100	34,100	31,400
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$2,376,492	\$2,392,720	\$2,359,950	\$2,461,960

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Director - Special Events	31	0.0	0.0	1.0	1.0
Administrator - Special Events	28	1.0	1.0	0.0	0.0
Senior Coordinator - Special Events	13	1.0	1.0	0.0	0.0
Coordinator - Special Events	11	2.0	2.0	2.0	2.0
TOTAL		4.0	4.0	3.0	3.0

Proceeds by Event



WorldFest was added as a new event in FY09.

Conference Centre

Department Mission

To increase hotel room bookings by providing additional meeting facilities.

Program Narrative

Accomplishments of FY2011

- Generated 2,700 hotel room nights at Addison hotels.
- Hosted 550 events.
- Rented 1,235,000 square feet of space.
- Hosted 45,000 event attendees.
- Updated and added to rental audio/visual equipment.
- Enhanced website to include promotion of Addison wedding related businesses.

Objectives for FY2012

- Increase events hosted by 5 percent.
- Generate an increase in revenue by 5 percent.
- Increase Addison hotel room nights by 3 percent.
- Develop a social media presence to better sell available spaces and to inform and attract people to events taking place at the Conference Centre.

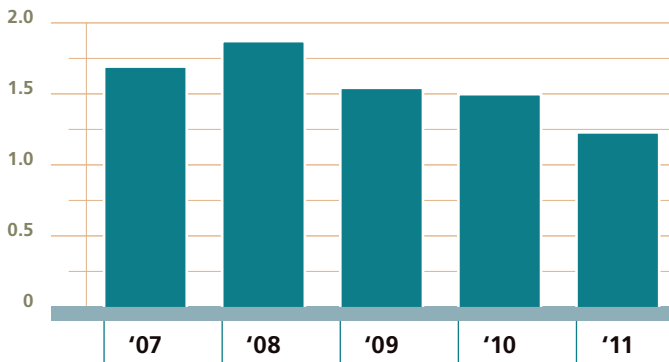
- Maintain the facilities and equipment in an attractive, safe, and updated manner to enhance the client's experience.

- Develop a website to inform, encourage, and increase the number of commercial and feature films in Addison.

Notable Budget Items

- Building maintenance costs (\$110,000).
- Utilities (\$148,110).
- Modified Level of Service: Convert part-time Conference Attendant to full time (\$20,170).
- Modified Level of Service: Conference Centre repairs and repainting (\$12,000).
- Modified Level of Service: Stone Cottage repairs and repainting (\$15,000).
- Modified Level of Service: Elevate one Conference Attendant to Senior Conference Attendant (\$1,910).
- Modified Level of Service: Replace booking software (\$10,500).
- Modified Level of Service: Diagramming software (\$18,000).

Square Footage Rented (in millions)



Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$490,266	\$512,630	\$517,320	\$522,550
Supplies	78,156	73,550	73,550	72,250
Maintenance	161,972	202,000	182,000	210,060
Contractual Services	233,514	222,990	237,130	231,320
Capital Replacement/Lease	-	17,200	17,200	16,300
Capital Outlay	-	-	-	28,500
TOTAL DEPARTMENT BUDGET	\$963,908	\$1,028,370	\$1,027,200	\$1,080,980

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Manager - Conference Centre	26	1.0	1.0	1.0	1.0
Coordinator - Technical	13	1.0	1.0	1.0	1.0
Coordinator - Confer- ence Centre Services	13	0.0	0.0	0.0	1.0
Coordinator - Conference Centre *	11	1.0	1.0	1.0	0.0
Coordinator - Conference Centre Sales	11	0.0	0.0	0.0	1.0
Secretary - Division **	7	1.0	1.0	1.0	0.0
Senior Attendant - Conference Centre	5	0.0	0.0	0.0	1.0
Attendant - Conference Centre ***	4	3.5	3.5	3.5	3.0
TOTAL		7.5	7.5	7.5	8.0

*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.

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 FY2011

- WaterTower Theatre – Resident Company
 - Hosted 25,000 patrons.
 - Hosted 190 performances.
 - Subscriber base of 2,000 season ticket holders.
- Second Thought Theatre – Resident Company
 - Hosted 1,500 patrons.
 - Hosted 38 performances.
 - Subscriber base of 61 season ticket holders.

Objectives for FY2012

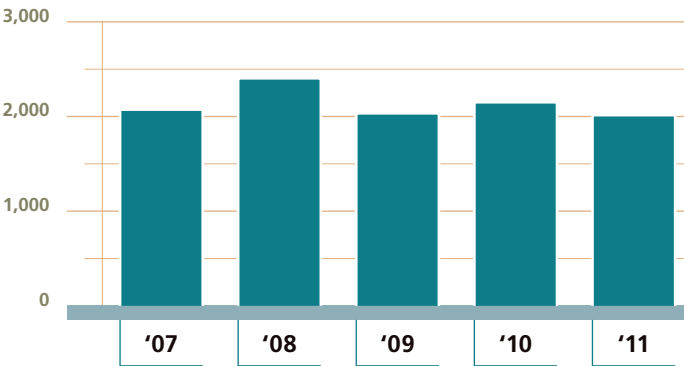
- WaterTower Theatre – Resident Company
 - Host 25,000 patrons.
 - Host 200 performances.
 - Subscriber base of 2,000 season ticket holders.
- Second Thought Theatre – Resident Company
 - Host 1,500 patrons.
 - Host 39 performances.
 - Subscriber base of 75 season ticket holders.

Notable Budget Items

- Tools and equipment (\$25,000).
- Building maintenance costs (\$39,000).
- Performing arts group funding:
 - WaterTower Theatre (\$390,000).
 - Richardson Symphony Orchestra (\$30,000).
 - Second Thought Theatre (\$15,000).
 - Dance Council (\$7,000).
- Modified Level of Service: Sound amplification (\$11,250).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$16,123	\$16,820	\$13,190	\$16,220
Supplies	40,327	25,500	25,500	25,500
Maintenance	61,874	60,200	59,200	61,300
Contractual Services	445,656	447,630	445,850	456,720
Capital Replacement/Lease	-	2,800	2,800	2,500
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$563,980	\$552,950	\$546,540	\$562,240

Number of WaterTower Theatre Season Ticket Holders



Economic Development Fund

Fund Description

The Economic Development Fund accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

Fund Narrative

The fund was created in the fiscal year 2011 budget in response to a report generated by TIP Strategies, a firm the Town engaged to evaluate Addison's business climate and develop recommendations for making Addison an attractive and viable location for business development. The firm produced an economic development strategic plan that presented five major goals and supporting objectives. These goals are:

- Build capacity to conduct economic development. This goal involves the Town creating an Economic Development department that will focus on business attraction and retention as well as accumulating financial resources to fund programs that will encourage businesses to locate to Addison or expand their existing enterprises within Addison.
- Support the existing base through business retention and expansion.
- Focus business attraction on priority growth sectors. This goal relates to working with regional commercial real estate brokers to identify mid-size companies (less than 500 employees) that are looking for office space ideally suited to their needs.
- Raise the profile of Addison regionally and nationally. This goal requires development of a marketing plan that will target the appropriate commercial sectors.
- Maintain and enhance Addison's quality of place. This goal includes maintaining the high quality of services the Town provides to the residential and business community, protecting and enhancing Addison's aesthetic amenities such as parks and landscaped streets, and working to provide a robust transit infrastructure that includes a commuter rail station along the Cotton Belt rail line.¹

Concluding Fiscal Year Performance

In the fund's first year expenditures are estimated to come in well below budget. Most of these savings are attributed to the hiring of the director and start-up of the department occurring mid-year. Economic incentives paid for FY2011 are estimated at \$200,000.

2011-2012 Budget

The Town's economic development strategy is comprised of three phases. The first phase was to create the Economic Development Fund that will support economic development activities. The second phase was the hiring of a director to administer the Town's economic development program. The third phase is developing a comprehensive plan that will attract and retain commercial and retail businesses in Addison. During the course of the 2012 fiscal year, the Town will be pursuing the third phase of the strategy.

The fiscal year 2012 budget commits \$0.0185 of the tax rate for economic development, which will provide \$550,400 to the Economic Development Fund. Continued funding in future years is also projected to come from a portion of the tax rate. An additional \$150,000 in revenue is anticipated from a new business license fee. Information from the business license will be utilized for economic development purposes. Expenditures are budgeted at \$753,790 and include \$321,290 for economic incentives and \$100,000 for advertising.

1. *For more information related to the Cotton Belt railroad line, please refer to Sector 2 of the Town Chronicle section of this document.*

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$-	\$-	\$-	\$247,990
Revenues				
Ad valorem taxes				
Current taxes	-	-	-	548,980
Delinquent taxes	-	-	-	490
Penalty and interest	-	-	-	970
Business license fee	-	-	-	150,000
Interest earnings and other	-	-	-	500
Total Revenues	-	-	-	700,940
Total Available Resources	-	-	-	948,930
Expenditures				
Personal services	-	-	66,400	136,040
Supplies	-	-	11,060	11,420
Maintenance	-	-	-	6,000
Contractual services	-	700,000	374,550	597,630
Capital replacement/lease	-	-	-	2,700
Total Expenditures	-	700,000	452,010	753,790
Other Financing Sources (Uses)				
Interfund transfer	-	700,000	700,000	-
ENDING FUND BALANCE	\$-	\$-	\$247,990	\$195,140

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

Revenue recorded in fiscal year 2011 includes funding from Dallas Independent School District (DISD), the American Heart Association, and the Law Enforcement Officer Standards and Education (LEOSE) police allocation. DISD funds will be used to cover construction costs related to the area around the new elementary school and Spring Valley Road/Vitruvian Way intersection improvements. The American Heart Association grant will be

used by the Fire department to advance the care for acute myocardial infarction patients. The LEOSE funds must be used for continuing education or officer training. No advanced funding grants are anticipated in the budget for fiscal year 2012.

Reimbursement Grant Fund

Fiscal year 2011 reimbursement grants included miscellaneous public safety grants and funding from Dallas County for the Vitruvian Park development, Spring Valley Road, and Redding Trail. The fiscal year 2012 budget includes the traffic safety Selective Traffic Enforcement Program (STEP) grant (\$10,000).

American Recovery and Reinvestment Act (ARRA) Grant Fund

The Community Oriented Policing Services (COPS) grant was received during fiscal year 2011 which covered the salaries and benefits of three officers in the Police department. The Town also received reimbursement for the cost of a grant feasibility study from the State Energy Conservation Office related to the elevated storage tank as well as the Edward Byrne Memorial Justice Assistance Grant which was used by the Police department to purchase new office equipment and headsets to be used during special events. The budget for fiscal year 2012 includes the COPS grant (\$188,000).

Advanced Funding Grant Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$-	\$15,300	\$15,310	\$22,710
Revenues				
Intergovernmental	15,284	2,500,000	1,565,050	-
Interest earnings and other	27	70	2,830	2,500
Total Revenues	15,311	2,500,070	1,567,880	2,500
Total Available Resources	15,311	2,515,370	1,583,190	25,210
Expenditures				
Supplies	-	-	6,200	-
Contractual services	-	160,000	-	-
Construction and equipment	-	2,340,000	1,554,280	-
Total Expenditures	-	2,500,000	1,560,480	-
ENDING FUND BALANCE	\$15,311	\$15,370	\$22,710	\$25,210

Reimbursement Grant Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$-	\$-	\$300	\$310
Revenues				
Intergovernmental	1,094,969	70,000	1,997,900	10,000
Interest earnings and other	195	-	-	-
Total Revenues	1,095,164	70,000	1,997,900	10,000
Total Available Resources	1,095,164	70,000	1,998,200	10,310
Expenditures				
Personal services	31,148	19,200	10,000	10,000
Supplies	14,309	800	2,050	-
Contractual services	9,573	50,000	-	-
Construction and equipment	576,012	-	2,000,000	-
Total Expenditures	631,042	70,000	2,012,050	10,000
Other Financing Sources (Uses)				
Interfund transfer	(463,827)	-	14,160	-
ENDING FUND BALANCE	\$295	\$-	\$310	\$310

ARRA Grant Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$-	\$-	\$(20)	\$-
Revenues				
Intergovernmental	213,578	140,000	254,200	188,000
Interest earnings and other	(24)	-	20	-
Total Revenues	213,554	140,000	254,220	188,000
Total Available Resources	213,554	140,000	254,200	188,000
Expenditures				
Personal services	139,757	140,000	188,000	188,000
Supplies	22,633	-	-	-
Contractual services	16,100	-	66,200	-
Construction and equipment	35,088	-	-	-
Total Expenditures	213,578	140,000	254,200	188,000
ENDING FUND BALANCE	\$(24)	\$-	\$-	\$-

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 fund continues to see reduced resources, thus expenditures for the 2012 fiscal year have been reduced from FY2011. The budget includes funding for miscellaneous tools and equipment for the Quad Cities Police Consortium shared services initiative (\$8,000).

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 FY2012, the budget anticipates that funds generated by the building security fee will pay part-time bailiff costs (\$24,000). Funds generated by the court technology fee will be used for courtroom security upgrades (\$20,000). Technology fees will also be used for the remote execution of warrants (\$5,000), equipment for recording jail arraignments (\$5,000), and other various court software and payment portal maintenance (\$28,900).

Public Safety Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$16,573	\$33,790	\$35,890	\$19,030
Revenues				
Court awards	19,172	10,000	5,000	7,500
Interest earnings and other	142	200	110	100
Total Revenues	19,314	10,200	5,110	7,600
Total Available Resources	35,887	43,990	41,000	26,630
Expenditures				
Supplies	-	21,970	21,970	8,000
Total Expenditures	-	21,970	21,970	8,000
ENDING FUND BALANCE	\$35,887	\$22,020	\$19,030	\$18,630

Municipal Court Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$217,284	\$188,360	\$168,950	\$124,780
Revenues				
Court security fees	13,842	22,000	16,170	18,900
Court technology fees	23,819	30,000	21,580	25,900
Interest earnings and other	3,460	4,000	2,430	2,250
Total Revenues	41,121	56,000	40,180	47,050
Total Available Resources	258,405	244,360	209,130	171,830
Expenditures				
Personal services	4,144	21,000	22,150	24,000
Supplies	5,052	-	1,970	-
Maintenance	80,259	60,900	60,230	59,900
Contractual services	-	3,000	-	1,160
Total Expenditures	89,455	84,900	84,350	85,060
ENDING FUND BALANCE	\$168,950	\$159,460	\$124,780	\$86,770

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 no debt during the 2011 fiscal year. Shown below is the Town's debt position as of the beginning of FY2012.

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.¹ In those instances when

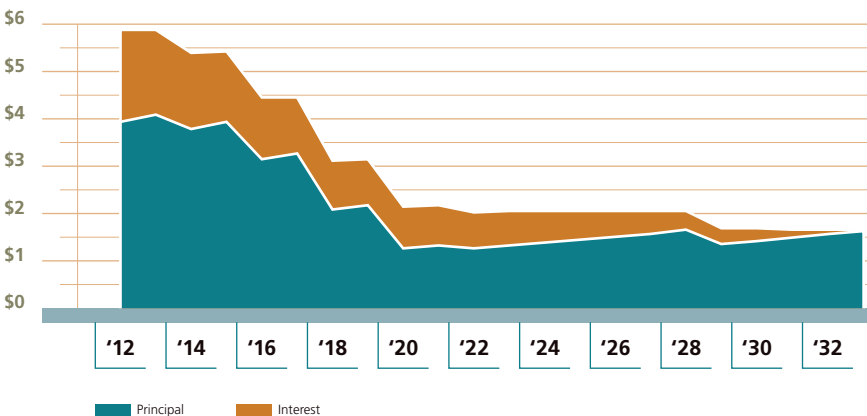
debt has to be issued for projects which cannot be delayed, a second policy stipulates that debt will not be issued for any period longer than 15 years, except under special circumstances, in order to rapidly retire outstanding debt.

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 2011 taxable assessed valuation of \$3,028,042,600 at 90 percent collection, tax revenue of \$40,879,000 would be produced. This revenue could service the debt of roughly \$424 million issued as 5 percent 15-year serial bonds, which is more than \$357 million greater than the Town's outstanding obligations.

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

Total outstanding general obligation debt	\$66,470,000
Less self-supporting debt from Hotel, Airport, and Utility Funds	18,951,230
NET OUTSTANDING GENERAL OBLIGATION DEBT	\$47,518,770

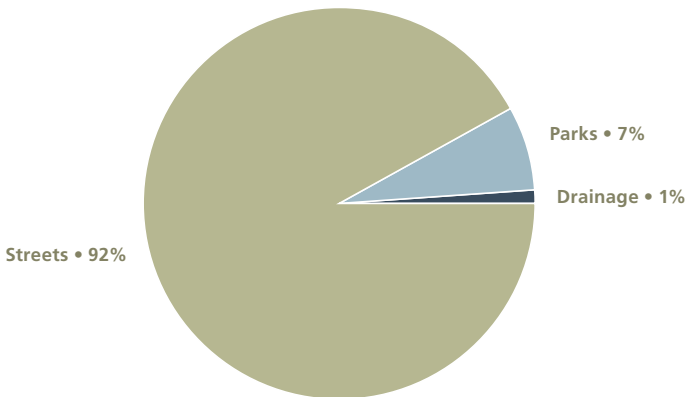
Annual Requirement to Amortize General Obligation Debt (in millions)



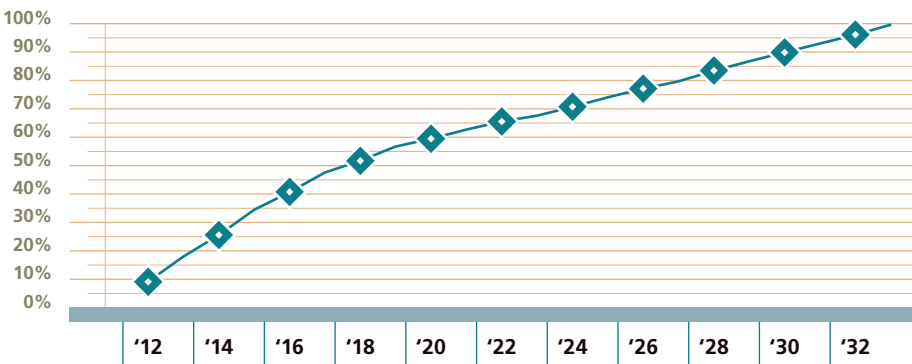
General Obligation Debt Service Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$1,082,061	\$1,148,650	\$1,126,070	\$1,147,690
Revenues				
Ad valorem taxes	5,129,581	5,436,610	5,449,920	5,894,190
Interest earnings and other	12,485	20,000	11,450	10,000
Total Revenues	5,142,066	5,456,610	5,461,370	5,904,190
Total Available Resources	6,224,127	6,605,260	6,587,440	7,051,880
Expenditures				
Debt service - principal	3,834,520	3,318,610	3,318,610	3,945,200
Debt service - interest	2,250,662	2,111,840	2,111,840	1,932,170
Fiscal fees	12,876	13,300	9,300	9,300
Total Expenditures	6,098,058	5,443,750	5,439,750	5,886,670
Other Financing Sources (Uses)				
Interfund transfer	1,000,000	-	-	-
ENDING FUND BALANCE	\$1,126,069	\$1,161,510	\$1,147,690	\$1,165,210

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.

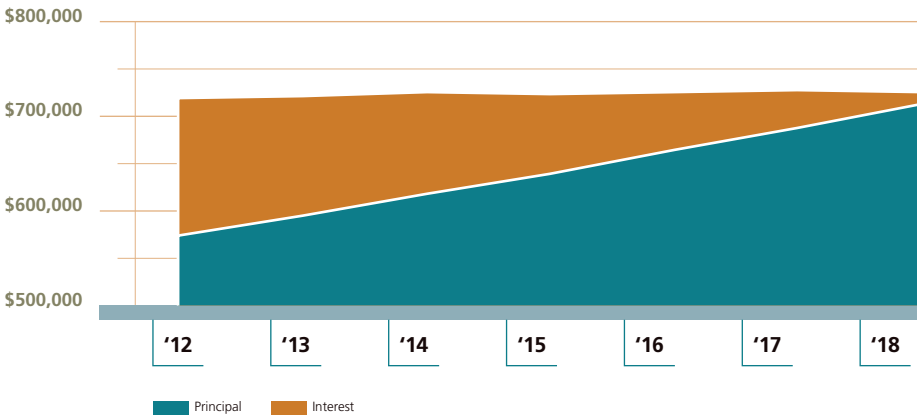
Fund Narrative

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.

Hotel Occupancy Tax Debt Service Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$902,577	\$866,940	\$863,930	\$817,580
Revenues				
Interest earnings and other	7,685	12,000	3,640	4,000
Total Revenues	7,685	12,000	3,640	4,000
Total Available Resources	910,262	878,940	867,570	821,580
Expenditures				
Debt service - principal	535,000	555,000	555,000	575,000
Debt service - interest	181,037	164,690	164,690	147,020
Fiscal fees	300	300	300	300
Total Expenditures	716,337	719,990	719,990	722,320
Other Financing Sources (Uses)				
Interfund transfer	670,000	670,000	670,000	670,000
ENDING FUND BALANCE	\$863,925	\$828,950	\$817,580	\$769,260

Annual Requirement to Amortize Hotel Occupancy Tax Debt



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.

Fund Narratives

Street Capital Project Fund

For fiscal year 2011, a transfer was made to the Reimbursement Grant Fund to cover costs related to the traffic signalization project. Expenses include a \$211,990 local match for Dallas County and North Texas Tollway Authority (NTTA) funding for the Addison Road/Keller Springs Road intersection improvements totaling \$1.2 million.

The budget for fiscal year 2012 reflects \$300,000 for railroad improvements and quiet zones, \$258,500 for the development of streets related to the Ashton Woods development, 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 2011 but have been delayed to fiscal year 2012.

Parks Capital Project Fund

Fiscal year 2011 expenses for the fund included design fees and construction costs for the Redding Trail Extension and the landscaping around the George H.W. Bush Elementary School. Funds are projected to be depleted by the end of fiscal year 2012 for design fees and construction costs related to the Redding Trail Extension (\$142,510).

Street Capital Project Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$1,329,879	\$1,276,320	\$1,574,900	\$1,356,700
Revenues				
Interest earnings and other	6,125	9,100	7,950	6,500
Total Revenues	6,125	9,100	7,950	6,500
Total Available Resources	1,336,004	1,285,420	1,582,850	1,363,200
Expenditures				
Maintenance and materials	204,092	-	-	-
Engineering and contractual services	19,580	-	-	-
Construction and equipment	-	1,007,440	211,990	819,400
Total Expenditures	223,672	1,007,440	211,990	819,400
Other Financing Sources (Uses)				
Interfund transfer	462,564	-	(14,160)	-
ENDING FUND BALANCE	\$1,574,896	\$277,980	\$1,356,700	\$543,800

Parks Capital Project Fund Statement of Revenues and Expenditures

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$397,100	\$267,140	\$327,540	\$142,160
Revenues				
Interest earnings and other	29,930	3,070	1,310	350
Total Revenues	29,930	3,070	1,310	350
Total Available Resources	427,030	270,210	328,850	142,510
Expenditures				
Maintenance and materials	27,275	-	-	-
Engineering and contractual services	72,218	9,700	42,970	-
Construction and equipment	-	260,510	143,720	142,510
Total Expenditures	99,493	270,210	186,690	142,510
ENDING FUND BALANCE	\$327,537	\$-	\$142,160	\$-

2002 Capital Project Fund

During the 2011 fiscal year, funds were spent on the design and construction of the Belt Line Streetscape project. The Town also made an arbitrage payment of \$6,320 related to the outstanding debt issuance. The fund is projected to be depleted at the end of FY2011.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$1,733,257	\$1,501,480	\$1,533,780	\$-
Revenues				
Interest earnings and other	12,010	14,390	7,530	-
Total Revenues	12,010	14,390	7,530	-
Total Available Resources	1,745,267	1,515,870	1,541,310	-
Expenditures				
Engineering and contractual services	181,579	100,000	368,020	-
Construction and equipment	29,906	400,000	1,173,290	-
Total Expenditures	211,485	500,000	1,541,310	-
ENDING FUND BALANCE	\$1,533,782	\$1,015,870	\$-	\$-

2004 Capital Project Fund

Expenses for fiscal year 2011 and 2012 relate to construction costs for the Belt Line Streetscape project.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$434,361	\$438,990	\$437,520	\$252,970
Revenues				
Interest earnings and other	3,161	5,050	2,160	1,500
Total Revenues	3,161	5,050	2,160	1,500
Total Available Resources	437,522	444,040	439,680	254,470
Expenditures				
Construction and equipment	-	-	186,710	165,110
Total Expenditures	-	-	186,710	165,110
ENDING FUND BALANCE	\$437,522	\$444,040	\$252,970	\$89,360

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 2012.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$349,247	\$352,980	\$351,790	\$353,690
Revenues				
Interest earnings and other	2,541	4,060	1,900	1,000
Total Revenues	2,541	4,060	1,900	1,000
Total Available Resources	351,788	357,040	353,690	354,690
Expenditures				
Engineering and contractual services	-	180,000	-	180,000
Total Expenditures	-	180,000	-	180,000
ENDING FUND BALANCE	\$351,788	\$177,040	\$353,690	\$174,690

2008 Capital Project Fund

For fiscal year 2011, expenses were related to professional services for and construction of the Vitruvian Park development and Spring Valley Road. The budget for fiscal year 2012 anticipates \$706,390 to be spent on professional services for and construction of the Vitruvian Park development.

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Beginning Balance	\$24,949,208	\$19,844,330	\$16,108,810	\$3,867,710
Revenues				
Interest earnings and other	481,389	210,420	64,340	25,000
Developer contributions	1,796,676	-	266,800	-
Total Revenues	2,278,065	210,420	331,140	25,000
Total Available Resources	27,227,273	20,054,750	16,439,950	3,892,710
Expenditures				
Supplies	937	-	-	-
Engineering and contractual services	2,292,226	-	1,627,660	107,820
Construction and equipment	8,825,296	12,100,000	10,944,580	598,570
Total Expenditures	11,118,459	12,100,000	12,572,240	706,390
ENDING FUND BALANCE	\$16,108,814	\$7,954,750	\$3,867,710	\$3,186,320

Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Attention On Deck: The Addison Airport has a new deck after a runway project was completed on-time and under budget with the assistance of a Federal \$11.6 million grant. Among other improvements the project included new drainage, navigational and instrumentation improvements, and runway guard lights.



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. The 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

Town has contracted with URS Engineering & 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). All real estate functions, including rental of Town facilities and the management of ground leases, and airport billing and collection functions have been contracted to SAMI Management, Inc. (SAMI).

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. 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 2011 fiscal year, operating revenue is projected to total \$4,150,300, which is 5.7 percent less than budget. The decline in revenues is a result of lower fuel flowage fees. During much of the year, the airport's runway was being renovated which limited the number of flight operations and caused a reduction in the volume of aircraft fuel sold at the airport. Recognizing the reduction in operating revenue, the scope of maintenance projects was reduced, resulting in operating expenses that are estimated to come in \$442,230 less than budget.

For fiscal year 2012, the budget anticipates operating revenue of \$4,203,560, a 4.5 percent decline from the 2011 budget. Although the runway rehabilitation project has been completed, the planned repairs of Taxiway Alpha will also impact air operations and fuel sales. Operating expenses of \$3,590,930 are up 3.1 percent from the previous year's budget, primarily due to the addition of a police sergeant who will be responsible for working with airport tenants to eliminate unauthorized intrusions onto the airport. The budget includes \$897,300 as the Town's 10 percent match for FAA/TxDOT capital grants that will be used to refurbish the taxiway.¹ Working capital is projected to decline by \$703,140 due to this project but, as projected in the fund's long-term financial plan, working capital is expected to recover by fiscal year 2015.²

1. *For more information related to airport projects and initiatives, please refer to Sector 4 of the Town Chronicle section of this document.*
2. *For more information related to the Airport Fund long-term financial plan, please refer to Appendix E.*

Airport Fund Statement of Income

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Operating revenues				
Operating grants	\$93,465	\$50,000	\$50,000	\$50,000
Fuel flowage fees	720,825	846,000	589,000	630,000
Rental	3,430,003	3,467,030	3,453,800	3,488,020
User fees and other	138,397	38,400	57,500	35,540
Total operating revenues	4,382,690	4,401,430	4,150,300	4,203,560
Operating expenses				
Town - Personal services	231,795	254,020	267,450	323,730
Town - Supplies	41,234	21,800	17,800	62,600
Town - Maintenance	25,890	29,300	34,600	33,300
Town - Contractual services	590,975	477,520	424,400	544,670
Grant - Maintenance	91,339	100,000	100,000	100,000
Operator - Operations and maintenance	1,078,454	2,270,090	1,899,380	2,221,430
Operator - Service contract	944,506	329,930	296,800	305,200
Total operating expenses	3,004,193	3,482,660	3,040,430	3,590,930
Net operating income	1,378,497	918,770	1,109,870	612,630
Non-operating revenues (expenses)				
Interest earnings and other	14,861	25,750	30,700	31,620
Interest on debt, fiscal fees and other	(135,532)	(125,420)	(125,220)	(115,090)
Net non-operating revenues (expenses)	(120,671)	(99,670)	(94,520)	(83,470)
NET INCOME (EXCLUDING DEPRECIATION)	\$1,257,826	\$819,100	\$1,015,350	\$529,160
Changes in working capital				
Net income (excluding depreciation)	\$1,257,826	\$819,100	\$1,015,350	\$529,160
Sources (uses) of working capital				
Retirement of long-term debt	(262,675)	(265,000)	(265,000)	(275,000)
Net additions to fixed assets with grants	(22,717)	(1,245,000)	(1,242,900)	(897,300)
Other net additions to fixed assets	(27,035)	(57,000)	(29,870)	(60,000)
Net sources (uses) of working capital	(312,427)	(1,567,000)	(1,537,770)	(1,232,300)
Net increase (decrease) in working capital	945,399	(747,900)	(522,420)	(703,140)
Beginning fund balance	1,179,004	1,741,240	2,124,400	1,601,980
ENDING FUND BALANCE	\$2,124,403	\$993,340	\$1,601,980	\$898,840

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Sergeant *	P3	0.0	0.0	0.0	1.0
Police Officer	P2	2.0	2.0	2.0	2.0
TOTAL		2.0	2.0	2.0	3.0

*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 2011 are projected to be \$10,408,000, which is \$160,330 more than budget and over \$1.6 million more than generated the previous year. The increase is a result of a 10 percent increase in water and sewer rates put in place at the beginning of the fiscal year and a 12 percent increase in the volume of water sold due to an exceptionally hot and dry summer. Operating expenses were 2.9 percent less than budget. Net income of \$2.8 million was applied to the retirement of \$2.5 million of outstanding debt. Working capital, which included proceeds from the 2008 issuance of certificates of obligation, was applied towards the construction of a new 1.5 million gallon elevated water storage tank.

Because of the need to have sufficient resources to cover operating expenses and fund debt service and capital expenses, the 2012 fiscal year budget reflects a 5 percent increase in water and sewer rates, based on an average year's volume of water sold. These assumptions lead to budgeted operating revenues of \$10,828,200, or \$580,530 more than budgeted in the 2011 fiscal year. Operating expenses are budgeted at \$7,644,650, 4.2 percent more than the previous year's budget. Working capital is projected to decrease \$4.1 million due to debt retirement and the completion of the elevated water storage tank. The Utility Fund's long-term plan anticipates no further rate increases through FY2013, at which time a large segment of debt is retired allowing for possible rate reductions in FY2014.¹

1. *For more information related to the Utility Fund long-term financial plan, please refer to Appendix E.*

Utility Fund Statement of Income

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Operating revenues				
Water sales	\$4,758,886	\$5,462,500	\$5,880,500	\$6,019,700
Sewer charges	3,933,498	4,702,500	4,450,000	4,725,000
Tap fees and other	40,434	12,670	7,500	10,000
Penalties	73,251	70,000	70,000	73,500
Total operating revenues	8,806,069	10,247,670	10,408,000	10,828,200
Operating expenses				
Water purchases	2,603,155	2,707,600	2,735,600	2,841,200
Wastewater treatment	1,736,262	1,980,100	1,784,900	2,051,700
Utility operations	2,354,539	2,644,680	2,596,360	2,751,750
Total operating expenses	6,693,956	7,332,380	7,116,860	7,644,650
Net operating income	2,112,113	2,915,290	3,291,140	3,183,550
Non-operating revenues (expenses)				
Interest earnings and other	(56,460)	16,500	43,450	(35,600)
Interest on debt, fiscal fees and other	(683,163)	(523,680)	(525,230)	(459,830)
Net non-operating revenues (expenses)	(739,623)	(507,180)	(481,780)	(495,430)
NET INCOME (EXCLUDING DEPRECIATION)	\$1,372,490	\$2,408,110	\$2,809,360	\$2,688,120
Changes in working capital				
Net income (excluding depreciation)	\$1,372,490	\$2,408,110	\$2,809,360	\$2,688,120
Sources (uses) of working capital				
Retirement of long-term debt	(2,478,842)	(2,623,770)	(2,511,390)	(2,754,800)
Debt issuance/transfer of debt proceeds	-	-	-	1,000,000
Net additions to fixed assets	(598,154)	(3,785,000)	(3,785,000)	(2,330,000)
Net (increase) decrease in other assets	85,161	-	-	-
Net sources (uses) of working capital	(2,991,835)	(6,408,770)	(6,296,390)	(4,084,800)
Net increase (decrease) in working capital	(1,619,345)	(4,000,660)	(3,487,030)	(1,396,680)
Beginning fund balance	7,470,567	5,026,680	5,851,220	2,364,190
ENDING FUND BALANCE	\$5,851,222	\$1,026,020	\$2,364,190	\$967,510

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 98 miles of water line, 1,400 fire hydrants, 2,200 main valves, one wastewater lift station, 86 miles of sanitary sewer lines, and 900 manholes.

The department also includes the Deputy City Manager/Public Works Director who is responsible for supervising the planning, engineering, and maintenance services for Addison's infrastructure including streets, traffic signals, drainage, and water and wastewater facilities. The Director oversees implementation of capital improvements, ensures that traffic signalization is operated safely and efficiently, and is responsible for trash pick-up, a function that is performed by the Streets department in the General Fund.

Program Narrative

Accomplishments of FY2011

- Improved the power factor at the Celestial Pump Station by upgrading the electrical metering.
- Upgraded supervisory control and data acquisition (SCADA) software and reports.
- Completed over 150 water surveys including 25 commercial/industrial properties as part of the department's cross connection control program.
- Installed over 200 new backflow devices and 900 existing devices to our cross connection control program.
- Replaced over 360 single family, 90 irrigation, and 230 business/commercial water meters as part of the department's 15-year meter replacement program.
- Pumped over 1.7 billion gallons of water and collected over 1.0 billion gallons of wastewater.
- Responded to over 4,500 customer service calls.

Objectives for FY2012

- Update the department's water and wastewater GIS maps.
- Perform a wastewater collection system study.
- Upgrade motor protection equipment at Surveyor Pump Station.
- Continue the department's meter replacement program.

Notable Budget Items

- Electricity to power the Town's pump and lift stations (\$225,000).
- Meter replacement and repair costs (\$140,000).
- Miscellaneous engineering and architectural services (\$118,880).
- Modified Level of Service: Texas Commission on Environmental Quality fees (\$25,000).
- Modified Level of Service: Surveyor Pump Station ground storage reservoir roof rehabilitation (\$23,000).
- Modified Level of Service: Surveyor Pump Station motor protection upgrades (\$30,000).
- Modified Level of Service: Celestial Pump Station roof replacement/gutter installation (\$20,000).
- Modified Level of Service: Dallas Parkway water main replacement (\$135,000).
- Modified Level of Service: Outsource Public Works/Engineering (savings of \$268,860) and reassigning Deputy City Manager to Utility Fund (\$210,400).

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Personal Services	\$1,285,237	\$1,362,290	\$1,324,970	\$1,260,710
Supplies	105,177	133,890	133,890	128,170
Maintenance	354,034	410,020	410,020	597,250
Contractual Services	599,717	714,980	703,980	742,120
Capital Replacement/Lease	10,374	23,500	23,500	23,500
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$2,354,539	\$2,644,680	\$2,596,360	\$2,751,750

Staffing	Level	Budget 2009-10	Budget 2010-11	Budget 2010-11	Budget 2011-12
Deputy City Manager *	34	0.0	0.0	0.0	1.0
Director - Public Works **	31	1.0	1.0	1.0	0.0
City Engineer **	27	1.0	1.0	1.0	0.0
Manager - Public Works	26	0.0	0.0	0.0	1.0
Utilities Superintendent ***	24	1.0	1.0	1.0	0.0
Assistant to the Public Works Director	21	0.0	1.0	0.0	1.0
Management Assistant ****	20	1.0	0.0	1.0	0.0
Inspector - Public Works	13	1.0	1.0	1.0	1.0
Supervisor - Utilities	13	2.0	2.0	2.0	2.0
Water Quality Specialist	12	1.0	1.0	1.0	1.0
Senior Utility Operator	11	1.0	1.0	1.0	1.0
Pump and Fountain Technician	10	1.0	0.0	0.0	0.0
Assistant Public Works Inspector	9	1.0	1.0	1.0	1.0
Utility Operator III	8	2.0	2.0	2.0	2.0
Utility Operator II	6	3.0	3.0	3.0	3.0
Utility Operator I	5	2.0	2.0	2.0	2.0
TOTAL		18.0	17.0	17.0	16.0

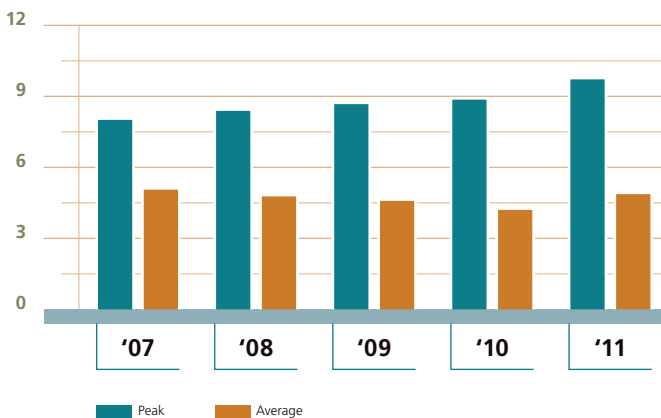
*Beginning in FY12 this position will be reflected in the Utility Fund instead of the General Fund.

**These positions were eliminated in FY12.

***This position was reclassified to Manager-Public Works in mid-FY11.

****This position was reclassified to Assistant to the Director in mid-FY11.

Water Usage (millions of gallons)



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

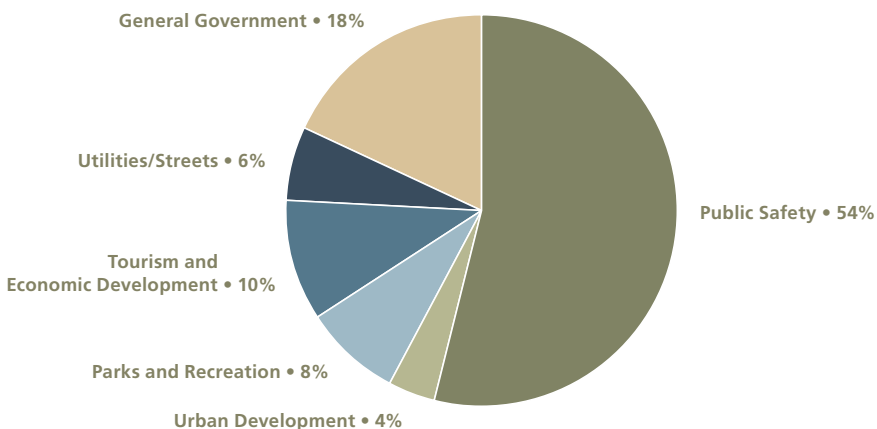
Expenses in FY2011 were associated with the migration to a community management system, replacement of video cameras and mobile data computers for the Police and Fire departments, and replacement of laptops. A redesign of the web portal (\$50,000) budgeted in fiscal year 2011 was delayed and is therefore included in the FY2012 budget. Items included in the FY2012 budget are:

- Redesign of web portal (\$50,000).
- Replacement of PCs (\$235,000).
- Replacement of video cameras at Addison Circle Park (\$150,000).
- Upgrade of the Computer Aided Dispatch system (\$100,000).

Information Technology Replacement Fund Statement of Income

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Operating revenues				
Department contribu- tions and other	\$1,165	\$651,000	\$651,000	\$576,000
Total operating revenues	1,165	651,000	651,000	576,000
Operating expenses				
Contractual services	2,571	3,000	3,740	54,360
Total operating expenses	2,571	3,000	3,740	54,360
Net operating income	(1,406)	648,000	647,260	521,640
Non-operating revenues (expenses)				
Interest earnings and other	15,302	21,690	11,650	10,000
Proceeds from sale of assets	(6,707)	-	-	-
Net non-operating revenues (expenses)	8,595	21,690	11,650	10,000
NET INCOME (EXCLUDING DEPRECIATION)	\$7,189	\$669,690	\$658,910	\$531,640
Changes in working capital				
Net income (excluding depreciation)	\$7,189	\$669,690	\$658,910	\$531,640
Sources (uses) of working capital				
Acquisition of capital hardware/software				
General government	(32,428)	(95,000)	(58,000)	(385,000)
Public safety	(43,352)	(230,000)	(222,000)	(100,000)
Net sources (uses) of working capital	(75,780)	(325,000)	(280,000)	(485,000)
Net increase (decrease) in working capital	(68,591)	344,690	378,910	46,640
Beginning fund balance	2,148,571	2,063,490	2,079,980	2,458,890
ENDING FUND BALANCE	\$2,079,980	\$2,408,180	\$2,458,890	\$2,505,530

Contributions to the Information Technology Replacement Fund by Function



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 straight-line 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

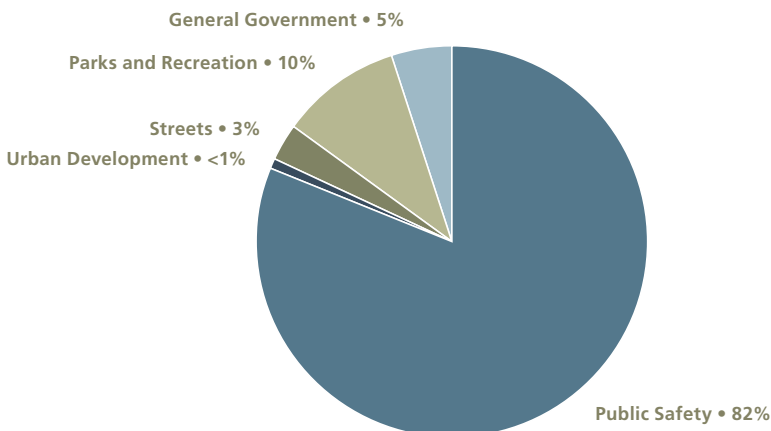
Expenses in FY2011 were primarily associated with the purchase of three patrol motorcycles, one ambulance, and one service truck for General Services. Equipment scheduled to be purchased during fiscal year 2012 includes:

- General Services – Automated fuel system (\$90,000).
- Fire – Rescue tool (\$24,000).
- Streets – Aerial bucket truck (\$75,000).
- Streets – Backhoe (\$80,000).

Capital Replacement Fund Statement of Income

Expenditures	Actual 2009-10	Budget 2010-11	Estimated 2010-11	Budget 2011-12
Operating revenues				
Department contribu- tions and other	\$-	\$509,000	\$509,000	\$585,000
Total operating revenues	-	509,000	509,000	585,000
Operating expenses				
Contractual services	2,571	3,000	5,530	6,160
Total operating expenses	2,571	3,000	5,530	6,160
Net operating income	(2,571)	506,000	503,470	578,840
Non-operating revenues (expenses)				
Interest earnings and other	26,050	35,520	17,150	15,000
Proceeds from sale of assets	55,864	40,000	40,000	20,000
Net non-operating revenues (expenses)	81,914	75,520	57,150	35,000
Net income (excluding depreciation)	\$79,343	\$581,520	\$560,620	\$613,840
Changes in working capital				
NET INCOME (EXCLUDING DEPRECIATION)	\$79,343	\$581,520	\$560,620	\$613,840
Sources (uses) of working capital				
Acquisition of capital equipment				
General government	(67,297)	(40,000)	(40,000)	(90,000)
Public safety	(425,425)	(209,000)	(209,000)	(24,000)
Streets	(52,222)	-	-	(155,000)
Parks and recreation	(157,409)	-	-	-
Net sources (uses) of working capital	(702,353)	(249,000)	(249,000)	(269,000)
Net increase (decrease) in working capital	(623,010)	332,520	311,620	344,840
Beginning fund balance	3,830,571	3,126,230	3,207,560	3,519,180
ENDING FUND BALANCE	\$3,207,561	\$3,458,750	\$3,519,180	\$3,864,020

Contributions to the Capital Replacement Fund by Function



Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Ascending to New Heights: The Addison Airport project included 1,263 truckloads of asphalt. If you lined the dump trucks bumper to bumper, the traffic jam would stretch more than 7 miles.



Addison Fast Facts*

2010 Population: **13,056**

2011 Assessed Value: **\$3,028,042,600**

Median Age: **32.5 years**

Median Household Income: **\$53,790**

Average Household Income: **\$74,826**

Number of Households: **7,378**

Total Employment in Addison: **45,649**

Square Miles: **4.3 square miles**

Developable Land Remaining: **5%**

Housing Units:

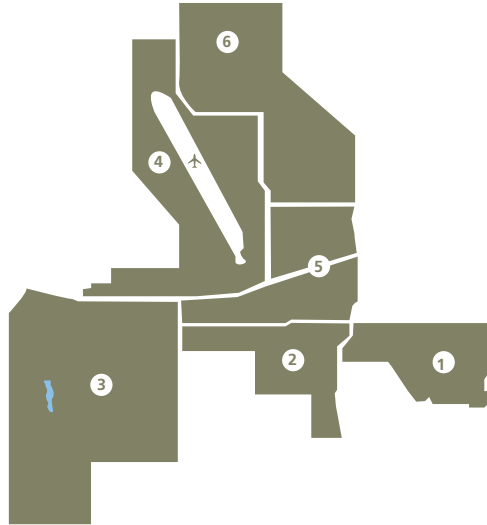
- Owner Occupied: **21.5%**
- Renter Occupied: **66.1%**
- Vacant: **12.4%**

Education Level: **44.7% with a Bachelor's degree or higher**

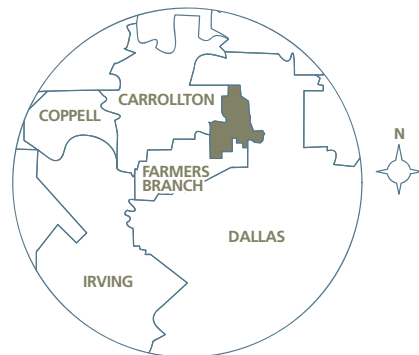
Major Employers in Addison:

- Bank of America MBNA
- Barrett Daffin Frapier Turner & Engle
- Behringer Harvard
- GE
- Hotel Intercontinental
- Jani King
- Mary Kay Cosmetics
- National Business Research
- Rexel
- United Surgical Partners International

Addison Planning Sectors



Addison within the Dallas Metroplex



* Sources: 2000 and 2010 United States Census, Dallas Central Appraisal District, Town of Addison Development Services department, and Xceligent

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 198 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 has impacted the local economy and the revenue generated by Addison's businesses. Taxable appraised values as of January 1, 2011 fell 1.0 percent and follow two years that witnessed a 7.6 percent and 11.1 percent decline. The declines are greatly attributed to reduced

office occupancy. The amount of income generated by an office building is used by the Dallas Central Appraisal District to determine the building's taxable value. As of September 30, 2011 office occupancy was 80.6 percent, up compared to the 76.8 percent occupancy in September 2010. This rate is higher than the 74.2 percent average of the Dallas central business district office market but lower than the 83.3 percent occupancy rate for the entire Dallas/Fort Worth metropolitan area.¹ Declines in commercial property values were offset by new construction coming onto the tax role. New values include the Methodist Hospital for Surgery (\$48.1 million) the Vitruvian Park's Savoye addition (\$18.3 million), the Two Addison Circle office building (\$5.7 million), and additions to the Ashton Woods townhome development (\$5.2 million). Sales tax for the 2011 fiscal year is projected to increase 3.0 percent over FY2010 collections, and Addison's hotels, which cater primarily to business travelers, are beginning to experience improved bookings resulting in a projected 9.1 percent increase in hotel occupancy tax for FY2011 compared to the FY2010 collections.

Although Texas has been impacted by the national recession, its economy is performing somewhat better than the country as a whole. As of August 2011, Texas' unemployment rate stood at 8.2 percent compared to the United States rate of 9.2 percent.² However, economic growth in the region is tepid, at best. The Texas Leading Index maintained by the Federal Reserve Bank of Dallas is up 5.4 percent as of July 2011 from a year ago and up 20 percent from the lowest point recorded in March 2009, but has declined the past two months. Despite the anemic growth, the Dallas Bank believes the Texas economy is more resilient than that of the nation. Texas' banks are among the strongest in the country, and Texas exports have steadily increased over the past 30 months.³ The Town of Addison will share in any economic recovery experienced by the region and the state, but it is expected

1. CoStar.
2. *Regional Economic Update, September 23, 2011, Federal Reserve Bank of Dallas.*
3. *Luttrell, David and Harvey Rosenblum, Breaking Out of Recession: Gauging Texas' Response to Fed Stimulus, Southwest Economy, Third Quarter 2011, Federal Reserve Bank of Dallas*

that a full recovery to peak revenue levels experienced in 2008 will take another two to three years.

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 attractive 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

Visit Addison – The Hotel Fund budget includes operating expenditures for Visit Addison, a 26,000 square foot space that houses the Town's Visitor Services department, the Metrocrest Chamber of Commerce, and the Craft Guild. Total operating expenses are budgeted at \$809,880 for FY2012. Rental income from the center,

including rent from the Chamber and the Guild, is budgeted at \$193,000. The Town expects Visit Addison to complement the shops and drive traffic to the Village on the Parkway retail complex in which it is located.

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

Immediate (1 to 12 months)

Belt Line Road Streetscape – 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. Street lights, median landscaping, bus stops and other amenities are expected to be completed in 2012.

Railroad Crossing Improvements – The Cotton Belt railroad line carries freight through the North Dallas area. Federal law requires train engineers to blow their horns when approaching street crossings. The noise is disruptive to the residents and office workers residing in Sectors 2 and 5. The project would improve the crossings to add signal arms that would totally block automobile traffic from crossing the tracks. The improvements would allow engineers to refrain from blowing the engine horns. The project is expected to cost \$426,000 and would be paid from DART Local Assistance Program/Congestion Management System (LAP/CMS) grants and surplus bond funds. The FY2012 budget for the Street Capital Project Fund includes \$258,500 for this project. The Town is in the process of obtaining state grants to further supplement the funding.

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.

Sector Community Issues

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 all of the Dallas central business district. DART has included the project in its long-term 2030 capital plan. Addison staff will work to ensure the project is high on the agency’s priority list. The Town is currently pursuing an Innovative Financing Initiative from NCTCOG to finance the project’s design and engineering costs.

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.

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

Redding Trail Extension – This project extends the Redding Trail south using an Oncor electric utility right-of-way that runs between Greenhill School and the DISD Loos Field athletic complex. This trail is part of a complete hike/bike trail system that runs from the Cotton Belt railroad line right-of-way and continues south through the Vitruvian Park development and connects to the Brookhaven College campus. The \$1.5 million extension was completed in September 2011. New landscaping and irrigation with annual operating costs of \$63,200 was installed along the trail and at the new six-acre George H.W. Bush Elementary School.

Immediate (1 to 12 months)

Vitruvian Park Public Improvements Program Phase I – This area, once referred to as the Brookhaven Club area, was comprised of several older apartment complexes and had some of the Town’s oldest public infrastructure. A major redevelopment of the area began in 2009. A 12-acre creekside park, two vehicular bridges, and one pedestrian bridge are nearing completion at a total cost of \$16.25 million. Operating costs including utilities and park maintenance are expected to total \$90,000 per year and are included in the FY2012 budget.

Spring Valley Road/Vitruvian Way Intersection Improvements – Intersection improvements at Spring Valley Road including road widening and upgraded signalization are nearing completion at a cost of \$3.3 million. A trailhead connecting the Redding Trail with Vitruvian Park and the Brookhaven College campus will be a part of the Spring Valley Road improvement project.

Intermediate (13 to 36 months)

Elevated Storage Tank – To ensure adequate water pressure is provided to all areas of the community, consulting engineers have recommended the Town build a second elevated water storage tank. The tank will have a capacity of 1.5 million gallons with an overflow elevation of 777 feet and will

be located on Arapaho Road across from the existing Surveyor ground storage tank. The total construction budget is \$5.7 million and is 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 with construction beginning in FY2011 and scheduled for completion in FY2013. Once completed, 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.

Greenhaven Village Water Line Improvements – This project consists of replacing an eight-inch cast iron water main with a new PVC line that serves a retail development and will be connected to the Vitruvian Park water lines. The total budget for the project is \$525,000 and is scheduled for engineering and construction during the 2013 fiscal year. The project is expected to save an estimated \$5,000 a year in unaccounted for water loss and repair of leaks.

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, two parks, and a soccer field. The total debt issued for this phase is scheduled for \$16 million and is included in the General Fund long-term financial plan in FY2013.

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 is scheduled to begin 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 \$39 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.

George H. W. Bush Elementary School – The Town worked with DISD to build a Kindergarten through Fifth Grade elementary school on DISD's Loos Field athletic complex site, which is the district's first public school located in Addison. The school opened in August 2011. The school was made possible by the successful passage of the district's 2008 \$1.35 billion bond election and was built to be energy efficient. The Town participated in the design of outdoor areas that include two playgrounds, a learning garden, soccer/open play fields, and an outdoor amphitheater. The Town has contracted with the district to maintain these outdoor areas at the same high-quality levels of other Town parks.

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

Runway and Taxiway Improvements – This project totally resurfaced the runway and removed the existing ditch at the northwest end of the airport from the safety area. The project also added lighting, signage, and a Precision Approach Path Indicator (a visual navigational aid). The \$11.6 million project was completed under budget and on time in August 2011.

Immediate (1 to 12 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 to FY2012. The project will not have a material impact on operating expenditures.

Taxiway Alpha – This project includes engineering, design, and reconstruction of Taxiway Alpha, the west 800 feet of Taxiway Tango, and the completion of the fuel farm west ramp. The estimated cost for the engineering and design phase is \$729,000. The reconstruction is scheduled for FY2012 at a cost of \$4.6 million.

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 Town's cost of the system is budgeted at \$15,000.

Intermediate (13 to 36 months)

Taxiway Tango – The total reconstruction and resurfacing of half of Taxiway Tango is scheduled for completion in FY2012 and the other half to be completed in FY2013 at a cost of \$2.9 million.

Engineered Materials Arrestor System (EMAS) – An EMAS is intended to stop aircraft that overshoot a runway when there is insufficient space for a standard runway safety area. A feasibility study was conducted in FY2011 and will be continued in FY2012 at a cost of \$100,000 to determine if an EMAS can and should be installed at the airport. If the study concludes that an installation of an EMAS system should be performed, the project will be scheduled for completion in FY2013 at an estimated cost of \$6 million.

Perimeter Security and Access Control System – Enhancements to the security of the airport including a system of gates and access controls are included in this project at an estimated cost of \$400,000.

Master Plan Update – This project will include a design and compilation of various strategic objectives for the airport. \$50,000 is budgeted for the project in FY2013.

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 2013 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 and would save approximately \$5,000 annually in water lost through leaks.

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

Several private redevelopment projects were completed at the airport during the 2010 fiscal year. A growing aircraft management and fractional ownership service provider acquired the ground lease interests at 15841 Addison Road and invested at least \$500,000 in various capital and building improvements on the property. PlaneSmart! Aviation opened their new facility in May 2010. The company holds a five-year option to lease adjacent property to build an 8,000 square foot hangar to allow for further expansion, if needed.

A redevelopment project first agreed to in late 2007, ExecHangar broke ground in February 2010 and commenced construction of its corporate flight department/executive hangar co-operative facility. Phase I is now complete and includes 24,000 square feet of expansive hangar space with a nearly 28-foot high door clearance and office space representing over \$50,000 in additional annual rental and potentially \$3 million in new airport investment.

Million Air, a fixed base operator, broke ground in October 2010 on a new expanded hangar facility scheduled to open in Winter 2011. This new 275,000 square foot hangar, terminal, and ramp will be built at an estimated cost of \$4 million and will increase the company's capacity by nearly 50 percent. In addition to office and storage space, the structure will contain a new 40,000 square foot hangar to house the Million Air managed fleet and will be able to accommodate the new Gulfstream G-650 available in early 2012.

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 FY2010, the Addison Circle development is near build-out. Phase II of the Allegro apartments will take the last available parcel in Addison Circle. The 121-unit apartment project will begin construction in January 2012. 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.

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 is the private Trinity Christian Academy and the newly completed Methodist Hospital for Surgery.

Sector Community Issues

Methodist Hospital for Surgery – Medica Development, LLC completed construction of Phase I of a spine and orthopedic specialty hospital for the partnership of Methodist Health System and Nueterra Healthcare in September 2010. The \$60 million, 32-bed hospital is Phase I of a development plan that will ultimately contain an additional 232-bed hospital and two medical office buildings. Planning is underway on the first medical office building which is comprised of 80,000 square feet. The building will be adjacent to the hospital. The developers are working on pre-leasing the facility and will begin construction as soon as a sufficient number of leases have been signed.



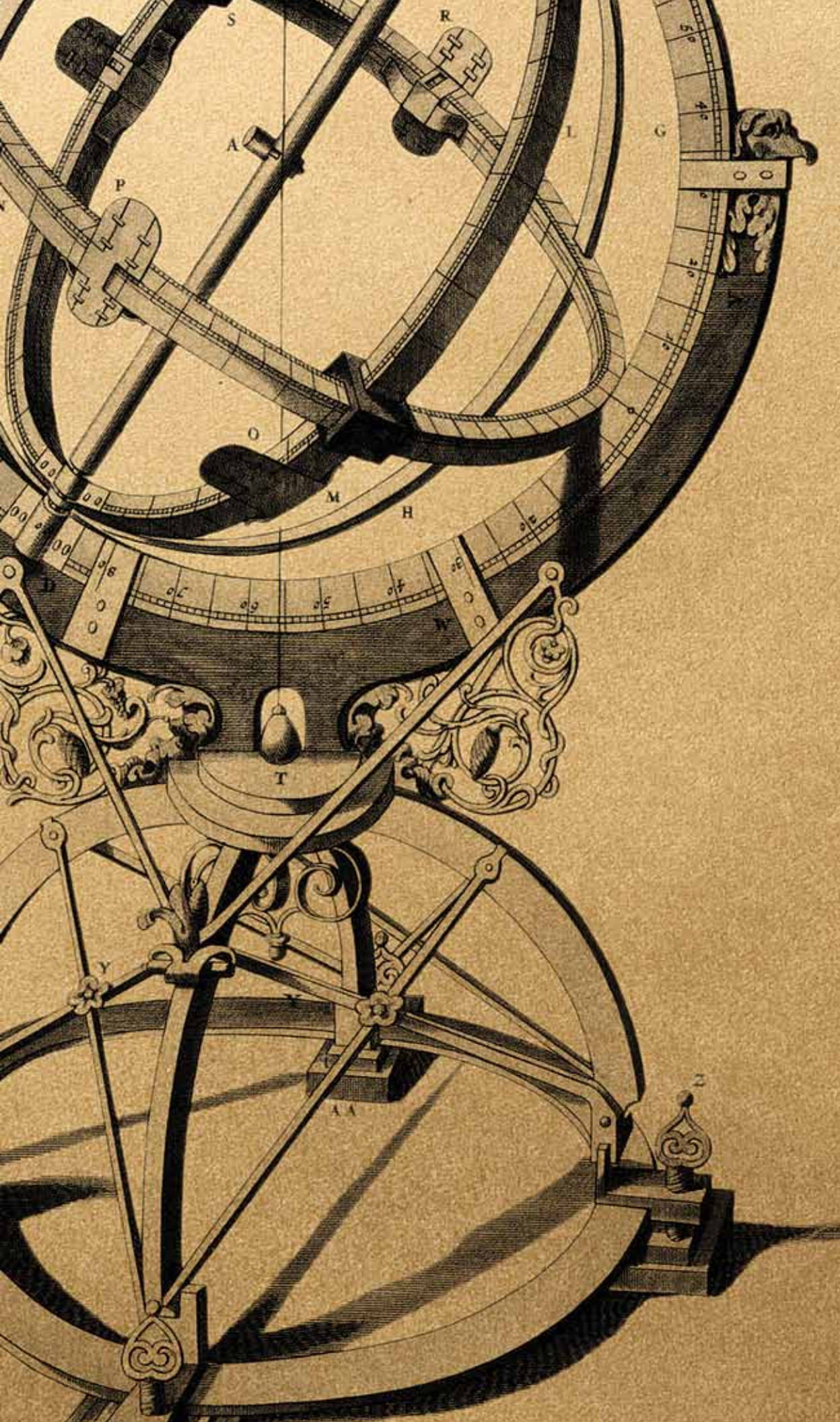
Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Charting New Paths: The Belt Line Road streetscape re-development project is underway and includes ornate street lighting system, street median patterned pavers, and new median landscaping.



Appendix A

The Budget Process

1

May 2011 — 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.

2

June 10 — Budget Requests Submitted and Reviewed

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

3

June 2011 — Work Session with City Manager

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

4

July 20 — Certified Tax Rolls Received

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$3,028,042,600.

5

July 29 — 2011–2012 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 \$62,720,880 and a tax rate of 55.73 cents.

6

August 4 — Effective Tax Rate Published

Upon receipt of the certified appraisal rolls, Financial and Strategic Services performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 55.0795 cents with a rollback rate of 59.4774 cents.

7

August 2011 — Work Session with Council

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

8

August 23 & 30 — Public Hearing Held

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

9

September 13 — Council Adopts the 2011–2012 Budget

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2011 with total appropriations of \$61,773,780 and a tax rate of 58.0 cents.

10

December 2011 — 2011–2012 Budget Document is Published

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

11

June 2012 — Budget is Amended

Typically in June, a work session is conducted to discuss budget amendments. Any budget amendments are adopted by ordinance at a regularly scheduled Council meeting.

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

1. 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 finance-related 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.
3. 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

1. 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.

7. 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 estab-

lished 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 year-end 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.
3. Transfers are permitted from between funds to support economic development programs.

Debt Expenditures

1. 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

1. 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

1. 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

1. 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 to 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.

No merit increases were included in the 2011-2012 budget. However, similar to the previous fiscal year Council approved funding for a 1 percent one-time merit benefit payment to employees. This benefit will not increase the base salaries of employees.

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	41,497	62,224
21-E	44,682	67,023
22-E	48,123	72,163
23-E	51,818	77,727
24-E	55,810	83,694
25-E	60,079	90,150
26-E	64,730	97,073
27-E	69,699	104,528
28-E	75,072	112,576
29-E	80,848	121,241
30-E	87,050	130,585
31-E	93,760	140,630
32-E	100,960	151,461
33-E	108,732	163,099
34-E	117,100	175,650

Police Department

Level	Base Salary	Top Salary
D1	35,746	53,599
P1	44,408	
P2	46,613	68,869
P3	69,659	79,477
P4	77,554	89,753
P5	87,613	99,978
P6	90,000	103,500

Fire Department

Level	Base Salary	Top Salary
F1	43,476	
F2	46,126	63,918
F2a	58,764	67,588
F3	68,403	75,391
F4	73,586	81,099
F5	77,576	101,517
F6	79,130	103,071
FP1	46,082	63,922
FP2	73,549	81,099

Appendix D

Major Revenue Sources

The revenue sources described in this section account for \$45,335,640, or 79.6 percent of the Town's total operating revenues (excluding interfund transfers).

Property Taxes

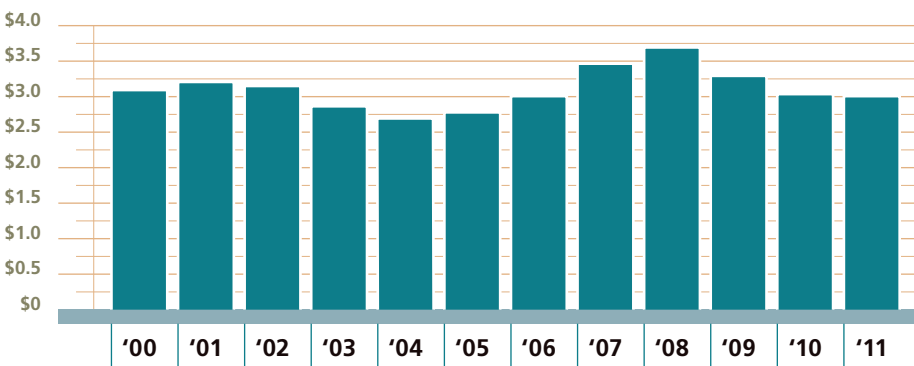
Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The Town's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by 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, 2011, upon which the fiscal year 2012 levy is based, is \$3,028,042,600. This amount is net of \$422,817,942 (representing 14 percent of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. New construction valued at \$95,263,300 is included on the certified roll, of which \$48.8 million is related to the Methodist Hospital for Surgery and \$18.3 million is related to the Vitruvian Park development (both discussed in more detail in the Town Chronicle section). The 2011 tax roll is 1 percent less than the 2010 certified roll and down a total of 19 percent from the 2008 certified roll. The decrease in values is due, in large part, to the downturn in the national economy and reduced commercial values. In 2009 and 2010, the local economy slowed, resulting in lower occupancy rates for both hotels and

office buildings. However, Addison recognizes that the local economy is cyclical and expects to recover as the economy stabilizes and as the Town continues to realize increased values particularly those related to the Vitruvian Park development.

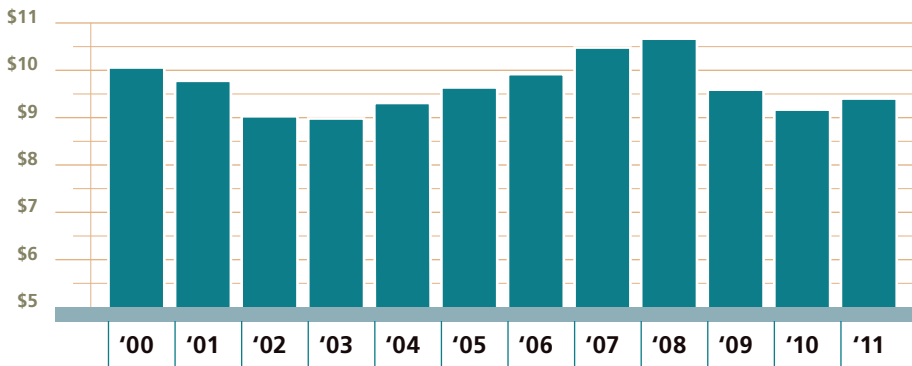
The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ending September 30, 2012 is 58.00¢ per \$100 of valuation, of which 38.19¢ is allocated for general government operation and maintenance and 19.81¢ is allocated for retirement of general obligation long-term debt. Of the 38.19¢ allocated for operations and maintenance, 1.85¢ 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

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



Sales Tax Revenue (in millions)



bonds and other contractual obligations, adjusted for new improvements, exceeds the rate 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 “roll-back rate.” The FY2012 tax rate adopted by the Town is less than the calculated 59.4774¢ 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, 2012 are estimated to be 98 percent of the levy and will generate \$17,211,400 in revenues. Delinquent taxes and penalties are expected to produce an additional \$45,700.

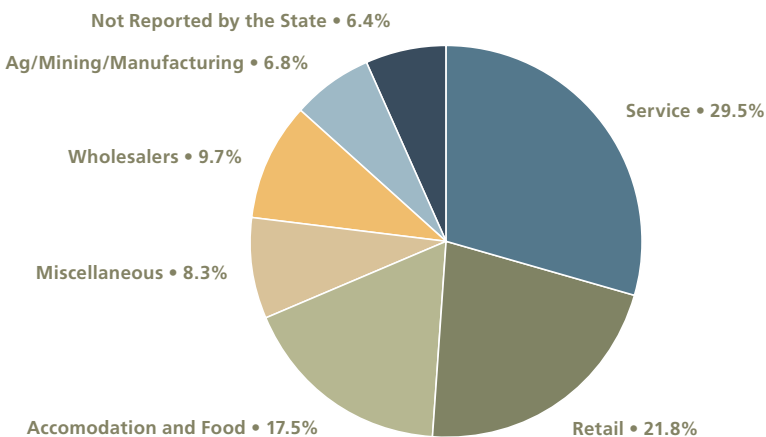
Sales Tax

The sales tax in Addison is 8.25 percent of goods or services sold within the Town’s

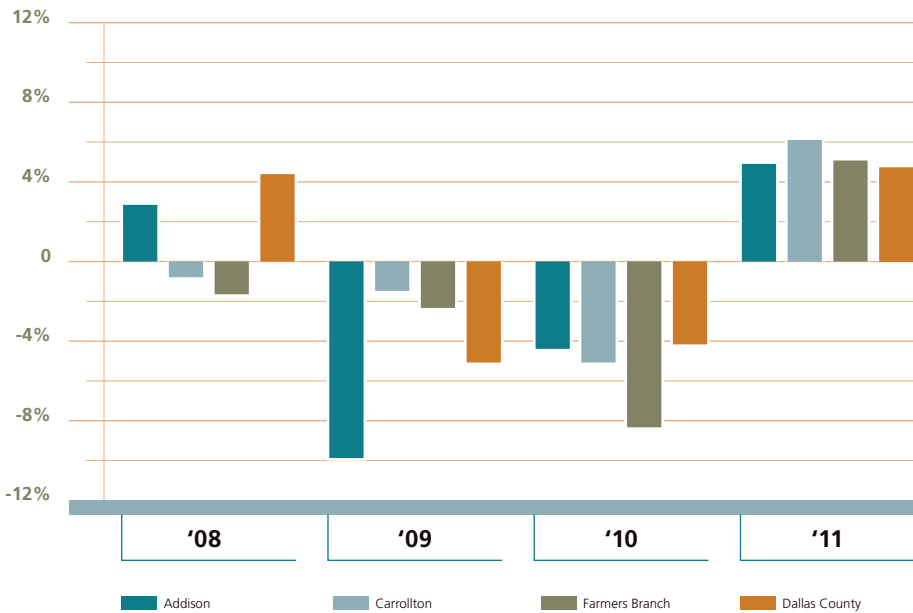
boundaries. The tax is collected by businesses making the sale and is remitted to the State’s Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25 percent tax, the State retains 6.25 percent and distributes 1 percent to the Town of Addison and 1 percent to the 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, 2012, the Town of Addison expects to receive \$9,565,340 in sales and use tax revenue. This amount represents a minor increase over the projected FY2011 collections of \$9,430,520 and a 2 percent increase over the FY2010 budget. Monthly collections during FY2011 averaged about 4.9 percent above what was collected in FY2010. Similarly, Dallas County experienced a 4.7 percent increase, and the State experienced a 6.6 percent increase from FY2010. After decreasing in FY2009 and FY2010 due to the national economic decline and recession, sales tax has stabilized during the last fiscal year but

Breakdown of FY 2011 Sales Tax by Economic Category



Sales Tax Receipts Year-Over-Year Percentage Change



has yet to recover to pre-recession levels. Economic forecasts remain mixed, particularly for the national economy. The Town's General Fund long-term plan projects 3 percent growth in sales tax through the five year horizon.

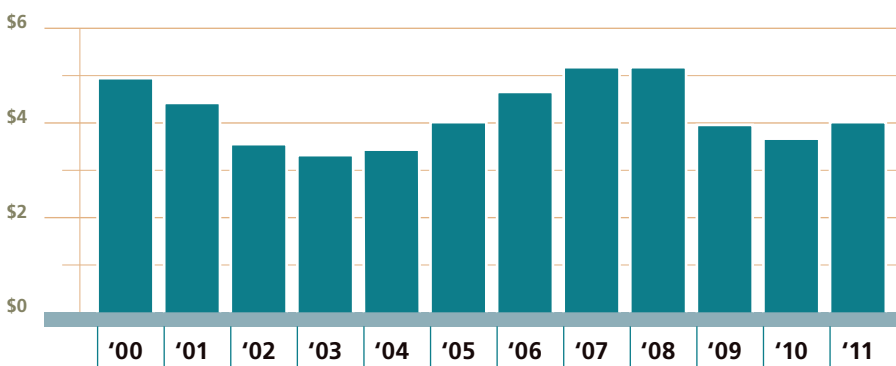
Another sales tax levied by the State is the alcoholic beverage tax which is applied against all mixed drinks and packaged liquor sold in the Town. The tax is 14 percent of the sales price and, like the general sales tax, is collected by the State. The Town's share of the dollar revenues generated by the tax thru FY2011 was 10.7143 percent. However amendments during the 82nd Texas Legislature reduced the local percentage by over 2 percent giving a larger portion of revenue to the State. This change significantly impacts a city like Addison which has so many restaurants and hotels. Due to this change the alcoholic beverage tax is expected to

produce \$740,000 for the 2012 fiscal year, a decrease of \$230,990 from the projected FY2011 collections solely due to the legislative change. 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).

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

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	19.9%
Hotel Intercontinental	532	18.7%
Crowne Plaza	429	10.8%
Extended Stay		
Budget Suites	344	0.5%
Hawthorne Suites	70	1.2%
Marriott Residence Inn	150	4.6%
Summerfield Suites	132	2.2%
Homewood Suites	128	4.5%
Springhill Suites	159	4.3%
Business Moderate		
Marriott Courtyard Quorum	176	6.2%
LaQuinta Inn	152	3.2%
Marriott Courtyard Proton	145	4.0%
Holiday Inn Express	102	3.3%
Hilton Garden Inn	96	3.5%
Holiday Inn - Arapaho	101	2.4%
Best Western	86	0.4%
Economy		
Motel 6	126	1.8%
Hampton Inn	159	4.7%
Quality Inn	115	1.1%
Comfort Suites	78	1.5%
Super 8	78	0.8%
Best Value	60	0.4%
TOTAL	3,953	100.0%

30 consecutive days are exempt from paying the tax.

Due to the national economic downturn, hotel occupancy taxes declined nearly 30 percent between FY2008 and FY 2010. The decline in hotel occupancy taxes showed a bottoming out in FY2010 and began to show significant gains in FY2011. Led by strong numbers from Super Bowl XLV room nights in February 2011, year-over-year growth for hotel tax receipts was nearly 10 percent, and receipts are estimated at \$4,000,000 for FY2011. For the year ending September 30, 2012, the Town expects occupancy taxes to show modest growth at \$4,100,000. Addison's collection of hotel occupancy tax ranks it

in the top 20 in the State in 2011, ahead of cities like Richardson with a population of 99,233 (2010 Census).

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 FY2012.

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) **\$1.05**

Category 2

(Non-residential or business lines) **\$2.54**

Category 3

(Point-to-point or dedicated lines) **\$5.04**

The FY2012 budget anticipates \$650,000 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.

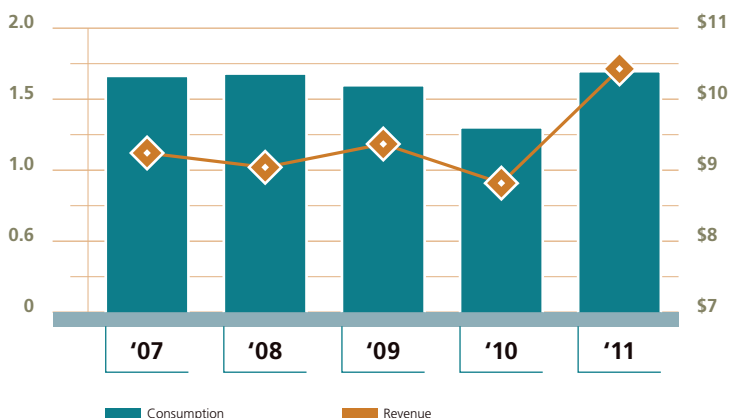
Other franchise fees paid to Addison include gas, cable, and street rental fees. For FY2012 cable franchise fees are budgeted at \$225,000. In 2011 the cable franchise structure changed in Texas where cable companies will now begin reporting under a state cable franchise agreement rather than individual local agreements. The transition should have little financial impact, as cable companies will still remit 5 percent of their gross receipts. Gas franchise fees for FY2012 are budgeted at \$215,000, 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 stream.

For FY2012, the Town Council approved a 5 percent increase in water and sewer rates in order to support increased operating expenses, debt service associated with capital projects of previous years, and

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



Utility Accounts and Revenues by User Type

FY2010-2011 Customer Classification	Water		Sewer	
	Number of Accounts	Percent of Revenues	Number of Accounts	Percent of Revenues
Single Family	1,710	12.6%	1,701	14.3%
Multi-Family	131	11.9%	129	30.5%
Municipal/School	29	0.6%	27	1.3%
Irrigation	619	50.2%	-	0.0%
Hotel/Motel	31	6.0%	30	10.7%
Commercial	652	16.8%	638	42.8%
Fire Meter	329	1.7%	-	0.0%
Industrial	11	0.2%	11	0.4%
TOTAL	3,512	100.0%	2,536	100.0%

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 bill of \$10.56 for water which includes 2,000 gallons. At the other end of the scale, a commercial customer with a meter greater than two inches in size pays a minimum bill of \$90.36 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 exceptions to this rule are 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 which consumes 10,000 gallons is \$72.72.

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 \$4.57 per 1,000 gallons compared to the base water rate of \$2.28 per 1,000 gallons.

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 FY2011. For the 2011-2012 budget year, the Town's Utility Fund anticipates receiving \$6,019,700 from the sale of water and \$4,725,000 from sewer fees. The total utility fees represent a 5 percent increase over the previous year's budget due to the rate increase.

Intergovernmental Revenue

The Town continues to seek various intergovernmental revenue opportunities and created several separate funds to track these revenues and their related expenditures as part of the FY 2011 budget. The Town budgeted \$2,760,000 in intergovernmental revenue in FY2011, a nearly 125 percent increase over what was received in FY 2010. Much of the increase was attributed to capital project grants for the Vitruvian Park development and the Spring Valley intersection improvement.

In FY2012 intergovernmental revenue is budgeted at \$248,000. This includes \$198,000 for public safety initiatives and \$50,000 from TxDOT for minor maintenance projects at Addison Airport.

Appendix E

Long-Term Financial Plans

Narrative

In accordance with the Town's financial policies, the 2011-2012 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 years, the adopted "base year" budget for fiscal year 2012, 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 150,000.¹ By capping operating expenditures, 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 2012 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 tepid with general tax revenues expected to increase only 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 FY2011. The 2011-2012 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 3.2 percent from fiscal year 2010 to the estimated 2011 total. The FY2012 budget assumes a 1 percent growth in sales tax. Because of reduced remittance of alcoholic beverage tax from the State of Texas that tax is projected to decline \$231,000. The projected years of 2013 through 2016 assume modest 3 percent annual increases.
2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2011 (used for the 2012 levy) declined 1 percent, the third consecutive year of declining values. From FY2009 through FY2011, values have declined a cumulative 18.7 percent. The decline is attributed to the supply of office and commercial space exceeding demand, dampening leasing rates, and leading to reduced market values of the properties. The tax rate established for the 2012 fiscal year is 58 cents per \$100 assessed values, a nickel increase from the 53 cents from the previous year. The increased rate provided an additional \$457,580 for debt service, as well as an additional \$976,320 for maintenance and operation functions. Of this incremental amount, \$550,440 is directed to the Economic Development Fund and \$425,880 for General Fund activities. The General Fund long-term plan assumes 3 percent average increase of appraised values from fiscal year 2013 to 2016, plus an average \$80 million of new construction each year.

3. All other revenues during the planning horizon are expected to increase a modest 2 percent per year.
4. More than two-thirds of the General Fund's expenditures are associated with employee compensation. The base 2012 year budget for personal services is \$543,350 less than the 2011 budget due a reduced contribution to the state administered pension system. Savings were also gained through the reduction of General Fund staffing by 2.8 FTE. Future years project no increase in compensation, and staffing is scheduled to remain constant at 226.2 FTE.
5. The 2012 budget reflects a \$215,260 increase in appropriations for maintenance projects associated with the Town's parks and facilities. Contractual services are up about \$270,000 primarily as a result of electricity and water needed to serve the expanded Vitruvian Park development.
6. 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. In order to minimize the disparity between revenues and expenditures, the 2012 budget reduced the contributions by \$178,700, or 14 percent. The funding levels to these internal service funds will either have to be restored in the future, the useful lives of equipment will have to be extended, or less expensive replacement equipment will have to be purchased.
7. All operating expenditures for fiscal years 2013 through 2016 are capped at 2012 levels. Any inflationary increase in supplies or contractual services will have to be accommodated through operational efficiencies or reductions to scope of services delivered to the public.
8. For fiscal years 2013 through 2016, revenues are projected to exceed expenditures by an average \$1.4 million. As a result, fund balances gradually increase thru 2016 at which point the \$14.7 million fund balance will represent 53.1 percent of operating expenditures. The excess

amount gives some flexibility to future increases in compensation to employees or expanded city services to the community.

Hotel Fund Long-Term Plan

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. Because of the national recession, hotel occupancy tax declined almost 30 percent from fiscal years 2008 through 2010. However, the tax experienced a modest recovery in 2011, with revenues increasing 9.1 percent over 2010. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the 2012 budget is expected to increase only \$100,000 over estimated 2011 numbers. For the 2013-2016 planning period, revenues from the tax are expected to increase 3.5 percent per year. The inventory of hotel rooms is assumed to remain constant at 3,953.
2. Proceeds from special events in 2011 suffered from inclement weather during two major events. Event revenue is expected to recover in 2012 and is projected to experience 3 percent annual increases for the planning horizon.
3. Rental of the Addison Conference Centre and Theatre is expected to increase 15 percent in fiscal year 2012 due to increases in rental rates. Subsequent years anticipate 3 percent annual increases in rental revenue. The new Visit Addison center is expected to generate \$193,000 its first full year of operation and increase 5 percent annually from fiscal years 2013 through 2016.
4. Operating expenditures are forecasted to be capped at 2012 levels.
5. A major component of the fund is the addition of the Visit Addison visitor and arts center in the Village on the Parkway retail center. During the 2011 fiscal year, the Hotel Fund supported over \$1.5 million for the conversion and lease of approximately 26,000 square feet of vacant retail space. For fiscal years 2012 through 2016, the annual net

operating cost (expenditures less associated income) of the facility is projected to average \$397,450 per year.

6. The fund also reflects an average annual debt service of around \$670,000 for retirement of certificates of obligation that were sold to finance construction of the Arts and Events District.
7. The plan reflects expenditures exceeding revenues through fiscal year 2014 with fund balance shrinking to \$1,230,660 or 18.8 percent of operating expenditures. By capping operating expenditures and recognizing modest increases in revenues over the planning horizon, fund balance is projected to recover and equal 25 percent of operating expenditures by FY2016. 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 fail to recover 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.

1. Operating revenue declined in 2011 because of reduced sale of fuel resulting from restricted flight operations while the runway was rehabilitated. Since the runway construction work is completed, fuel flowage fee revenues are projected to recover and generate \$630,000 in fiscal year 2012. For fiscal years 2013 through 2016, revenue is expected to increase 3 percent per year assuming no rental or fuel fee rate increases during the planning period.
2. Operating expenses for the 2012 budget will be 3 percent greater than the 2011 budget, primarily due to the addition of a Sergeant's position to enhance airport security and enhancements to the airport's information technology infrastructure.² Over the planning horizon, expenses are expected to increase less than 1 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.
4. Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funding.
5. Primarily due to funding capital projects on a pay-as-you-go basis, ending working capital (fund balance for an enterprise fund) is projected to drop to as little as \$576,150 or 15.9 percent of operating expenses in fiscal year 2013. However, working capital is expected to recover to \$1,275,140 in 2016.

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 to avoid issuance of debt until existing debt is retired in fiscal year 2013. Below are other features of the plan.

1. 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 record-setting hot, dry summer, utility operating revenue for 2011 is estimated to be over 18 percent greater than generated in 2010. However, in order to generate the revenue needed to meet the fund's operating, capital and debt service needs for 2012, the 2011-2012 budget includes a 5 percent increase in water and sewer rates based on an assumption of an average year in terms of water volume sold. The long-term plan assumes that for fiscal years 2013 through 2016, 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.

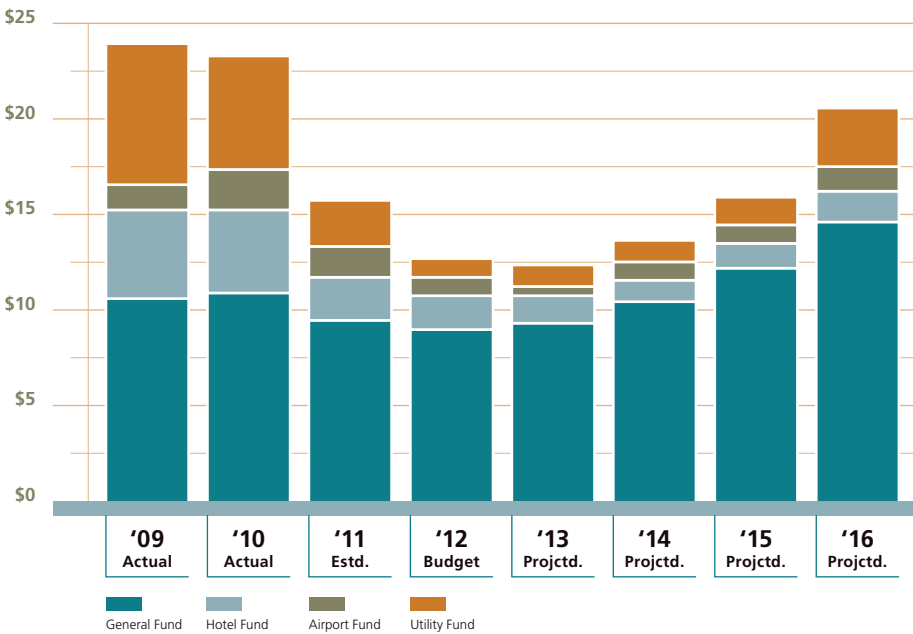
3. From fiscal years 2012 through 2016, net income is expected to average \$2.64 million, which is needed to retire debt principal and fund capital projects.
4. Debt service is scheduled to drop significantly in 2014 due to the retirement of debt that had been issued in the 1990's, which will allow for working capital to recover from \$967,510 in 2012 to over \$3 million in 2016. The long-term plan also projects the sale in 2013 of \$1.6 million in additional debt associated with the second phase of the Vitruvian Park urban development, but the debt service associated with that planned issuance is a fraction of the debt that will be retired in 2013.

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.

1. Please refer to Appendix D, which discusses the Town's major revenues in context of urban populations.
2. For more information related to the airport operating agreements, please refer to the Airport Fund narrative section of this document.

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



General Fund Long-Term Financial Plan

	Actual 2009-2010	Estimated 2010-2011
Beginning Balance	\$10,652,742	\$10,856,750
Revenues		
Ad valorem taxes	10,771,166	10,280,000
Non-property taxes	10,077,839	10,401,510
Franchise fees	2,578,154	2,602,160
Licenses and permits	833,178	1,016,090
Service fees	1,491,528	1,346,150
Fines and penalties	1,158,581	1,039,090
Interest income	60,681	34,580
Rental income	146,821	153,000
Miscellaneous	144,670	92,470
Total Revenues	27,262,618	26,965,050
Expenditures		
Personal services	18,518,647	18,760,620
Supplies	1,182,731	1,218,300
Maintenance	1,808,162	2,023,200
Contractual services	4,509,933	4,542,420
Capital replacement/lease	4,843	1,073,300
Capital outlay	35,556	106,680
Total Expenditures	26,059,872	27,724,520
Net Other Sources (Uses)	(998,737)	(700,000)
ENDING FUND BALANCE	\$10,856,751	\$9,397,280
ENDING BALANCE AS A % OF EXPENDITURES	41.7%	33.9%
Debt Issuance Variables		
Beginning debt outstanding	\$54,671,900	\$50,837,380
Principal retired	3,834,520	3,318,610
Principal issued	-	-
Ending Debt Outstanding	\$50,837,380	\$47,518,770
Tax Rate Variables		
Taxable values (thousands)	\$3,238,051	\$2,985,048
General Fund rate	\$0.3360	\$0.3479
Economic Development Fund rate	\$-	\$-
Debt Service Fund rate	\$0.1600	\$0.1821
Total Tax Rate	\$0.4960	\$0.5300
Staffing Variable		
Full-time equivalent (FTE) positions	234.8	229
Average cost per FTE	\$78,870	\$81,924

	Year 1	Year 2	Year 3	Year 4
Budget 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016
\$9,397,280	\$8,992,390	\$9,315,110	\$10,364,140	\$12,143,660
10,812,470	11,101,820	11,385,130	11,660,520	11,928,200
10,305,340	10,614,500	10,932,900	11,260,900	11,598,700
2,597,000	2,648,900	2,701,900	2,755,900	2,811,000
728,490	743,100	758,000	773,200	788,700
1,408,460	1,436,600	1,465,300	1,494,600	1,524,500
1,143,500	1,166,400	1,189,700	1,213,500	1,237,800
30,000	30,600	31,200	31,800	32,400
153,000	156,100	159,200	162,400	165,600
47,730	48,700	49,700	50,700	51,700
27,225,990	27,946,720	28,673,030	29,403,520	30,138,600
18,460,570	18,460,600	18,460,600	18,460,600	18,460,600
1,276,050	1,276,100	1,276,100	1,276,100	1,276,100
2,132,460	2,132,500	2,132,500	2,132,500	2,132,500
4,670,500	4,670,500	4,670,500	4,670,500	4,670,500
1,084,300	1,084,300	1,084,300	1,084,300	1,084,300
7,000	-	-	-	-
27,630,880	27,624,000	27,624,000	27,624,000	27,624,000
-	-	-	-	-
\$8,992,390	\$9,315,110	\$10,364,140	\$12,143,660	\$14,658,260
32.5%	33.7%	37.5%	44.0%	53.1%
\$47,518,770	\$45,573,570	\$57,396,190	\$53,011,950	\$48,426,860
4,945,200	4,197,380	4,384,240	4,585,090	3,797,190
3,000,000	16,020,000	-	-	-
\$45,573,570	\$57,396,190	\$53,011,950	\$48,426,860	\$44,629,670
\$3,028,043	\$3,198,884	\$3,374,850	\$3,556,096	\$3,742,779
\$0.3634	\$0.3541	\$0.3442	\$0.3346	\$0.3252
\$0.0185	\$0.0175	\$0.0166	\$0.0158	\$0.0150
\$0.1981	\$0.1978	\$0.2086	\$0.1980	\$0.1636
\$0.5800	\$0.5695	\$0.5695	\$0.5484	\$0.5038
226.2	225.7	225.7	225.7	225.7
\$81,612	\$81,793	\$81,793	\$81,793	\$81,793

Hotel Fund Long-Term Financial Plan

	Actual 2009-2010	Estimated 2010-2011
Beginning Balance	\$4,643,100	\$4,430,940
Revenues		
Hotel/motel occupancy taxes (HOT)	3,666,781	4,000,000
Proceeds from special events	1,643,906	1,562,000
Conference Centre rental	475,366	425,000
Other rental	78,020	172,400
Interest and other	35,949	19,150
Total Revenues	5,900,022	6,178,550
Expenditures		
Visitor Services	806,786	1,057,850
Visit Addison	113,376	1,890,870
Marketing	617,637	677,710
Special Events	2,376,493	2,359,950
Conference Centre	963,908	1,027,200
Performing Arts	563,980	546,540
Total Expenditures	5,442,179	7,560,120
Net Other Sources (Uses)	(670,000)	(670,000)
ENDING FUND BALANCE	\$4,430,943	\$2,379,370
ENDING BALANCE AS A % OF EXPENDITURES	81.4%	31.5%
Hotel Tax Occupancy Tax Variables		
Number of rooms	3,953	3,953
Average revenue per room	\$928	\$1,012

	Year 1	Year 2	Year 3	Year 4
Budget 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016
\$2,379,370	\$1,778,390	\$1,389,350	\$1,230,660	\$1,310,230
4,100,000	4,243,500	4,392,020	4,545,740	4,704,840
1,727,000	1,778,810	1,832,170	1,887,140	1,943,750
488,750	503,410	518,510	534,070	550,090
271,000	283,770	297,140	311,150	325,830
15,800	5,000	5,000	5,000	5,000
6,602,550	6,814,490	7,044,840	7,283,100	7,529,510
1,053,700	1,053,700	1,053,700	1,053,700	1,053,700
610,740	610,740	610,740	610,740	610,740
763,910	763,910	763,910	763,910	763,910
2,461,960	2,461,960	2,461,960	2,461,960	2,461,960
1,080,980	1,080,980	1,080,980	1,080,980	1,080,980
562,240	562,240	562,240	562,240	562,240
6,533,530	6,533,530	6,533,530	6,533,530	6,533,530
(670,000)	(670,000)	(670,000)	(670,000)	(670,000)
\$1,778,390	\$1,389,350	\$1,230,660	\$1,310,230	\$1,636,210
27.2%	21.3%	18.8%	20.1%	25.0%
3,953	3,953	3,953	3,953	3,953
\$1,037	\$1,073	\$1,111	\$1,150	\$1,190

Airport Fund

Long-Term Financial Plan

	Actual 2009-2010	Estimated 2010-2011
Beginning Working Capital	\$1,179,004	\$2,124,400
Operating Revenues		
Operating grants	93,465	50,000
Fuel flowage fees	720,825	589,000
Rental	3,430,003	3,453,800
User fees	138,397	57,500
Total Operating Revenues	4,382,690	4,150,300
Operating Expenses		
Town - Personal services	231,795	267,450
Town - Supplies	41,234	17,800
Town - Maintenance	25,890	34,600
Town - Contractual services	590,975	424,400
Grant - Operations and maintenance	91,339	100,000
Operator - Operations and maintenance	1,078,454	1,899,380
Operator - Service contract	944,506	296,800
Total Operating Expenses	3,004,193	3,040,430
Net Operating Income	1,378,497	1,109,870
Non-Operating Revenues (Expenses)		
Interest earnings and other	14,861	30,700
Interest on debt, fiscal fees and other	(135,532)	(125,220)
Net Non-Operating Revenues (Expenses)	(120,671)	(94,520)
Net Income (Excluding Depreciation)	1,257,826	1,015,350
Sources (Uses) of Working Capital		
Retirement of long-term debt	(262,675)	(265,000)
Net additions to fixed assets with grants	(22,717)	(1,242,900)
Other net additions to fixed assets	(27,035)	(29,870)
Net Sources (Uses) of Working Capital	(312,427)	(1,537,770)
ENDING WORKING CAPITAL	\$2,124,403	\$1,601,980
ENDING WORKING CAPITAL AS A % OF EXPENSES	70.7%	52.7%
Uses of Working Capital		
Grant Projects - Capital (Town's Share)		
Automatic weather observation system	\$-	\$-
South runway arresting system	-	10,000
Perimeter access controls and monitoring system	-	-
Master Plan update	-	-
Runway 15/33 overlay and enhancement	22,717	1,160,000
Land acquisition	-	-
Taxiway rehabilitation/drainage	-	72,900
Total	\$22,717	\$1,242,900
Other Projects		
Operating and maintenance equipment	27,035	29,870
Total	\$27,035	\$29,870

	Year 1	Year 2	Year 3	Year 4
Budget 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016
\$1,601,980	\$898,840	\$576,150	\$885,710	\$912,170
50,000	50,000	50,000	50,000	50000
630,000	632,900	651,900	671,500	691600
3,488,020	3,592,660	3,700,440	3,811,450	3925790
35,540	36,610	37,710	38,840	40010
4,203,560	4,312,170	4,440,050	4,571,790	4,707,400
323,730	323,730	323,730	323,730	323,730
62,600	63,850	65,130	66,430	67,760
33,300	34,300	35,330	36,390	37,480
544,670	555,560	566,670	578,000	589,560
100,000	100,000	100,000	100,000	100,000
2,221,430	2,221,430	2,221,430	2,221,430	2,221,430
305,200	318,770	334,760	351,220	368,180
3,590,930	3,617,640	3,647,050	3,677,200	3,708,140
612,630	694,530	793,000	894,590	999,260
31,620	32,570	33,550	34,560	35,600
(115,090)	(103,790)	(91,990)	(79,690)	(66,890)
(83,470)	(71,220)	(58,440)	(45,130)	(31,290)
529,160	623,310	734,560	849,460	967,970
(275,000)	(290,000)	(300,000)	(315,000)	(325,000)
(897,300)	(626,000)	(95,000)	(478,000)	(250,000)
(60,000)	(30,000)	(30,000)	(30,000)	(30,000)
(1,232,300)	(946,000)	(425,000)	(823,000)	(605,000)
\$898,840	\$576,150	\$885,710	\$912,170	\$1,275,140
25.0%	15.9%	24.3%	24.8%	34.4%
\$-	\$15,000	\$-	\$-	\$-
40,000	611,000	-	-	-
40,000	-	-	-	-
-	-	50,000	-	-
-	-	-	-	-
-	-	-	-	250,000
817,300	-	45,000	478,000	-
\$897,300	\$626,000	\$95,000	\$478,000	\$250,000
60,000	30,000	30,000	30,000	30,000
\$60,000	\$30,000	\$30,000	\$30,000	\$30,000

Utility Fund

Long-Term Financial Plan

	Actual 2009-2010	Estimated 2010-2011
Beginning Working Capital	\$7,470,567	\$5,851,220
Operating Revenues		
Water sales	4,758,886	5,880,500
Sewer charges	3,933,498	4,450,000
Tap fees	40,434	7,500
Penalties	73,251	70,000
Total Operating Revenues	8,806,069	10,408,000
Operating Expenses		
Water purchases	2,603,155	2,735,600
Wastewater treatment	1,736,262	1,784,900
Utility operations	2,354,539	2,596,360
Total Operating Expenses	6,693,956	7,116,860
Net Operating Income	2,112,113	3,291,140
Non-Operating Revenues (Expenses)		
Interest earnings and other	(56,460)	43,450
Interest on debt, fiscal fees and other	(683,163)	(525,230)
Net Non-Operating Revenues (Expenses)	(739,623)	(481,780)
Net Income (Excluding Depreciation)	1,372,490	2,809,360
Sources (Uses) of Working Capital		
Net retirement of long-term debt	(2,478,842)	(2,511,390)
Debt issuance	-	-
Net additions to fixed assets	(598,154)	(3,785,000)
Net increase (decrease) to other assets	85,161	-
Net Sources (Uses) of Working Capital	(2,991,835)	(6,296,390)
ENDING WORKING CAPITAL	\$5,851,222	\$2,364,190
ENDING WORKING CAPITAL AS A % OF EXPENSES	87.4%	33.2%
Uses of Working Capital		
Equipment		
Motor vehicles	\$62,315	\$135,000
Computer hardware	-	-
Capital Projects		
Vitruvian area utilities rehabilitation	436,937	-
Spring Valley water main	-	250,000
Greenhaven Village water main	-	-
Belt Line water main replacement	-	-
Surveyor elevated storage tank	98,902	3,400,000
Midway Road water line rehabilitation	-	-
Lake Forest drive water main replacement	-	-
Various sewer rehabilitation projects	-	-
Various storm sewer projects	-	-
Total	\$598,154	\$3,785,000

	Year 1	Year 2	Year 3	Year 4
Budget 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016
\$2,364,190	\$967,510	\$1,151,420	\$1,107,350	\$1,470,940
6,019,700	6,200,300	6,386,300	6,577,900	6775200
4,725,000	4,866,800	5,012,800	5,163,200	5318100
10,000	10,000	10,000	10,000	10000
73,500	70,000	70,000	70,000	70000
10,828,200	11,147,100	11,479,100	11,821,100	12,173,300
2,841,200	3,040,100	3,252,900	3,480,600	3,724,200
2,051,700	2,154,300	2,262,000	2,375,100	2,493,900
2,751,750	2,726,800	2,879,740	3,038,740	3,204,140
7,644,650	7,921,200	8,394,640	8,894,440	9,422,240
3,183,550	3,225,900	3,084,460	2,926,660	2,751,060
(35,600)	9,700	11,500	11,100	14,700
(459,830)	(435,130)	(374,710)	(361,400)	(347,450)
(495,430)	(425,430)	(363,210)	(350,300)	(332,750)
2,688,120	2,800,470	2,721,250	2,576,360	2,418,310
(2,754,800)	(2,939,560)	(316,320)	(331,770)	(347,380)
1,000,000	1,639,000	-	-	-
(2,330,000)	(1,316,000)	(2,449,000)	(1,881,000)	(500,000)
-	-	-	-	-
(4,084,800)	(2,616,560)	(2,765,320)	(2,212,770)	(847,380)
\$967,510	\$1,151,420	\$1,107,350	\$1,470,940	\$3,041,870
12.7%	14.5%	13.2%	16.5%	32.3%
\$50,000	\$75,000	\$132,000	\$85,000	\$-
-	-	-	-	-
-	450,000	468,000	771,000	-
-	-	-	-	-
-	525,000	-	-	-
-	-	595,000	-	-
2,280,000	-	-	-	-
-	-	610,000	-	-
-	-	-	350,000	-
-	266,000	144,000	175,000	-
-	-	500,000	500,000	500,000
\$2,330,000	\$1,316,000	\$2,449,000	\$1,881,000	\$500,000

Appendix F

Capital Projects Summary

	Estimated 2010-2011
Advanced Funding Grant Fund	
George H.W. Bush Elementary School Landscaping	\$241,320
Spring Valley Road/Vitruvian Way Intersection Improvements	1,312,960
Reimbursement Grant Fund	
Redding Trail Extension	106,220
Vitruvian Park Public Infrastructure	1,700,000
Spring Valley Road/Vitruvian Way Intersection Improvements	193,780
Street Capital Project Fund	
Street and Lighting Improvement Projects	-
Ashton Woods Development Streets	-
Railroad Improvements/Quiet Zones	-
Keller Springs Road/Addison Road Intersection	211,990
Parks Capital Project Fund	
Redding Trail Extension	112,880
George H.W. Bush Elementary School Landscaping	73,810
2002 Capital Project Fund*	
Belt Line Road Streetscape	1,541,310
2004 Capital Project Fund*	
Belt Line Road Streetscape	186,710
Undesignated Street Projects	-
2006 Capital Project Fund*	
Undesignated Residential Lighting Projects	-
2008 Capital Project Fund	
Vitruvian Park Public Infrastructure	10,942,310
Spring Valley Road/Vitruvian Way Intersection Improvements	1,629,930
Undesignated Parks or Street Projects	-
Future Capital Project Funds*	
Belt Line Road Streetscape and Interchange	-
Airport Fund	
Runway 15/33 Overlay and Enhancement (Local Share)	1,160,000
Taxiway Rehabilitation (Local Share)	72,900
Utility Fund	
Vitruvian Park Area Utilities Rehabilitation	-
Surveyor Elevated Storage Tank	3,400,000
Spring Valley Water Main	250,000
Greenhaven Village Water Main	-
Belt Line Water Main	-
Midway Water Line Rehabilitation	-
Lake Forest Water Main	-
Various Sewer Rehabilitation Projects	-
Various Stormwater Projects	-
TOTAL CAPITAL PROJECTS	\$23,136,120

Note: Detailed information regarding each project can be found in the Town Chronicle section of this document.
 * Asterisked capital project funds are related to the \$48,025,000 bond package approved by voters in 2000.

Budgeted 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016
\$-	\$-	\$-	\$-	\$-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
260,900	-	-	-	-
258,500	-	-	-	-
300,000	-	-	-	-
-	-	-	-	-
142,510	-	-	-	-
-	-	-	-	-
-	-	-	-	-
165,110	-	-	-	-
-	89,360	-	-	-
180,000	-	-	-	-
706,390	-	-	-	-
-	-	-	-	-
-	2,186,320	-	-	-
3,000,000	-	-	7,825,000	-
-	611,000	-	-	-
817,300	-	45,000	478,000	-
-	450,000	468,000	771,000	-
2,280,000	-	-	-	-
-	-	-	-	-
-	525,000	-	-	-
-	-	595,000	-	-
-	-	610,000	-	-
-	-	-	350,000	-
-	266,000	144,000	175,000	-
-	-	500,000	500,000	-
\$8,110,710	\$4,127,680	\$2,362,000	\$10,099,000	\$-

Our Course is Charted to be a Best Product City

Our Navigational Strategy is Efficiency and Effectiveness in Governance

Our Compass Points Towards Excellence in Service Delivery



Finding Latitude: Addison is known for its special events, and this year was no exception. Oktoberfest attendance was up 30 percent over last year, hosting approximately 70,000 people in 2011!



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 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.

N

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.

T

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.

Appendix H Organization Charts

City Manager



Chief Financial Officer

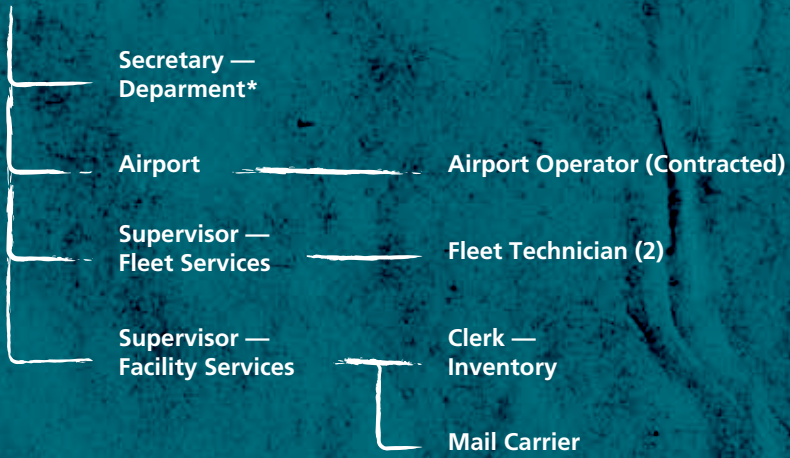


Director — Special Events



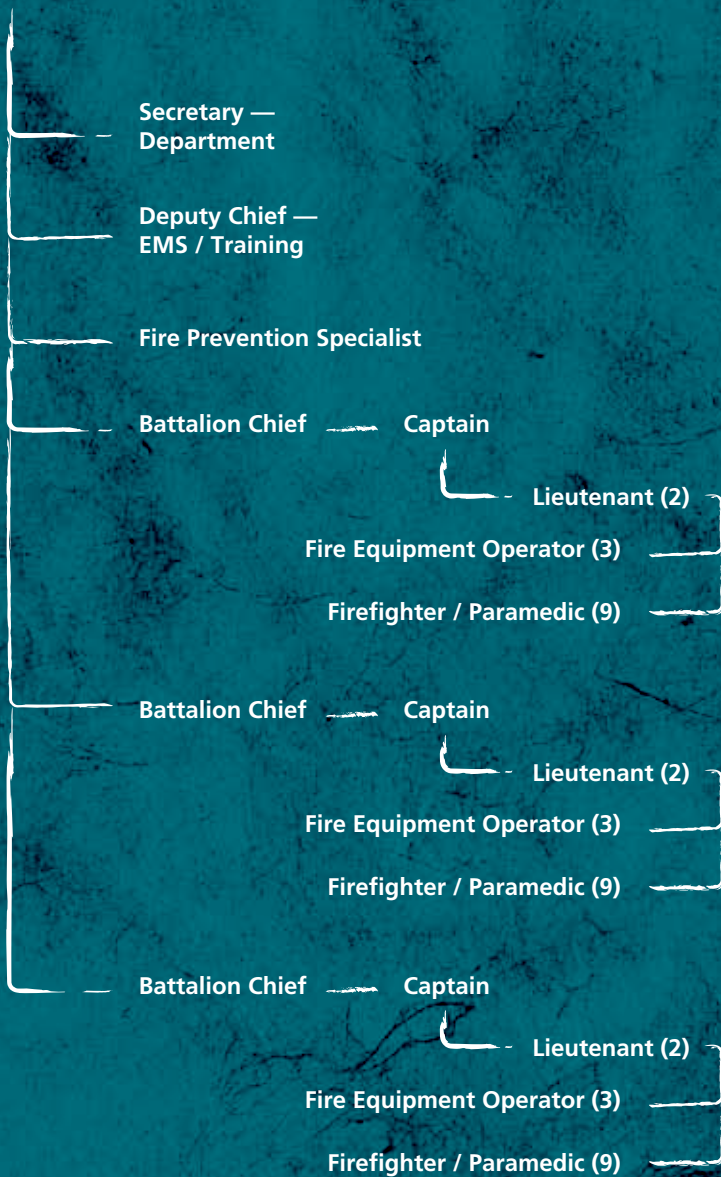
**Position shared with the Parks / Recreation department*

Director —
General Services

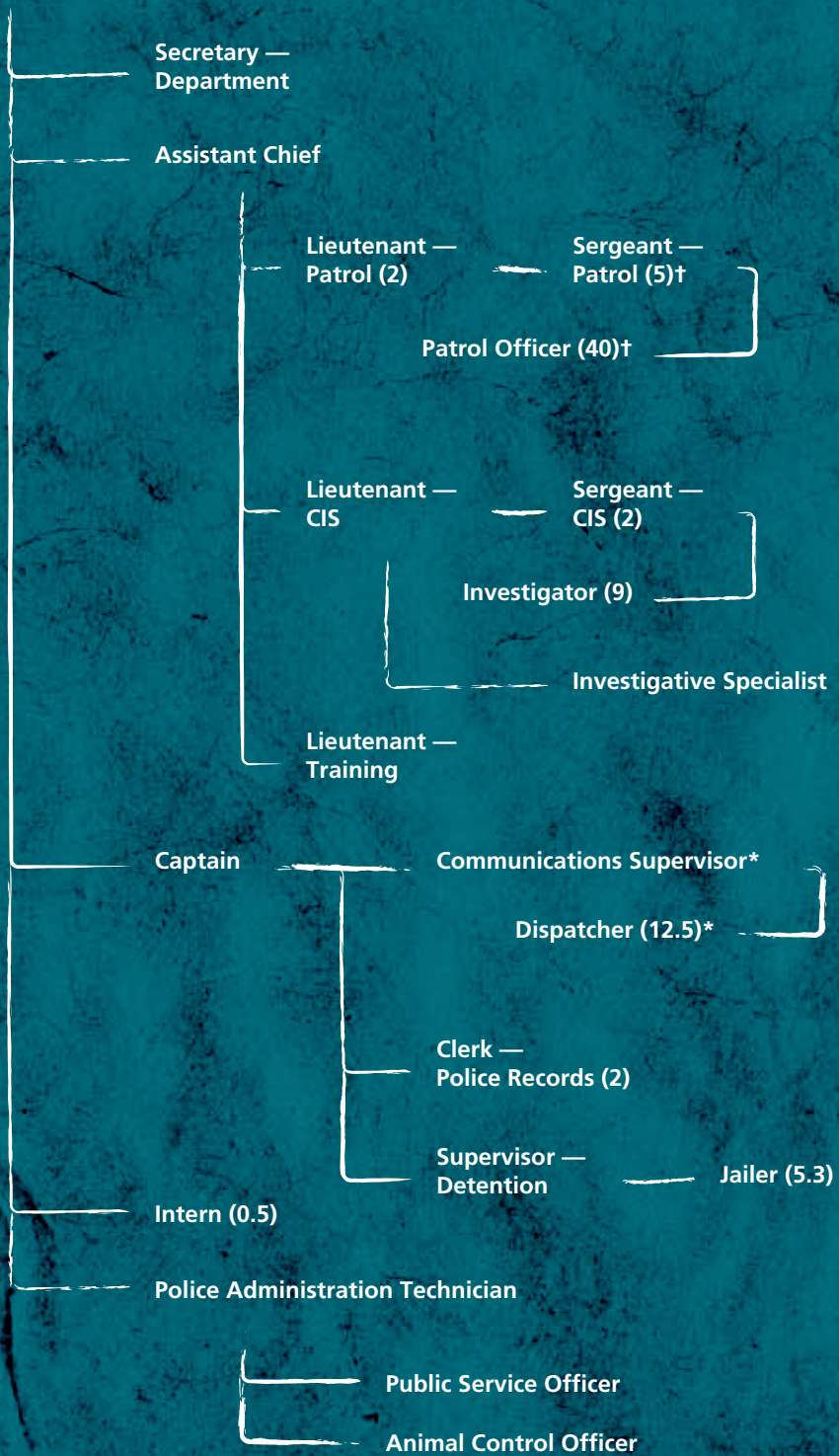


**Position shared with the Information Technology department*

Fire Chief

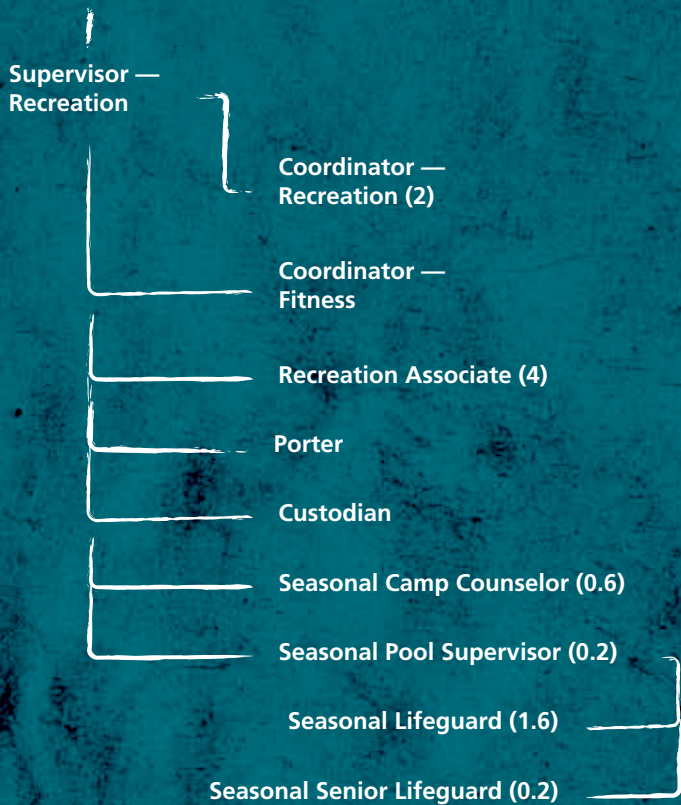
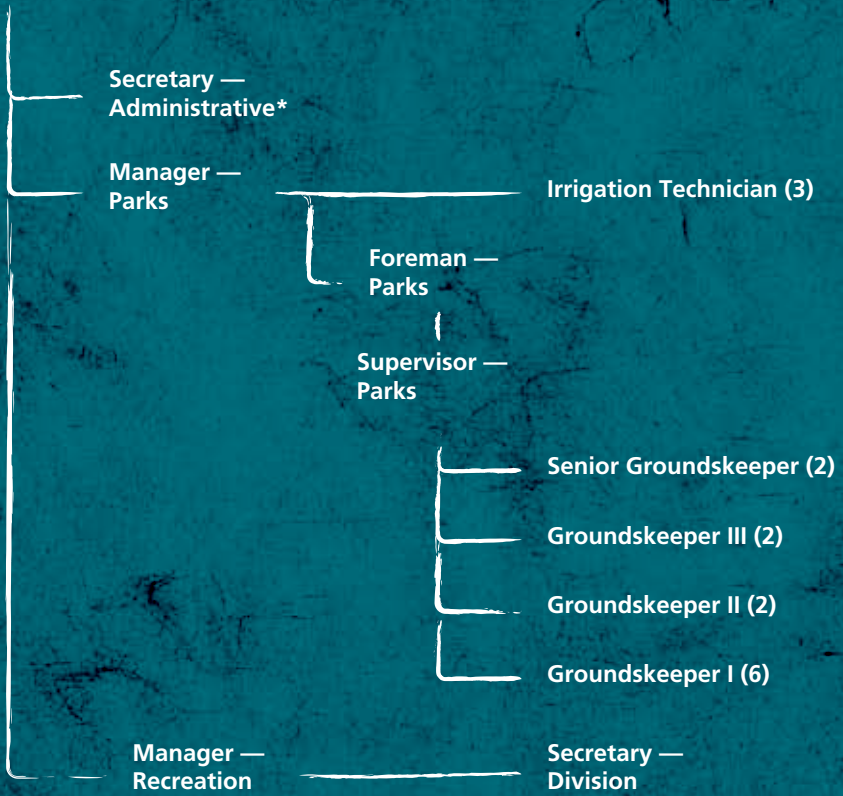


Police Chief



* Positions are reflected in the Emergency Communications Department
† One Sergeant and two Patrol Officers are reflected in the Airport Fund

Director —
Parks / Recreation



* Position shared with the Special Events department

Director —
Visitor Services



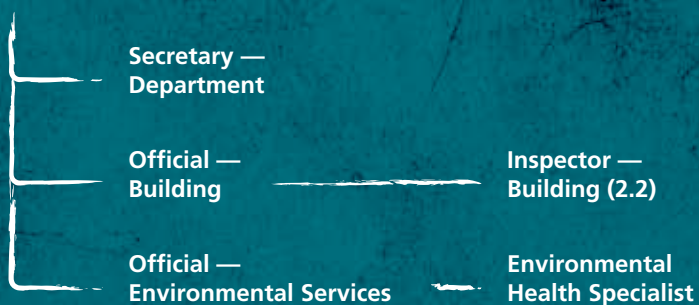
Administrator —
Court



Director —
Human Resources



Director —
Development Services

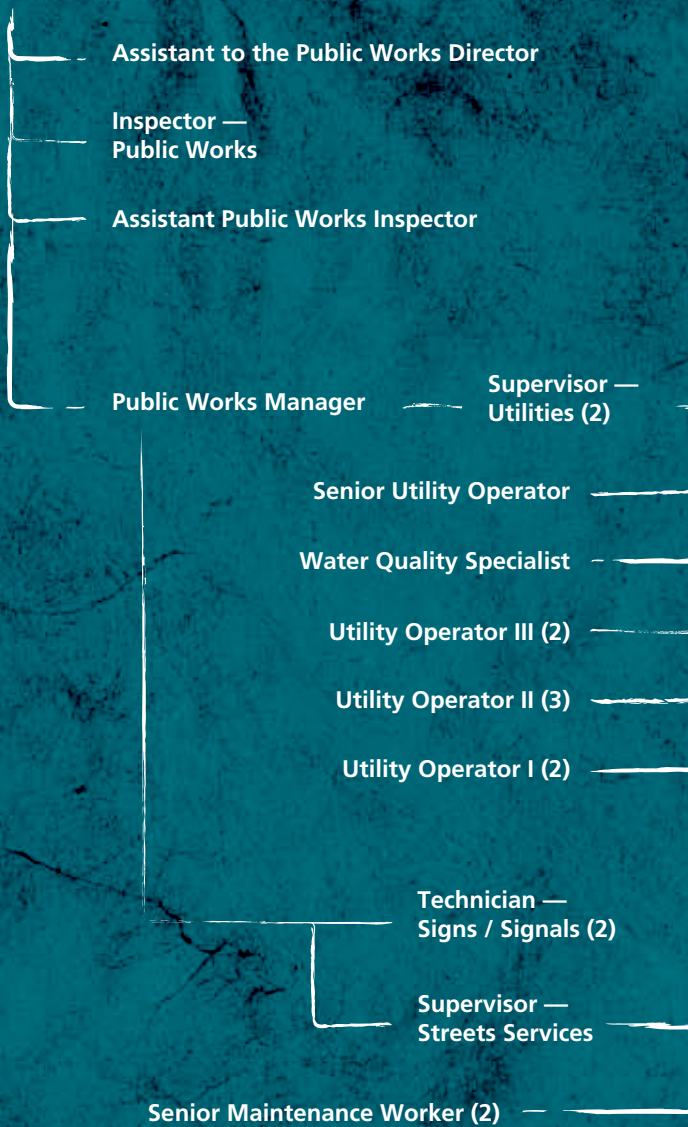


Director —
Information Technology



* Position shared with General Services department

Deputy City Manager /
Director — Public Works



Our Course is Charted to be a Best Product City

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Our Compass Points Towards Excellence in Service Delivery



Raise the Sails: Now open is Addison's newest park — Vitruvian — a park designed around sustainable urban living. It boasts a 12-acre greenway featuring a quarter mile of lighted trails along a spring-fed creek, an amphitheater for outdoor performances, an esplanade, and waterfalls and large grotto fountain. The red Ponte Drive bridge serves as a distinct sculptural park feature, similar to our Blueprints sculpture in Addison Circle.



Taunton Point

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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, 2009. 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, 2009. 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.

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	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
Public Works	Lea Dunn, Deputy City Manger	(972) 450-7037
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	Vinson & Elkins – Ben Brooks	(214) 220-7700
City Attorney	Cowles & Thompson – John Hill	(214) 672-2170
Financial Advisors	First Southwest, Co. – David Medanich	(817) 332-9710
Risk Management	RWL & Associates – Bob Lazarus	(972) 907-9095



Addison!

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PAGE IS SPINE

TOWN OF ADDISON, TEXAS ANNUAL BUDGET 2011/2012