

Fresh Beginnings



2014-2015 TOWN OF ADDISON, TEXAS BUDGET BOOK





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How To Read This Document

Welcome!

Welcome to the published Town of Addison budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015. 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 2014-2015 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the Town is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed written and graphically.

Budget Format

The document is divided into four major sections: Introduction, Financial/Operational, Town Chronicle, and Appendices. The Introduction section contains the City Manager's letter which is addressed to the City Council and explains the major policies and issues which impacted the development of the 2015 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 2014-2015 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 2012-2013 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2013-2014 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2013-2014 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2014-2015 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the Town's organization. Each department is presented with its mission statement, a listing of the department's accomplishments for the previous fiscal year, and operational objectives for the 2015 fiscal year. Selected service levels for each department are presented graphically. Actual prior year data and estimated fiscal year 2014 data is used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

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

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

LETTER TO THE MAYOR AND COUNCIL

The Honorable Mayor and City Council,

Adopting the annual Town budget represents the City Council's most important work. The budget articulates priorities and policies that are considered the most critical for the Town. It is a series of decisions designed to continue the Town's reputation as an attractive place to work, play and live.

Last year was a great year for Addison. The local economy once again saw many gains which resulted in higher occupancy rates in our commercial areas, increased hotel bookings, and additional sales for our retailers and restaurants. The Town enjoyed a nine percent increase in property values and an increase in sales tax revenues of eleven percent. The Village on the Parkway redevelopment hit a major milestone with the completion of the parking garage that will provide parking for the many new restaurants and retail offerings opening in the center. Another exciting development was the opening of the Addison TreeHouse; a collaborative effort involving the Dallas Entrepreneur Center, Baylor University's Accelerated Ventures Program, and the North Texas Small Business Development Center. The Addison TreeHouse creates an entrepreneurial eco-system to connect individuals with resources that companies need in order to be successful. In the short time open, the Treehouse has been extremely successful. Additional development has continued across the Town. Several new owner-occupied town homes and condominium units were completed as part of the Meridian Square development. Twenty new restaurants opened in new or existing restaurant spaces, and over \$66 million in commercial improvement projects were permitted in Fiscal Year 2013-14. These activities grow the Town's revenue base which, in turn, allows the Town to maintain the high level of service to the community and continue investing in the future.

This budget represents a fiscal program aimed at building for such a future, and is based on specific initiatives identified as priorities by the City Council, including the following: framing compensation in the context of the adopted City Council philosophy; implementing a plan for improved road replacement, maintenance

and rehabilitation; creating a financial mechanism to move faster on needed infrastructure improvements and act on opportunities in a more strategic manner; continuing to promote fiscal transparency; and rebalancing and "right-sizing" staffing.

These initiatives and the Council's desired outcomes for each were instrumental in the development of the FY15 budget and subsequent long term plan. Furthermore, these budget initiatives are strategic actions aimed at fulfilling Council's primary goals of creating raving fans of the "Addison Experience," practicing mindful stewardship of Town resources, maintaining and enhancing our unique culture of creativity and innovation, and continuing to find ways to celebrate our diversity as a Town.

Compensation:

Prior to budget development, Council and staff spent considerable time discussing a proposed compensation philosophy. The goal was to accomplish three objectives: (1) define the Town's competitive market—those cities the Town competes with to recruit top talent; (2) determine the Town's market position regarding salaries; and (3) articulate how employees will move through salary ranges. As a result of those deliberations, Council reaffirmed the current compensation philosophy statement and expanded the statement, found in Appendix C.

Based on that philosophy, \$514,313 was allocated for market adjustments for positions the Town continues to have issues hiring and retaining; and \$705,500 was allocated for merit increases (between two and five percent), depending on job performance.

Infrastructure Investment Fund

In keeping with Council's priority of investing in the future, this budget contains the foundation for an exciting new approach to funding the Town's aging infrastructure: the Infrastructure Investment Fund (IIF). The IIF will enable the Town to reduce its reliance on debt by dedicating resources to capital related projects. The new Fund is seeded by a one-time transfer of \$4,000,000 from the General Fund and is supported by

.0062 cents of the Town's Maintenance and Operations (M&O) tax rate. Not only will this Fund begin to reduce reliance on bonded debt, it will also enable Council to act on opportunities in a more timely and strategic manner.

Financial Audit:

While the IIF fortifies the Town's financial position, a review of the Town's accounting and finance functions, undertaken at the Council's direction, strengthens the Town's public trust by increasing fiscal transparency. Utilizing the COSO framework, the study reviewed the Town's internal controls and made a number of recommendations based on that framework and best practices. As a result, a number of recommendations, including the need to hire additional staff, were addressed in this budget.

Rebalancing and "right-sizing" staffing

During budget deliberations, Council articulated a priority of rebalancing and right-sizing the staff. To that end, certain areas within the Hotel Fund were reorganized to increase efficiency and effectiveness. Specifically, the Visitor Services department has been eliminated. The hotel liaison and programmatic efforts formerly housed in the Visitors Services Department have been moved to a reconstituted Economic Development and Tourism (EDT) department. In addition to these staffing changes, personnel supported by the Hotel Fund have implemented a series of cost-cutting measures. These budgetary efficiencies along with an increase in hotel occupancy taxes substantially improve the overall health of this fund. Accordingly, the Hotel Fund is expected to realize, after expenditures, an estimated fund balance at the end of FY14-15 that is well above the 25 percent specified by the Town's financial policies.

Finally after much study and review, the implementation of a joint dispatch center involving the cities of Carrollton, Farmers Branch and Coppell was begun this year and is scheduled to be completed by the fourth quarter of 2015. This new center will allow the Town to benefit from shared emergency services of neighboring cities. As part of this project, there will be costs associated with the build-out and leasing of the new center as well as training the current dispatchers on new procedures and systems. The FY15

proposed Emergency Communications budget reflects those additional costs as well as the costs of operating the Town's current dispatch operations until such time as the center becomes operational.

In addition to new initiatives, the Town continues to strengthen its infrastructure and amenities. The \$20 million Belt Line Road undergrounding of utility lines will enhance the Town's beautification measures. The Airport has finished installing its EMAS (engineered materials arrestor system), increasing the safety, security, and marketability of the airport, which remains a key attribute of Addison's renowned services. Sewer, water and stormwater infrastructure will see \$8.4 million in enhancements and rehabilitations, which will broaden Addison's capacity for business and residential growth. A lot is happening in Addison; it is an exciting place to be.

The FY15 budget is a result of the initiatives and priorities established by Council. It builds upon the foundation and plants the seeds for a bright and secure future for the Town. It is a fiscal plan that seizes upon our strong financial condition and advances Council initiatives, maintains healthy reserves, and recognizes the unparalleled efforts of our staff, all with the goal of providing Addison with a fresh beginning toward a brighter, more prosperous future.

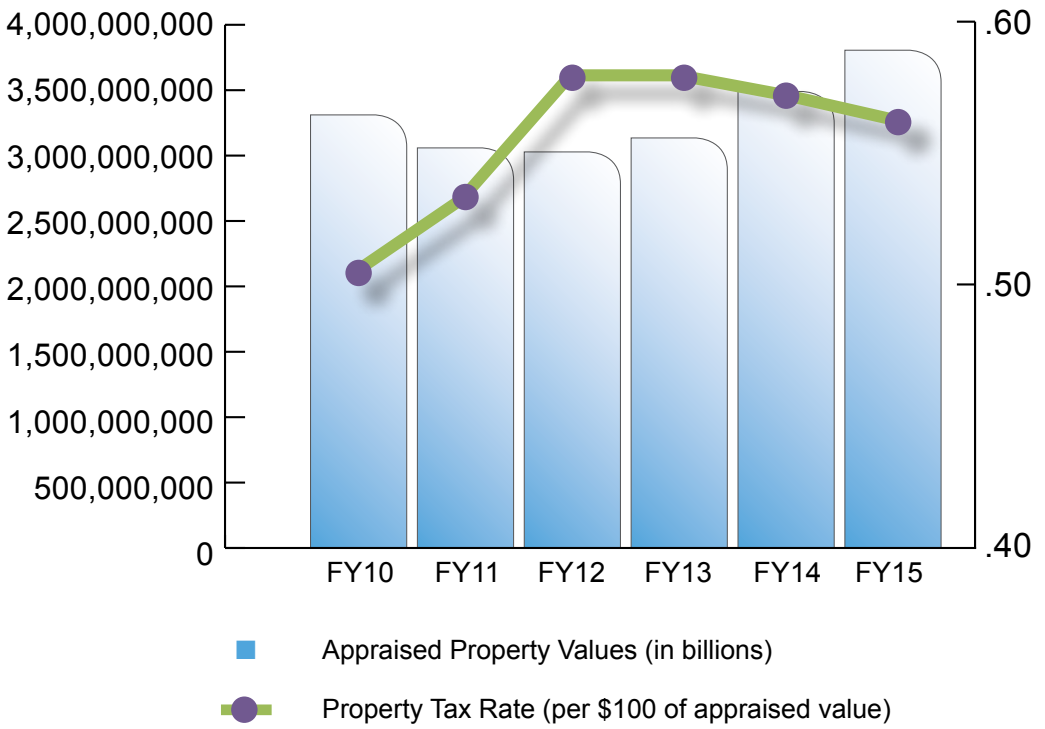
Respectfully Submitted,



Lea Dunn

City Manager

Appraised Values and Tax Rate





U. S. FROG, "Earth Between the
Between the
CHARLES LAMB, letter
and set mark
NATHANIEL HAWTHORNE
Time flies over us, but
PASCAL, P
The eternal silence of these
ROBERT FROST, "Desert Place"
To scare myself with
I have it in me so
Between staircase stairs
Then, again, again, again
ROBERT BROWNING, "The
Earth being so good, with
DANTE, "Purgatorio", 14, The
and your eye gazes
displaying to you their
The heavens call to you,
THOREAU, Journal
and the prospect here
much of the attention, Man is
the institutions of man enter
I do not value any view of the un

and making the generations of men show slight a

The Hollow Man" (1925)
in the Shadow,
mission? And the an
idea? And the reality
to Thomas Manning, July 2, 1846
ing troubles me less,
1961), The Marble Faun (1860),
crosses its shadow behind,
ences, (1870),
infinite spaces frightens me,
aces", A Further Plunge (1936),
my own desert places,
much nearer home
where no human race is,
with half empty spaces,
"Last Ride Together", (1855),
ould Heaven seem best?
Divine Comedy, (c. 1300-1321),
s only to earth,
eternal splendours,
and circle around you,
1, April 2, 1852.
ence is infinite.
out the place where I stand,
very largely and absorb
universe into which man and

and evanescent. EMERSON, Journals, 1836.

“ADDISON WAY”

It is a philosophy that serves as the cornerstone of our service delivery model to our stakeholders. The heart of the “Addison Way” is staff’s charge to find a way to say “yes” to service requests rather than responding that they cannot do something. The staff searches out all options to try and meet expectations during each customer service interaction.

COUNCIL’S VALUES

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

- Integrity
- Respectfulness
- Fun
- Innovation/Creativity
- Accountability
- Efficiency
- Kindness
- Openness
- Transparency

COUNCIL’S GOALS

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

- Create Raving Fans of the “Addison Experience.”
- Practice Mindful Stewardship of Town Resources.
- Maintain and Enhance our Unique Culture of Creativity and Innovation.
- Continue to find ways to Celebrate our Diversity.



COUNCIL'S ROLE

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

- Providing the direction, trust, and support necessary for the City Manager to implement the operations aspects of our vision.
- Making difficult and sometimes unpopular decisions that preserve our unique culture, safeguard our assets into the future, and effect the positive change necessary to achieve our goals.
- Identifying future trends, challenges, and opportunities.
- Being a positive and resourceful representative for the Town.
- Promoting transparency in communicating with residents, businesses, and regional partners.
- Being good financial stewards and creating an environment that nurtures a strong, diverse business ecosystem.







PRESS RELEASE

The following is a summary of the 2014-2015 fiscal year (FY) annual budget of the Town of Addison.

1. Budget appropriates \$121,922,107, an increase of \$15,859,447 or 15 percent greater than the previous year's budget. The increase is attributed to the upcoming construction of capital projects throughout the Town.
2. Revenues total \$68,235,784 a net increase of \$3,900,292 or 6.1 percent compared to the 2013-14 budget. The increase is attributable to increased valorem values and an increase in projected sales tax collections. Significant variations in revenue sources include:

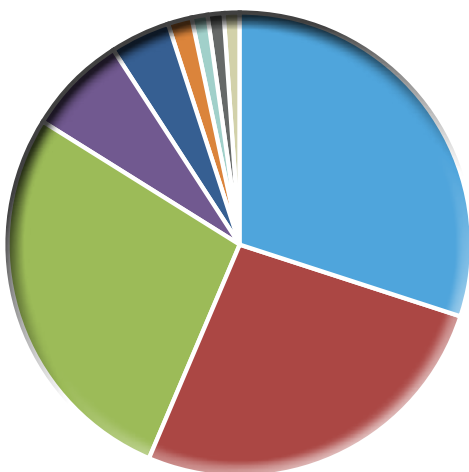
Property tax revenue is projected to be up \$1,423,893 from the previous year, due to a 9 percent increase over prior year values and new construction associated with various redevelopment projects throughout the community.

Non-property taxes (sales, alcoholic beverage, and hotel occupancy) are up a net \$1,801,816 or 10 percent due to an expanding regional economy.

3. The property tax rate has been decreased to 56.18¢, a reduction of one cent from the prior year tax rate. The proposed rate will provide an additional \$843,330 for the Town's annual debt service. Additional funding will also be provided to support the payment of the

newly issued debt, funding of the newly proposed Infrastructure Investment Fund, and for the costs associated with modifications in the Town's service levels. Total proposed property tax levy for FY15 is budgeted at \$21,379,753 which is 7.14 percent more than the FY14 levy.

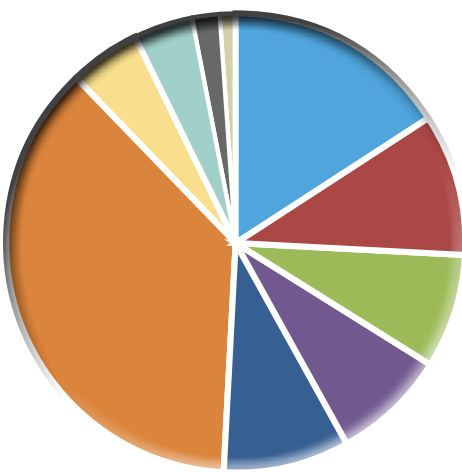
4. Appraised values for 2014 (used for fiscal year 2015 levy) total \$3,805,580,841—an increase of 9.04 percent from certified 2013 values. With the proposed tax rate, the city property taxes paid by the average homeowner in Addison will total \$1450.58 or \$3.98 less than last year's average.
5. Total staffing (all funds) is at 275.3 FTE (full-time equivalent), a net increase of 4.3 FTE(s) in workforce. Below is a summary of staffing changes:
 - Addition of a Senior Accountant for the Finance department.
 - Addition of an Assistant Finance Director for the Finance department.
 - Reclassification of Supervisor - Streets Services position to Senior Streets Maintenance Worker.
 - Addition of a Record Supervisor/Crime Analyst for the Police department.
 - Addition of a part-time Recreation Associate for the Addison Athletic Club.
 - Addition of a part-time to full-time Department Assistant for the Finance department.



All Funds Revenues by Type

■	30.78%	Property Tax
■	26.80%	Service Fees
■	27.91%	Non-Property Taxes
■	7.30%	Rental Income
■	4.08%	Franchise Fees
■	1.85%	Fines and Penalties
■	1.15%	Licenses and Permits
■	0.08%	Intergovernmental
■	0.04%	Interest and Other Income

- Addition of a part-time to full-time Animal Control Officer for the Police department.
 - Reduction of a Director of Visitor Services position for the Visitor Services department.
6. The budget provides funding for a proposed compensation adjustment to allow for a pay-for-performance merit increase and market adjustments. The cost of this benefit is projected at \$1,219,813. This includes costs for:
- 2-5 percent Merit Increase for all departments\$705,500
 - Market Adjustments\$514,313
7. The budget includes a 10 percent increase for healthcare costs for fiscal year 2015. A portion of this will be absorbed by prior year healthcare cost savings.
8. The budget includes several Modified Level of Service items that enhance operations and the quality of service provided the community. For fiscal year 2015 these items total \$648,229 for all funds. Significant items include:
- Master Thoroughfare Plan Update\$80,000
 - Records Supervisor – Police Department\$66,397
 - Comprehensive Facilities Assessment\$65,000
 - Outdoor Leisure Pool Resurfacing\$48,000
 - Addison Athletic Club Master Plan\$40,000
 - Contract Marketing Coordinator Position\$60,000
 - Replacement of EMS stretchers\$43,500
9. The budget envisions over \$52.2 million being spent on capital projects that include:
- Belt Line Road Utility Relocation.....\$18,579,670
 - Vitruvian Park Public Infrastructure.....\$8,839,774
 - Park and Pedestrian Connectivity.....\$3,310,000
 - Public Safety Radio Replacement\$3,000,000
 - Taxiway Victor Improvements\$203,000
 - Various Drainage Improvements.....\$3,100,000
 - Midway Road Design.....\$900,000
10. The budget proposes the creation of a new Infrastructure Investment Fund by dedicating a portion of the M&O rate and a one-time transfer of \$4,000,000 to seed the fund. These funds are restricted to infrastructure projects over \$150,000 and new investment opportunities. All appropriations require Council approval. Fiscal year 2015 projects include:
- City Wide Streets and Sidewalk Assessment and Evaluation.....\$150,000
 - Addison/Surveyor Road Railroad Crossing Improvements.....\$200,000
 - Les Lacs Park and Town Park Playground Structures and Resurfacing..\$350,000
 - Celestial Park Trail Replacement.....\$180,000
 - Airport ILS.....\$300,000



All Funds Expenditures by Type

- 16% Public Safety
- 10% Debt Service
- 8% Utilities
- 8% Tourism and Economic Dev.
- 9% General Government
- 37% Capital Projects/Other Uses
- 5% Parks and Recreation
- 4% Aviation
- 2% Streets
- 1% Urban Development

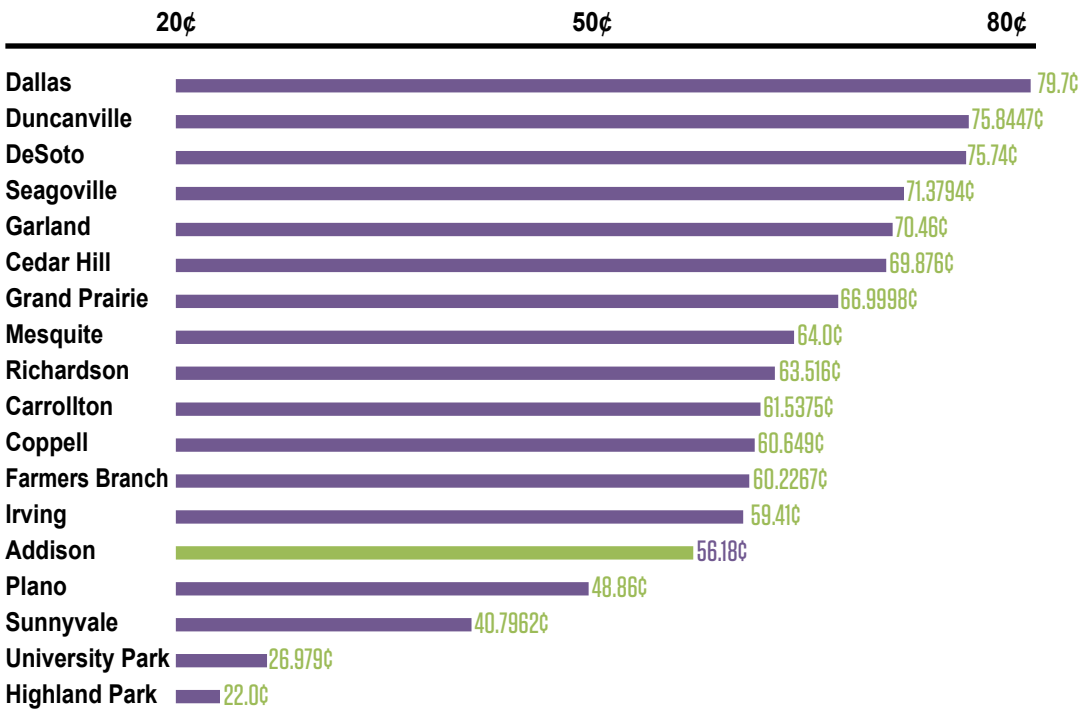
11. The budget includes funding for the following Non-profit Organizations, totaling \$618,000:

- Water Tower Theatre \$445,000
- Metrocrest Social Services \$61,000
- Addison Arbor Foundation \$47,500
- Metrocrest Chamber of Commerce \$35,000
- The Family Place \$12,000
- CONTACT Crisis Line \$7,500
- Launchability \$5,000
- Metrocrest Family Medical Clinic \$3,000
- UBL – Texas Wranglers \$2,000

12. The implementation of a joint dispatch center involving the cities of Carrollton, Farmers Branch and Coppell was begun this year and is scheduled to be completed by the fourth quarter of 2015. Transitional expenditures for the joint effort total \$294,839. This includes costs for:

- Compensation/Contribution difference \$43,778
- 8 month lease payments in addition to contribution \$39,011
- Retention Incentive \$70,000
- Contingency \$75,000
- Overtime for Transition \$67,050

MUNICIPAL TAX RATE COMPARISON



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

COMPARATIVE TAX

For an Average Addison Single-Family Residence

	FY2014	FY2015
Dallas County		
Market Value	\$317,979	\$322,754
Homestead Exemptions	20%	20%
Taxable Value	\$254,383	\$258,203
Tax Rate/\$100	0.6538	0.663875
Tax Levy	\$1,663.16	\$1,714.15

Dallas ISD		
Market Value	\$317,979	\$322,754
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$271,181	\$275,479
Tax Rate/\$100	1.282085	1.282085
Tax Levy	\$3,476.77	\$3,531.87

Town of Addison		
Market Value	\$317,979	\$322,754
Homestead Exemptions	20%	20%
Taxable Value	\$254,383	\$258,203
Tax Rate/\$100	0.57180	0.56180
Tax Levy	\$1,454.56	\$1,450.59

Total Tax Levy	\$6,594.49	\$6,696.60
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PROPERTY TAX DISTRIBUTION CALCULATIONS

City Council Adopted 2014-2015 Budget

2014 Certified Tax Roll and Levy

Appraised Valuation (100%)	\$3,805,580,841
Rate Per \$100	\$0.5618
Total Tax Levy	\$21,379,753
Percent of Current Collection	99.00%
ESTIMATED CURRENT TAX COLLECTIONS	\$21,165,960

Summary of Tax Collections

Current Tax	\$21,165,960
Delinquent Tax	10,000
Penalty and Interest	25,000
TOTAL 2014-2015 TAX COLLECTIONS	\$21,200,960

Distribution of Tax Rate	Tax Rate	% of Total	Amount
General Fund			
Current Tax			\$11,717,010
Delinquent Tax			5,540
Penalty and Interest			13,840
Total General Fund	\$0.3110	55.36%	11,736,390
Economic Development Fund			
Current Tax			998,390
Delinquent Tax			470
Penalty and Interest			1,170
Total Economic Development Fund	\$0.0265	4.72%	1,000,030
Infrastructure Investment Fund			
Current Tax			233,590
Delinquent Tax			110
Penalty and Interest			280
Total Infrastructure Investment Fund	\$0.0062	1.10%	233,980
Total Operations and Maintenance	\$0.3437	61.18%	12,970,400
Debt Service Fund			
Current Tax			8,216,970
Delinquent Tax			3,880
Penalty and Interest			9,710
Total Debt Service Fund	\$0.2181	38.82%	8,230,560
TOTAL DISTRIBUTION	\$0.5618	100.00%	\$21,200,960

FUND OVERVIEW

GOVERNMENTAL FUNDS

General Fund	\$9,725,991
Special Revenue Funds	
Hotel Fund	\$2,027,904
Economic Development Fund	\$307,428
Combined Grant Funds	\$7,394
Combined Other Funds	\$249,289
Combined Debt Service Funds	\$1,598,913
Capital Project Funds	
Infrastructure Investment Fund	\$3,055,980
Combined Bond Funds	\$9,123,451

PROPRIETARY FUNDS

Airport Fund	\$1,966,587
Utility Fund	\$4,096,278
Stormwater Fund	\$5,451,605
Combined Replacement Funds	\$3,656,701
Total All Funds	\$41,267,521



STAFF ORGANIZATION

ADDISON CITIZENS

Mayor and City Council

City Attorney

Municipal Court Prosecutor

City Judge

City Secretary

Boards and Commissions

City Manager

Deputy City Manager

Police

Fire

Finance

Assistant City Manager

Economic
Development

Special Events

Marketing /
Communications

General Services

Human Resources

Infrastructure and
Development Services

Information Technology

Parks/ Recreation

Airport

Municipal Court

BUDGETED DEPARTMENTAL STAFFING SUMMARY

City Council Adopted 2014-15 Budget

	2012	2013	2014	2015	Difference 2014-2015
General Fund					
City Manager	7.5	7.0	7.0	8.0	1.0
Finance	8.0	8.0	7.5	9.7	2.2
General Services	8.0	5.0	5.0	5.0	-
Municipal Court	5.4	5.4	5.7	5.7	-
Human Resources	5.2	5.2	4.2	3.5	(0.7)
Information Technology	6.0	7.0	7.0	7.0	-
Police	73.8	73.8	75.3	79.8	4.5
Emergency Communications	13.5	13.5	13.5	13.5	-
Fire	52.0	52.3	55.3	55.3	-
Development Services	7.2	7.2	7.2	7.2	-
Streets	5.0	5.0	5.0	5.4	0.4
Parks	20.0	21.0	21.0	21.0	-
Recreation	14.6	14.6	14.6	15.1	0.5
Total General Fund	226.2	225.0	228.3	236.3	7.9
Hotel Fund	15.0	16.0	17.0	13.8	(3.2)
Economic Development Fund	1.0	2.0	3.0	4.0	1.0
Airport Fund	3.0	3.0	3.0	3.0	-
Utility Fund	16.0	17.0	18.3	16.6	(1.7)
Stormwater Fund	0.0	0.4	1.4	1.7	0.3
Total All Funds	261.2	263.4	271.0	275.3	4.3

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 2014-2015 Annual Budget

With Comparisons to 2013-2014 Budget and 2012-2013 Actual

	General Fund	Special Revenue Funds			Combined Other	Combined Debt Service Funds
		Hotel	Economic Dev.	Combined Grants		
Beginning Balances	14,564	1,318	312	12	298	1,590
Revenues						
Ad valorem tax	11,736	-	1,000	-	-	8,231
Non-property taxes	14,320	5,439	-	-	-	-
Franchise fees	2,627	-	-	-	-	-
Licenses and permits	740	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service fees	1,444	1,400	70	-	-	-
Fines and penalties	900	-	-	-	51	-
Rental income	250	984	-	-	-	-
Interest and other income	69	10	2	-	3	9
Total Revenues	32,086	7,833	1,072	-	53	8,240
Transfers from other funds	-	-	515	-	-	711
Bond Proceeds	-	-	-	-	-	-
Bond Premium						
Total Available Resources	46,650	9,151	1,899	12	351	10,540
Expenditures						
General government	7,726	-	-	5	-	-
Public safety	16,827	-	-	-	71	-
Urban development	1,125	-	-	-	-	-
Streets	2,038	-	-	-	-	-
Parks and recreation	5,193	-	-	-	-	-
Tourism and economic dev.	-	5,912	1,591	-	-	-
Municipal Court	-	-	-	-	32	-
Aviation	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Debt service	-	-	-	-	-	8,941
Capital projects/other uses	-	-	-	-	-	-
Total Expenditures	32,909	5,912	1,591	5	102	8,941
Transfers to other funds	4,015	1,211	-	-	-	-
Ending Fund Balances	9,726	2,028	307	7	249	1,590

*Totals may not exactly match due to rounding.

Total Revenues 68,236

Decrease in Fund Balance 53,686

Total Appropriate Funds 121,922

Capital Project Funds		Airport	Proprietary Funds			Combined Replacement	Total All Funds		
Infrastructure Investment Fund	Combined Bonds		Utility	Stormwater	2014-15 Budget		2013-14 Estimated	2012-13 Actual	
-	45,262	2,785	8,457	7,836	6,657	88,022	75,049	77,553	
234	-	-	-	-	-	21,201	19,596	18,048	
-	-	-	-	-	-	19,759	19,222	17,605	
-	-	-	-	-	-	2,627	2,671	2,695	
-	-	-	-	-	-	740	700	886	
-	-	112	-	-	-	112	151	74	
-	-	741	10,489	1,675	1,550	17,369	16,703	17,110	
-	-	-	80	-	-	1,031	1,057	1,170	
-	-	4,022	-	-	-	5,256	4,971	4,785	
2	100	5	(99)	5	36	141	225	311	
236	100	4,880	10,469	1,680	1,586	68,236	65,295	62,684	
4,000	-	-	-	-	-	5,226	570	579	
-	6,000	-	-	-	-	6,000	19,500	7,790	
								292	
4,236	51,362	7,665	18,926	9,517	8,244	167,484	160,415	141,109	
-	-	-	-	-	2,840	10,571	7,836	6,812	
-	-	-	-	-	1,549	18,447	16,417	14,946	
-	-	-	-	-	-	1,125	989	928	
-	-	-	-	-	-	2,038	1,904	1,751	
-	-	-	-	-	60	5,253	5,185	4,317	
-	-	-	-	-	-	7,504	7,944	7,740	
-	-	-	-	-	-	32	32	53	
-	-	4,733	-	-	-	4,733	4,591	3,436	
-	-	-	8,403	420	-	8,823	10,217	7,884	
-	-	583	1,049	545	-	11,118	8,152	11,191	
1,180	42,239	382	5,378	3,100	-	52,279	8,557	6,131	
1,180	42,239	5,698	14,830	4,065	4,449	121,922	71,823	65,188	
-	-	-	-	-	-	5,226	570	579	
3,056	9,123	1,967	4,096	5,452	3,795	40,336	88,022	75,049	





ADDISON



ADDISON

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

Concluding Fiscal Year Performance

Revenues for FY2014 are estimated at \$31,710,501 which represents an increase of \$1,011,731, or 3.3 percent, over FY2014 budgeted revenues and is a 6.3 percent increase over FY2013 revenues. Revenues collected from property taxes are expected to come in just 1 percent less than budgeted. Sales tax collections continue to improve, and FY2014 revenues are projected to exceed budget by \$1,250,000 or more than 10 percent. License and permit revenue dropped 21 percent from FY2013 actual receipts, due in part to the decrease in submittal of plans for construction and redevelopment of projects currently underway.¹

Expenditures are expected to total \$31,125,922 which is \$351,519 less than the FY2014 budget. Two of the operating departments in the General Fund are expected to exceed their budget but all excess spending in those departments was below 1 percent of total departmental budget, and therefore below the threshold

of materiality. The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$14,563,977, which is \$2,006,903 more than budgeted.

2014-2015 Budget Narrative

There are four components that make up the Town's ad valorem tax rate of \$0.5618 per \$100 of appraised value: operations & maintenance, debt service, economic development and dedicated funding for the Infrastructure Investment Fund. A tax rate of \$0.3110 is levied to generate revenues to fund the operations and maintenance activities budgeted in the General Fund. The revenue generated from this portion of the tax rate will increase by 0.9 percent in FY2015 to \$11,736,390. In order to accommodate the Town's annual debt service requirement, a tax rate of \$0.2181 is levied to generate \$8,230,560, an increase of \$843,900 from FY2014. A third tax rate of \$0.0265 is levied to provide dedicated revenues for economic development purposes and is reflected in the Economic Development Fund. The fourth component of the tax rate provides funding for the Infrastructure Investment Fund, a fund dedicated to funding capital projects on an as needed basis. The rate for this portion is \$0.0062. Sales tax revenues for FY2015 are projected at \$13,500,000, a 10.2 percent increase from FY2014 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 2015 fiscal year have been appropriated at \$32,908,876 which is \$1,431,435 more than the FY2014 budget. Total personal services (employee salaries and benefits) rose by \$2,130,372. Most of the increase is attributed to a 10 percent increase in health insurance costs, market adjustments to key positions, and merit increases, in which employees are eligible to receive a 2 to 5 percent increase in their base salaries. Contractual costs also increased by \$984,165, primarily due to Town contributions toward the establishment of the multi-city emergency communications dispatch center as well as

¹ For more information related to the Town's current projects and development, please refer to the Town Chronicle section of this document.

land use and master thoroughfare plans by Development Services.

The net impact on revenues and expenditures is a projected \$4,837,986 decrease in fund balance, used to fund one-time modified levels of service, and to fund the Infrastructure Investment Fund with \$4,000,000 in seed money. The ending fund balance of \$9,725,991 represents 29.7 percent of operating expenditures, which is above the 25 percent minimum balance required by the Town's financial

policies.² The long-term financial plan for the General Fund anticipates adjusting expenditures for a 3 percent inflationary increase each year along with moderate increases in revenue. Assuming continued strong showings in revenues and modest increases in expenditures, the Town projects a gradual increase in fund balance to a level of 40 percent of operating expenditures.³

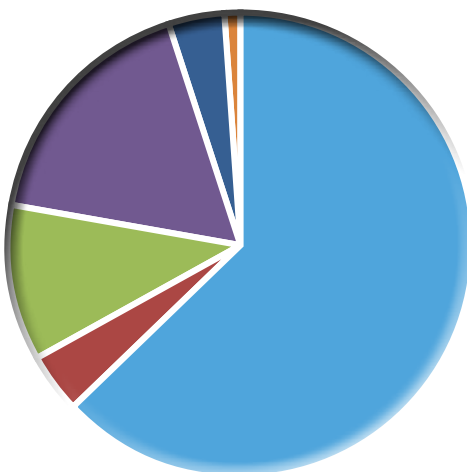
2. Please refer to Appendix B for the Town's financial policies.

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

General Fund By Major Cost Category

Category	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$18,311,909	\$18,594,869	\$19,804,888	\$20,725,241
Supplies	1,241,387	1,321,214	1,390,154	1,459,542
Maintenance	2,598,276	2,626,345	3,323,752	3,095,922
Contractual Services	4,791,517	5,034,735	5,284,528	6,018,900
Capital Replacement/Lease	1,222,756	1,243,240	1,278,100	1,441,671
Capital Outlay	55,160	-	343,000	167,600
Total Fund Budget	\$28,221,005	\$28,820,403	\$31,424,422	\$32,908,876

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 Major Cost Category

- 63% Personnel Services
- 4% Supplies
- 11% Maintenance
- 17% Contractual Services
- 4% Capital Replacement/Lease
- <1% Capital Outlay

GENERAL FUND STATEMENT OF REVENUE AND EXPENDITURES

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$12,373,064	\$13,335,745	\$13,979,398	\$14,563,977
Revenues				
Ad valorem taxes	10,480,308	11,624,270	11,502,360	11,736,390
Non-property taxes	13,029,712	13,035,000	14,300,000	14,320,000
Franchise fees	2,695,073	2,627,000	2,670,641	2,627,000
Licenses and permits	886,423	740,000	700,000	740,000
Service fees	1,469,715	1,443,500	1,293,500	1,443,500
Fines and penalties	959,684	1,000,000	850,000	900,000
Interest earnings	3,790	10,000	20,000	20,000
Rental income	243,958	170,000	250,000	250,000
Other	61,254	49,000	124,000	49,000
Total Revenues	\$29,829,917	\$30,698,770	\$31,710,501	\$32,085,890
Total Resources Available	\$42,202,981	\$44,034,515	\$45,689,899	\$46,649,867
Expenditures				
General Government				
City Manager	1,222,016	1,151,075	1,151,075	1,350,180
Finance	837,460	943,775	917,100	1,150,539
General Services	762,959	746,942	686,942	727,260
Municipal Court	452,140	567,319	566,716	561,053
Human Resources	458,875	622,237	621,737	587,947
Information Technology	1,482,873	1,963,064	1,963,064	1,861,330
Combined Services	708,921	904,760	904,760	977,730
City Council	421,947	570,058	570,058	509,535
Public Safety				
Police	7,770,463	8,027,015	8,049,584	8,502,771
Emergency Communications	1,059,103	1,284,668	1,285,239	1,483,047
Fire	6,049,372	6,786,806	6,548,806	6,841,514
Development Services				
Streets	927,684	1,019,372	988,959	1,125,030
Parks and Recreation				
Parks	1,750,500	1,836,671	1,836,671	2,037,535
Recreation	2,822,739	3,523,652	3,520,373	3,512,367
Recreation	1,493,950	1,530,027	1,514,838	1,681,038
Total Expenditures	\$28,221,002	\$31,477,441	\$31,125,922	\$32,908,876
Other Financing Sources (Uses)				
Transfer from Hotel Fund	-	-	-	-
Transfer to Other Funds	(2,581)	-	-	(4,015,000)
Ending Fund Balance	\$13,979,398	\$12,557,074	\$14,563,977	\$9,725,991

GENERAL FUND STATEMENT OF REVENUES BY SOURCE

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Ad valorem taxes				
Current taxes	\$10,424,833	\$11,603,710	\$11,481,560	\$11,717,010
Delinquent taxes	18,555	5,880	5,800	5,540
Penalty and interest	36,920	14,680	15,000	13,840
Non-property taxes				
Sales tax	12,217,439	12,250,000	13,500,000	13,500,000
Alcoholic beverage tax	812,273	785,000	800,000	820,000
Franchise/right-of-way use fees				
Electric franchise	1,523,021	1,500,000	1,500,000	1,500,000
Gas franchise	171,849	175,000	203,641	175,000
Telecommunication access fees	656,512	665,000	660,000	665,000
Cable franchise	337,341	280,000	300,000	280,000
Street rental fee	6,350	7,000	7,000	7,000
Licenses and permits				
Business licenses and permits	243,016	180,000	150,000	180,000
Building and construction permits	643,407	560,000	550,000	560,000
Service fees				
General government	401	500	500	500
Public safety	767,869	765,000	650,000	765,000
Urban development	2,485	3,000	3,000	3,000
Streets and sanitation	384,303	380,000	360,000	380,000
Recreation	89,327	65,000	65,000	65,000
Interfund	225,330	230,000	215,000	230,000
Court fines	959,684	1,000,000	850,000	900,000
Interest earnings	3,790	10,000	20,000	20,000
Rental income	243,958	170,000	250,000	250,000
Recycling proceeds	25,539	24,000	24,000	24,000
Other	35,715	25,000	100,000	25,000
Total Revenues	\$29,829,917	\$30,698,770	\$31,710,501	\$32,085,890

Department Mission

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

Program Narrative

Accomplishments of FY2014

- Participated in leading the various successes of the other departments.
- Successfully conducted a search for the Deputy City Manager position.
- Continued to implement a process of succession planning for the organization.
- Planned and conducted Citizen Academy with 27 graduates.
- Conducted special areas studies.
- Managed the strategic planning and budget process for Fiscal Year 2014-2015.

Objectives for FY2015

- Continue to monitor and implement "COSO" initiatives
- Implement a plan for improved road replacement, maintenance and rehabilitation.
- Create a financial mechanism to move faster on needed infrastructure improvements and act on opportunities in a more strategic manner.
- Continue to promote fiscal transparency and cost savings throughout the organization.
- Rebalance and "right-size" staffing.
- Continue to have open communication with City Council.
- Continue to sustain a culture of accountability.
- Continue to work with UDR on the Vitruvian Park Development.
- Continue the implementation of the 2012 bond program initiatives and projects.
- Continue to refine the business model for Visit Addison and the Addison Conference and Theatre Centre.

Notable Budget Items

- Departmental Study (\$25,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$767,520	\$813,145	\$813,145	\$1,043,020
Supplies	34,980	26,000	26,000	28,500
Maintenance	40,400	61,780	61,780	37,090
Contractual Services	359,256	208,150	208,150	216,400
Capital Replacement/Lease	19,860	42,000	42,000	25,170
Capital Outlay	-	-	-	-
Total Department Budget	\$1,222,016	\$1,151,075	\$1,151,075	\$1,350,180

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
City Manager*	N/C	1.0	1.0	1.0	1.0
Deputy City Manager**	34	0.0	0.0	0.0	1.0
Assistant City Manager	33	1.0	1.0	1.0	1.0
Assistant to the City Manager	26	1.0	2.0	3.0	2.0
Special Projects Manager	26	0.0	0.0	0.0	1.0
Intern - Special Assignment***	24	0.5	0.0	0.0	0.0
Secretary - Executive	11	1.0	0.0	0.0	0.0
Secretary - Administrative****	9	1.0	0.0	0.0	0.0
Administrative Assistant	9	0.0	1.0	1.0	1.0
Receptionist*****	8	1.0	0.0	0.0	0.0
Intern	5	1.0	1.0	1.0	1.0
Total		7.5	6.0	7.0	8.0

*This position is not classified in the pay plan.

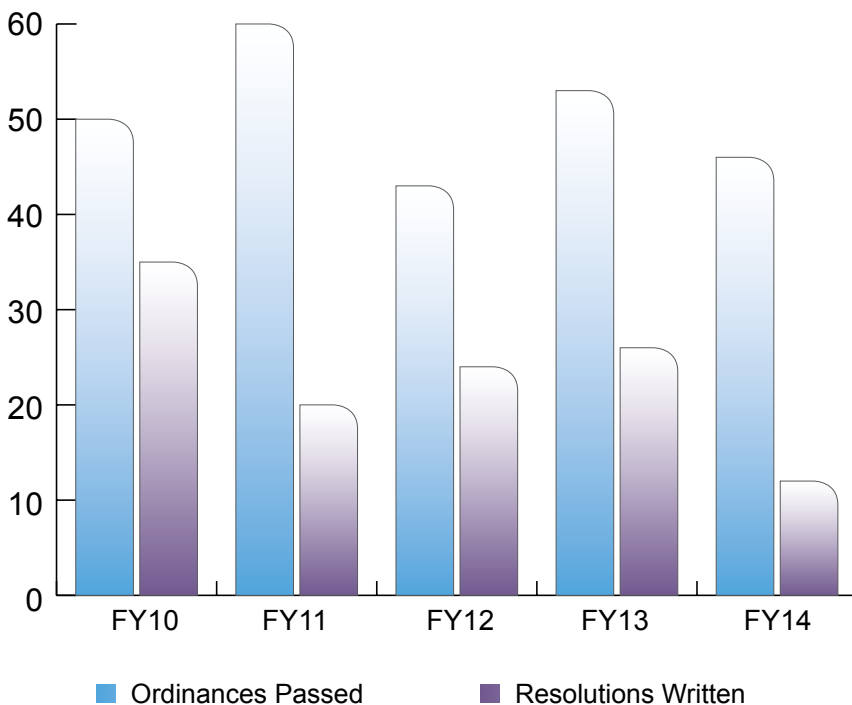
**This position was moved from the Utility Fund.

***This was a partial year temporary position.

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

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

Ordinances Passed and Resolutions Written



FINANCE DEPARTMENT

Department Mission

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

Program Narrative

Accomplishments of FY2014

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 38th consecutive year.
- Received the Distinguished Budget Presentation Award from the GFOA for the 27th consecutive year.
- Awarded "Platinum" member status by the Texas Comptroller Leadership Circle for implementing financial transparency; this is Addison's third year to win this award.

- Underwent extensive financial audit, ensuring financial transparency and accountability.
- Managed the issuance of certificates of obligation and general obligation bonds.
- Created and implemented the Infrastructure Investment Fund to begin building reserve fund for capital projects and ease the need to sell debt to raise capital.
- Reduced the FY2015 tax rate by one penny.
- Oversaw a 9 percent increase in taxable property values.
- Revamped organizational chart, hired Assistant Finance Director.

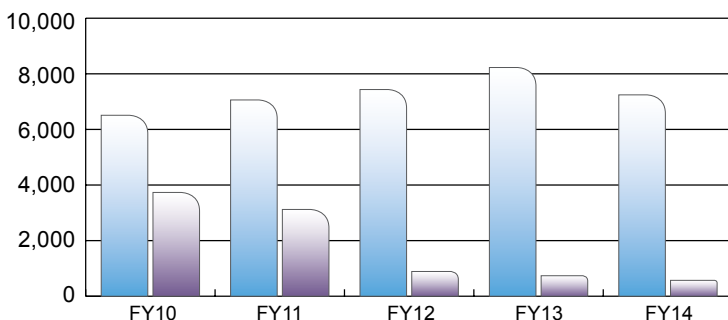
Objectives for FY2015

- Continue to receive the GFOA awards for the Comprehensive Annual Financial Report and the Annual Budget.
- Implementation of new Enterprise Resource Planning System.
- Continued practice of COSO principles.

Notable Budget Items

- Created and hired new position of Assistant Finance Director.
- Hired new Accounting Manager.
- Converting existing financial and accounting software to a modernized enterprise resource planning (ERP) to integrate town finances and operations.
- Contracted a consultant to assist in soliciting and recommending a primary Depository Bank.

Procurement Transactions by Method



■ Purchase Order Transactions

■ Procurement Card Transactions

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$411,426	\$529,987	\$504,062	\$706,059
Supplies	62,535	56,930	56,930	39,830
Maintenance	68,979	28,680	28,680	30,720
Contractual Services	271,010	273,448	272,698	344,290
Capital Replacement/Lease	23,510	54,730	54,730	29,640
Capital Outlay		-	-	-
Total Department Budget	\$837,460	\$943,775	\$917,100	\$1,150,539

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Chief Financial Officer	32	1.0	1.0	1.0	1.0
Assistant Finance Director	30	0.0	0.0	0.0	1.0
Accounting Manager****	26	0.0	1.0	1.0	1.0
Financial Services Manager*	26	1.0	0.0	0.0	0.0
Revenue and Budget Supervisor	22	0.0	1.0	0.0	0.0
Financial Services Supervisor**	22	1.0	0.0	0.0	0.0
Purchasing and Billing Supervisor	22	0.0	1.0	0.0	0.0
Accountant	21	1.0	1.0	1.0	1.0
Management Analyst***	21	1.0	0.0	2.0	2.0
Department Assistant	9	0.0	0.5	0.5	1.0
Payroll Specialist*****	11PT	0.0	0.0	0.0	0.7
Accounting Specialist I & II	8/9	3.0	3.0	2.0	2.0
Total		8.0	8.5	7.5	9.7

*This position was reclassified to Accounting Manager.

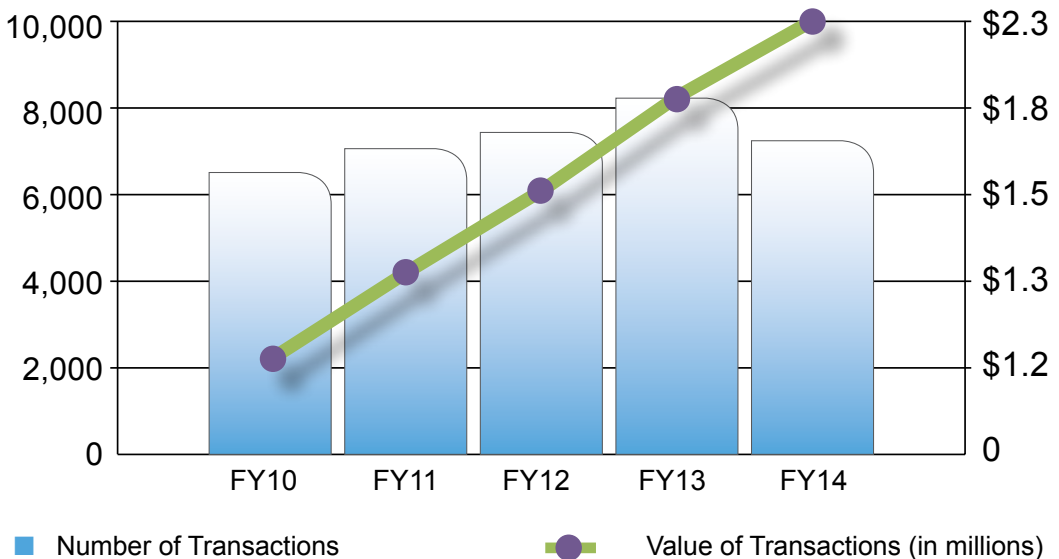
**This position was reclassified to Revenue and Budget Supervisor.

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

****This position was reclassified to Assistant Finance Director.

*****This position was moved from Human Resources

Procurement Card Transactions



GENERAL SERVICES

Department Mission

The General Services Department is the behind-the-scenes manager of the Town's facilities, vehicles, and support services.

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

Program Narrative

Accomplishments of FY2014

FACILITIES

- Coordinated and supervised all budget approved town facilities projects – (22 projects).
- Completed 837 requests for services.
- Successfully rebranded various items at Town's facilities. (i.e. flags, entry mats, signage, etc.).
- Initiated a facilities inspection program electronically to capture facilities maintenance data.
- Successfully coordinated and installed the CASA Radar System.

FLEET

- Worked with G4S Fleet Management to accomplish fleet priorities, further enhance fleet operations and our shared services agreement.
- Fleet averaged a 98% uptime.
- Completed 1,144 service work orders.
- Developed specifications, purchased, and performed make-ready for 14 new fleet vehicles as approved. Vehicles included: (1) Ambulance, (1) Dump Truck, (3) 1 Ton Trucks, (3) ¾ Ton Trucks, (2) ½ Ton Trucks, (4) Utility Vehicles (Bobcats).

Objectives for FY2015

FACILITIES

- Work with Parks & Recreation on a Master Plan for the Athletic Club.
- Perform a Comprehensive Facilities Assessment of all Town Facilities to assist in developing a Facilities Capital Improvement Plan (CIP) and a Facilities Operations & Maintenance Plan.
- Maintain tradition of an exemplary "Addison Experience" by continuing Facilities Staff development and training for new positions and job functions.

FLEET

- Continue to work with G4S Fleet Management to manage the contract and accomplish fleet priorities, further enhance fleet operations.
- Develop specifications, purchase and make-ready - 10 new fleet vehicles as approved.
- Continue to expand the use of Hybrid Electric Vehicles to the fleet were applicable.

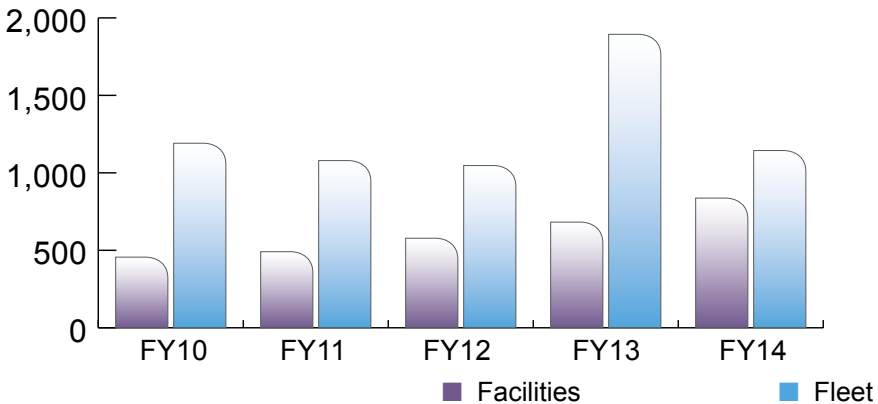
Notable Budget Items

Perform a Comprehensive Facilities Assessment of all Town Facilities to assist in developing a Facilities Capital Improvement Plan (CIP) and a Facilities Operations & Maintenance Plan (\$65,000)

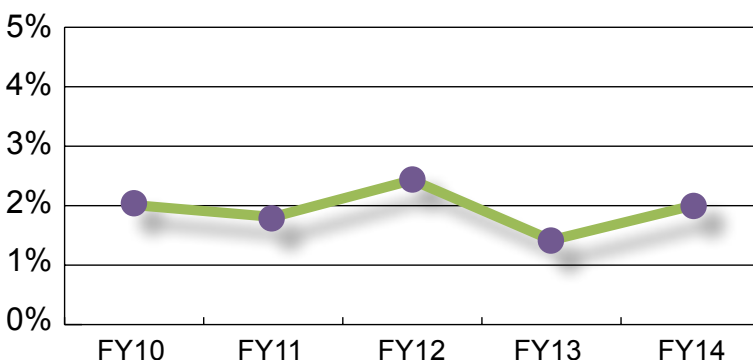
Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$352,383	\$443,002	\$443,002	\$428,080
Supplies	22,241	31,100	31,100	24,350
Maintenance	88,887	73,700	73,700	74,390
Contractual Services	217,927	88,660	88,660	165,360
Capital Replacement/Lease	44,520	110,480	50,480	35,080
Capital Outlay	37,001	-	60,000	-
Total Department Budget	\$762,959	\$746,942	\$746,942	\$727,260

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - General Svcs	32	1.0	1.0	1.0	1.0
Supervisor - Fleet Svcs	13	1.0	0.0	0.0	0.0
Supervisor - Facilities Svcs	11	1.0	1.0	1.0	1.0
Technician - Fleet	8	2.0	0.0	0.0	0.0
Department Assistant	9	0.0	1.0	1.0	1.0
Secretary - Department	8	1.0	0.0	0.0	0.0
Facilities Specialist	6	0.0	1.0	1.0	1.0
Clerk - Inventory	4	1.0	0.0	0.0	0.0
Facilities Assistant	4	0.0	0.0	1.0	1.0
Mail Carrier	4	1.0	1.0	0.0	0.0
Total		8.0	5.0	5.0	5.0

Work Orders Processed



Fleet Downtime (as a percentage of time in operation)



MUNICIPAL COURT

Department Mission

- The mission of the Municipal Court is to provide an impartial forum to adjudicate the charges brought by the State against an individual and provide a high level of integrity, professionalism and customer service.
- The department must schedule offenders to appear before the court, adjudicate the trial, and collect fines from guilty offenders.
- The Municipal Court issues writs and warrants of arrest for those who fail to obey the orders of the court.

Objectives for FY2015

- Continue mindful stewardship of Town resources by maintaining participation in the statewide warrant round-up to collect on outstanding warrants.
- Implement a process to work with Information Technology Department on the integration of a new court software system when selected.
- Educate court clerks on changes to registration and inspection laws under Transportation Code Section 548.101 which is effective March 1, 2015 and was passed during the 2013 Texas State Legislative session.

Program Narrative

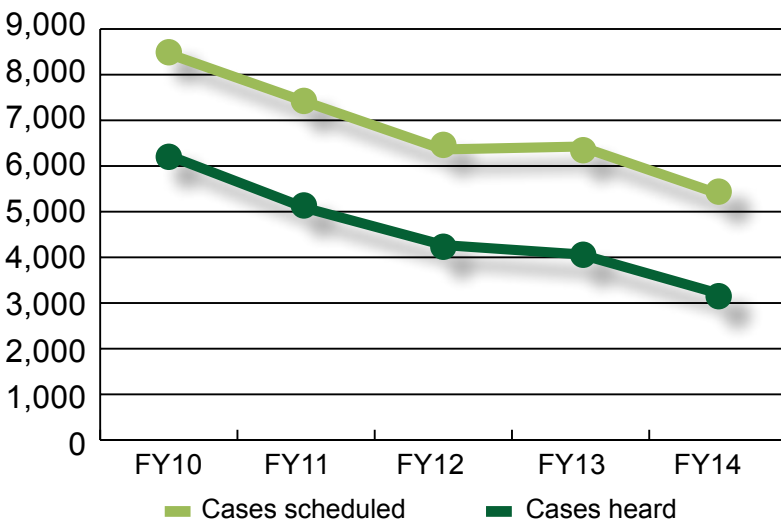
Accomplishments of FY2014

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

Notable Budget Items

- Legal fees associated with prosecuting attorney and associate judge (\$27,900)

Cases Scheduled and Heard

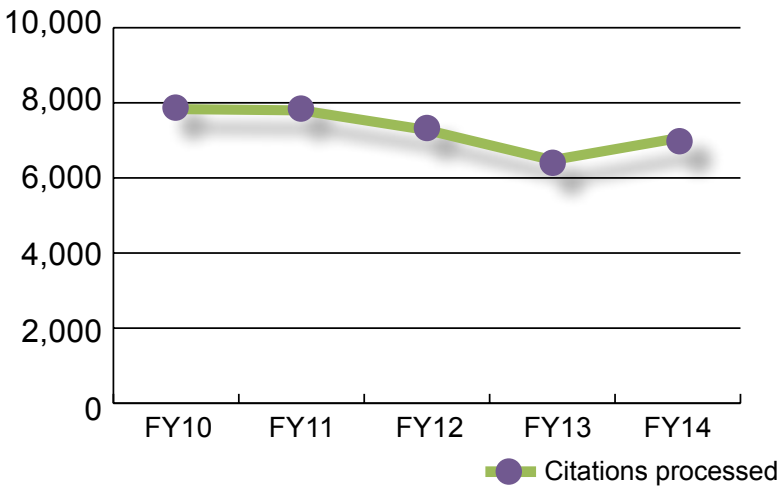


Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$387,563	\$459,389	\$458,786	\$474,713
Supplies	14,232	22,470	22,470	21,470
Maintenance	34	2,500	2,500	-
Contractual Services	34,141	54,900	54,900	44,220
Capital Replacement/Lease	16,170	28,060	28,060	20,650
Capital Outlay		-	-	-
Total Department Budget	\$452,140	\$567,319	\$566,716	\$561,053

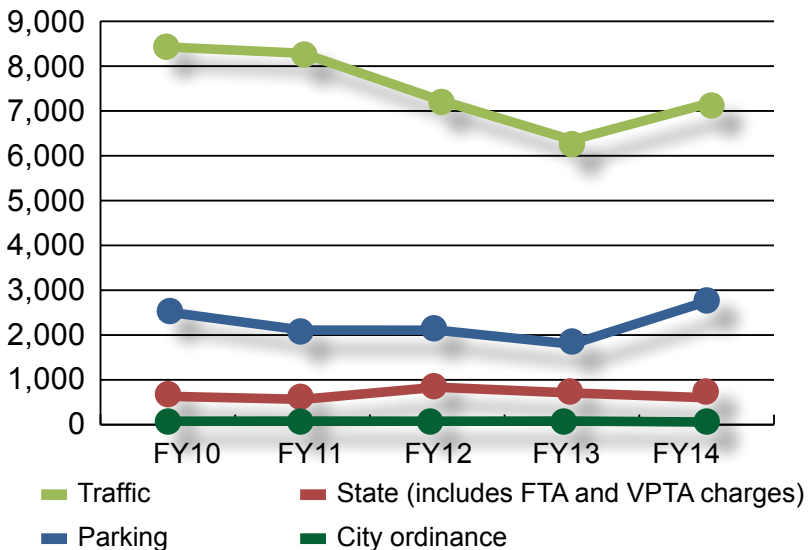
Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Administrator - Court	26	1.0	1.0	1.0	1.0
Clerk - Court	7	3.7	3.7	3.7	3.7
Municipal Judge*	N/C	0.7	0.7	1.0	1.0
Total		5.4	5.4	5.7	5.7

*This position is not classified in the pay plan.

Citations Processed



Violations by Type



HUMAN RESOURCES

Department Mission

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

Program Narrative

Accomplishments of FY2014

- Expanded the Town's wellness program to include partnerships with various health care providers to offer onsite screenings which included vision, skin cancer, cardiovascular and mammograms for employees and their spouses.
- Partnered with various community and public service groups through the Addison Advocate program, which supported the Parks and Recreation Department with various community projects including park audits, playground maintenance and debris pick-up.
- Served on the Combined Dispatch Human Resources Director subcommittee to develop policies, procedures and benefit programs for employees for Addison, Carrollton, Coppell and Farmers Branch.
- Coordinated townwide training program including leadership development training such as presentation skills, peer to boss and conflict management.

- Coordinated the Compensation Committee process made up of employees from across the organization and Council to discuss and adopt a compensation philosophy.

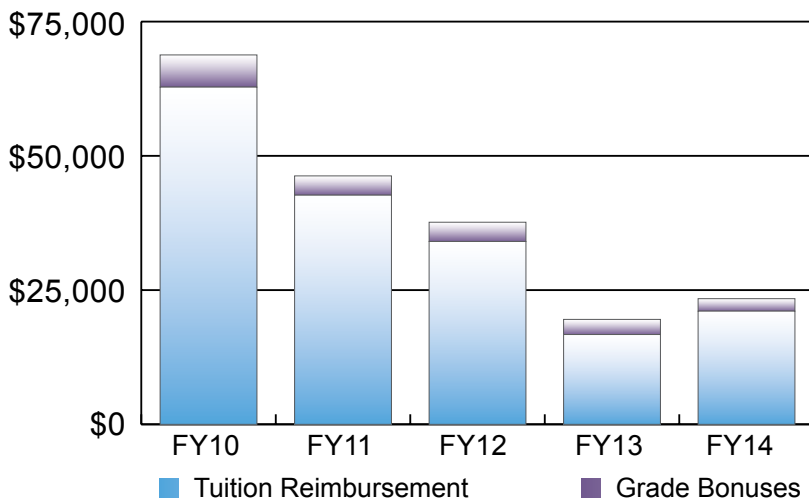
Objectives for FY2015

- Implement an electronic total solution platform to manage the application and performance review process.
- Release an RFP for a health insurance provider to ensure a fair and sustainable benefits program that continues to attract and retain top talent.
- Develop a mentorship program to ensure successful transfer of knowledge and culture.
- Expand wellness program to incorporate additional preventive health care options for employees and their spouses.
- Revise the new employee orientation program.

Notable Budget Items

- Town-wide tuition reimbursement program (\$40,000)
- Training and professional development programs (\$45,000)

Tuition Reimbursement



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$338,313	\$392,887	\$392,887	\$360,247
Supplies	14,402	13,750	13,750	12,250
Maintenance	260	740	740	750
Contractual Services	93,130	186,800	186,800	199,010
Capital Replacement/Lease	12,770	28,060	28,060	15,690
Capital Outlay	-	-	-	-
Total Department Budget	\$458,875	\$622,237	\$622,237	\$587,947

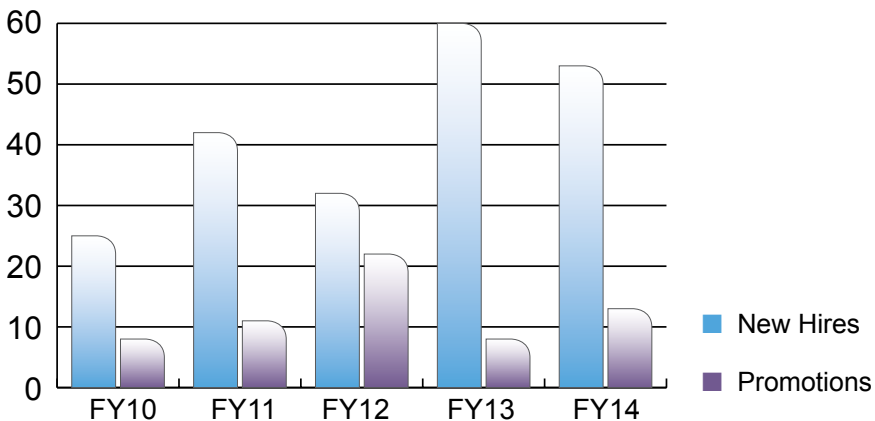
Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Human Resources	32	1.0	1.0	1.0	1.0
Benefits Specialist	22	1.0	1.0	1.0	1.0
Volunteer Coordinator	12	0.5	0.5	0.5	0.5
Payroll Specialist***	10	0.7	0.7	0.7	0.0
Department Assistant*	9	0.0	0.0	1.0	1.0
Secretary - Department	8	1.0	1.0	0.0	0.0
Receptionist - Department**	6	1.0	0.0	0.0	0.0
Total		5.2	4.2	4.2	3.5

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

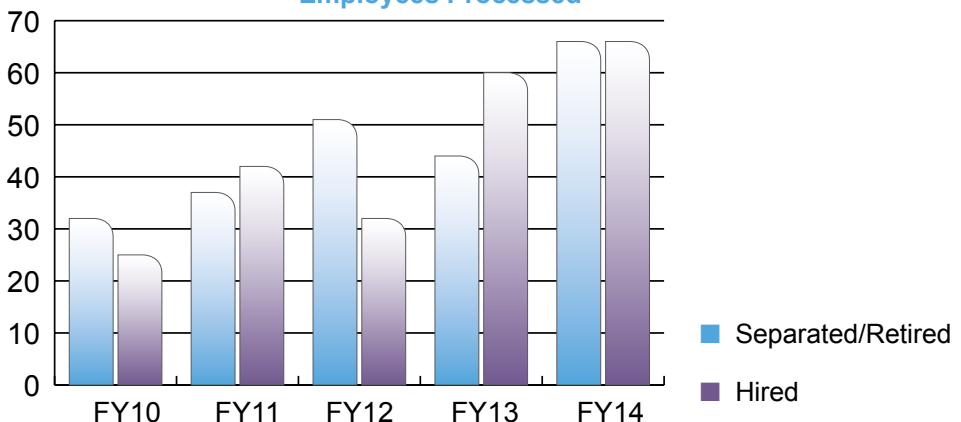
**The Receptionist position was reclassified to Department Assistant and moved to the Utility Fund in late FY12.

***This position was moved to Finance

Hires By Type



Employees Processed



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 design and supervision of the Town's technology infrastructure; maintain a single point of contact for recording, tracking and coordinating problem resolution; provide asset management and support services for the network and desktop environment and, coordinate all technology training and education.

Program Narrative

Achievements for FY 2014

- Replaced the city-owned wireless network at Addison Circle Park and Athletic Club.
- Upgraded the phone system.
- Upgraded the credit cards equipment.
- Worked closely with the Marketing Director to revamp/redesign our websites.
- Replaced the recreation guest registration system.
- Worked closely with the quad-cities to investigate a "Consolidated Dispatch" model.
- Completed implementation of moving CAD (Computer Aided Dispatch) system to a private cloud.
- Upgraded the web-casting system.
- Upgraded the IVR (Interactive Voice Response) system.
- Upgraded the video camera system at Addison Conference Centre.
- Relocated Town data center.
- Integrated Airport, Visit Addison, Craft Guild, Metrocrest and Treehouse offices to the Town network.
- Released a RFP for an ERP (Enterprise Resource Planning) system.

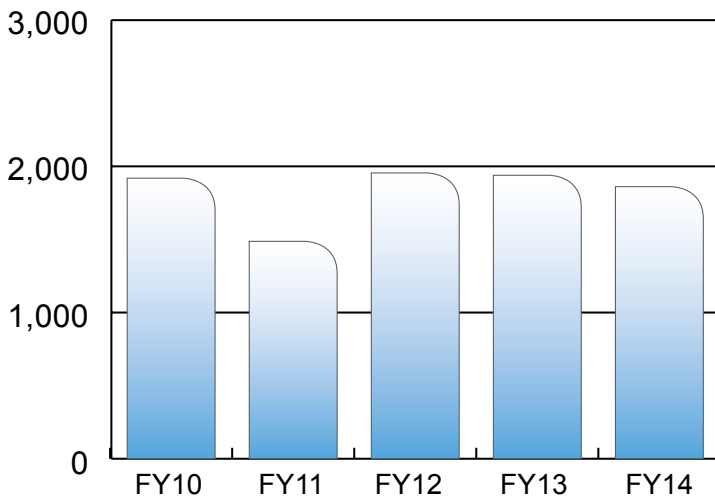
Objectives for FY 2015

- Enhance creativity and innovation by continuing to work closely with the Marketing Director to revamp/redesign our websites.
- Continue working closely with the quad-cities to implement "Consolidated Dispatch" center.
- Implement a ERP (Enterprise Resource Planning) system.
- Replace rugged laptops in the Police cruisers and the Fire Trucks.
- Upgrade network infrastructure.
- Upgrade document management system.
- Investigate SIP (Session Initiation Protocol) technology.
- Investigate a proper solution for Beltline overhead electronic signage.
- Install surveillance camera system at Dispatch and Jail.
- Upgrade 9-1-1 system.

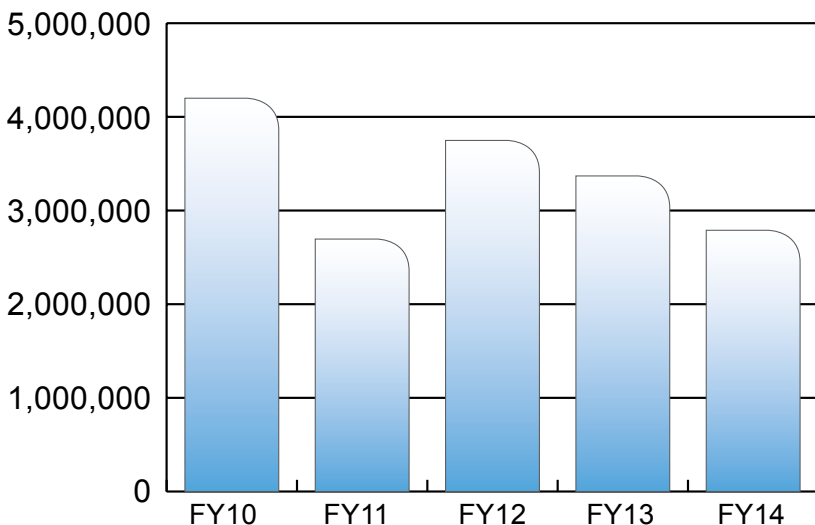
Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$818,570	\$899,726	\$899,726	\$944,027
Supplies	32,753	58,980	58,980	58,400
Maintenance	452,461	815,408	815,408	701,753
Contractual Services	158,769	154,830	154,830	113,000
Capital Replacement/Lease	20,320	34,120	34,120	44,150
Capital Outlay	-	-	-	-
Total Department Budget	\$1,482,873	\$1,963,064	\$1,963,064	\$1,861,330

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Information Technology	32	1.0	1.0	1.0	1.0
Developer	29	0.0	1.0	1.0	1.0
Network Specialist	29	5.0	5.0	5.0	5.0
Total		6.0	7.0	7.0	7.0

Number of Service Calls



Number of Unique Website Visitors (in Thousands)



COMBINED SERVICES

Department Mission

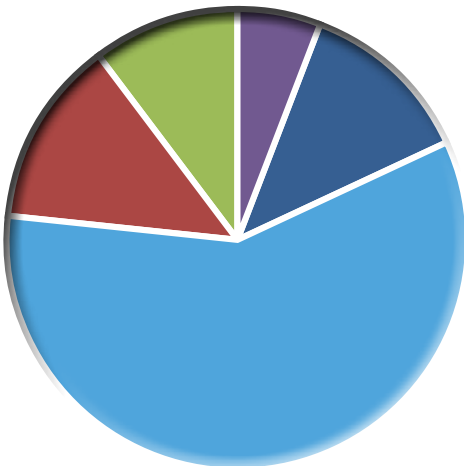
The department reflects expenditures incurred by the Town, as a single entity, in the conduct of its operations. These expenditures include the Town's membership in various state and local organizations, attorney fees, and insurance premiums.

Program Narrative

Notable Budget Items

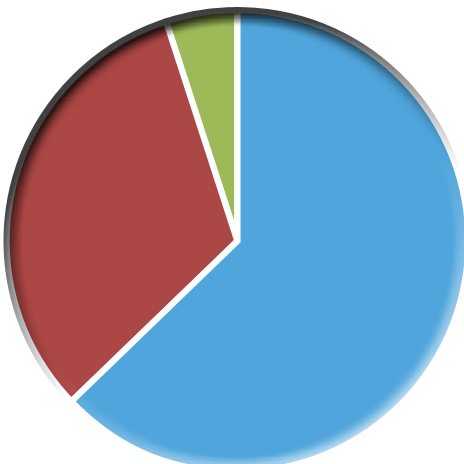
- Legal Fees (\$350,000)
- Library Cards (\$175,000)
- Town-wide liability insurance (\$110,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$79,232	\$69,470	\$69,470	\$73,150
Supplies	55,919	98,000	98,000	89,000
Maintenance	-	-	-	-
Contractual Services	573,770	737,290	737,290	815,580
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Department Budget	\$708,921	\$904,760	\$904,760	\$977,730



Liability Insurance Premiums by Category

- 6% General Liability
- 12% Law Enforcement Liability
- 58% Workers Compensation Liability
- 13% Errors and Omissions
- 11% Automobile Liability



Property Insurance Premiums by Category

- 63% Real and Personal Property
- 32% Vehicular Property
- 5% Personal Bonds

COUNCIL SPECIAL PROJECTS

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 FY2014

- Adopted a compensation philosophy for FY 2015.
- Conducted strategic planning process to set the Town's value proposition and to create a vision and goals for the Town.
- Adopted a comprehensive land use plan.
- Adopted airport strategic plan.
- Continued community engagement through City Council Liaison assignments.

Objectives for FY2015

- Seek out operational efficiencies without compromising the overall level of service provided by the Town in order to continue mindful stewardship of Town resources.
- Set strategic priorities for the Town as part of the annual strategic planning process.

Notable Budget Items

- Nonprofit Funding
CONTACT Crisis Line (\$7,500)
The Family Place (\$12,000)
Launchability (\$5,000)
Metrocrest Chamber of Commerce (\$35,000)
Metrocrest Family Medical Clinic (\$3,000)
UBL- Texas Wranglers (\$2,000)
Addison Arbor Foundation (\$47,500)
- Charter Review (\$10,000)
- Vitruvian Lights and Vitruvian Nights (\$185,000)
- Holiday Open House (\$30,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$27,143	\$34,418	\$34,418	\$40,415
Supplies	27,833	16,500	16,500	40,000
Maintenance	3,178	-	-	-
Contractual Services	360,793	515,500	515,500	425,540
Capital Replacement/Lease	3,000	3,640	3,640	3,580
Capital Outlay	-	-	-	-
Total Department Budget	\$421,947	\$570,058	\$570,058	\$509,535

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 FY2014

- The Town had its lowest recorded crime rate since the year 2000 based on the FBI's Uniform Crime Reporting system.
- Successfully integrated the part-time Animal Control Officer and the Vitruvian Storefront Officer approved in the 2013/14 budget into the Department.
- Replaced 40 ballistic vests that were at the end of their 5 year life cycle.
- Hired 3 new jailers who were approved mid-year by Council to address critical staffing issues in the Jail.

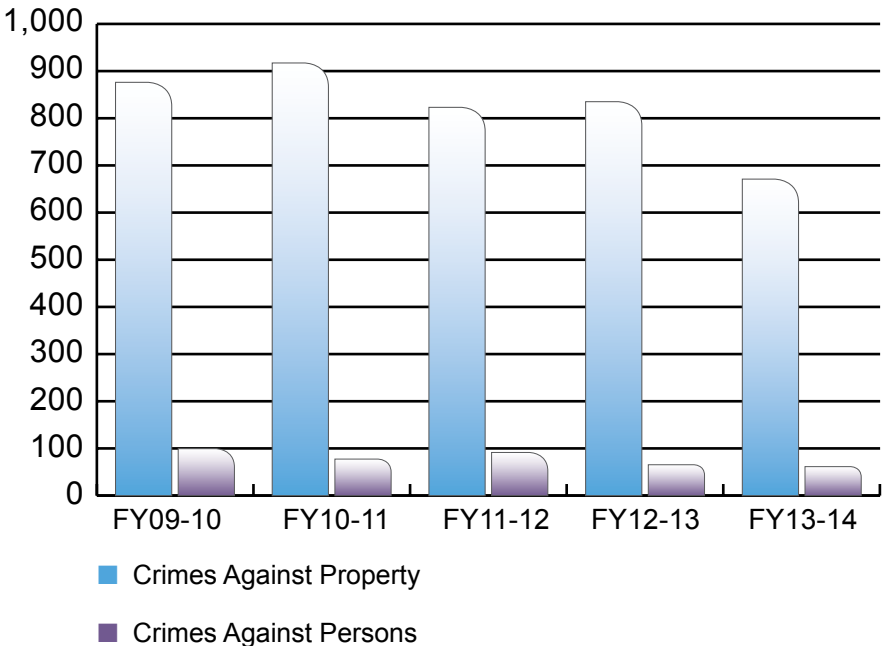
Objectives for FY2015

- Increase participation in the Addison Citizens Assisting Police program by 25%.
- Increase mindful stewardship of Town resources by completing the combined dispatch project by the 4th quarter of 2015.
- Maintain an average police officer staffing level of 99% for the year.

Notable Budget Items

- Scheduled replacement of 10 expired heavy ballistic vests used for SWAT (\$35,000)
- Replacement of standard issue officer uniform shirts with external ballistic vest carriers that double as uniform shirts (\$32,000)
- Replacement of 30 TASERS (\$46,000)

Historical UCR Property and Persons Crimes



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$6,216,721	\$6,570,615	\$6,561,184	\$6,848,404
Supplies	350,688	350,608	372,608	412,072
Maintenance	251,828	211,422	211,422	215,760
Contractual Services	380,161	433,570	463,570	441,135
Capital Replacement/Lease	561,830	440,800	440,800	585,400
Capital Outlay	9,235	20,000	-	-
Total Department Budget	\$7,770,463	\$8,027,015	\$8,049,584	\$8,502,771

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Police Chief	32	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	4.0	4.0	4.0	4.0
Sergeant	P3	6.0	6.0	6.0	6.0
Records Supervisor	13	0.0	0.0	0.0	1.0
Supervisor - Detention	13	1.0	1.0	1.0	1.0
Police Services Supervisor	13	0.0	0.0	1.0	1.0
Police Officer**	P2	47.0	47.0	48.0	48.0
Police Administration Technician***	10	1.0	1.0	0.0	0.0
Animal Control Officer****	9	1.0	1.0	1.5	2.0
Department Assistant	9	0.0	0.0	1.0	1.0
Secretary - Department*****	8	1.0	1.0	0.0	0.0
Jailer	8	3.0	3.0	3.0	6.0
Clerk - Police Records	7	2.0	2.0	2.0	2.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Quartermaster	6	1.0	1.0	1.0	1.0
Intern*****	5	0.5	0.5	0.5	0.5
Jailer - Temporary*	N/C	2.3	2.3	2.3	2.3
Total		73.8	73.8	75.3	79.8

*This position is not classified in the pay plan.

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

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

****This position moved from Streets department in mid-FY11.

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

*****This position was added in FY12.

EMERGENCY COMMUNICATIONS

Department Mission

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

Program Narrative

Accomplishments of FY2014

The Department completed several milestones required to make the Quad Cities combined dispatch center a reality. These milestones included: official establishment of the North Texas Emergency Communications Center, creation of a governing Board of Directors, selection of a Public Safety Radio system vendor and securing lease space for the combined operation center. Funds either expended or encumbered to date: \$4.2 million out of the \$5 million in bonds sold for the project.

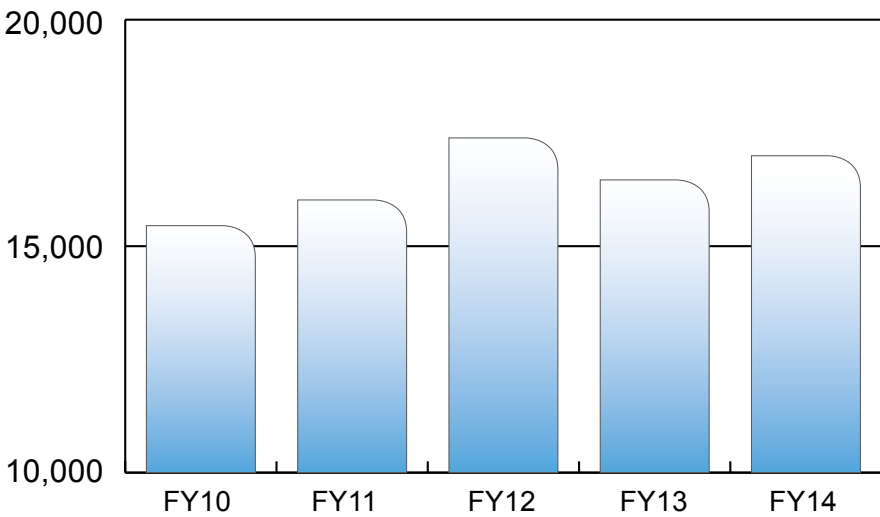
Objectives for FY2015

Complete dispatcher transition training for the move to the combined dispatch center.

Notable Budget Items

Increased budget \$294,000 to cover transition costs associated with the new combined dispatch center.

Calls for Service



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$818,846	\$959,488	\$960,059	\$720,511
Supplies	5,293	15,000	15,000	10,320
Maintenance	71,620	74,000	74,000	61,500
Contractual Services	163,344	236,180	236,180	506,705
Capital Replacement/Lease	-	-	-	39,011
Capital Outlay	-	-	-	145,000
Total Department Budget	\$1,059,103	\$1,284,668	\$1,285,239	\$1,483,047

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Supervisor - Communications	13	1.0	1.0	1.0	1.0
Telecommunicator	T1	12.5	12.5	12.5	12.5
Total		13.5	13.5	13.5	13.5

Department Mission

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

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

Program Narrative

Accomplishments of FY2014

- Hired three additional firefighter/paramedics to meet increased demands associated with new commercial and residential development and redevelopment within the town.
- Repaired and remodeled the main bathroom at Fire Station 2.
- Repaired and replaced the failing concrete at the ramps at Fire Station 2 and selected driveway and ramp areas at Fire Station 1.
- Replaced Medic 102 with a new 2014 ambulance through funding from the capital equipment replacement fund.

Objectives for FY2015

- Purchase three new ambulance stretchers to replace aging equipment exceeding manufacturers expected service life.
- Strengthen reputation for the “Addison Experience” of effective fire response by replacing a 1997 fire pumper with a new quint apparatus slated for Fire Station 2 with funding from the capital equipment replacement fund.
- Purchase the fire marshal vehicle with funding from the capital equipment replacement fund.

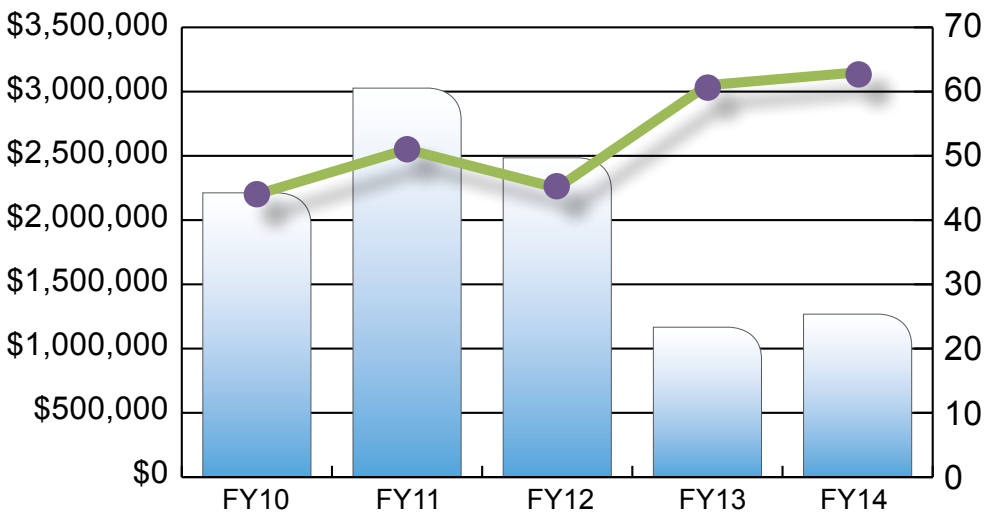
Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$4,896,846	\$5,320,846	\$5,321,846	\$5,526,654
Supplies	284,459	300,090	300,090	313,550
Maintenance	254,979	313,050	271,050	271,750
Contractual Services	255,168	304,620	303,620	312,480
Capital Replacement/Lease	357,920	307,200	307,200	417,080
Capital Outlay		241,000	283,000	-
Total Department Budget	\$6,049,372	\$6,786,806	\$6,786,806	\$6,841,514

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Fire Chief	32	1.0	1.0	1.0	1.0
Deputy Chief – EMS/Training	F6	1.0	1.0	1.0	1.0
Battalion Chief	F5	3.0	3.0	3.0	3.0
Fire Captain*	F4	3.0	3.0	3.0	3.0
Fire Prevention Specialist	FP2	1.0	1.0	1.0	1.0
Fire Lieutenant	F3	6.0	6.0	6.0	6.0
Firefighter/Paramedic					
Fire Equip. Operator	F2a	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F2	27.0	27.0	30.0	30.0
Fire Inspector	FP1	0.0	0.3	0.3	0.3
Department Assistant	9	0.0	0.0	1.0	1.0
Secretary - Department**	8	1.0	1.0	0.0	0.0
Total		52.0	52.3	55.3	55.3

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

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

Number of Fires and Corresponding Property Loss



In FY10, property losses increased substantially due to a large fire in the Oaks North subdivision, and continued in FY11, due to fires at a hotel and an apartment complex. There were three additional apartment complex fires in FY12 that attributed to the high dollar value loss.

■ Dollar Value Loss
● Number of Fires

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 enforcement of the Town's codes regarding construction, signs, community safety and appearance, food service, swimming pools, and a myriad of environmental hazards.

Department Narrative

Accomplishments for FY2014

- Completed reorganization process by merging the Development Services Department with the Infrastructure Department. This resulted in the reclassification of the Director of Development Services position to the Assistant Director of Development Services and Planning. Additionally, the Stormwater and Sustainability Manager position was moved under Development Services, though the position is funded from the Stormwater Fund.
- Coordinated, inspected and licensed twenty (20) new or reoccupied/remodeled food establishments, with fifteen (15) additional concepts currently in varying stages of review.
- Continued mosquito surveillance (trapping mosquitoes and testing for West Nile Virus and pesticide resistance), source reduction and larvaciding activ-

ity. No human cases of West Nile Virus were reported in Addison during the 2014 fiscal year.

- Issued 1,256 permits with a total valuation of \$70,132,126.
- Managed twenty-nine (29) zoning changes through the review and approval process.

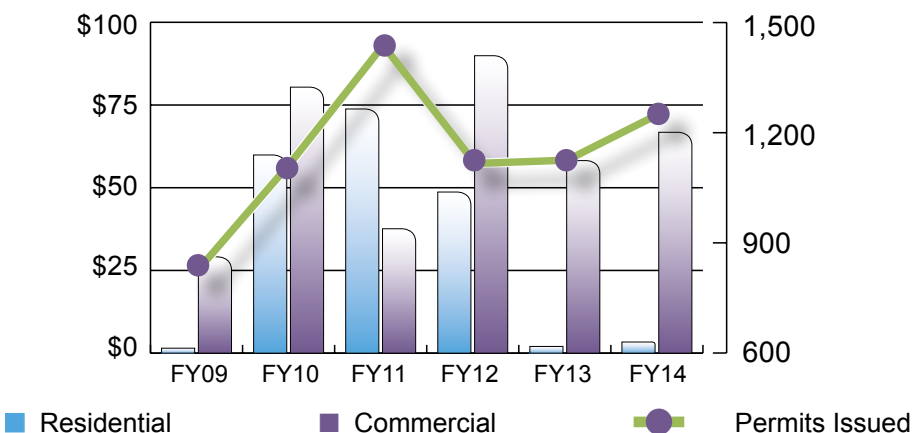
Objectives for FY2015

- Complete the update to the Master Thoroughfare Plan.
- Manage smooth transition of personnel in Building Official Position.
- Continuing staff commitment to positive "Addison Experience" by investigating the Town's approach to Code Enforcement in order to determine personnel and processes needed to manage the appropriate maintenance of property within Addison.
- Continue to work with Village on the Parkway developer as they finalize redevelopment activities including the AMC Theater opening, restaurants and additional retail shops over the next year.
- Maintain vigilance in mosquito control matters in anticipation of possible West Nile Virus outbreak and other possible mosquito-borne illnesses.

Notable Budget Items:

- Master Thoroughfare Plan Update (\$80,000).
- Special Area Study (\$75,000).

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



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$804,685	\$838,262	\$770,423	\$826,440
Supplies	15,285	21,250	18,176	21,850
Maintenance	5,114	5,400	7,900	5,150
Contractual Services	73,480	86,700	124,700	235,600
Capital Replacement/Lease	29,120	67,760	67,760	35,990
Capital Outlay	-	-	-	-
Total Department Budget	\$927,684	\$1,019,372	\$988,959	\$1,125,030

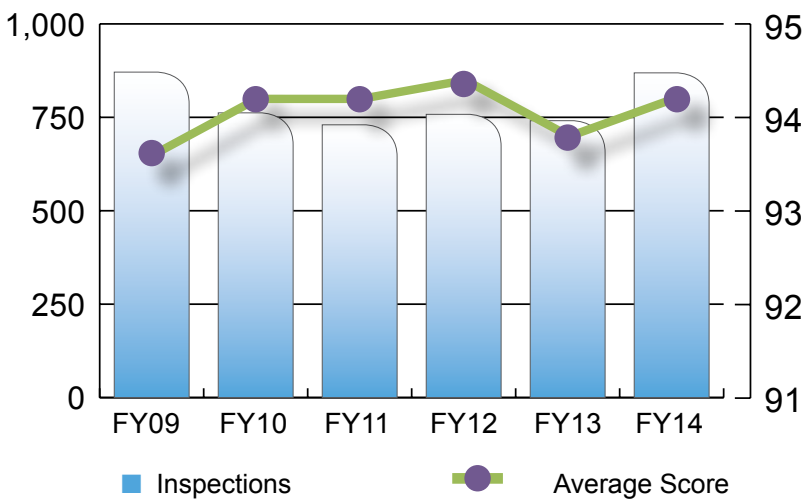
Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Development Services***	32	1.0	1.0	1.0	0.0
Assistant Director - Development Services	30	0.0	0.0	0.0	1.0
Official - Building	30	1.0	1.0	1.0	1.0
Official - Environmental Services	29	1.0	1.0	1.0	1.0
Inspector - Building*	13	2.2	2.2	2.2	2.2
Environmental Health Specialist	13	1.0	1.0	1.0	1.0
Department Assistant	9	0.0	0.0	1.0	1.0
Secretary - Department**	8	1.0	1.0	0.0	0.0
Total		7.2	7.2	7.2	7.2

*A part-time Inspector was added in FY12.

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

***This position was reclassified to Assistant Director

Number of Food Inspections and Average Scores



Department Mission

The Streets division is a sub-unit of the Infrastructure and Development Services Department. The department has a multi-faceted mission which is comprised of the following components: 1. Maintenance of the Town's streets at a level that will ensure that no delays are caused by pavement failures; 2. Maintenance of the traffic signal system to safely and efficiently move traffic throughout the community; 3. Collection of residential brush within two business days; 4. Supervise the collection of solid waste and recycling; 5. 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; and 6. Oversee the installation, repair, and maintenance of overhead street lights.

Program Narrative

Accomplishments of FY2014

- Utilized street maintenance contract to provide superior street maintenance and pavement markings.
- Finalized the design for Phase I of the Belt Line Underground Utilities project.
- Begin preliminary engineering services for Midway Road improvement.
- Begin design and construction of extension to Alpha Road.
- Continue installation of street light battery backup program.
- Continue traffic signal rewiring program.
- Implement regulatory and street sign replacement program.
- Purchased new spreading equipment to assist in providing superior street services during ice events.

Objectives for FY2015

- Utilize street maintenance contract to continue to provide superior street maintenance.

- Begin construction activities for burying the overhead utilities along Belt Line Road from Marsh to Midway.
- Begin design for the reconstruction of Midway Road.
- Continuing mindful stewardship of Town resources by performing city-wide streets and sidewalk assessment and CIP.
- Finalize design and begin construction of extension to Bella Lane .
- Purchase and install the final 8 traffic signal system battery backups.
- Continue to implement regulatory and street sign replacement program.
- Continue traffic signal rewiring program.
- Finalize design and begin construction on Addison Road Rehabilitation project.

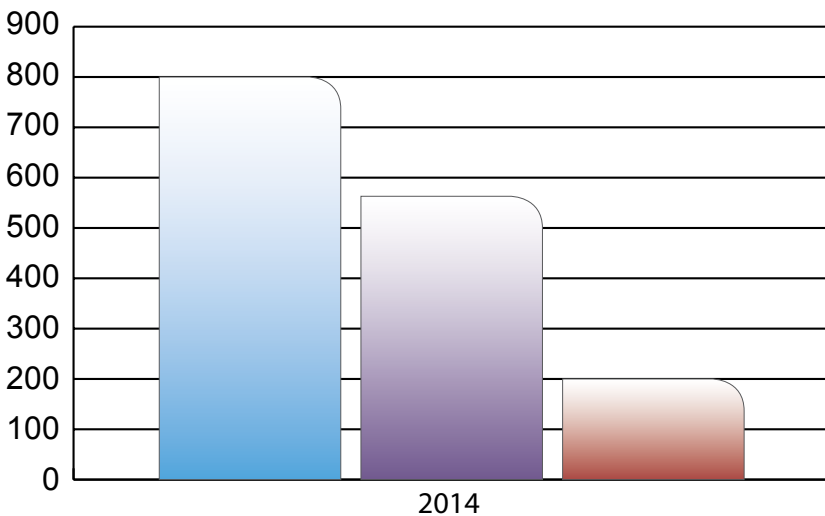
Notable Budget Items

- Electricity for street lights and traffic signals (\$323,960)
- Residential garbage collection services (\$250,000)
- Street maintenance program (\$230,000)
- Street Signs and Markings (\$178,922)
- Traffic Signal Systems (\$169,400)
- Household Hazardous Waste Program (\$22,500)
- Modified Level of Service: Senior Streets Maintenance Worker (\$34,238)
- Modified Level of Service: Multi Family Housing Recycling Pilot Program (\$15,000)
- Modified Level of Service: What Can I Recycle? Educational Advertising Campaign (\$15,000)
- Modified Level of Service: Video Detection Processors Replacement (\$13,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$340,187	\$376,631	\$376,631	\$440,337
Supplies	20,515	30,550	30,550	29,350
Maintenance	528,092	585,400	585,400	723,678
Contractual Services	838,186	766,450	766,450	778,460
Capital Replacement/Lease	23,520	77,640	77,640	65,710
Capital Outlay	-	-	-	-
Total Department Budget	\$1,750,500	\$1,836,671	\$1,836,671	\$2,037,535

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Streets and Facilities Manager	23	0	0	0	0.4
Supervisor - Streets Services	20	1.0	1.0	1.0	1.0
Technician - Signs/Signals	11	2.0	2.0	2.0	2.0
Senior Maintenance Worker	7	2.0	2.0	2.0	2.0
Total		5.0	5.0	5.0	5.4

Street Maintenance



- Concrete Repairs (SY)
- Asphalt Repairs (SY)
- Lane Marking Replacements (LF, in 00's)

Department Mission

To preserve and enhance the Town's exceptional quality of life through its award winning park and trail system, and by monitoring landscaping in the community's public open spaces, neighborhoods, and commercial properties.

Program Narrative

Accomplishments of FY2014

- Completed construction documents and bidding for the construction of pedestrian connectivity improvements in the South Quorum and Beltway/Proton Drive corridors.
- Continued to work with commercial property owners to ensure that landscapes are maintained to a high level.
- Continued collaboration with the Addison Arbor Foundation on public art and beautification projects in the Town's parks and public open spaces. The completed projects consisted of installing lighting and ID monuments on various sculpture pieces including: 'Light and Energy'/ Marsh Lane, 'Cut One Plant One'/ Redding Trail and 'Jack Rabbits'/Les Lacs Park. Sculpture lighting was also completed on the 'Loop-the-Loop' and 'Alphabet D' sculpture pieces on the Redding Trail. Completed the Arapaho Road tree planting to provide a landscape buffer for the railroad tracks.
- Completed two park people/dog drinking fountain installations at Winnwood Park and Beckert Park in conjunction with Addison Legacy Foundation.
- Collaborated with the Dog Park Committee on the Redding Trail Dog Park improvements, which included installation of park bench pads, grass and drinking fountains in the Redding Trail Dog Park. Additionally installed a camera monitoring system in the dog park parking lot.
- Completed park infrastructure repairs and landscape renovation projects in Beckert Park, Addison Circle District, Belt Line Road Medians, Oaks North Neighborhood, Celestial Park, Addison Circle Park and Montfort Drive medians.
- Completed city-wide tree and limb removals resulting from the ice storm damage, as well as, park light and

structure painting in North Addison Park, Les Lacs Lake Park, Town Park, Addison Circle Park District, Spruill Park and Redding Trail Park.

- Completed trail renovation projects in Celestial Park and Beckert Park. This also included expansion joint sealing on the Redding Trail System.

Objectives for FY2015

- Complete construction of the Beltway/Proton and South Quorum pedestrian connectivity improvements.
- Complete landscape renovation projects along the Inwood Road Right-of-Way, Belt line Road Medians and Vitruvian Way Medians.
- Update the Town's Landscape Regulation and Pruning Standards to a more user friendly format for online access via the Town's new website.
- Continue collaboration with the Addison Arbor Foundation public art and beautification projects in the Town's parks and public open spaces.
- Continue a close working relationship with the Addison Legacy Foundation on projects involving park improvements such as installation of park and trail drinking fountains.
- Provide lighting in the Redding Trail Dog Park to expand usage of the park.
- Reconfigure the Vitruvian Park Amphitheater to improve access and seating for special events.
- Replace the playground structures and surfacing at Les Lacs Park and Town Park.
- Increase mindful stewardship of resources by replacing the decomposed granite trail at Celestial Park with a concrete surface.

Notable Budget Items

- Replacement of Les Lacs and Town Park Playgrounds (\$350,000)
- Repaving of Celestial Park Loop Trail (\$180,000)
- Vitruvian Park Amphitheater Reconfiguration (\$350,000)

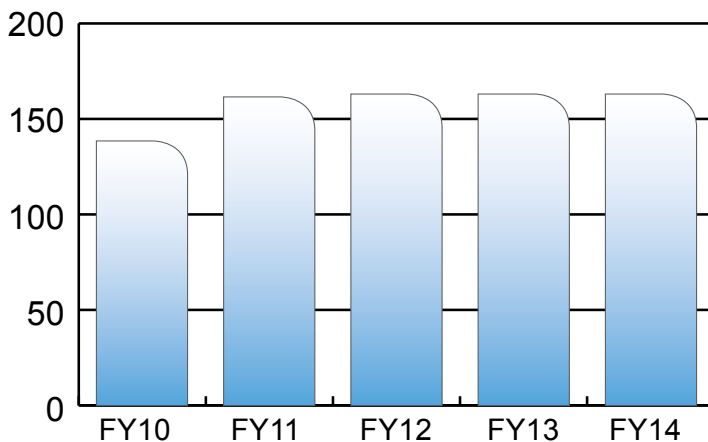
Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$1,282,691	\$1,419,402	\$1,416,123	\$1,464,546
Supplies	145,367	177,700	177,700	213,300
Maintenance	621,450	990,200	990,200	757,461
Contractual Services	711,111	846,900	846,900	983,940
Capital Replacement/Lease	53,196	89,450	89,450	70,520
Capital Outlay	8,924	-	-	22,600
Total Department Budget	\$2,822,739	\$3,523,652	\$3,520,373	\$3,512,367

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Parks and Recreation	32	1.0	1.0	1.0	1.0
Manager - Parks	26	1.0	1.0	1.0	1.0
Landscape Architect	27	0.0	1.0	1.0	1.0
Superintendent - Parks	23	0.0	1.0	1.0	1.0
Foreman - Parks**	20	1.0	0.0	0.0	0.0
Supervisor - Parks	13	1.0	2.0	2.0	2.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Senior Groundskeeper	9	2.0	1.0	1.0	1.0
Department Assistant	9	0.0	1.0	1.0	1.0
Secretary - Department*	8	1.0	0.0	0.0	0.0
Groundskeeper - III	10	2.0	2.0	2.0	2.0
Groundskeeper - II	8	2.0	2.0	2.0	2.0
Groundskeeper - I	7	6.0	6.0	6.0	6.0
Total		20.0	21.0	21.0	21.0

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

**This position was reclassified to Parks Forman in FY13

Acres Maintained



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

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 tennis court, weight and fitness room, and an outdoor leisure pool.

Program Narrative

Accomplishments of FY2014

- Completed training and implementation of ActiveNet, the department software package that controls membership, program registration, point-of-sale, facility reservations, member check-in, and online program registration.
- Completed a customer service survey. Results and information used to make improvements and budget recommendations. As a result, changes were made in programming, facilities, exercise equipment, and customer service.
- Completed over 130 building work orders and department projects.
- Completed a successful summer camp that served 33 families, averaged 25 kids per week, and made a small profit.
- Collaborated with Human Resources to provide fitness and wellness opportunities to Town employees including boot camp, co-ed sport and a walking program.
- Replaced eight treadmills as part of the Capital Equipment Replacement Fund. Replaced 6 exercise bikes and 2 Ellipticals, as well as, minor equipment such as benches, dumbbells, and aerobic class accessories through department funds.
- Expanded free Wi-Fi coverage to include the entire second floor, fitness wing, and outdoor pool.
- Upgraded the fitness area music system receiver to allow scheduled channel changes to provide a wide variety of music.
- Replaced the swimsuit spinner in the men's locker room and added a new spinner to the women's locker room.

- Replaced the existing pool and hot tub chlorine systems with Chlor-King chlorine generators. These units convert salt to chlorine with an estimated savings of \$2,500 per year. These systems are safer and more efficient than chlorine tablet or liquid chlorine systems.

Objectives for FY2015

- Work with the selected architect to complete a master plan for the Athletic Club that will serve as a guideline for determining strategies to accommodate existing and future programs, prioritizing building improvements and construction budgeting, which will be implemented over the next three years.
- Replace 10 treadmills through the Capital Equipment Replacement Fund.
- Continue to implement new programs and classes based on resident feedback and industry trends in order to increase positive "Addison Experience" for residents.
- Complete building and aquatics improvements: Resurface gymnasium floor, Resurface outdoor leisure pool, Children's Center improvements, miscellaneous painting, and tennis court resurfacing.
- Continue to work with Human Resources to provide fitness and wellness opportunities to Town employees including boot camp, co-ed sport and a walking program.
- Reduce staff turnover, correct staff shortages and increase "buy in" by converting 4 part time Recreation Associate positions to 2 full time Recreation Associates, and adding one part time Recreation Associate position.

Notable Budget Items

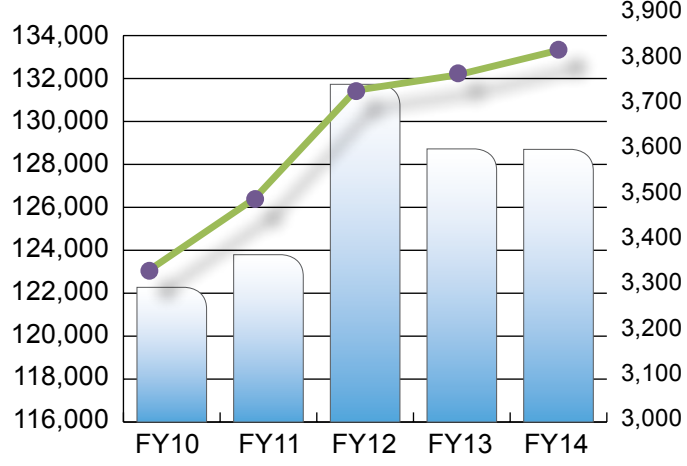
- Building maintenance for the Addison Athletic Club (\$198,200)
- Utilities associated with the operation of the Addison Athletic Club (\$168,190)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$769,784	\$798,315	\$783,126	\$828,638
Supplies	154,887	152,300	152,300	145,300
Maintenance	210,993	200,972	200,972	215,920
Contractual Services	301,266	324,280	324,280	437,180
Capital Replacement/Lease	57,020	54,160	54,160	54,000
Capital Outlay	-	-	-	-
Total Department Budget	\$1,493,950	\$1,530,027	\$1,514,838	\$1,681,038

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Manager - Recreation	26	1.0	1.0	1.0	1.0
Supervisor - Recreation	13	1.0	1.0	1.0	1.0
Coordinator - Recreation	11	2.0	2.0	2.0	2.0
Coordinator - Fitness	11	1.0	1.0	1.0	1.0
Seasonal Pool Supervisor	8	0.2	0.2	0.2	0.2
Secretary - Division	8	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Recreation Associate	7	4.0	4.0	4.0	4.5
Seasonal Camp Counselor	5	0.6	0.6	0.6	0.6
Custodian*	2	1.0	1.0	1.0	1.0
Seasonal Lifeguard	2	1.6	1.6	1.6	1.6
Porter	2	1.0	1.0	1.0	1.0
Total		14.6	14.6	14.6	15.1

Athletic Club Facility Usage (visits)

Active Members



■ Athletic Club Facility Usage (visits) ● Active Members







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 is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

Fund Narrative

Concluding Fiscal Year Performance

FY14 revenues are expected to total \$7,305,699 or \$383,896 less than the amount budgeted. Hotel occupancy tax receipts are expected to increase 7.6 percent over FY14 and are projected to achieve budgeted results. Proceeds from special events are expected to be down 2.8 percent from the previous year due to the modification of one event. Expenditures for the Hotel Fund came in \$188,551 under budget. All instances of expenditures exceeding budget were recognized with budget amendments approved by Council.

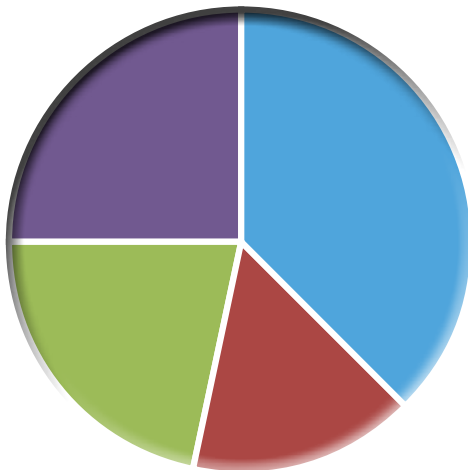
2014-2015 Budget Narrative

The Hotel Fund budget for FY15 anticipates hotel occupancy tax collections will increase \$516,816. Barring inclement weather during scheduled events, special event income is expected to generate \$1.4 million. Rental income from the Conference Centre is projected at \$603,750 and Visit Addison rental income is expected to be \$310,000.

Total fund expenditures for FY15 are budgeted at \$7,123,476, which represents a 2.4 percent decrease from the FY14 budget. The Hotel Fund budget includes a transfer of \$500,282 to the Economic Development Fund and \$710,800 to the Hotel Occupancy Tax Debt Service Fund for retirement of debt associated with Addison Circle Park, the venue for the Town's special events. Fund balance for FY15 is projected to be \$2,027,904, or 34.3 percent of operating expenditures.

Hotel Fund By Major Cost Category

Category	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$1,651,096	\$1,604,010	\$1,733,901	\$1,509,376
Supplies	196,891	217,400	199,414	119,857
Maintenance	470,299	477,070	571,820	404,380
Contractual Services	4,123,431	4,067,688	4,129,253	3,758,181
Capital Replacement/Lease	76,100	89,120	89,120	89,600
Capital Outlay	598,409	-	27,414	31,000
Total Fund Budget	\$7,116,226	\$6,455,288	\$6,750,922	\$5,912,394



Percentage of Rooms by Hotel Category*

- Full Service 38%
- Economy 16%
- Business Moderate 22%
- Extended Stay 25%

*Totals may not add up to 100 percent due to rounding.



Department Mission

The mission of Visit Addison is 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 comprises 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 FY2014

- Hosted 8,332 people in the facility, including 1,882 Craft Guild students, 6,000 meeting attendees (including suite 400 and 430), and 450 estimated visitors seeking tourism information.
- Hosted 6 art exhibits.
- Generated \$81,866.85 in room rental revenue.

Objectives for FY2015

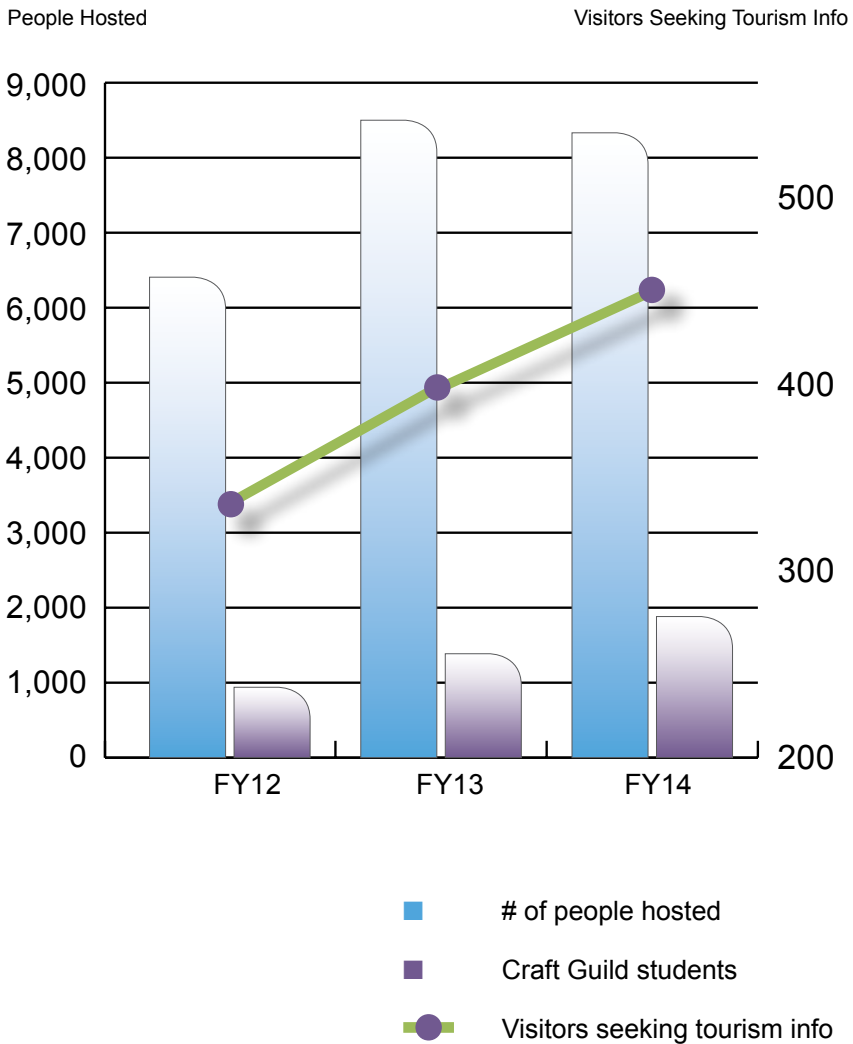
- Generate 9,600 visitors.
- Host 2,100 Craft Guild students, 7,000 meeting attendees, and 500 visitors seeking tourism information.
- Generate total room rental revenue of \$92,000.
- Assist Village on the Parkway restaurants and businesses in generating revenue through events held in Visit Addison.

Notable Budget Items

- Rental of space at Village on the Parkway (\$617,255)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$5,638	\$8,630	\$8,630	\$8,420
Supplies	14,985	41,650	16,442	21,087
Maintenance	28,568	50,500	29,250	53,000
Contractual Services	449,464	525,808	531,882	765,485
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Department Budget	\$498,655	\$626,588	\$586,204	\$847,992

Number of Visitors Hosted - Seeking Tourism Info



Department Mission

The mission of the Conference Centre is to promote the convention and tourism industry in Addison by offering exceptional service in a unique and architecturally-inspired meeting and event venue.

Program Narrative

Accomplishments of FY2014

- Generated a 9 percent increase in revenue over prior year.
- Contracted with a corporate sales associate to increase sales.
- Hosted 50,000 event attendees.
- Implemented event management software for booking and detailing events.
- Conducted a market study of rental rates at similar venues and updated a competitive rate structure.
- Implemented a flexible staffing schedule to more efficiently utilize staff hours and reduce overtime costs.
- Brought the invoicing and payment process in-house to speed up the collection cycle of receivables.
- Fully implemented diagramming software and incorporated all rental spaces into the software to enhance clients experience and lessen set up errors. This also proved to be a useful sales tool as the client can use the software to design their set up and use it for guest seating.

Objectives for FY2015

- Increase total room revenue by 5 percent.
- Secure an electronic inventory tracking system for all equipment and supplies.
- Continue to improve the website to help drive sales.
- Implement an online payment portal to expedite payment of invoices.
- Implement a customer satisfaction survey in order to better create "Addison Experience," and develop new and creative ways to serve customers.
- Create a Standard Operating Procedures manual to improve efficiencies.
- Develop corporate and social packages to create a more simplified booking option for clients.
- Restructure financial accounting and reporting process and procedures, utilizing new technologies to streamline.

Notable Budget Items

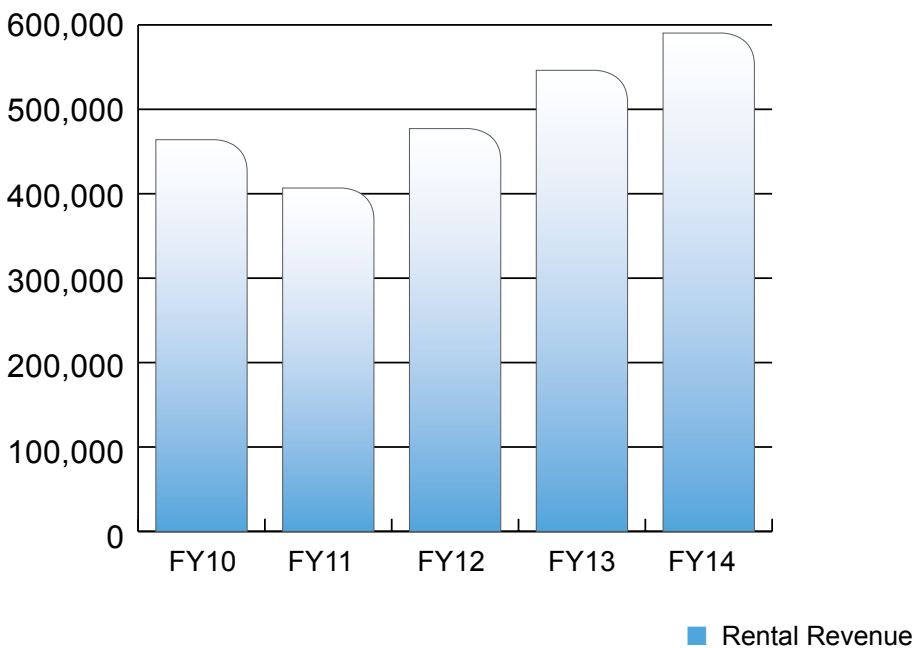
- Replacement and repair of equipment (\$27,000)
- Utilities (\$157,000)
- Online Payment Portal System (\$35,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$541,260	\$483,627	\$491,627	\$606,872
Supplies	101,960	84,180	78,180	57,450
Maintenance	171,340	168,700	160,700	134,090
Contractual Services	197,337	306,340	279,590	354,800
Capital Replacement/Lease	16,230	26,060	26,060	19,730
Capital Outlay	598,517	29,700	18,416	6,000
Total Department Budget	\$1,626,644	\$1,098,607	\$1,054,573	\$1,178,942

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Manager - Conference Centre	26	1.0	1.0	1.0	2.0
Coordinator - Technical	13	1.0	1.0	1.0	1.0
Coordinator - Conference Centre Services	13	1.0	1.0	1.0	1.0
Coordinator - Conference Centre Sales	11	1.0	0.0	0.0	0.0
Department Assistant	9	0.0	0.0	1.0	1.0
Senior Attendant - Conference Centre	7	1.0	2.0	2.0	2.0
Attendant - Conference Centre *	4	3.0	2.0	2.7	1.5
Total		8.0	7.0	8.7	8.5

*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.

Rental Revenue



COMMUNICATIONS AND MARKETING

Department Mission

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

Program Narrative

Accomplishments of FY2014

- Continued to work with vendor on an Addison-integrated website project, which will merge all primary Addison websites and add essential functions such as hotel booking, e-ticketing, and community engagement tools.
- Managed and launched a complete rebranding of the Town of Addison. The project culminated with the City Council unanimously approving Addison's new Brand Vision (Addison's new Brand).
- Oversaw the roll-out and launch of new Addison Brand, which will help increase the Town's competitive edge, define our Brand Guidelines, establish core messaging, and give Addison a completely new look that will take Addison into the future.
- Consolidated and updated Addison's social media assets, developed measureable goals, and launched successful strategic community engagement campaigns designed to enhance and promote economic development, special events, and visitor services efforts.

- Launched a monthly e-blast, the Addison Connection, which features a strategic snapshot of Addison restaurants, businesses, and events, in an engaging, easy, fun, and quick format.

Objectives for FY2015

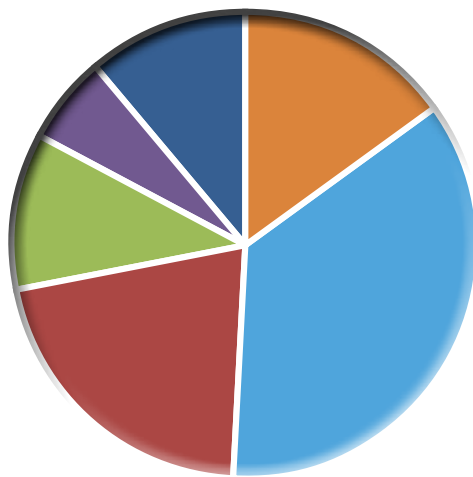
- Complete, test, train employees, and launch a comprehensive website re-design project that will be progressive, relevant, and reflective of the Addison Brand.
- Select new advertising and marketing agencies for Addison marketing and advertising support.
- Continue innovative and creative culture by evolving community engagement through digital and social media.
- Oversee communication plans and implantation of several large citywide projects, including the massive construction project to underground the utilities on Belt Line Road.

Notable Budget Items

- Website design (\$30,000)
- Marketing for Special Events (\$190,750)
- Shiroma Southwest contract for providing marketing and public relations services for all special events and Access Addison (\$80,000)
- Addison/North Dallas Corridor Guide (\$111,750)
- Modified Level of Service: Marketing and Communications Contractor (\$60,000)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$137,393	\$156,460	\$156,460	\$207,409
Supplies	6,631	5,770	5,770	5,770
Maintenance	-	6,090	6,090	8,150
Contractual Services	732,750	741,800	741,800	749,800
Capital Replacement/Lease	4,150	7,680	7,680	4,760
Capital Outlay	-	-	-	-
Total Department Budget	\$880,924	\$917,800	\$917,800	\$975,889

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Communications and Marketing	32	1.0	1.0	1.0	1.0
Total		1.0	1.0	1.0	1.0



Marketing Expenditures by Category

- 15% PR/Media Support/Advertising
- 36% Marketing Strategy, Branding, and Creative Services
- 21% Addison Magazine
- 11% Events-Specific Marketing
- 6% Website Design/Content Management
- 11% Other

SPECIAL EVENTS

Department Mission

The mission of the Special Events Department is to produce quality events that attract tourists and enhance the Town's brand.

Program Narrative

Accomplishments of FY2014

- Delivered memorable experiences that brought tourists, residents, businesses and employees together in a fun and safe environment.
- Retained market share by hosting several new events and added new elements to keep existing events fresh.
- Hosted WorldFest: Spotlight Mexico which attracted tourists and strengthened Addison's reputation within the international community.
- Re-branded and re-tooled Taste Addison to Fork & Cork which enhanced the Town's reputation as a unique culinary destination, enhanced the visitor experience and provided Addison restaurant and community partners with marketing exposure.
- Addison Kaboom Town!® continues to receive national acclaim and was recognized as one of the top shows in the country by dozens of media outlets, including the Associated Press, Peter Greenberg's ABC News, Bloomberg Street Smart, USA Today, Travel Channel and more.
- Addison Oktoberfest continues to be one of the most authentic Oktoberfest celebrations held outside of Munich and generates hotel room nights and non-traditional revenue for Addison's hotel community.
- Assisted with development of a variety of events held at Vitruvian Park that attracted positive media exposure and over 60,000 spectators.
- Issued permits for nine events taking place in the Addison Arts & Events District.

- Implemented a new online ticket system for each of our large events that provided a convenient way for patrons to purchase or reserve tickets and provided staff with demographic and other information about event patrons.
- Earned gross revenues of nearly \$2.9 million.

Objectives for FY2015

- Develop a strategic plan to produce a series of quality special events that bring tourists, residents, businesses and employees together in a fun and safe environment, including Fork & Cork, Addison Kaboom Town!®, Summer Series, and Addison Oktoberfest, plus a series of third party events.
- Retain market share of approximately 600,000 visitors at the existing events by keeping the events fresh with new ideas.
- Develop a strategic plan to expand the culinary aspects of the special events throughout the year.
- Practice mindful stewardship of resources by looking for operational efficiencies without cutting services and generating \$1.4 million in revenue.
- Continue to refine and generate incremental online ticket sales and packages for events.

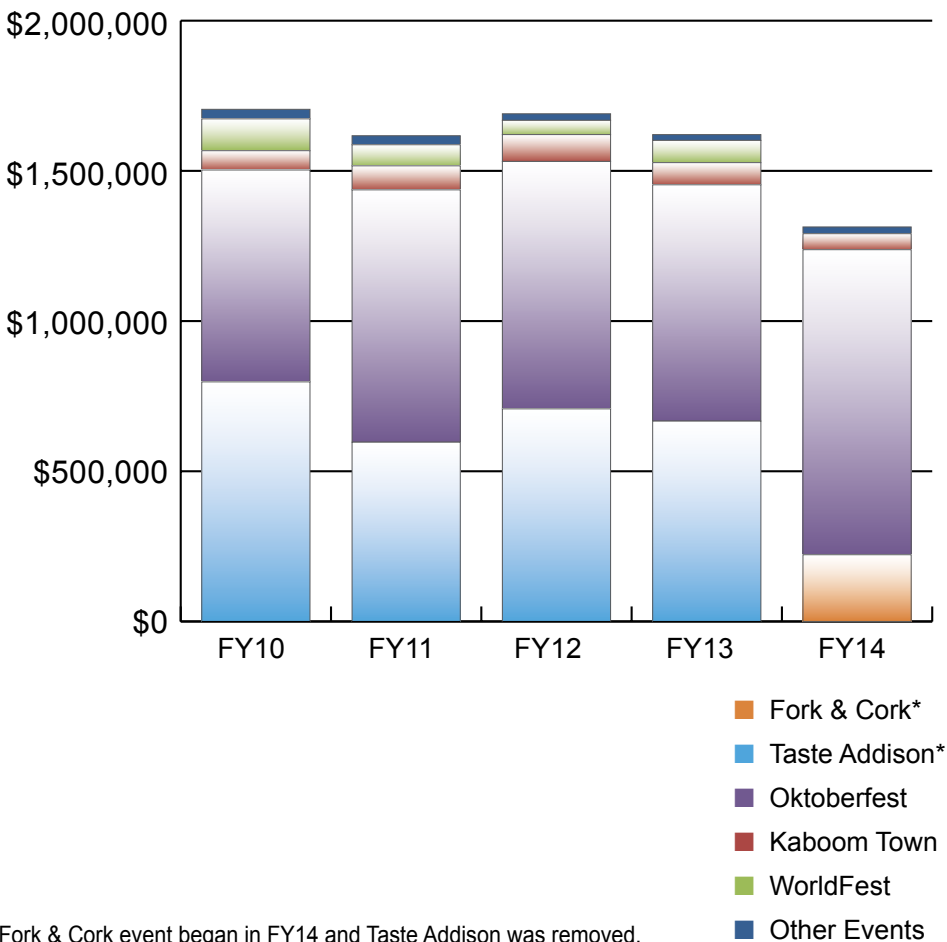
Notable Budget Items

- Events including Fork & Cork (\$457,116), Addison Oktoberfest (\$659,514), Kaboom Town (\$287,441), and Summer Series (\$41,250)
- Maintenance of and utilities for Addison Circle Park (\$231,840)

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$631,442	\$677,010	\$702,010	\$671,524
Supplies	24,062	58,642	58,642	17,900
Maintenance	158,165	254,820	254,820	166,590
Contractual Services	1,792,230	1,583,760	1,583,760	1,440,136
Capital Replacement/Lease	40,970	40,970	40,970	61,900
Capital Outlay	-	-	-	-
Total Department Budget	\$2,646,869	\$2,615,202	\$2,640,202	\$2,358,050

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director - Special Events	32	1.0	1.0	1.0	1.0
Senior Coordinator - Special Events	22	0.0	1.0	1.0	1.0
Billing Supervisor	10	0.0	0.0	0.3	0.3
Coordinator I - Special Events	13	0.0	0.0	0.0	1.0
Coordinator - Special Events	11	2.0	1.0	2.0	1.0
Intern	5	0.0	0.5	0.0	0.0
Total		3.0	3.5	4.3	4.3

Proceeds by Event



* Fork & Cork event began in FY14 and Taste Addison was removed.

PERFORMING ARTS

Department Mission

The mission of the Performing Arts Department is to promote a culture of performing arts, attract tourism, and strengthen Addison as an arts destination. To meet this mission, the Town will provide the highest quality venues and services to present distinguished performances and effectively support the arts.

Program Narrative

Accomplishments of FY2014

WaterTower Theatre—Resident Company

- Hosted 25,360 (estimated) patrons
- Hosted 228 performances
- Subscriber base of 1,980 season ticket holders

Objectives for FY2015

WaterTower Theatre—Resident Company

- Host 25,500 patrons
- Host 240 performances
- Subscriber base 2,000

Notable Budget Items

- Replacement of some shop tools, equipment maintenance and replacement as needed (\$23,000)
- Funding for arts groups (\$445,000)
- Replace Lighting Console (\$25,000)

WaterTower Theatre Season 2014-2015:

Main Stage

BONNIE & CLYDE

Book by Ivan Menchell; Lyrics by Don Black; Music by Frank Wildhorn

THE GREAT AMERICAN TRAILER PARK CHRISTMAS MUSICAL

Music and Lyrics by David Nehls;
Book by Betsy Kelso

THE EXPLORERS CLUB

By Nell Benjamin

ALL MY SONS

By Arthur Miller

MANICURES & MONUMENTS

By Vicki Caroline Cheatwood

SWEET CHARITY

Book by Neil Simon; Music by Cy Coleman; Lyrics by Dorothy Fields

OUT OF THE LOOP FRINGE FESTIVAL

Mar. 5-15, 2015

Studio Theatre

THE SANTALAND DIARIES

By David Sedaris; Adapted by Joe Mantello

SEXY LAUNDRY

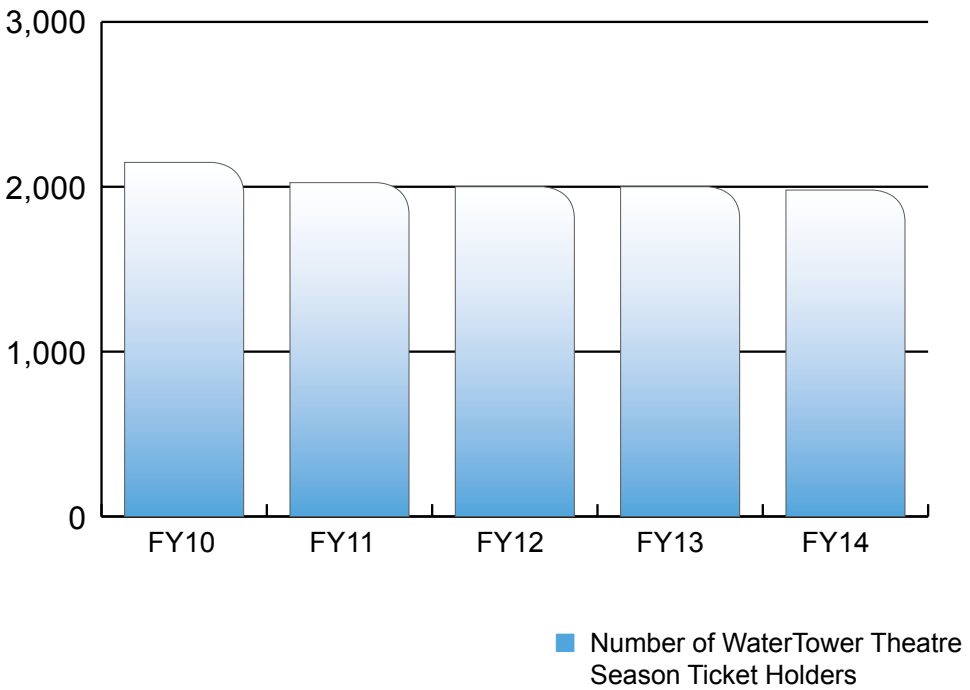
By Michele Riml

O'KEEFFE!

By Lucinda McDermott

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$10,101	\$18,781	\$18,781	\$15,151
Supplies	36,448	27,790	23,790	17,650
Maintenance	42,999	51,740	51,740	42,550
Contractual Services	403,543	454,930	454,605	447,960
Capital Replacement/Lease	2,440	2,100	2,100	3,210
Capital Outlay	-	10,000	8,998	25,000
Total Department Budget	\$495,531	\$565,341	\$560,014	\$551,521

WaterTower Theatre Season Ticket Holders



ECONOMIC DEVELOPMENT FUND

Fund Description

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

Fund Narrative

The fund was created in the fiscal year 2011 budget in order to build capacity to conduct economic development, support existing base through business retention and expansion, focus business attraction on priority growth sectors, raise the profile of Addison regionally and nationally, support business start-ups, and maintain and enhance Addison's quality of place.

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$516,823	\$619,526	\$664,401	\$311,850
Revenues				
Ad valorem taxes				
Current taxes	698,700	792,000	792,000	998,390
Delinquent taxes	400	400	400	470
Penalty and interest	1,000	1,000	1,000	1,170
Business license fee	70,800	80,000	65,000	70,000
Interest earnings and other	2,253	1,500	1,500	1,660
Total Revenues	\$773,153	\$874,900	\$859,900	\$1,071,690
Total Available Resources	\$1,289,976	\$1,494,426	\$1,524,301	\$1,383,540
Expenditures				
Personal services	238,914	295,428	295,428	359,774
Supplies	18,864	18,300	18,300	32,600
Maintenance	1,391	7,500	7,500	91,230
Contractual services	361,036	894,377	885,853	1,088,640
Capital replacement/lease	5,370	5,370	5,370	19,150
Total Expenditures	\$625,575	\$1,220,975	\$1,212,451	\$1,591,394
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	15,000
Transfer from Hotel Fund	-	-	-	500,282
Ending Fund Balance	\$664,401	\$273,451	\$311,850	\$307,428

ECONOMIC DEVELOPMENT DEPARTMENT

Department Mission

The Addison Economic Development Department's mission is to encourage economic prosperity and growth in the community to improve the quality of life for its citizens, corporate residents and visitors by strengthening the community's competitive economic position and increasing business and leisure travel to Addison.

Program Narrative

Accomplishments of FY2014

- Event sponsorships were leveraged with the following organizations:
 - North Texas Commercial Association of Realtors (NTCAR) Annual Expo
 - BisNow 4th Annual Dallas Real Estate Summit
 - BisNow State of the Office Market Real Estate forum
 - BisNow Future of North Texas forum
 - Richardson Chamber of Commerce: Tech Titans Award
- Spearheaded Business Registration Renewal process and reached out to businesses not yet registered.
- Launched the opening of the Addison TreeHouse, the community's center for economic development and one-stop shop for business start-ups.
- Collaborated with the Dallas Entrepreneur Center and the Dallas County Small Business Development Center for TreeHouse partnerships.
- Provided support to Addison Business Association and worked closely with ambassador team to revamp new company visits.
- Negotiated incentives and executed agreement with Marriott Hotel, Nerium International, and Bottle Rocket Apps.
- Provided support to Big Design Conference organizers to help grow their annual conference in Addison which will become a major community asset to attract businesses in targeted sectors.

- Helped sponsor Lean Start-up Machine, held here in Addison.
- The Town was selected the 12th largest economic development office in North Texas by the Dallas Business Journal, based on deals closed and investment generated in 2013.
- Office vacancies have declined from a high of nearly 25 percent in 2011 to 14 percent in 2014.

Objectives for FY2015

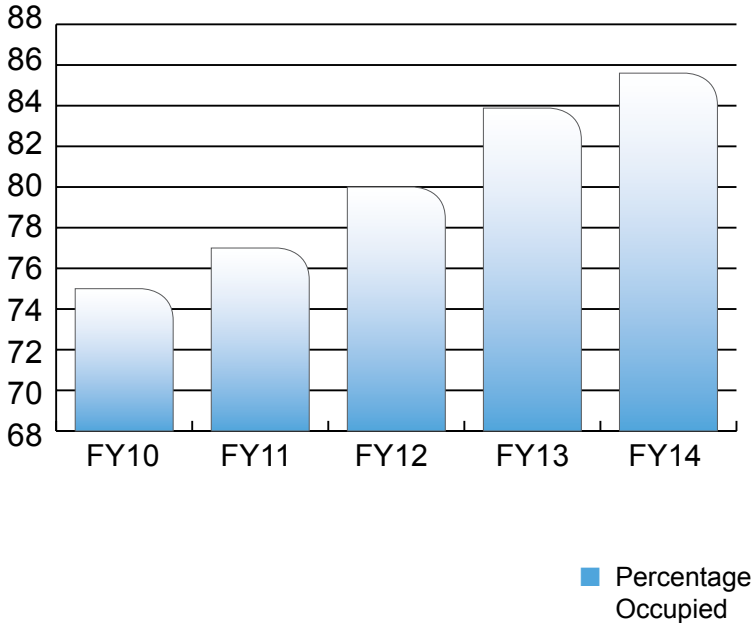
- Focus on filling up commercial space in the community.
- Continue culture of creativity by attracting new, innovation-based business start-ups to Addison TreeHouse.
- Expand and support entrepreneur support programs in collaboration with the Dallas Entrepreneur Center, North Texas Small Business Development Center, Baylor University's Accelerated Ventures Program, and other key community stakeholders.
- Develop effective incentive criteria specific to airport prospects as part of our Chapter 380 Program policies and procedures.
- Strengthen the Business Retention & Expansion Program.
- Take stronger advantage of ED website and social media to actively promote local business activity and to promote the Town's economic development successes.
- Strengthen the relationship with local businesses and building brokers so that businesses become more engaged in the community.



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$238,915	\$247,844	\$295,428	\$304,962
Supplies	18,865	22,300	18,300	20,200
Maintenance	1,391	20,000	7,500	41,840
Contractual Services	361,036	694,477	885,853	718,640
Capital Replacement/Lease	5,370	5,370	5,370	5,470
Capital Outlay	-	5,000	-	-
Total Expenditures	\$625,577	\$994,991	\$1,212,451	\$1,091,112

Staffing	Level	Actual 2011-12	Budget 2012-13	Estimated 2013-14	Budget 2014-15
Director - Economic Development	32	1.0	1.0	1.0	1.0
Manager - Economic Development	27	1.0	1.0	1.0	1.0
Department Assistant	8	0.0	0.0	1.0	1.0
Total		2.0	2.0	3.0	3.0

Business Occupancy Rate



TOURISM

Department Mission

The mission of the Tourism Department is to develop programs that will increase leisure and business travel to the Town of Addison for its hotels.

Program Narrative

Accomplishments of FY2014¹

- Programs helped generate 34,262 room nights for Addison hotels, a 5.3 percent increase over 2013.
- Trained Addison hotel and restaurant personnel in the FISH and Certified Tourism Ambassador program.
- Continued Certified Tourism Ambassadors training for 18 volunteers.
- Hosted an Addison familiarization tour for TxDot Travel Counselors.
- Helped develop new website.

Objectives for FY2015

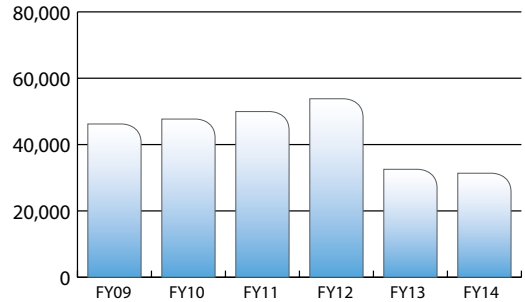
- Create programs to help generate 38,743 room nights for Addison hotels, a 13 percent increase over 2014.
- Represent Addison hotels at three trade shows to increase awareness of Addison as a visitor destination.
- Further implement plans for attracting amateur sporting events to overnight in Addison Hotels.

- Provide concierge services for groups meeting at Addison full-service hotels.
- Begin quarterly training to our full service properties sales departments for hotel support program and hotel assistant program.
- Continue the hotel concierge program.
- Work with Marketing Department to develop e-mail campaigns to promote our leisure weekend hotel packages through A-Res booking system to generate hotel room nights.

Notable Budget Items

- Hotel support program (\$200,000)

Hotel Room Nights Generated by the Visitor Services Department



Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$317,395	\$342,321	\$356,393	\$54,812
Supplies	12,805	28,360	15,634	12,400
Maintenance	69,229	69,720	50,786	49,390
Contractual Services	541,712	643,550	370,618	370,000
Capital Replacement/Lease	12,310	12,310	8,072	13,680
Capital Outlay	-	5,000	-	-

Total Department Budget **\$953,451** **\$994,991** **\$801,503** **\$500,282**

Staffing	Level	Actual 2011-12	Budget 2012-14	Estimated 2013-14	Budget 2014-15
Tourism Coordinator	11	0.0	0.0	0.0	1.0
Total		0.0	0.0	0.0	1.0

¹ FY2014 accomplishments represent those of the recently eliminated Visitors Services Department, which has been reconstituted as the Tourism Department and relocated in Economic Development Fund.

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. Both the previously included Reimbursement Grant Fund and the American Recovery and Reinvestment Act (ARRA) Grant Fund have been closed and are not included in the FY15 budget.

ADVANCED FUNDING GRANT FUND

No advanced funding grants are anticipated in the budget for fiscal year 2015.

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$14,732	\$17,182	\$17,174	\$12,394
Revenues				
Intergovernmental	2,400	-	-	-
Interest earnings and other	42	-	20	-
Total Revenues	\$2,442	\$ -	\$20	\$ -
Total Available Resources	\$17,174	\$17,182	\$17,194	\$12,394
Expenditures				
Supplies	-	-	-	-
Contractual services	-	-	4,800	5,000
Total Expenditures	-	-	4,800	5,000
Ending Fund Balance	\$17,174	\$17,182	\$12,394	\$7,394

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 budget includes funding for miscellaneous tools and equipment for the Quad Cities Police Consortium shared services initiative (\$5,000).

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$36,793	\$21,393	\$22,235	\$22,285
Revenues				
Court awards	3,822	7,500	7,500	4,000
Interest earnings and other	60	100	50	50
Total Revenues	\$3,882	\$7,600	\$7,550	\$4,050
Total Available Resources	\$40,675	\$28,993	\$29,785	\$26,335
Expenditures				
Supplies	17,156	24,000	7,500	5,000
Contractual services	1,240	-	-	-
Capital Outlay	44	-	-	-
Total Expenditures	\$18,440	\$24,000	\$7,500	\$5,000
Ending Fund Balance	\$22,235	\$4,993	\$22,285	\$21,335



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 FY2015, the budget anticipates that funds generated by the building security fee will pay part-time bailiff costs (\$25,000) and training for court personnel (\$500). Funds generated by the court technology fee will be used for continued remote execution of warrants for police (\$4,000) and to purchase thermal paper for ticket writers (\$2,000).

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$143,895	\$102,825	\$139,637	\$146,137
Revenues				
Court security fees	15,008	16,000	16,000	15,500
Court technology fees	20,007	24,000	21,000	20,500
Interest earnings and other	1,045	2,800	1,000	2,500
Total Revenues	\$36,060	\$42,800	\$38,000	\$38,500
Total Available Resources	\$179,955	\$145,625	\$177,637	\$184,637
Expenditures				
Personal services	12,784	24,000	24,000	25,000
Supplies	1,129	2,000	2,000	2,000
Maintenance	39,199	30,000	4,000	4,000
Contractual services	-	7,500	1,500	500
Total Expenditures	\$53,112	\$63,500	\$31,500	\$31,500
Prior Period Adjustment	\$124,107	-	-	-
Ending Fund Balance	\$250,950	\$82,125	\$146,137	\$153,137

CHILD SAFETY FUND

Fund Description

This is a special court cost under Art. 102.014 Code of Criminal Procedure for convictions of moving traffic violations in school crossing zones and passing a school bus. For cities under 850,000 it shall be used first to fund school crossing guards with any excess expended for programs designed to enhance public safety and se-

curety. We do not have a school crossing program, so 100 percent of the funds stay in the designated account with the Town.

Fund Narrative

For FY2015, the budget anticipates that funds generated by the Child Safety Fund fee will pay for digital lighting for the cross walks and bus stops on Spring Valley Road in front of Bush Elementary (\$35,000) and purchase materials and programs for alcohol and drug awareness (\$7,500).

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$-	\$-	\$93,472	\$97,297
Revenues				
Child Safety Fees	-	-	8,775	8,700
Interest Earnings and other	-	-	50	100
Total Revenues	-	-	\$8,825	\$8,800
Total Available Resources	-	-	\$102,297	\$106,097
Expenditures				
Personal services	-	-	-	-
Supplies	-	-	5,000	35,000
Maintenance	-	-	-	-
Contractual services	-	-	-	7,500
Total Expenditures	-	-	\$5,000	\$42,500
Ending Fund Balance	\$ -	\$ -	\$97,297	\$63,597

JUSTICE ADMINISTRATION FUND

Fund Description

Created in FY14, this is a \$2.50 portion of the Time Payment Fee in Section 133.103 of the Local Gov't Code which shall be used for the purpose of improving the efficiency of the court.

Fund Narrative

For FY2015, the budget anticipates that funds generated by the Justice Administration Fund fee will pay for enhancements to the courtroom and clerk's office (\$23,000).

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$-	\$-	\$30,635	\$32,120
Revenues				
Justice Administration Fees	-	-	2,475	2,000
Interest Earnings and other	-	-	10	100
Total Revenues	-	-	\$2,485	\$2,100
Total Available Resources	-	-	\$33,120	\$34,220
Expenditures				
Personal services	-	-	-	-
Supplies	-	-	1,000	13,000
Maintenance	-	-	-	10,000
Contractual services	-	-	-	-
Total Expenditures	-	-	\$1,000	\$23,000
Ending Fund Balance	\$ -	\$ -	\$32,120	\$11,220



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 \$19,565,000 of new debt during the 2014 fiscal year and also refunded the 2004 Airport CO which had an outstanding liability of \$2,095,000. Shown below is the Town's debt position as of the beginning of FY2015.

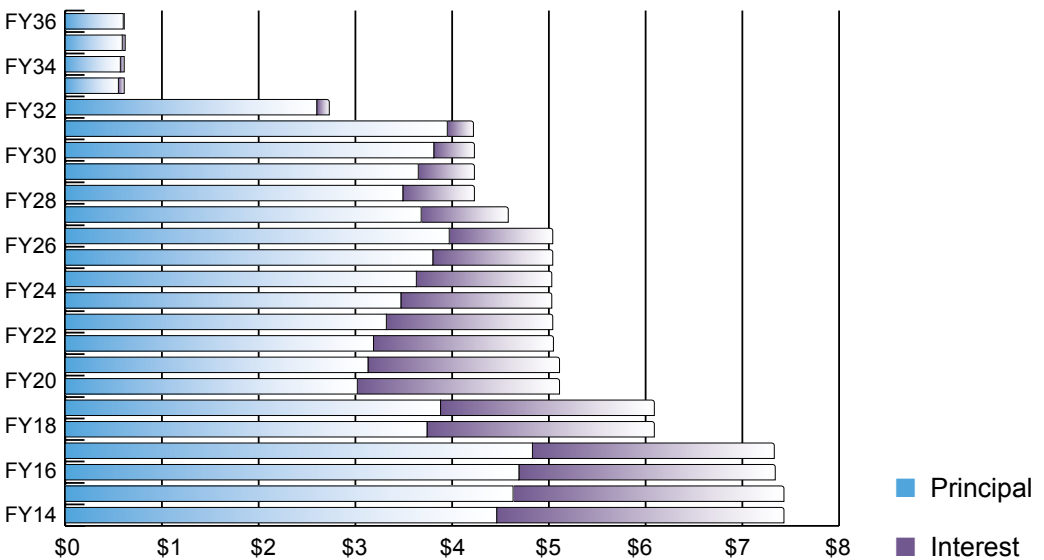
Total debt.....	\$114,650,000
Less self-supporting debt from Hotel, Airport, and Utility Funds.....	\$27,003,000

Net outstanding general obligation debt \$87,647,000

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 2014 taxable assessed valuation of \$3,805,580,841 at 90 percent collection, tax revenue of \$51,375,341 would be produced. This revenue could service the debt of approximately \$530 million issued as 5 percent 15-year serial bonds, which is more than \$415 million greater than the Town's outstanding obligations.

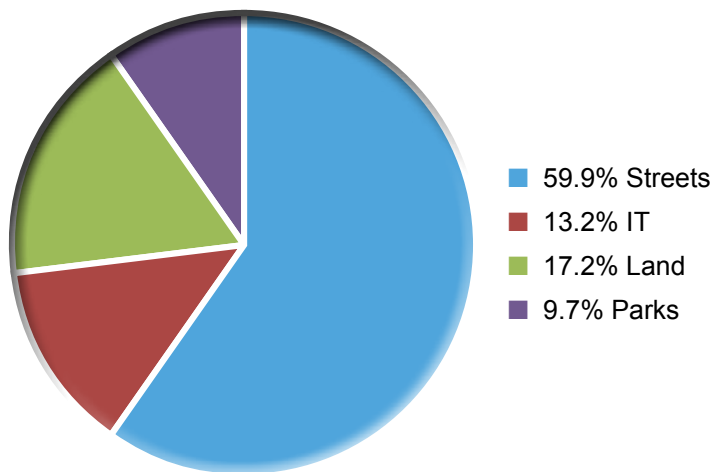
Annual Requirement to Amortize General Obligation Debt (in millions)



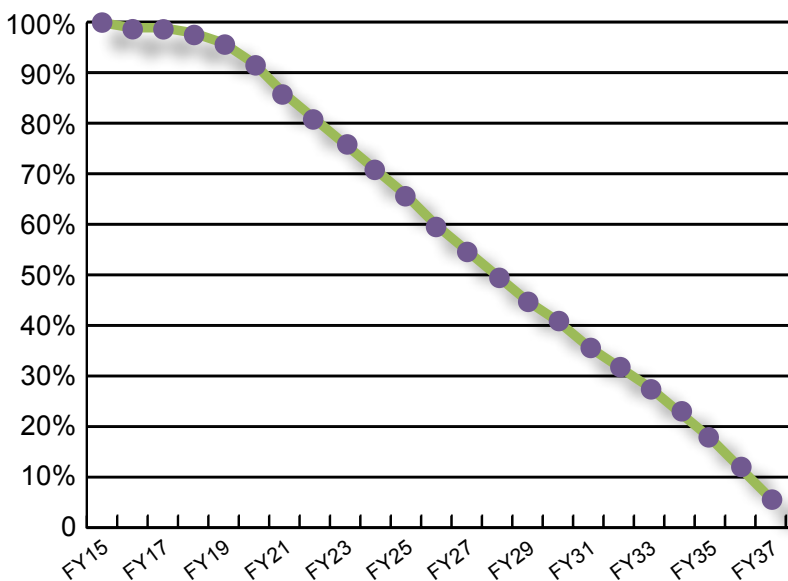
1. For more information related to the General Fund long-term plan, please refer to Appendix E.

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$1,079,254	\$1,097,930	\$1,234,727	\$1,101,699
Revenues				
Ad valorem taxes	6,867,590	7,386,660	7,300,000	8,230,560
Interest earnings and other	32,075	7,500	7,500	7,500
Total Revenues	\$6,899,665	\$7,394,160	\$7,307,500	\$8,238,060
Total Available Resources	\$7,978,919	\$8,492,090	\$8,542,227	\$9,339,759
Expenditures				
Debt service - principal	4,101,161	4,461,153	4,461,153	4,833,152
Debt service - interest	2,643,031	2,969,375	2,969,375	3,384,703
Fiscal fees	-	10,000	10,000	12,000
Total Expenditures	\$6,744,192	\$7,440,528	\$7,440,528	\$8,229,855
Ending Fund Balance	\$1,234,727	\$1,051,562	\$1,101,699	\$1,109,904

Distribution of Debt Service by Application



Percent Cumulative Debt Outstanding Until Maturity



HOTEL OCCUPANCY TAX DEBT SERVICE FUND

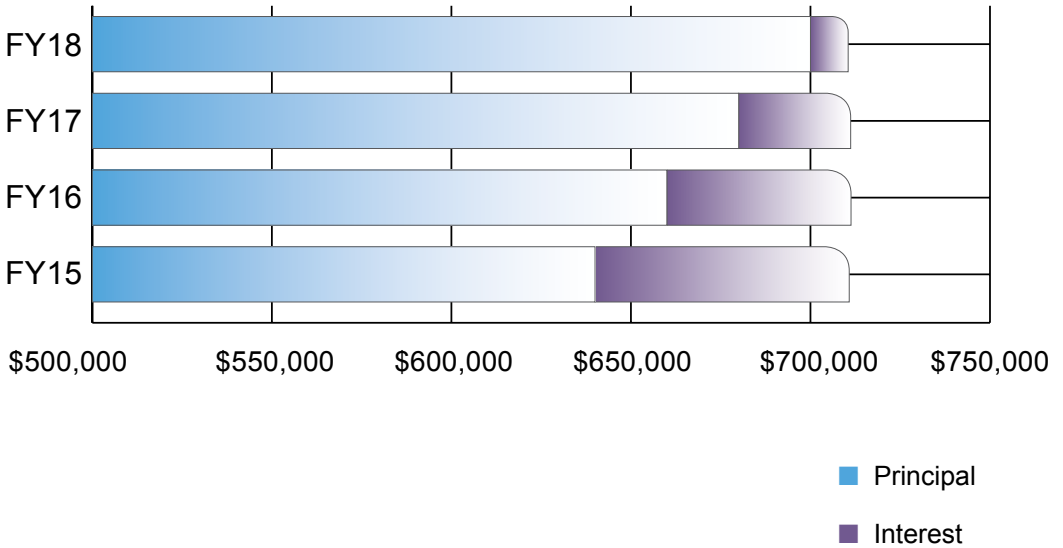
Fund Description

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

Fund Narrative

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

Annual Requirement to Amortize Hotel Occupancy Tax Debt



Hotel Occupancy Tax Debt Service Fund Statement of Revenues and Expenditures

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$761,647	\$629,987	\$628,509	\$487,809
Revenues				
Interest earnings and other	1,485	2,000	1,250	1,500
Total Revenues	\$1,485	\$2,000	\$1,250	\$1,500
Total Available Resources	\$763,132	\$631,987	\$629,759	\$489,309
Expenditures				
Debt service - principal	600,000	625,000	625,000	640,000
Debt service - interest	104,623	86,650	86,650	70,800
Fiscal fees	-	300	300	300
Total Expenditures	\$704,623	\$711,950	\$711,950	\$711,100
Other Financing Sources (Uses)				
Transfer from Hotel Fund	570,000	570,000	570,000	710,800
Ending Fund Balance	\$628,509	\$490,037	\$487,809	\$489,009



CAPITAL PROJECT FUND

Fund Description

For FY15, the Town consolidated all capital project funds into one fund. This fund was 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 are included in the Town Chronicle section of this document. Budgets are developed by project and may transcend more than one fiscal year.

Fund Narrative

The Capital Project Fund Summary section provides brief descriptions of some of the major projects that will be in progress during FY 2014 - 2015 and a discussion of the relationship between the capital budget and the operating budget. A list of the proposed projects in the current plan and related funding sources can be found in the Addison Town Chronicle section.

The budget for fiscal year 2015 reflects \$900,000 for Midway Road design, \$8,839,774 for Vitruvian Park Public Infrastructure, \$3,000,000 for Acquisition of Land and Streets, \$18,579,670 for Belt Line Utility Relocation, \$2,274,473 for Addison Road rehabilitation, \$3,310,000 for pedestrian connectivity projects, and \$355,000 for Vitruvian Park Amphitheater renovation, and \$3,000,000 for Public Safety radio replacement.¹

Impact of Capital Projects on Operating Budgets

When considering new capital projects, the Town must ensure that it raises enough operating revenues to cover any increased levels of service created by the new projects. In other words, as projects in the Capital Project Fund are completed, there is usually a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year the total estimated net operating cost of the Town's newly completed capital projects paid for from the Capital Projects Fund will be the following: \$19,500 from the Parks operating budget for increased lighting, landscape, and irrigation maintenance on new streetscapes and pedestrian connectivity projects and various other maintenance costs; \$10,000 from the Stormwater operating budget for miscellaneous bridge and channel repair; \$2,500 from the Stormwater operating budget and \$2,500 from the Parks budget for general facility maintenance on the Surveyor Learning Center; and \$26,000 from the Airport operating budget primarily for maintenance on the new EMAS system, perimeter access system, Automated Weather Operations System (AWOS), taxi lane maintenance, and additional clean out activities for the airport's new EMAS drainage.

Additional increases are absorbed in various department operational budgets as staff find efficiencies within their operations, striving to continue to deliver an excellent level of service within the current department funding levels.

1. See Appendix F.

Capital Project Fund Statement of Revenues and Expenditures

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$39,639,892	\$42,111,497	\$41,699,251	\$45,262,368
Revenues				
Interest earnings and other	102,004	2,500	120,000	100,000
Total Revenues	\$102,004	\$2,500	\$120,000	\$100,000
Total Available Resources	\$39,741,896	\$42,113,997	\$41,819,251	\$45,362,368
Expenditures:				
Personal services	-	-	-	-
Supplies	80,660	-	-	-
Maintenance	3,946	-	-	-
Contractual Services	49	-	-	-
Other	138,236	-	97,299	-
Land Aquistion	2,042,032	-	4,758,584	3,000,000
Engineering and contractual services	2,165,012	2,031,550	872,000	900,000
Construction and equipment	1,700,744	30,527,709	2,829,000	38,338,917
Total Expenditures	\$6,130,679	\$32,559,259	\$8,556,883	\$42,238,917
Other Financing Sources (Uses)	-	-	-	-
Bond Proceeds	7,790,000	-	12,000,000	6,000,000
Premium (Discount on Bond Issuance)	292,493	-	-	-
Transfer In	5,541	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$8,088,034	-	\$12,000,000	\$6,000,000
Ending Fund Balance	\$41,699,251	\$9,554,738	\$45,262,368	\$9,123,451







Fund Description

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

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

Fund Narrative

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

ble for the billing and collection of all revenue related to rentals, leases, fuel flowage fees, and miscellaneous income.

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

For the 2014 fiscal year, operating revenue is projected to total \$4,720,507 which is 8.2 percent more than budget. The increase in revenues is a result of increased fuel flowage fees and commercial rental income, with the latter resulting primarily from the acquisition of the Wiley Post and Glenn Curtiss properties. Operating expenses are estimated to come in \$449,772 or 14.1 percent less than budget. Uses of working capital include the Town's local match for capital grants to maintain and enhance airport facilities.

For fiscal year 2015, the budget anticipates operating revenue of \$4,825,075, a 10.5 percent increase from the 2014 budget. Total operating expenses increase by \$290,321 or 9.1 percent from the previous year's budget, again due to increased maintenance expenses due to deferred projects from previous years. The budget includes \$257,000 as the Town's local match for FAA/TxDOT capital projects. Working capital in the upcoming fiscal year is expected to decrease \$782,007 from the prior year budget, primarily due to retirement of long-term debt (bonds), capital expenditures for grant matching and equipment replacement, and a low net operating income resulting from the need to address deferred maintenance issues on the airport including the S4 hangar ramps.

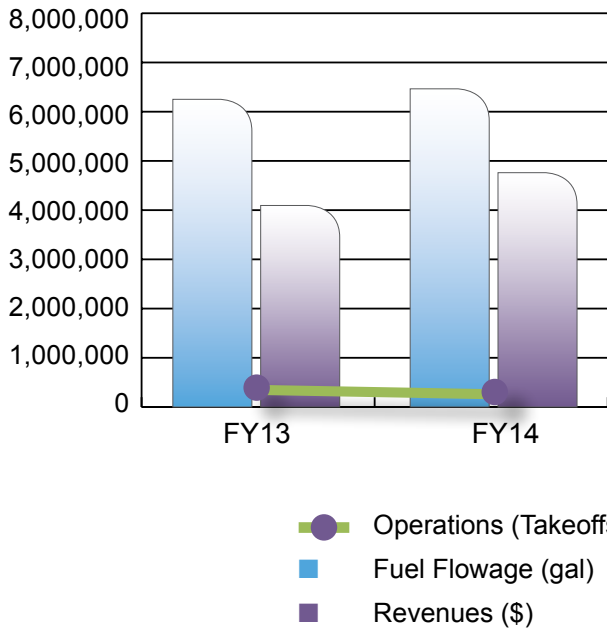
	Actual 2011-12	Budget 2012-13	Estimated 2013-14	Budget 2014-15
Operating revenues				
Operating grants	\$-	\$50,000	\$50,000	\$50,000
Fuel flowage fees	758,758	724,840	793,699	741,280
Rental	3,665,520	3,587,690	3,776,078	4,021,795
User fees and other	81,152	52,300	100,729	62,000
Total operating revenues	\$4,505,430	\$4,414,830	\$4,720,507	\$4,875,075
Operating expenses				
Town - Personnel services	389,488	370,553	370,553	388,707
Town - Supplies	47,226	62,600	62,600	57,600
Town - Maintenance	263,445	57,300	57,300	113,040
Town - Contractual services	447,100	546,810	546,810	605,120
Grant - Maintenance	101,860	100,000	100,000	100,000
Operator - Operations and maintenance	1,837,517	2,923,289	2,505,479	3,126,505
Operator - Service contract	349,849	319,670	336,803	342,169
Total operating expenses	\$3,436,486	\$4,380,222	\$3,979,545	\$4,733,141
Net operating income	\$1,068,944	\$34,608	\$740,962	\$141,934
Interest earnings and other	10,741	5,000	5,000	5,000
Interest on debt, fiscal fees and other	(127,972)	(216,730)	(216,730)	(138,267)
Capital Contributions	9,238,288	-	-	-
Net non-operating revenues (expenses)	\$9,121,057	\$(211,730)	\$(211,730)	\$(133,267)
Net income (excluding depreciation)	\$10,190,001	\$(177,122)	\$529,232	\$8,667
Changes in working capital				
Net income (excluding depreciation)	\$10,190,001	\$(177,122)	\$529,232	\$8,667
Sources (uses) of working capital				
Retirement of long-term debt	(290,000)	(395,000)	(395,000)	(445,000)
Net additions to fixed assets with grants	(9,547,273)	(2,280,000)	(2,118,000)	(272,000)
Other net additions to fixed assets	(126,963)	(30,000)	(20,000)	(110,000)
Increase in customer deposits	20,135	-	-	-
Bond Proceeds	3,003,120	-	-	-
Net sources (uses) of working capital	\$(6,940,981)	\$(2,705,000)	\$(2,533,000)	\$(827,000)
Net increase (decrease) in working capital	\$3,249,020	\$(2,882,122)	\$(2,003,768)	\$(818,333)
Beginning working capital	1,539,664	4,940,795	4,788,684	2,784,920
Ending working capital	\$4,788,684	\$2,058,673	\$2,784,916	\$1,966,587

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Sergeant*	P3	0.0	1.0	1.0	1.0
Police Officer	P2	3.0	2.0	2.0	2.0
Total		3.0	3.0	3.0	3.0

*Position was added in mid-FY11.



Airport Performance Measures: FY15



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

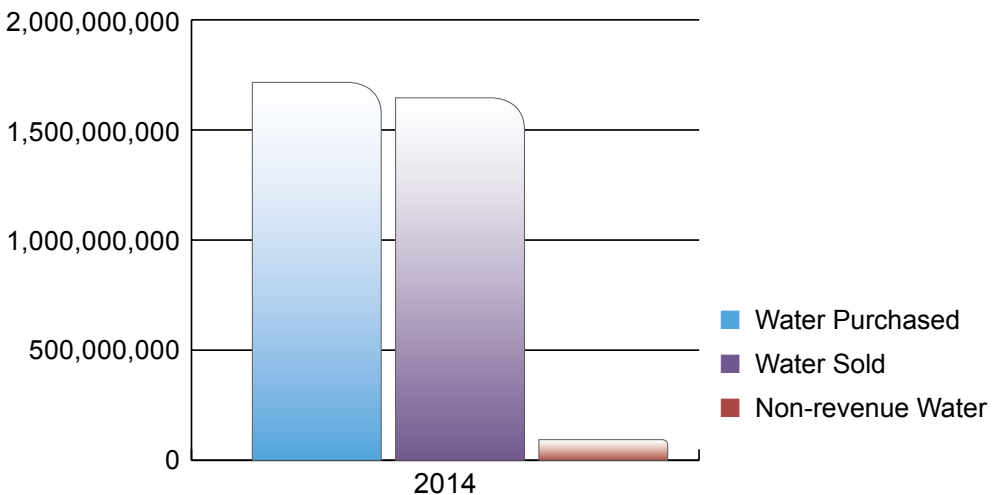
Operating revenues for fiscal year 2014 are projected to total \$10,265,539, which is \$15,693 more than budget and \$537,153 less than was generated in fiscal year 2013. Operating expenses are projected to be at the budgeted amounts. Anticipated ending working capital totals \$8,456,838, which is \$1,048,680 or 14.2 percent more than budget.

Budgeted operating revenues total \$10,588,726, an increase of \$323,187 from the previous year. Operating expenses are budgeted at \$8,403,099, an increase of \$212,120 over the prior year. This increase is due primarily to an increase in the purchase price of water and sewer services, while the Town was able to hold operating costs flat. Working capital is projected to decrease \$4,360,560 due to capital projects.

Utility Fund Statement of Income

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Operating revenues				
Water sales	\$5,935,142	\$5,767,686	\$5,767,686	\$5,970,671
Sewer charges	4,760,166	4,320,764	4,320,764	4,507,775
Tap fees and other	19,294	10,280	25,973	30,280
Penalties	88,090	151,116	151,116	80,000
Total operating revenues	\$10,802,692	\$10,249,846	\$10,265,539	\$10,588,726
Operating expenses				
Water purchases	3,032,183	2,972,065	2,972,065	3,127,904
Wastewater treatment	2,146,382	2,337,586	2,337,586	2,448,590
Utility operations	2,622,524	2,881,328	2,881,328	2,826,605
Total operating expenses	\$7,801,089	\$8,190,979	\$8,190,979	\$8,403,099
Net operating income	\$3,001,603	\$2,058,867	\$2,074,560	\$2,185,627
Non-operating revenues (expenses)				
Interest earnings and other	(115,869)	(110,510)	(110,510)	(119,248)
Interest on debt, fiscal fees and other	(577,817)	(675,750)	(675,750)	(666,967)
Net non-operating revenues (expenses)	\$(693,686)	\$(786,260)	\$(786,260)	\$(786,215)
Net income (excluding depreciation)	\$2,307,917	\$1,272,607	\$1,288,300	\$1,399,412
Changes in working capital				
Net income (excluding depreciation)	\$2,307,917	\$1,272,607	\$1,288,300	\$1,399,412
Sources (uses) of working capital				
Retirement of long-term debt	(2,953,358)	(510,919)	(510,919)	(381,848)
Debt issuance	-	7,500,000	7,500,000	-
Net additions to fixed assets	(825,327)	(1,837,600)	(735,000)	(5,321,124)
Net (increase) decrease in other assets	58,806	-	-	(57,000)
Net sources (uses) of working capital	(3,719,879)	5,151,481	6,254,081	(5,759,972)
Net increase (decrease) in working capital	\$(1,411,962)	\$6,424,088	\$7,542,381	\$(4,360,560)
Beginning working capital	2,326,419	984,068	914,457	8,456,838
Ending working capital	\$914,457	\$7,408,156	\$8,456,838	\$4,096,278

Water Purchases, Sales, and Usage (gal)



Division Description

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

The department also includes the Director of Infrastructure & Development Services 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 FY2014

- Finalized the purchase and installation, and began using the work order and asset management system.
- Executed sanitary sewer investigation and analysis contract and completed the field work and assessment for year 2.
- Continued maintenance contract for comprehensive scheduled maintenance activities and completed rebuilds and rehabilitations for several of the pumps and motors at Surveyor and Celestial water pump stations and Kellway lift station.
- Provided engineering and development review support for various projects, including Vitruvian Park, Village on the Parkway, Greenhill School, and many other private developments.

- Continued the comprehensive maintenance action plan that will aid in productivity and scheduling.
- Began Water System Study and Evaluation.
- Finalized Water Storage Facility Evaluation and began the design for the rehabilitation of the Addison Circle Elevated Storage Tank.
- Purchased and then began utilizing Valve Maintenance Trailer to perform inspections of over 800 water and hydrant valves.
- Inspected over 5,000 feet and cleaned over 20,000 feet of sanitary sewer lines.

Objectives for FY2015

- Implement recommendations from year 2 of the sanitary sewer investigation and begin final year of the study.
- Continue meter replacement program.
- Finalize water system master plan and system evaluation and begin design of year 1 projects.
- Continue to utilize the electronic asset inspection and management program.
- Work with IT staff to continue implementation of GIS web mapping tools.
- Complete construction on the rehabilitation of the Addison Circle Elevated Storage Tank.
- Utilize valve maintenance trailer to inspect and test 1,000 valves and hydrants.

Notable Budget Items

- Electricity to power the Town's pump and lift stations (\$195,320)
- Meter replacement and repair costs (\$140,000)
- Engineering services (\$180,000)
- Pump Station on-going Maintenance (\$98,500)
- TCEQ Yearly Water Operating Fee (\$25,000)

Utility Operations Department Statement of Expenditures

Expenditures	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Personnel Services	\$1,321,529	\$1,500,473	\$1,565,085	\$1,292,475
Supplies	115,287	129,220	129,220	141,000
Maintenance	520,290	488,820	488,820	539,670
Contractual Services	665,418	638,645	622,952	809,410
Capital Replacement/Lease	3,032,183	75,250	75,250	44,050
Capital Outlay	2,146,382	-	-	-
Total Department Budget	\$7,801,089	\$2,832,408	\$2,881,327	\$2,826,605

Staffing	Level	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15
Deputy City Manager*	34	1.0	1.0	1.0	0.0
Director - Infrastructure and Development Services	32	0.0	1.0	1.0	1.0
Assistant Director - Infrastructure	30	0.0	0.0	1.0	1.0
Manager - Operations	26	1.0	1.0	0.0	0.0
Assistant to the City Manager	26	0.0	1.0	1.0	0.0
Streets and Facilities Manager	23	0.0	0.0	0.0	0.3
Assistant to the Infrastructure Director ***	21	1.0	0.0	0.0	0.0
Inspector - Infrastructure	13	1.0	1.0	1.0	0.0
Supervisor - Utilities	23	2.0	2.0	2.0	2.0
Billing Supervisor	10	0.0	0.3	0.3	0.3
Water Quality Specialist	12	1.0	1.0	1.0	1.0
Senior Utility Operator	11	1.0	1.0	1.0	1.0
Assistant Infrastructure Inspector	9	1.0	1.0	1.0	2.0
Department Assistant****	9	0.0	1.0	1.0	1.0
Utility Operator III	10	2.0	2.0	2.0	2.0
Utility Operator II	8	3.0	3.0	3.0	3.0
Utility Operator I	7	2.0	2.0	2.0	2.0
Total		16.0	18.3	18.3	16.6

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

**This position was reclassified to Assistant to the City Manager in mid-FY12.

***This position was moved to the Utility Fund from the Human Resources department in mid-FY12.



STORMWATER FUND

Fund Description

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

Fund Narrative

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

Operating revenues for fiscal year 2014 are projected to be \$1,552,000 and the FY2015 budget for operating revenue is \$1,675,350. Working capital is estimated to be \$5,451,605 at the end of FY2015. The FY2015 budget assumes working capital will decrease approximately \$2.4 million due primarily to expense related to capital projects and retirement of debt.

Program Narrative

Accomplishments of FY2014

- Finalized Master Plan and study of Keller Springs Stormwater Basin.
- Began study of Hutton Branch Stormwater Basin.
- Began designs for the desilting projects for both Les Lacs and Winnwood Ponds.
- Began water sampling of Les Lacs Pond.
- Finalized design of storm sewer improvements associated with the Belt Line Road Underground Utilities project.

Objectives for FY2015

- Begin design and construction for the Keller Springs and Hutton Branch Basin Improvements.
- Begin construction of Winnwood Pond De-silting project.
- Begin comprehensive curb and gutter replacement program.
- Begin study of Rawhide Creek Stormwater Basin to examine most effective stewardship of town resources.
- Begin construction of stormwater improvements associated with the Belt Line Road Underground Utilities project.

Notable Budget Items

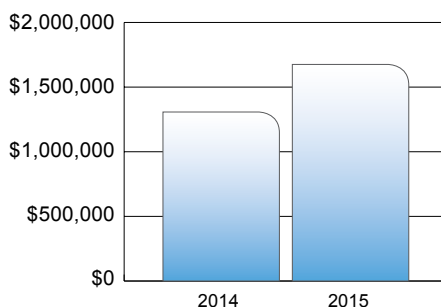
- Pond Desilting Design (\$147,496)
- Hutton Branch Study (\$257,900)
- Rawhide Creek Basin Study (\$300,000)
- Pond Desilting Construction (\$900,000)
- Keller Springs Basin Improvements (\$700,000)
- Hutton Branch Basin Improvements (\$950,000)

Storm Water Fund Statement of Income

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Operating revenues				
Drainage fees	\$1,307,573	\$1,552,000	\$1,552,000	\$1,675,350
Penalties	1,307,573	-	-	-
Total operating revenues	\$1,307,573	\$1,552,000	\$1,552,000	\$1,675,350
Operating expenses				
Utility operations	82,787	316,341	295,000	420,059
Total operating expenses	\$82,787	\$316,341	\$295,000	\$420,059
Net operating income	\$1,224,786	\$1,235,659	\$1,257,000	\$1,255,291
Non-operating revenues (expenses)				
Interest earnings and other	3,029	5,000	5,000	5,000
Interest on debt, fiscal fees and other	(57,056)	(309,018)	(309,018)	(280,066)
Net non-operating revenues (expenses)	\$(54,027)	\$(304,018)	\$(304,018)	\$(275,066)
Net income (excluding depreciation)	\$1,170,759	\$931,641	\$952,982	\$980,225
Changes in working capital				
Net income (excluding depreciation)	\$1,170,759	\$931,641	\$952,982	\$980,225
Sources (uses) of working capital				
Retirement of long-term debt	-	(235,000)	(235,000)	(265,000)
Debt issuance/transfer of debt proceeds	-	-	-	-
Net additions to fixed assets	-	(2,930,000)	(1,560,000)	(3,100,000)
Net (increase) decrease in other assets	7,507,637	-	-	-
Bond Proceeds	7,507,637	-	-	-
Net sources (uses) of working capital	\$7,507,637	\$(3,165,000)	\$(1,795,000)	\$(3,365,000)
Net increase (decrease) in working capital	\$8,678,396	\$(2,233,359)	\$(842,018)	\$(2,384,775)
Beginning working capital	-	8,637,481	8,678,396	7,836,380
Ending working capital	\$8,678,396	\$6,404,122	\$7,836,378	\$5,451,605

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15
Management Assistant	21	0.0	1.0	1.0
Billing Supervisor	10	0.4	0.4	0.4
Streets and Facilities Manager	23	0.0	0.0	0.3
Total		0.4	1.4	1.7

Stormwater Fee Revenue



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 bal-

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

Fund Narrative

Expenses in FY2013-14:

- Work Order \$70,000
- Addison Park Wireless \$65,000
- AAC camera system upgrade \$40,000
- Rugged Laptops – FD \$23,650

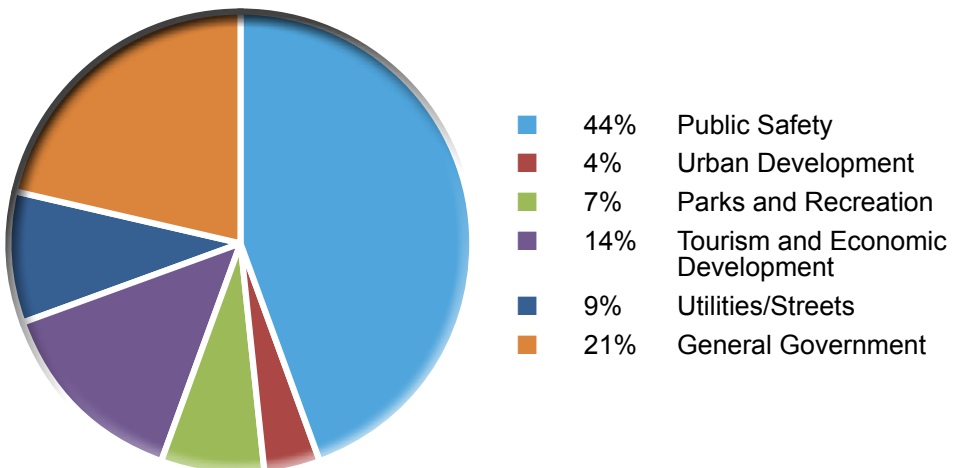
Scheduled purchases for FY2014-15:

- ERP (Enterprise Resource Planning) system (\$1,600,000)
- Document Management (\$150,000)
- In-Car Video Camera and Mobile Data Terminals (\$230,000)
- 9-1-1 System (\$200,000)
- Network Upgrade \$1000,000
- CAD Upgrade \$200,000
- Website Upgrade \$50,000

Information Technology Replacement Fund Statement of Income

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Operating revenues				
Department contributions and other	\$750,001	\$750,000	\$750,000	\$750,000
Total operating revenues	\$750,001	\$750,000	\$750,000	\$750,000
Operating expenses				
Contractual services	6,926	55,000	2,000	2,000
Capital Outlay	264,982	-	-	-
Total operating expenses	\$271,908	\$55,000	\$2,000	\$2,000
Net operating income	\$478,093	\$695,000	\$748,000	\$748,000
Non-operating revenues (expenses)				
Interest earnings and other	7,599	5,000	6,000	6,250
Proceeds from sale of assets	-	-	-	-
Net non-operating revenues (expenses)	\$7,599	\$5,000	\$6,000	\$6,250
Net income (excluding depreciation)	\$485,692	\$700,000	\$754,000	\$754,250
Changes in working capital				
Net income (excluding depreciation)	\$485,692	\$700,000	\$754,000	\$754,250
Sources (uses) of working capital				
Acquisition of capital hardware/software				
General government	(239,959)	(2,175,000)	(425,000)	(2,800,000)
Public safety	-	(653,650)	(355,000)	(630,000)
Net sources (uses) of working capital	\$(239,959)	\$(2,828,650)	\$(780,000)	\$(3,430,000)
Net increase (decrease) in working capital	\$245,733	\$(2,128,650)	\$(26,000)	\$(2,675,750)
Beginning working capital	2,804,920	3,210,360	3,050,653	3,024,653
Ending working capital	\$3,050,653	\$1,081,710	\$3,024,653	\$348,903

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 pre-determined 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.

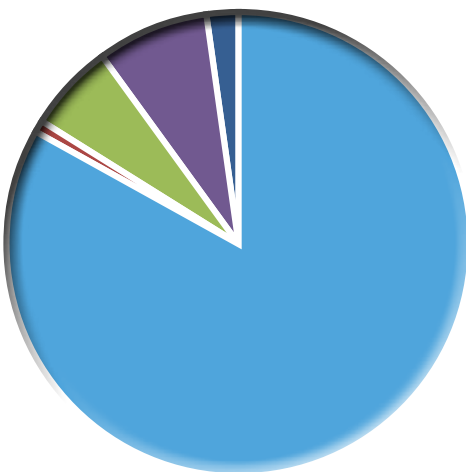
The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of a private corporation. In addition to the income statement, the fund summary includes a

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 FY2014 were primarily associated with the purchase of (1) Mobile Intensive Care Unit Ambulance (MICU), (1) dump truck, (5) service trucks, (2) utility vehicles and (8) treadmills. Equipment purchases included in the fiscal year 2015 budget include:

- Fire – Quint Fire Truck (\$780,000)
- Fire – Prevention Vehicle (\$32,000)
- Police – Animal Control Vehicle (\$47,000)
- Police – (2) Police Motorcycles (\$62,000)
- Parks – (1) Service Truck (\$25,000)
- Environmental Services – (1) Service Truck (\$35,000)
- Recreation – (10) Treadmills (\$35,000)



Contributions to the Capital Replacement Fund by Function

84%	Public Safety
1%	Urban Development
6%	Streets
8%	Parks and Recreation
2%	General Government

Capital Replacement Fund Statement of Income

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Operating revenues				
Department contributions and other	\$584,999	\$722,000	\$722,000	\$800,000
Total operating revenues	\$584,999	\$722,000	\$722,000	\$800,000
Operating expenses				
Maintenance and Materials	630	-	-	-
Contractual services	7,991	6,000	2,500	3,000
Capital Outlay	160,379	-	-	-
Total operating expenses	\$169,000	\$6,000	\$2,500	\$3,000
Net operating income	\$415,999	\$716,000	\$719,500	\$797,000
Non-operating revenues (expenses)				
Interest earnings and other	8,788	10,000	8,000	10,000
Proceeds from sale of assets	59,194	20,000	10,000	20,000
Net non-operating revenues (expenses)	\$67,982	\$30,000	\$18,000	\$30,000
Net income (excluding depreciation)	\$483,981	\$746,000	\$737,500	\$827,000
Changes in working capital				
Net income (excluding depreciation)	\$483,981	\$746,000	\$737,500	\$827,000
Sources (uses) of working capital				
Acquisition of capital equipment				
General government	-	(35,000)	(20,000)	(35,000)
Public safety	(1,023,782)	(165,000)	(164,500)	(919,000)
Streets	-	(75,000)	(67,000)	-
Parks and recreation	-	(173,000)	(150,000)	(60,000)
Net sources (uses) of working capital	(1,023,782)	(448,000)	(401,500)	1,014,000
Net increase (decrease) in working capital	\$(539,801)	\$298,000	\$336,000	\$(187,000)
Beginning working capital	3,836,599	3,178,599	3,296,798	3,632,798
Ending working capital	\$3,296,798	\$3,476,599	\$3,632,798	\$3,445,798



INFRASTRUCTURE INVESTMENT FUND

Fund Description

The Infrastructure Investment Fund was created in FY15 to accumulate resources to support pay-as-you-go capital projects, building a reserve to reduce the Town's reliance on debt for capital projects.

Fund Narrative

The Fund was created this fiscal year not only to reduce reliance on debt by dedicating resources to capital related projects but to also enable Council to act on opportunities in a more timely and strategic manner. The FY15 Budget transfers \$4,000,000 from the General Fund to the newly created Infrastructure Investment Fund (IIF) for future capital items. Additionally, \$0.0062 of the property tax rate has been dedicated to funding the IIF for future appropriations. Together with the transfer from General Fund reserves, the dedicated portion of the tax rate is budgeted to bring the Infrastructure Investment Fund balance to just over \$4.2 million. The assignment of capital improvement projects for the 2014-2015 Fiscal Year to the IIF brings the projected ending fund balance to approximately \$3.06 million.

The budget for fiscal year 2015 Infrastructure Investment Fund reflects \$150,000 for City Wide Streets and Sidewalk Assessment and Evaluation, \$200,000 for Addison/Surveyor Road Railroad Crossing Improvements, \$350,000 for Les Lacs park and Town Park Playground Structures and Re-surfacing, \$180,000 for Celestial Park Trail Replacement, and \$300,000 for the Airport ILS.¹

Impact of Capital Projects on Operating Budgets

When considering new capital projects, the Town must ensure that it raises enough operating revenues to cover any increased levels of service created by the new projects. In other words, as projects in the Infrastructure Investment Fund (IFF Fund) are completed, there is usually a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year the total estimated net operating cost of the Town's newly completed capital projects paid for from the IFF Fund will be \$500, from the Parks operating budget, in estimated miscellaneous annual repairs on the Les Lacs Park and Town Park Playground structures.

Additional increases are absorbed in various department operational budgets as staff find efficiencies within their operations, striving to continue to deliver an excellent level of service within the current department funding levels.

1. See Appendix F.

Infrastructure Investment Fund Statement of Revenues and Expenditures

	Actual 2012-13	Budget 2013-14	Estimated 2013-14	Budget 2014-15
Beginning Balance	\$-	\$-	\$-	\$-
Revenues				
Tax Contribution	-	-	-	233,980
Interest earnings and other	-	-	-	2,000
Total Revenues	-	-	-	\$235,980
Total Available Resources	-	-	-	\$235,980
Expenditures				
Personal services	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Design and Engineering:				
Engineering and contractual services	-	-	-	150,000
Construction and equipment	-	-	-	1,030,000
Total Expenditures	-	-	-	\$1,180,000
Other Financing Sources (Uses)				
Transfer In	-	-	-	4,000,000
Ending Fund Balance	\$-	\$-	\$-	\$3,055,980



ADDISON FAST FACTS*

2014 Population: 15,180

2014 Assessed Value: \$3,805,580,841

Median Age: 32.5 years

Median Household Income: \$59,590

Average Household Income: \$84,684

Number of Households: 7,378

Total Employment in Addison: 90,000

Square Miles: 4.3 square miles

Developable Land Remaining: 5%

Housing Units:

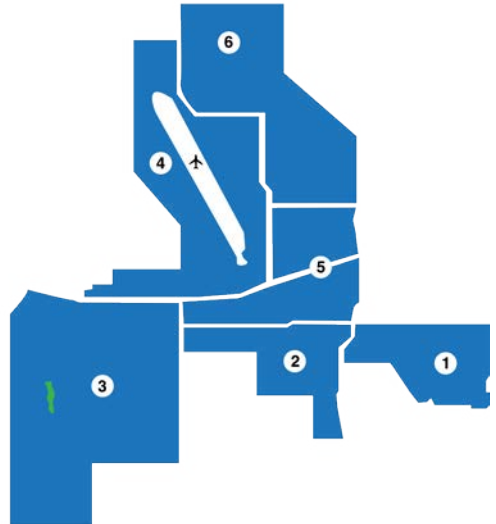
Owner Occupied: 22.6%

Renter Occupied: 63.2%

Vacant: 14.2%

Education Level: 50.8% with a bachelor's degree or higher

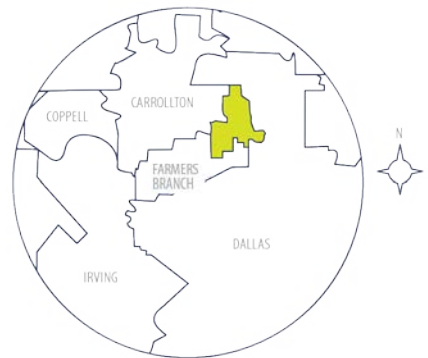
Addison Planning Sectors



Top 10 Employers in Addison:

- Bank of America MBNA
- Mary Kay Cosmetics, Inc.
- National Default Exchange Management
- Rexel Holdings USA Corp.
- NBS
- United Surgical Partners International
- Concentra Operating Corp.
- Hilton Worldwide, Inc.
- Zurich Americas
- Glazer's Family of Companies

Addison within the Dallas Metroplex



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



ADDISON 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 Dallas shopping center. 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.

The Town of Addison epitomizes the best features of the area. The Town places a special emphasis on quality of life that demands all developments meet the most rigorous building requirements. For example, all commercial developments 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 up-town" 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 95 office buildings providing nearly 10 million square feet of office space, and an additional 47 retail buildings representing approximately two million square feet of space. Most of Addison's office buildings are designated "Class A" due to the amenities they offer. The Town boasts 22 hotels with 3,953 rooms and over 170 restaurants, or an average of 46 per square mile.

Because of its concentration of commercial and retail development, Addison is

particularly susceptible to changes in the regional and national economies. The national recession greatly impacted the local economy and the revenue generated by Addison's businesses, however we are beginning to see signs that we are emerging from the downturn. The Town's taxable appraised values as of January 1, 2014 rose 9.04 percent, which is the second significant annual increase in values since before the recession. The increase can be attributed to Addison being in the midst of an economic boom in the community, with the redevelopment of Village on the Parkway (\$90 Million investment) continuing.

The redevelopment of Village on the Parkway continues this year with the construction of the AMC movie theatre and the addition of new restaurants and retailers. Multi-family growth slowed over the last year, with no new apartment construction.¹ Sales tax for the 2015 fiscal year is expected to remain flat compared to the prior year's collections and Addison's hotels, which cater primarily to business travelers, are beginning to experience improved bookings resulting in a 9.32 percent increase in hotel occupancy tax for the 2014 fiscal year compared to the previous fiscal year.

Although Texas has been impacted by the national recession, its economy continues to expand, evident by the 4.5 percent annual growth in employment, up from 2.3 percent annual growth last year.² Over the past year, Texas' unemployment rate has decreased 1.4 percent to 5.1 in July 2014, and remains lower than the U.S. rate of 6.2 percent.³ The Dallas Fed Outlook Survey points to continued economic growth in the near term, helped by strong improvement in commercial real estate activity and continued vitality in the energy sector.⁴ The Town of Addison will share in any economic recovery experienced by the region and the state, but employment trends indicate that Texas will finish 2014 at a 2 percent annual growth rate. This rate is in line with the average rate of growth over

1. Town of Addison, Development Services Department.

2. Texas Economic Indicators for September 2013 and September 2014, Federal Reserve Bank of Dallas

3. Texas Economic Indicators for September 2014, Federal Reserve Bank of Dallas.

4. Regional Economic Update, August 4, 2014, Federal Reserve Bank of Dallas.

the past couple of decades. 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.

TOWN-WIDE (ALL SECTORS)

Sector Description

Described here are projects that span across the entire Town, or serve the Town as a whole. As a mid-life municipality, Addison is in the midst of significant infrastructure upkeep. Project categories of particular interest include water and sewer utility infrastructure, drainage and bridge upkeep and repair.

Capital Projects

Immediate (1-12 months)

Town Wide Streets and Sidewalk Assessment and Evaluation - In order to ensure that streets and sidewalks are maintained at an acceptable level, it is important to identify the current condition of the infrastructure. The first step is to perform a city-wide street and sidewalk assessment that will grade each street and sidewalk as to whether it is good, fair, or poor. A capital improvement program will be developed from that assessment.

Intermediate (12-36 months)

Public Safety Radio Replacement - \$5,000,000 in bonds were sold to cover equipment and non-recurring costs of both radio replacement and the new combined dispatch center.

Illuminated Street Name Sign Replacement - Replace 137 existing illuminated signs with more energy efficient LED street name signs and cabinets, replace old logo with new logo, and improve energy efficiency and maintenance requirements.

SECTOR 1

Sector Description

This sector of the Town is the most topographically interesting of the community. A small creek runs to the east parallel 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

Immediate (1-12 months)

Celestial Park Trail Replacement - This project involves the removal of the existing decomposed granite trail and replacement with a concrete trail to reduce the ongoing maintenance of the granite material.

Winnwood Ponds Desilting – In order to improve the water quality in the Winnwood Pond, the pond will be desilted and the material will be hauled off and disposed of according to appropriate regulations.

Sector Community Issues

The Town has made a significant investment into the redevelopment of the Village on the Parkway retail complex, which is nearing completion. The center is home to Visit Addison, a 26,000-square-foot-space that houses the Town's Special Events department, the Metrocrest Chamber of Commerce, and the Craft Guild. Total operating expenses are budgeted at \$847,992 for FY2015. As the center completes its transformation, staff expects the site to require continued attention. Eventually, the additional traffic will most likely necessitate improvements on Montfort Drive including a signalized intersection near the southern end of the site.

SECTOR 2

Sector Description

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

Capital Projects

Immediate (1-12 months)

Pedestrian Connectivity (South Quorum) - This is the first phase of the North and South Quorum Pedestrian Connectivity improvements, which are funded from the 2012 Bond Program. The improvements will include enhanced pedestrian and street lighting in the south Quorum area that will replace the existing 35-year-old street light system. Additional pedestrian connectivity improvements in the North Quorum areas will depend upon available funding and future development.

Intermediate (13 to 36 months)

Pedestrian Connectivity (Undesignated) - This funding will be used as contingency funding for either of the North and South Quorum or Beltway/Proton Pedestrian Connectivity Projects.

Sector Community Issues

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

SECTOR 3

Sector Description

The majority of the Town's population and single-family housing is contained within the boundaries of Sector 3. Prominent features of the sector include Fire Station 2, the Addison Athletic Club, Redding Trail (formerly Les Lacs Linear Park), the private Greenhill School, and DISD's Loos Field athletic complex. The sector includes the Vitruvian Park development area and the new George H.W. Bush Elementary School.

Capital Projects

Accomplished

Surveyor Learning Center – The Surveyor Learning Center is located on the first floor of the Surveyor Elevated Water Storage Tower. The Learning Center is used for hosting classes that focus on sustainability.

Immediate (1-12 months)

Midway Road Design (Also in Sector 4) – The project will consist of a complete reconstruction of the roadway, improvements to median landscaping and lighting, ADA compliance improvements, and sidewalk improvements.

Vitruvian Park Public Infrastructure – The next phase of the Vitruvian Park project will be on the West side of Vitruvian Way and will involve additional public infrastructures such as streets and water and sewer lines improvements and additions.

Vitruvian-Alpha Road Connection – The connection to Alpha Road from Bella Lane will use right-of-way donated by Brookhaven Community College. The roadway will include a roundabout and a north entrance into the Brookhaven Community College ring road. The project is currently in design and expected to be constructed in 2015.

Belt Line Utility Relocation – The overhead utilities on Belt Line Road will be brought underground. The project will also include sidewalk improvements, right-of-way acquisition, upgraded traffic signals, ADA compliance improvements, and a mid-block crossing. The final phase of the project will be a full-length roadway overlay from Marsh Lane to the Tollway.

Addison Road Rehabilitation (Also in Sectors 4, 5, and 6) - The Addison Road improvements will consist of full-depth repair activities along with other lesser improvements.

Pedestrian Connectivity (Beltway/Proton) – This project is included in the 2012 Bond Program, which involves pedestrian and street lighting enhancements along Beltway Drive from Marsh Lane to Belt Line Road and Proton Drive. Other streetscape amenities will include a plaza entry to the Athletic Club at the southeast corner of Beltway Drive and Proton Drive, public art, and intersection pedestrian crosswalks. The project also includes extension of the Redding Trail from Mormon Lane to Arapaho Road.

Vitruvian Park Amphitheater – This project involves reconfiguration of the existing amphitheater to make the space more accessible and improve seating capacity for special events in the park.

Les Lacs Park and Town Park Playground Structures and Re-surfacing – These projects involve replacement of aging play structures and replacement of the playground surfacing with a rubberized fall safety surface.

Les Lacs – The water quality of Les Lacs pond is being assessed and best management practices will be recommended for the on-going maintenance of the pond.

Long-Term (37-60 months)

Rawhide Branch Improvements – A detailed Stormwater Master Plan will be conducted for the Rawhide Branch Basin. A capital improvement program will be developed from this study.

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 southern 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

Roof Repair - New Duro-Last roofing systems were installed on four airport-owned properties, including three conventional hangars and one T-hangar.

EMAS Installation - Construction began in April 2014 and was completed in September 2014 for this project costing \$8,000,000. EMAS is designed to safely stop a jet running off the end of the runway at speeds up to 70 knots (just over 80 mph). The project also included a water line replacement / relocation, extensive storm water drainage improvements including concrete-lined detention areas, and a \$200,000 rain water harvesting system.

Airport Master Plan Update - The \$230,000 project (90 percent TX-DOT/FAA and 10 percent airport funded) began in April 2014 and is expected to require 12-14 months to complete.

Wildlife Hazard Assessment - The Wildlife Hazard Analysis (WHA) stated that Addison has documented about 130 wildlife strikes since 1990. The report identified the various wildlife seen during the 12-month observation. Briefly, the report discussed a few ways to mitigate wildlife hazards on the airport but that discussion will be expanded in the Wildlife Hazard Plan (WHP) that Keleinfelder will provide.

Immediate (1 to 12 months)

Automated Weather Ops. System Update (AWOS) - The AWOS generates real-time weather reports every minute. AWOS weather reports are made available to airport personnel via displays on operator terminals and to pilots via high quality, digitized voice transmissions, using a VHF frequency or voice-capable NAVAID. AWOS reports are also available by telephone for flight planning and can be sent to the FAA's Weather Network for flight planning purposes.

Midway Road Design (Also in Sector 3) – Design work has begun on the Midway Road improvements as described in Sector 3.

Addison/Surveyor Road Railroad Crossing Improvements (In sector 4 and 5) – Once

License Agreements are executed with DART, work will begin on improving the railroad crossings at Addison Road and Surveyor Boulevard.

Airport ILS – The Instrument Landing System for Runway 33 is in need of updating. The Town will contract an aviation consultant to determine the scope of the work and will then work with FAA to install the upgrade.

Taxilane Victor Rehabilitation/Drainage – Design work is beginning on the improvements needed for Taxiway Victor. The taxiway will be reconstructed in order to accommodate the larger aircraft that are using the taxiway. Drainage upgrades will also be included.

Intermediate (13 to 36 months)

Perimeter Access Controls and Monitoring System – The airport undertook a study to determine what security upgrades are needed. Those recommendations have been presented in a report and will be implemented as funding is available.

Taxiway Bravo/Golf Extensions, Service Road – The project will include the engineering/design for reconstruction and extension of Taxiway Bravo north to Taxiway Golf to meet Design Group III standards, extension of Taxiway Golf west (330 x 75 feet) from Runway 15-33 to connect to Taxiway Bravo, and extension of the south end of Taxiway Bravo to connect to Runway 33 (550 x 50 feet). Project will include construction of concrete vehicle service road west of Taxiway Bravo from the Bravo T-hangars to Taxiway Golf.

Long-Term (37 to 60 months)

Runway Designation Change, Rejuvenation – Runways are given a number designation with a number from 1 to 36 that corresponds to their magnetic heading. Due to the drift of Earth's magnetic poles, a change in runway designation is occasionally necessary. As of November 2014, the locations of the magnetic poles have changed enough to require a change in runway designations. Changing the runway designations requires changing the paint markings, airfield guidance signs, and various navigation charts and publications.



Additionally, the runway was reconstructed in 2011. Application of a pavement rejuvenator product to extend the life of the asphalt pavement is considered good practice, and an opportune time to do that is when the pavement is around 5 years old and when the markings are being changed to reflect the change in runway designation.

Taxilane Uniform Rehabilitation/Drainage – This project will correct deficiencies in the taxilane safety areas and associated storm drainage systems. It will also include limited pavement repair and reconstruction.

Keller Springs Road/Addison Road Intersection - The intersection improvements have been designed and will be considered along with the overall improvements to Addison Road.

Hutton Branch Basin Improvements - A detailed stormwater facilities plan will determine the infrastructure needs and timeframe for improvements.

Sector Community Issues

The airport has focused on rejuvenation efforts that continue to keep Addison Airport ahead of the curve in safety, updated technologies, and comprehensive planning for future development. The Access Controls Study, a \$100,000 project (90 percent TX-DOT/FAA – 10 percent airport funded) completed in July 2013, resulted in recommendations to improve operational safety and physical security at the airport, which will be implemented via future grant projects. Additionally, the Airport Master Plan outlined in this Town Chronicle guides the airport's future development through the year 2025. The last master plan update was done in 2003.

In addition to future planning, the airport has acquired or improved airport infrastructure and property in order to increase revenues and safety. The reconstruction of Taxiway Alpha – a \$10,000,000 project (90 percent TX-DOT/FAA – 10 percent airport funded) – spanned 13 phases from September 2012 to November 2013. Most noticeable are the two new concrete run-up areas at the north and south ends of Taxiway Alpha. The project also included a reconstruction/asphalt overlay of Taxilane

Tango, which was completed in just seven days in August 2013. Using \$7,000,000 in voter-approved bond funds, the airport acquired two properties that are now producing over \$500,000 in annual revenue. In addition, a cash reimbursement from TX-DOT Aviation for 90 percent of the appraised land value (totaling \$1,910,420 for both properties) is anticipated in FY17.

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 Addison Conference Centre and Theatre and Addison Circle Park, which is used extensively for special events such as Addison Oktoberfest, Fork and Cork and Addison Kaboom Town.

Capital Projects

Immediate (1-12 months)

Addison Road Rehabilitation (in Sectors 4, 5 and 6) – Roadway improvements will be implemented as identified in the study that is in process.

Addison/Surveyor Road Railroad Crossing Improvements (In sectors 4 and 5) – Once License Agreements are executed with DART, work will begin on improving the railroad crossings at Addison Road and Surveyor Boulevard.

Sector Community Issues

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

DART Rail – Located near the Addison Circle Urban Community District and the Arts and Events District (discussed in greater detail in the Sector 5 narrative) is the DART transit center that is used by over a dozen bus routes serving Addison and the North Dallas corridor. The center is adjacent to the former Cotton Belt railroad line that is now owned by DART. The line extends to the DFW International Airport and represents an opportunity for commuter rail that would serve the area. The Town contracted with a consultant to study the issue. The result of their analysis is that the rail line serves more companies and a greater employment base than the entire Dallas central business district. DART has included the project in its long-term 2035 capital plan. Addison staff will work to ensure the project is high on the agency's priority list. The Town is continuing to pursue various innovative financing initiatives with DART and others. The Town also needs to advance the planning for the development of the property adjacent to Festival Way and the rail line.

SECTOR 6

Sector Description

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

Capital Projects

Immediate (1-12 months)

Addison Road Rehabilitation (in Sectors 4, 5, and 6) - The Addison Road Improvements will consist of full depth repair activities along with other lesser improvements.

Long-Term (37-60 months)

Mary Kay/Keller Springs Basin Improvements – A detailed study of the drainage needs has been completed. Projects will be implemented as development occurs.

Sector Community Issues

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







APPENDIX A

THE BUDGET PROCESS

1

May
2014

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

May
28, 2014

Budget Requests Submitted and Reviewed

May 28 is the deadline for department budgets to be submitted to Financial Department. Staff spends the next several weeks reviewing department budgets for presentation to the Council in July work sessions. Staff also examines long range planning and prepares long term plan of capital expenditures.

3

June
27-28

Council Budget and Strategic Planning Retreat

Staff and Council held a two day retreat to discuss strategic goals for FY2015 and how they would tie into the budget process.

4

June-July
2014

Work Sessions with City Manager

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

5

July
25, 2014

Certified Tax Rolls Received

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$3,805,580,841.

6

July
31, 2014

2014-2015 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 \$125,557,209 and a tax rate of 57.18 cents.

7

August
15, 2014

Effective Tax Rate Published

Upon receipt of the certified appraisal rolls, the Finance Department performs the net effective tax rate calculation as required by state law. The net effective tax rate is calculated to be 53.6339 cents with a rollback rate of 57.8359 cents.

8

August
2014

Work Session with Council

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

9

August 26 &
September 2,
2014

Public Hearings Held

Following the required newspaper notice, public hearings on the tax rate and budget are conducted.

10

September
9, 2014

Council Adopts the 2014-2015 Budget

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2014 with total appropriations of \$121,922,107 and a tax rate of 56.18 cents.

11

December
2014

2014-2015 Budget Document is Published

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

12

August
2015

Budget is Amended

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



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 Town 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.

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.

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

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 established levels of service are performed at the least expense to the Town.
8. Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least one year. Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of Town employees. Existing capital equipment associated with General Fund operations will be amortized by charges to the departments using the equipment. The amortization charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The amortization charges and application of those funds will be accounted for in the Capital Replacement Fund.
9. Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
10. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the CFO. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

Fund Balance

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

3. The Town will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Addison community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to address the future use of fund balance for operating expenditures.

4. The Town shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:

- Nonspendable (includes amounts that are not in a spendable form or are required to be maintained intact, such as inventory or permanent funds)
- Restricted (includes amounts that can be spent only for specific purposes stipulated by external parties, such as grants and child safety fees)
- Committed (includes amounts that can be used only for specific purposes set by resolution of the City Council, such as economic development funding)
- Assigned (includes amounts intended to be used for specific purposes, such as encumbrances)
- Unassigned (includes all amounts not contained in other classifications; can be used for any purpose)

5. The Town shall approve all commitments by resolution of the City Council. The action to commit funds must occur prior to the fiscal 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.



YOU SAVE 30¢ POUND

REG. PRICE 99¢ lb.

SIZE

69¢
LB.

NEW MEXICO

FRESH HATCH CHILES

SALE
99¢ LB.
ASPARAGUS

SOUTHWEST STYLE
CHICHARRON SAUCE



APPENDIX C

COMPENSATION PLAN

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

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

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

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

Merit and Market Pay Plan

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

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

Included in the 2014-2015 budget is a merit increase in which employees are eligible to receive a 2-5 percent increase in their base salaries.

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

WAGE AND SALARY SCALE

Departments

Level	Base Salary	Top Salary
1-N	20,966	31,470
2-N	22,256	33,384
3-N	23,608	35,422
4-N	25,064	37,586
5-N	26,582	39,874
6-N	28,226	42,286
7-N	29,931	44,886
8-N	31,741	47,632
9-N	33,675	50,523
10-N	35,734	53,602
11-N	37,918	56,888
12-N	40,227	60,361
13-N	42,681	64,022
20-E	42,742	64,091
21-E	46,022	69,034
22-E	49,567	74,328
23-E	53,373	80,059
24-E	57,484	86,205
25-E	61,881	92,855
26-E	66,672	99,985
27-E	71,790	107,664
28-E	77,324	115,953
29-E	83,273	124,878
30-E	89,662	134,503
31-E	96,573	144,849
32-E	103,989	156,005
33-E	111,994	167,992
34-E	120,613	180,920
35-E	127,850	191,775

Police Department

Level	Base Salary	Top Salary
P1	49,504	
P2	53,518	70,928
P3	75,504	84,989
P4	88,725	94,128
P5	98,700	107,852
P6	108,500	111,425

Fire Department

Level	Base Salary	Top Salary
F1	48,514	
F2	52,504	66,655
F2a	69,509	73,761
F3	77,430	82,148
FP2	86,258	91,499
F4	86,253	91,495
F5	96,096	105,007
F6	108,500	110,670



APPENDIX D

MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$55,741,067 or 81.7 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 1. The Town's property tax is levied each October 1 on the assessed value listed as of the prior January 1 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, 2014, upon which the fiscal year 2015 levy is based, is \$3,805,580,841. This amount is net of \$419,085,309 (representing 11 percent of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. Although new construction in recent years has been strong, Addison experienced a slight decrease over the last year. New construction is valued at \$85,089,490 on the 2014 certified tax roll, which is a decrease of 12.9 percent over the previous year. The steady increase in overall values is due in large part to the moderate expansion of the Texas economy, in contrast to the sluggish progress on the national stage. However, Addison has experienced growth in economic development, and recognizes that the local economy is cyclical. The Town continues to realize increased values particularly those related to the Vitruvian Park development, and expects a continued growth as the nation's economy stabilizes.¹

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, and must demonstrate, at the time of issuing bonds to the Attorney General, that it can pay annual debt service at a maximum \$1.50 tax rate at 90%

collections, which includes the payment of principal and interest on general obligation long-term debt. The tax rate for the year ending September 30, 2015 is 56.18¢ per \$100 of valuation, of which 34.37¢ is allocated for general government operation and maintenance and 21.81¢ is allocated for retirement of general obligation long-term debt. Of the 34.37¢ allocated for operations and maintenance, 2.65¢ is committed to economic development.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement the Town continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year. The tax rate that equates to an 8 percent increase above the prior year rate is known as the "rollback rate." The FY2015 tax rate adopted by the Town is less than the calculated 57.8359¢ 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, 2015 are estimated to be 99 percent of the levy and will generate \$21,165,960 in revenues.

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

Delinquent taxes and penalties are expected to produce an additional \$35,000.

Fund long-term plan assumes a 2 percent growth in sales tax for FY2016 through 2019.

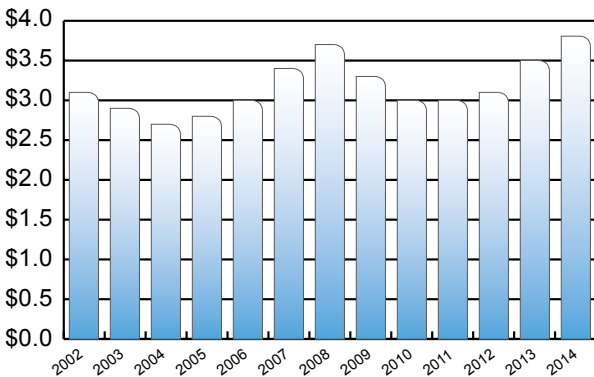
Sales Tax

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.

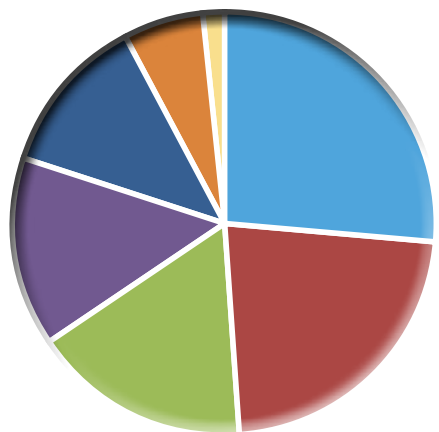
For the year ending September 30, 2015, the Town of Addison expects to receive \$13,500,000 in sales and use tax revenue. This amount is equal to the revenue projected for FY2014 collections of \$13,500,000 and a 10.2 percent increase over the FY2014 budget. Monthly collections during FY2014 averaged about 10.5 percent above what was collected in FY2013, far more than Dallas County's 6.28 percent increase, and the State's 6.29 percent increase. The Town's General

Another sales tax levied by the State of Texas is the alcoholic beverage tax which is applied against all mixed drinks and packaged liquor sold in the Town. As of January 1, 2014, however, H.B. 3572 has changed how Mixed Beverage taxes are calculated. The bill lowered the 14 percent Mixed Beverage Gross Receipts to 6.7 percent, while adding a beverage sales tax of 8.25 percent. Like the general sales tax, these taxes are collected by the State. The Town's share of the dollar revenues generated by the tax through FY2015 will be 10.7 percent of the States' collections. The modification significantly impacts a city like Addison, with its numerous restaurants and hotels. Although Addison has less than 15,000 residents, its concentration of hotels and restaurants make it the 12th highest city in Texas for alcoholic beverage sales, surpassing Irving with a population of 216,290 and Frisco with a population of 116,989 (2010 Census). Revenues from Mixed Beverage tax combined with the beverage sales tax are projected at \$820,000 for the 2015 fiscal year, compared to the approximately \$800,000 collected in FY2014.

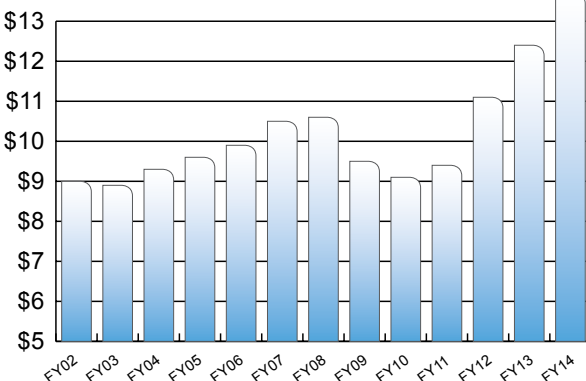
Assessed Valuation of Taxable Property as of January 1st of Levy Year (in billions)



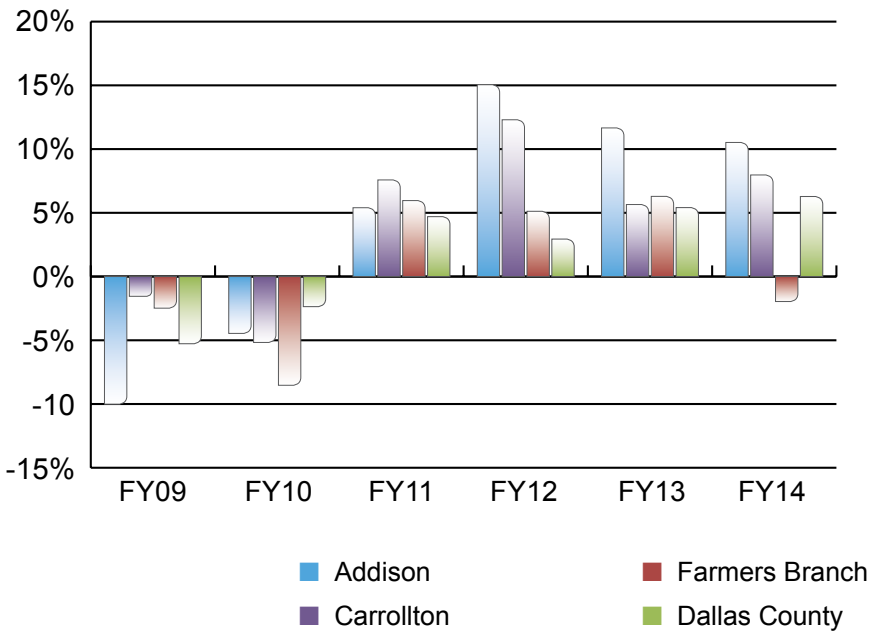
Breakdown of FY 2014 Sales Tax by Economic Category



Sales Tax Revenue (in millions)



Sales Tax Receipts Year-Over-Year Percentage Change



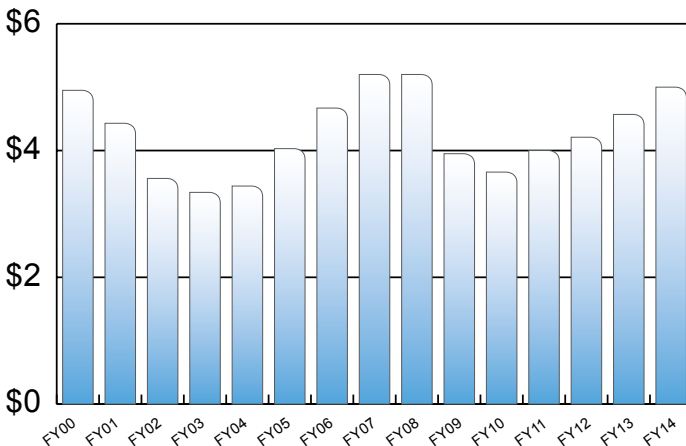
Hotel/Motel Occupancy Tax

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

In 2013, Addison was ranked number 19 in the State in total hotel revenues out of over 550 Texas cities reporting, ahead of cities like Richardson with a population of 99,233 (2010 Census).² In total hotel revenues, the Town experienced an 8.7 percent increase from \$71,058,875 in 2012 to \$77,265,830 in 2013.³

In hotel occupancy tax receipts, the Town continued to show significant gains in FY2014 with year-over-year growth for hotel tax receipts of approximately 7.6 percent, and end-of-year receipts estimated at \$4,922,495. For the year ending September 30, 2015, the Town occupancy tax is budgeted at \$5,439,311.

Hotel Occupancy Tax Revenue (in millions)



2. <http://www.window.state.tx.us/taxinfo/taxfiles.html>

3. http://aixtcp.cpa.state.tx.us/hotel/hotelqtr_all.php, Calendar year.

Percentage of FY 2014 Hotel Occupancy Tax Receipts by Establishment


Establishment	Number of Rooms	Percentage of Revenue
Full Service		
Marriott Quorum	535	18.0%
Hotel Intercontinental	532	18.1%
Crowne Plaza	429	10.7%
Extended Stay		
Budget Suites	344	0.4%
Hawthorne Suites	70	1.3%
Marriott Residence Inn	150	4.5%
Summerfield Suites	132	2.9%
Homewood Suites	128	4.3%
Springhill Suites	159	5.3%
Business Moderate		
Marriott Courtyard Quorum	176	7.0%
LaQuinta Inn	152	3.1%
Marriott Courtyard Proton	145	4.2%
Holiday Inn Express	102	3.1%
Hilton Garden Inn	96	4.1%
Holiday Inn - Arapaho	101	2.3%
Best Western	86	1.0%
Economy		
Motel 6	126	1.7%
Hampton Inn	159	4.3%
Quality Inn	115	1.0%
Comfort Suites	78	1.6%
Super 8	78	0.8%
Best Value	60	0.3%
Total	3,953	100.0%

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. For FY2014, that fee was calculated to be \$0.002671. 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 FY2015.

Additionally, after litigation against increased franchise fee payments, a court ordered the return of the increased revenue paid by Oncor to the Town. This mandate has ordered that the revenue be reimbursed by decreasing franchise fee revenues by approximately \$11,000 per quarter for the next 12 quarters. This mandate will affect fiscal years 2015-2017. Although this litigation is still pending appeal, the Town is preparing for this budget adjustment to begin in calendar year 2015.



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:⁴

- Category 1
(Residential lines) **\$1.10**
- Category 2
(Non-residential or business lines) **\$2.65**
- Category 3
(Point-to-point or dedicated lines) **\$5.24**

The FY2015 budget anticipates \$665,000 from telecommunication access line fees. While this revenue source has seen significant decline in past years with the movement away from traditional land line telephone service, the popularity of “bundle” packages where customers can bundle land line telephone, Internet, and cable services has stabilized this revenue source.

Other franchise fees paid to Addison include gas, cable, and street rental fees. For FY2015 cable franchise fees are budgeted at \$280,000. In 2011 the cable franchise structure changed in Texas where cable companies will now begin reporting under a state cable franchise agreement rather than individual local agreements. The transition had little financial impact, as cable companies were still required to remit 5 percent of their gross receipts. Gas franchise fees for FY2014 are budgeted at \$175,000, and various street rental fees are budgeted at \$7,000.

Utility Fees

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

In FY2013, the Town Council approved changes to water and sewer rates in order to account for the increase in cost of service from Dallas Water Utilities and Trinity River Authority, respectively. As such, water and sewer rates increased slightly this year. Under these rates, each customer will pay a minimum monthly bill depending upon how their account is classified. For example, a single-family customer will pay a minimum rate of \$10.74 for water and \$13.35 for sewer, which includes 2,000 gallons, totaling \$24.09 each month. At the other end of the scale, a commercial customer with a meter greater than two inches in size pays a minimum monthly bill of \$260.15, with an allowance of 37,000 gallons. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exception to this rule is single-family residential customers who cease paying sewage fees once water consumption exceeds 8,000 gallons. The combined monthly water and sewer bill for a single-family residence that consumes 10,000 gallons is \$69.33.

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 \$4.66 per 1,000 gallons compared to the base water rate of \$2.37 per 1,000 gallons over the minimum.

This section includes a distribution of customers by classification and the approximate percentage of contribution each classification made to water and sewer op-

4. <https://www.puc.texas.gov/industry/communications/row/LineRates.aspx>



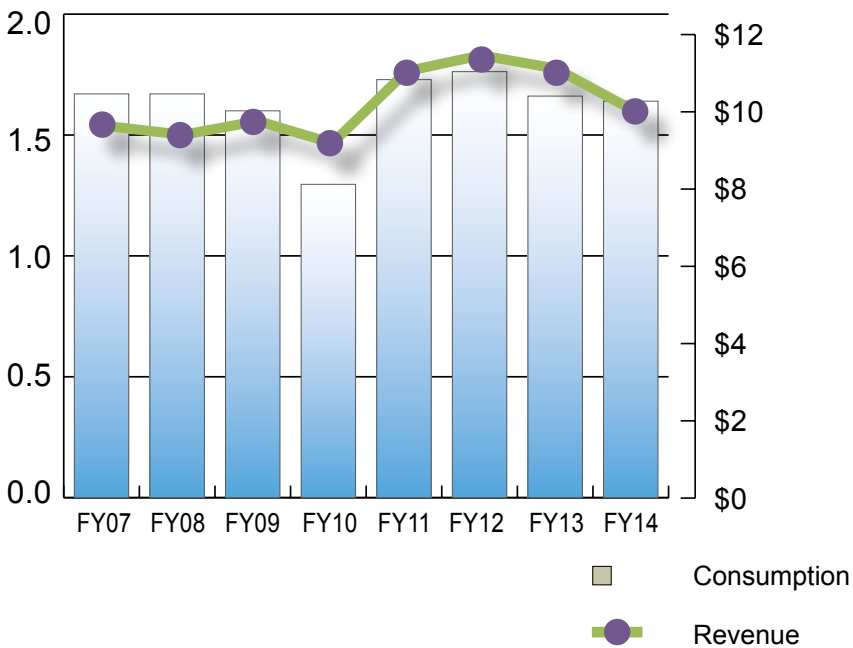
FY2013-2014				
	Water		Sewer	
Customer Classification	Number of Accounts	Percent of Revenues of Revenues	Number of Accounts	Percent of Revenues
Single Family	1,763	12.1%	1,759	13.7%
Multi-Family	134	13.3%	132	31.3%
Municipal/School	31	0.7%	29	1.3%
Irrigation	641	47.1%	-	0.0%
Hotel/Motel	31	7.2%	30	11.9%
Commercial	637	17.5%	623	41.5%
Fire Meter	347	2.1%	-	0.0%
Industrial	11	0.1%	11	0.3%
Total	3,595	100.0%	2,584	100.0%

erating revenues in FY2014. For the 2014-2015 budget year, the Town’s Utility Fund anticipates receiving \$5,970,671 from the sale of water and \$4,507,775 from sewer fees. The total utility fees represent a slight increase compared to the previous year’s budget.

Stormwater Fees

The Town of Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town’s federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town’s drainage infrastructure. The Town’s Stormwater Fund anticipates receiving \$1,675,350 in Stormwater fees.

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



APPENDIX E

LONG-TERM FINANCIAL PLAN

Narrative

In accordance with the Town's financial policies, the 2014-2015 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 2015, 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. This ensures compliance with the Town goal of mindful stewardship of Town Resources.

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 slightly more than 15,000 residents (2013 Census estimate), 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 establishing funding ceilings, revenue generated by an economic "boom" is added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plans is exercised in all four operating funds with the planning horizon beginning with the 2015 fiscal year. The Town is emerging from the weak economic conditions of the past few years that were associated with the national economic recession. Indeed,

the growth in economic activity is beginning to show signs of improvement with general tax revenues expected to increase slightly over the next few years. In the Hotel Fund, the operating balance built up during the economic expansion period had been drawn down significantly in FY2013. In order to retain or recover a balance of at least 25 percent of operating expenditures as established by the financial policies that govern Addison's budget development, the 2013-2014 budget curtailed Hotel Fund operating expenditures to minimize the disparity between revenues and expenditures, and the 2014-2015 budget continues these operational efficiencies wherever possible. Additionally, although the General Fund balance has been drawn down in FY2015 to fund major infrastructure improvements and to seed the new Infrastructure Investment Fund, its fund balance has remained above the 25 percent threshold due to stronger economic vitality in property values and sales tax revenues in particular.

These financial controls are premised on the principle of balancing the Town's budget. In order to ensure fiscal stability of the Town's operations, the Town relies on a balanced budget to ensure responsible spending of public funds. A balanced budget occurs when the total sum of revenues collected in a fiscal year is equal to its expenditures. This principle ensures adequate resources and funding to cover ongoing city operational expenditures.

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 8.9 percent from fiscal year 2013 to the estimated 2014 total. The FY2015 budget assumes a slight .14 percent growth in sales tax compared to the prior year's budget. The projected years of 2016 through 2019 assume modest 2 percent annual increases.

2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2014 (used for the 2013 levy) increased 8.9 percent; this is the third year in a row of increased in values. From FY2012 through FY2014, values have increased a cumulative 23.7 percent. The Town's focus on expanding their economic development efforts has improved economic trends throughout the community, and has helped spur the majority of our new construction and redevelopment throughout the community. The tax rate established for the 2015 fiscal year is 56.18 cents per \$100 assessed values, a decrease from the previous year. The Town's interest and sinking portion of the rate provided an additional \$843,900 for debt service, while increasing the maintenance and operations funding by \$522,730. Of this amount, \$206,630 is directed to the Economic Development Fund, \$233,980 is contributed to the newly established Infrastructure Investment Fund, and the remaining \$112,120 for General Fund activities. The General Fund long-term plan assumes 4 percent average increase of appraised values from fiscal year 2015 to 2016, and 2 percent for fiscal year 2017 to 2018. Much of this expected growth can be attributed to new construction each year and increased value in multi-family residential.
3. All other revenues during the planning horizon are expected to increase a modest 2 percent per year.
4. Approximately two-thirds of the General Fund's expenditures are associated with employee compensation. The base 2015 year budget for personnel services is \$920,353 more than the 2014 budget due to the addition of 4.3 FTE, and a council approved merit increase as a part the compensation study that was conducted by Public Sector Consultants. Future years project a three percent increase in compensation.
5. Due to the uncertainty of healthcare cost an additional five percent was added to the budget to cover any increase to the organization.
6. The 2015 budget reflects a \$227,330 decrease in appropriations for maintenance projects associated mainly with

the Town's parks, and technology and city manager departments. Contractual services are up \$734,372 primarily as a result of the costs associated with services to be rendered to the Parks, Recreation, Emergency Communication, Finance, General services, and Combined Services departments.

7. The General Fund makes contributions to the Town's Capital Replacement and Information Technology Funds that essentially amortize capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment.
8. All operating expenditures for fiscal years 2016 through 2019 are adjusted for a 3 percent inflationary increase. If possible, when the Town experiences revenues that do not support projects, departments will accommodate for this inflationary increase in supplies or contractual services through operational efficiencies or reductions to scope of services delivered to the public.
9. For fiscal years 2016 through 2019, expenditures are not projected to exceed revenues. The Town has prepared a long-term approach that allows the organization to reduce the fund balance to a level of 30 percent of the operating expenditures. This allows the Town to maintain compliance with its fund balance policy and elevate the Town's financial burden for non-recurring and capital expenditures. Assuming a modest growth of ad valorem and sales tax revenues, fund balances gradually rise through 2019, at which point the \$13.7 million fund balance will represent 40 percent of operating expenditures. Should economic conditions deteriorate, however, the town will increase its tax rate to maintain the 30 percent fund balance that has been set as a benchmark by the Council.

Hotel Fund Long-Term Plan

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. In recent years, due to the national recession, hotel occupancy tax declined almost 23 percent from fiscal years 2008 through 2011. However,

1. Please refer to Appendix D, which discusses the Town's major revenues in context of urban populations.



the tax experienced a modest recovery in both 2011 and 2012, with 2014 estimated revenues increasing 7 percent over 2013. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the 2015 budget is expected to be higher than estimated 2014 numbers by 7.1 percent. For the 2016-2019 planning period, revenues from the tax are expected to increase 3 percent per year. The inventory of hotel rooms is assumed to remain constant at 3,953.
2. Proceeds from special events in 2014 fall behind prior year results by two percent due to the change of Taste Addison to Fork and Cork. Event revenue for the 2015 budget period is expected to remain constant with 2014 expected results, and projected to experience 3 percent annual increases for the 2016-2019 planning period.
3. Rental of the Addison Conference Centre is estimated to fall short of its prior year budget by \$57,100, but expects to increase 4.8 percent in fiscal year 2015 as the Town continues to implement changes. Subsequent years anticipate 3 percent annual increases in rental revenue. Visit Addison center is expected to generate \$300,000 and increase 3 percent annually from fiscal years 2016 through 2019.
4. Operating expenditures are forecasted to increase at 3 percent to adjust for inflation.
5. The fund reflects two transfers, totaling \$1,211,082. The first transfer of \$710,800 satisfies the debt service obligation. This amount increases to \$711,000 for 2016-2018. These payments reflect the retirement of certificates of obligation that were sold to finance construction of the Arts and Events District. The second transfer of the remaining \$500,282 contributes to Tourism efforts in the newly created department in the Economic Development fund due to the elimination of the Visitor Services department.
6. The plan reflects revenues exceeding expenditures through fiscal year 2019 with fund balance growing to \$7,259,610 or 111.5 percent of operating expenditures due to the fall off of debt. Unlike other funds where expenditures are directly

related to critical public services, much of the Hotel Fund's budget is associated with marketing and the production of special events which can be reduced should hotel occupancy taxes decline in future years.

Airport Fund Long-Term Plan

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

1. Operating revenue increased slightly in 2015 due to the increase of rental income. For fiscal years 2016 through 2019 revenues are assumed to increase by two percent annually.
2. Operating expenses for the 2015 budget will be 8 percent greater than the 2014 budget, primarily due to continued emphasis on maintenance projects that were delayed in previous years due to financial constraints. Over the planning horizon, expenses are expected to increase by 3 percent per year.
3. The plan recognizes the debt service associated with the 2005 and 2013 issuances of certificates of obligation funding the airport's fuel farm and other various capital projects.
4. Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.

Utility Fund Long-Term Plan

Like the Airport Fund, the goal of the Utility Fund's plan is to generate sufficient revenues to support operating expenses as well as to fund capital projects. Below are 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 reasonably precip-

itous season and mild summer, utility operating revenue for 2015 is estimated to be 4 percent more than generated in 2014. This is directly attributable to a 2.44 percent increase by Dallas Water Utilities for wholesale water costs, and a 2.5 percent increase by Trinity River Authority for wastewater treatment services. The long-term plan assumes that for fiscal years 2016 through 2019, 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 by an average of 5 percent per year for water purchases and 2.5 percent for sewer services. These assumptions are based on historical trends of the last five years.
3. From fiscal years 2015 through 2019, net income is expected to average \$1.2 million, which is needed to retire debt principal and fund capital projects. This is significantly lower than previous years and is feasible because of the recent debt service retirement.
4. Debt service was reduced significantly in 2014 due to the retirement of debt that had been issued in the 1990's. The Town has issued approximately \$7.5 million for the purpose of updating various infrastructure throughout the community.

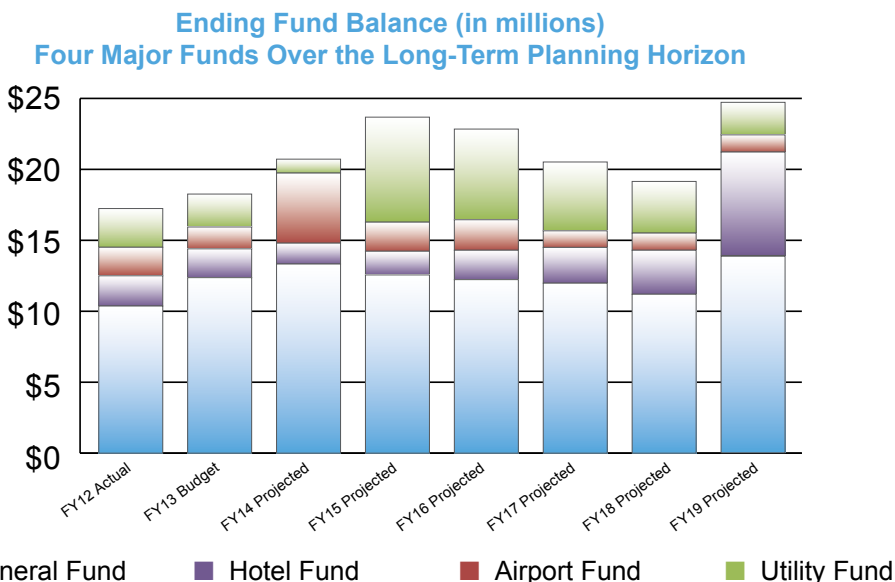
Stormwater Fund Long-Term Plan

Similar to the Utility and Airport Funds, the Stormwater Fund's plan is to generate sufficient revenues to support operating expenses as well as to fund capital projects. Features of the plan are as follows:

1. Operating revenue increased slightly in 2015 due to the increase of stormwater fees. For fiscal years 2016 through 2019 revenues are projected to increase each year based on Council-adopted fee schedule.
2. Operating expenses for the 2015 budget will be 33 percent greater than the 2014 budget, primarily due to expenses related to creating the new Stormwater operating department. Over the planning horizon, expenses show a 3 percent increase to adjust for inflation.
3. From fiscal years 2015 through 2019, net income is expected to average \$1.5 million, which parallels the increases in fees adopted by Council.
4. Uses of working capital are projected to average \$2,224,000 per year through 2019, and reflect the use of bond proceeds raised 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.



GENERAL FUND LONG-TERM FINANCIAL PLAN

City Council Adopted 2014-2015 Annual Budget

	Actual 2012-13	Estimated 2013-14
BEGINNING BALANCE	\$12,373,064	\$13,979,398
REVENUES:		
Ad valorem taxes	10,480,308	11,502,360
Non-property taxes	13,029,712	14,300,000
Franchise fees	2,695,073	2,670,641
Licenses and permits	886,423	700,000
Service fees	1,469,715	1,293,500
Fines and penalties	959,684	850,000
Interest income	3,790	20,000
Rental income	243,958	250,000
Miscellaneous	61,254	124,000
TOTAL REVENUES	\$29,829,917	\$31,710,501
EXPENDITURES:		
Operating:		
Personnel services	18,311,910	19,804,888
Supplies	1,241,389	1,390,154
Maintenance	2,598,275	3,323,252
Contractual services	4,791,512	5,284,528
Capital replacement/lease	1,222,756	1,278,100
Capital outlay	55,160	45,000
Fund transfer out	-	-
TOTAL EXPENDITURES	\$28,221,002	\$31,125,922
Excess (Deficiency) of Revenues over Expenditures	1,606,334	584,579
ENDING FUND BALANCE	\$13,979,398	\$14,563,977
ENDING BALANCE AS A % OF EXPENDITURES	49.5%	46.8%
Debt issuance variable:		
Beginning debt outstanding	77,644,314	80,733,153
Principal retired	4,701,161	5,086,153
Principal issued	7,789,999	12,000,000
Ending debt outstanding	\$80,733,153	\$87,647,000
Tax rate variables:		
Taxable values (thousands)	\$3,134,895	\$3,490,008
Maintenance & Operation - General Fund	\$0.3634	\$0.3301
Capital Improvement - Infrastructure Investment Fund	\$-	\$-
Maintenance & Operation - Econ. Dev. Fund	\$0.0185	\$0.0287
Debt service fund rate	\$0.1981	\$0.2130
Total Tax Rate	\$0.5800	\$0.5718



Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$14,563,977	\$9,725,991	\$11,208,759	\$12,225,695	\$13,105,195
11,736,390	\$12,154,712	\$12,216,586	\$12,626,850	\$12,963,337
14,320,000	14,606,400	14,898,530	15,196,500	15,500,430
2,627,000	2,679,540	2,733,130	2,787,790	2,843,550
740,000	754,800	769,900	785,300	801,010
1,443,500	1,472,370	1,501,820	1,531,860	1,562,500
900,000	918,000	936,360	955,090	974,190
20,000	20,400	20,810	21,230	21,650
250,000	255,000	260,100	265,300	270,610
49,000	49,980	50,980	52,000	53,040
\$32,085,890	\$32,911,202	\$33,388,216	\$34,221,920	\$34,990,317
20,725,241	20,004,730	20,604,870	21,223,020	21,859,710
1,459,542	1,362,222	1,403,090	1,445,180	1,488,540
3,095,922	3,008,422	3,098,670	3,191,630	3,287,380
6,018,900	5,650,400	5,819,910	5,994,510	6,174,350
1,441,671	1,402,660	1,444,740	1,488,080	1,532,720
167,600	-	-	-	-
4,015,000	-	-	-	-
\$36,923,876	\$31,428,434	\$32,371,280	\$33,342,420	\$34,342,700
(4,837,986)	1,482,768	1,016,936	879,500	647,617
\$9,725,991	\$11,208,759	\$12,225,695	\$13,105,195	\$13,752,812
29.7%	35.7%	37.8%	39.3%	40.0%
84,967,000	86,133,848	93,993,698	102,055,367	107,846,219
4,833,152	5,140,150	4,938,331	4,209,148	4,378,782
6,000,000	13,000,000	13,000,000	10,000,000	-
\$86,133,848	\$93,993,698	\$102,055,367	\$107,846,219	\$103,467,437
\$3,821,000	\$3,973,840	\$4,053,317	\$4,134,383	\$4,217,071
\$0.3110	\$0.3102	\$0.3057	\$0.3097	\$0.3118
\$0.0062	\$0.0084	\$0.0084	\$0.0084	\$0.0084
\$0.0265	\$0.0255	\$0.0250	\$0.0245	\$0.0240
\$0.2181	\$0.2176	\$0.2227	\$0.2191	\$0.2176
\$0.5618	\$0.5618	\$0.5618	\$0.5618	\$0.5618

HOTEL FUND LONG-TERM FINANCIAL PLAN

City Council Adopted 2014-15 Annual Budget

	Actual 2012-13	Estimated 2013-14
BEGINNING FUND BALANCE	\$2,030,014	\$1,313,869
REVENUES:		
Hotel/motel occupancy taxes (HOT)	4,575,083	4,922,495
Proceeds from special events	1,469,891	1,428,204
Conference Centre rental	601,509	575,000
Visit Addison! Rental	215,623	300,000
Theatre Rental	58,647	70,000
Interest and other	49,436	10,000
TOTAL REVENUES	\$6,970,189	\$7,305,699
EXPENDITURES:		
Visitor Services	967,711	992,129
Visit Addison	498,655	586,204
Marketing	880,924	917,800
Special Events	2,646,869	2,615,202
Conference Centre	1,626,644	1,054,573
Performing Arts	495,531	565,341
Transfers to other funds/debt service	570,000	570,000
TOTAL EXPENDITURES	\$7,686,334	\$7,301,249
ENDING FUND BALANCE	\$1,313,869	\$1,318,319
ENDING BALANCE AS % OF OPERATING EXPENDITURES	18.5%	19.6%

Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$1,318,319	\$2,027,904	\$3,119,184	\$4,100,983	\$5,521,128
5,439,311	5,827,355	5,846,556	6,417,577	6,161,995
1,400,000	1,428,000	1,456,560	1,485,691	1,515,405
603,750	621,863	640,518	659,734	679,526
310,000	319,300	328,879	338,745	348,908
70,000	71,500	73,000	74,000	76,000
10,000	10,000	10,000	10,000	10,000
\$7,833,061	\$8,278,018	\$8,355,513	\$8,985,747	\$8,791,834
-	-	-	-	-
847,992	857,980	883,720	910,240	937,550
975,889	1,005,010	1,035,020	1,065,920	1,097,760
2,358,050	2,403,970	2,474,240	2,546,610	2,621,150
1,178,942	1,161,210	1,196,050	1,231,940	1,268,900
551,521	536,980	552,990	569,490	586,470
1,211,082	1,221,588	1,231,693	1,241,403	541,521
\$7,123,476	\$7,186,738	\$7,373,713	\$7,565,603	\$7,053,351
\$2,027,904	\$3,119,184	\$4,100,983	\$5,521,128	\$7,259,610
34.3%	52.3%	66.8%	87.3%	111.5%



AIRPORT FUND LONG-TERM FINANCIAL PLAN

City Council Adopted 2014-2015 Annual Budget

	Actual 2012-13	Estimated 2013-14
BEGINNING WORKING CAPITAL	\$1,539,664	\$4,788,684
NET INCOME		
Operating revenues:		
Operating grants	-	50,000
Fuel flowage fees	758,758	793,699
Rental	3,665,520	3,776,078
User fees	81,152	100,729
TOTAL OPERATING REVENUES	\$4,505,430	\$4,720,507
Operating expenses:		
Town - Personal services	389,488	370,553
Town - Supplies	47,226	62,600
Town - Maintenance	263,445	57,300
Town - Contractual services	447,100	546,810
Grant - Operations and Maintenance	101,860	100,000
Operator - Operations and Maintenance	1,837,517	2,505,479
Operator - Service Contract	349,849	336,803
Total operating expenses	\$3,436,486	\$3,979,545
Net operating income	\$1,068,944	\$740,962
Non-Operating revenues (expenses):		
Interest earnings and other	10,741	5,000
Interest on debt, fiscal fees, and other	(127,972)	(216,730)
Capital Contribution	9,238,288	-
Net Non-Operating revenues (expenses)	\$9,121,057	\$(211,730)
Net income (excluding depreciation)	\$10,190,001	\$529,232
Sources (uses) of working capital:		
Retirement of long-term debt	(290,000)	(395,000)
Net additions to fixed assets (incl. capital contributions from grants)	(9,547,273)	(2,118,000)
Other net additions to fixed assets	(126,963)	(20,000)
Increase in customer deposits	20,135	-
Bond proceeds	3,003,120	-
Net sources (uses) of working capital	\$(6,940,981)	\$(2,533,000)
ENDING WORKING CAPITAL	\$4,788,684	\$2,784,916
ENDING WC AS A % OF OPERATING EXPENSES	139.3%	70.0%
USES OF WORKING CAPITAL		
Grant Projects:		
Capital (Town's Share):		
South Runway Arresting System Design (EMAS)	35,170	2,100,000
Perimeter Access Controls and Monitoring System	10,000	-
Master Plan Update	11,493	-
Taxilane Victor Rehabilitation/Drainage	-	18,000
Taxiway Bravo/Golf extensions, service road	-	-
Runway Designation Change, rejuvenation	-	-
Taxilane Uniform Rehabilitation/Drainage	-	-
Automated Weather Ops. System Update (AWOS)	-	-
Wildlife Hazard Assessment	1,161	-
Roof Repair	251,161	-
JetPort Project	-	-
Total	\$308,985	\$2,118,000
Operating and Maintenance Equipment & Vehicles	26,982	20,000
Total	\$26,982	\$20,000

Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$2,784,920	\$1,966,590	\$1,151,220	\$1,083,290	\$896,320
50,000	50,000	50,000	50,000	50,000
741,280	756,106	771,228	786,652	802,385
4,021,795	4,102,231	4,184,276	4,267,961	4,353,320
62,000	62,620	63,246	63,879	64,517
\$4,875,075	\$4,970,957	\$5,068,749	\$5,168,492	\$5,270,223
388,707	400,370	412,380	424,750	437,490
57,600	59,330	61,110	62,940	64,830
113,040	116,430	119,920	123,520	127,230
605,120	623,270	641,970	661,230	681,070
100,000	100,000	100,000	100,000	100,000
3,126,505	2,500,000	2,550,000	2,601,000	2,653,020
342,169	442,886	451,687	460,664	469,820
\$4,733,141	\$4,242,286	\$4,337,067	\$4,434,104	\$4,533,460
\$141,934	\$728,671	\$731,682	\$734,388	\$736,763
5,000	5,150	5,300	5,460	5,620
(138,267)	(132,691)	(127,016)	(120,816)	(112,966)
-	-	-	-	-
\$(133,267)	\$(127,541)	\$(121,716)	\$(115,356)	\$(107,346)
\$8,667	\$601,129	\$609,966	\$619,032	\$629,417
(445,000)	(455,000)	(460,000)	(470,000)	(485,000)
(272,000)	(926,500)	(182,900)	(301,000)	-
(110,000)	(35,000)	(35,000)	(35,000)	(35,000)
-	-	-	-	-
\$(827,000)	\$(1,416,500)	\$(677,900)	\$(806,000)	\$(520,000)
\$1,966,587	\$1,151,219	\$1,083,286	\$896,322	\$1,005,737
41.5%	27.1%	25.0%	20.2%	22.2%
-	-	-	-	-
-	75,000	30,000	-	-
-	-	-	-	-
203,000	-	-	-	-
54,000	850,000	-	-	-
-	1,500	116,900	55,400	-
-	-	36,000	245,600	-
15,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$272,000	\$926,500	\$182,900	\$301,000	\$-
110,000	35,000	35,000	35,000	35,000
\$110,000	\$35,000	\$35,000	\$35,000	\$35,000



UTILITY FUND LONG-TERM FINANCIAL PLAN

	Actual 2012-13	Estimated 2013-14
BEGINNING WORKING CAPITAL	\$2,326,419	\$914,457
NET INCOME		
Operating revenues:		
Water sales	5,935,142	5,767,686
Sewer charges	4,760,166	4,320,764
Tap fees	16,359	10,280
Penalties	88,090	151,116
Other income	2,935	15,693
Total operating revenues	\$10,802,692	\$10,265,539
Operating expenses:		
Water purchases	3,032,183	2,972,065
Wastewater treatment	2,146,382	2,337,586
Utility operations	2,622,524	2,881,328
Total operating expenses	\$7,801,089	\$8,190,979
Net operating income	\$3,001,603	\$2,074,560
Non-Operating revenues (expenses):		
Interest earnings and other	(115,869)	(110,510)
Interest on bonded debt and fiscal fees	(577,817)	(675,750)
Net Non-Operating revenues (expenses)	\$(693,686)	\$(786,260)
Net income (excluding depreciation)	\$2,307,917	\$1,288,300
Sources (uses) of working capital:		
Net retirement of long-term debt	(2,953,358)	(510,919)
Debt issuance / transfer of debt proceeds	-	7,500,000
Net additions to fixed assets	(825,327)	(735,000)
Net increase (decrease) to other assets	58,806	
Net sources (uses) of working capital	\$(3,719,879)	\$6,254,081
ENDING WORKING CAPITAL	\$914,457	\$8,456,838
ENDING WC AS A % OF OPERATING EXPENSES	11.7%	103.2%
USES OF WORKING CAPITAL:		
Equipment Replacement: Mtr Veh's & CPU hardware	-	70,000
Utility Plant - Water	241,958	200,000
Water Mains/Hydrants	-	50,000
Elevated Storage Tank	354,648	-
Engineering/Architectural Services - Water	-	-
Special Services (Water/Water Storage Master Plans)	228,722	150,000
Sanitary Sewers	-	50,000
Engineering/Architectural Services - Sewer	-	-
Special Services (Master Planning)	-	200,000
Utility Plant - Sewer (Lift Station & Pump rehab/repair)	-	15,000
MLS	-	-
TOTAL	\$825,327	\$735,000

Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$8,456,838	\$4,096,278	\$3,799,130	\$3,633,630	\$3,246,740
5,970,671	6,192,875	6,369,445	6,555,182	6,738,113
4,507,775	4,523,530	4,539,786	4,556,453	4,622,378
10,280	10,864	11,168	11,481	11,802
80,000	84,543	86,910	89,344	91,846
20,000	9,234	9,493	9,759	10,032
\$10,588,726	\$10,821,046	\$11,016,802	\$11,222,219	\$11,474,171
3,127,904	3,257,099	3,422,297	3,596,374	3,779,306
2,448,590	2,458,323	2,521,010	2,585,296	2,651,221
2,826,605	3,066,919	3,192,664	3,323,564	3,459,832
\$8,403,099	\$8,782,341	\$9,135,971	\$9,505,234	\$9,890,359
\$2,185,627	\$2,038,705	\$1,880,831	\$1,716,985	\$1,583,812
(119,248)	(122,587)	(126,019)	(129,548)	(133,175)
(666,967)	(541,165)	(525,326)	(508,480)	(491,676)
\$(786,215)	\$(663,752)	\$(651,345)	\$(638,028)	\$(624,851)
\$1,399,412	\$1,374,953	\$1,229,486	\$1,078,957	\$958,961
(381,848)	(549,850)	(576,669)	(600,852)	(626,218)
-	-	-	-	-
(5,321,124)	(1,065,251)	(761,315)	(807,999)	(788,714)
(57,000)	(57,000)	(57,000)	(57,000)	(57,000)
\$(5,759,972)	\$(1,672,101)	\$(1,394,984)	\$(1,465,851)	\$(1,471,932)
\$4,096,278	\$3,799,130	\$3,633,633	\$3,246,736	\$2,733,770
48.7%	43.3%	39.8%	34.2%	27.6%
171,000	380,000	156,000	108,000	50,000
2,697,500	151,500	103,045	160,911	156,275
484,892	197,304	138,480	147,134	125,000
50,000	51,500	53,045	54,636	56,275
250,000	-	-	-	20,000
832,732	198,147	222,091	246,754	263,633
60,000	61,800	63,654	65,564	67,531
750,000	-	-	-	-
25,000	25,000	25,000	25,000	50,000
-	-	-	-	-
\$5,321,124	\$1,065,251	\$761,315	\$807,999	\$788,714



STORMWATER FUND LONG-TERM FINANCIAL PLAN

City Council Adopted 2014-2015 Annual Budget

	Actual 2012-13	Estimated 2013-14
BEGINNING WORKING CAPITAL	\$-	\$8,678,396
NET INCOME		
Operating revenues:		
Drainage Fees	1,307,573	1,552,000
TOTAL OPERATING REVENUES	\$1,307,573	\$1,552,000
Operating expenses:		
Personal services	12,521	75,000
Supplies	-	-
Maintenance	-	-
Contractual services	70,266	220,000
TOTAL OPERATING EXPENSES	\$82,787	\$295,000
NET OPERATING INCOME	\$1,224,786	\$1,257,000
Non-Operating revenues (expenses):		
Interest earnings and other	3,029	5,000
Interest on debt, fiscal fees, and other	(57,056)	(309,018)
NET NON-OPERATING REVENUES (EXPENSES)	\$(54,027)	\$(304,018)
NET INCOME (EXCLUDING DEPRECIATION)	\$1,170,759	\$952,982
Sources (uses) of working capital:		
Retirement of long-term debt	-	(235,000)
Net additions to fixed assets	-	(1,560,000)
Bond Proceeds	7,507,637	
NET SOURCES (USES) OF WORKING CAPITAL	\$7,507,637	\$(1,795,000)
ENDING WORKING CAPITAL	\$8,678,396	\$7,836,378
USES OF WORKING CAPITAL:		
Les Lacs/Winnwood Ponds	-	200,000
Airport EMAS Drainage	-	800,000
Misc. Bridge & Channel Repair	-	10,000
Belt Line Drainage Improvements	-	-
Detailed Masterplan Study/Evaluation*	-	350,000
Mary Kay/Keller Springs Basin Improvements	-	50,000
Hutton Branch Basin Improvements	-	-
Rawhide Branch Improvements	-	-
Unidentified Basin Improvement	-	-
Misc. Drainage Projects	-	150,000
TOTALS	\$-	\$1,560,000



Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$7,836,380	\$5,451,600	\$3,683,110	\$2,620,640	\$1,741,000
1,675,350	1,773,900	1,872,450	2,168,100	2,266,650
\$1,675,350	\$1,773,900	\$1,872,450	\$2,168,100	\$2,266,650
109,659	112,950	116,340	119,830	123,420
12,700	13,080	13,470	13,870	14,290
66,500	68,500	70,560	72,680	74,860
231,200	238,140	245,280	252,640	260,220
\$420,059	\$432,670	\$445,650	\$459,020	\$472,790
\$1,255,291	\$1,341,230	\$1,426,800	\$1,709,080	\$1,793,860
5,000	5,000	5,000	5,000	5,000
(280,066)	(274,716)	(269,266)	(263,716)	(256,566)
\$(275,066)	\$(269,716)	\$(264,266)	\$(258,716)	\$(251,566)
\$980,225	\$1,071,514	\$1,162,534	\$1,450,364	\$1,542,294
(265,000)	(270,000)	(275,000)	(280,000)	(290,000)
(3,100,000)	(2,570,000)	(1,950,000)	(2,050,000)	(1,450,000)
-	-	-	-	-
\$(3,365,000)	\$(2,840,000)	\$(2,225,000)	\$(2,330,000)	\$(1,740,000)
\$5,451,605	\$3,683,114	\$2,620,644	\$1,741,004	\$1,543,294
900,000	-	-	-	-
-	-	-	-	-
100,000	220,000	50,000	50,000	100,000
100,000	-	100,000	-	-
300,000	300,000	300,000	350,000	100,000
700,000	950,000	450,000	-	-
950,000	1,050,000	550,000	-	-
-	-	450,000	1,250,000	-
-	-	-	300,000	1,150,000
50,000	50,000	50,000	100,000	100,000
\$3,100,000	\$2,570,000	\$1,950,000	\$2,050,000	\$1,450,000

APPENDIX F - CAPITAL PROJECTS SUMMARY

City Council Adopted 2014-2015 Annual Budget

	Actual 2012-13	Estimated 2013-14
Capital Projects Funds (Bond Funded)		
<i>Streets:</i>		
Belt Line Road Streetscape	\$12,515	\$-
Keller Springs Road/Addison Road Intersection	-	-
Ashton Woods Development Streets	-	517,000
Midway Road Design	-	100,000
Vitruvian Park Public Infrastructure	9,107	12,000
Vitruvian Park Public Infrastructure	1,010,226	150,000
Street imp-UDR/Vitruvian	213,951	30,000
Vit-Alpha Road Connection	15,005	125,000
Street Improvements - Spring Valley	17,836	-
Street imp-Methodist MOB Addison	553,121	-
Acquisition of Land/Streets	-	-
Belt Line Utility Relocation	1,550,330	700,000
Surveyor Learning Center	-	175,000
Addison Road Rehabilitation	-	-
<i>Parks:</i>		
Surveyor Learning Center	111,887	-
Pedestrian Connectivity (Beltway/Proton)	-	72,000
Pedestrian Connectivity (North and South Quorum)	150,177	300,000
Pedestrian Connectivity (Undesignated)	-	-
Vitruvian Park Amphitheater	-	-
<i>Public Safety:</i>		
Public Safety Radio Replacement	265,945	1,500,000
<i>Stormwater:</i>		
Storm Water Master Study	40,313	-
<i>Information Technology:</i>		
Wireless network improvements	-	20,000
<i>Airport:</i>		
Land Purchase	2,042,032	4,758,584
<i>General Government:</i>		
Debt Issuance Costs	138,237	97,299
Infrastructure Investment Fund		
City Wide Streets and Sidewalk Assessment and Evaluation	-	-
Addison/Surveyor Road Railroad Crossing Improvements	-	-
Illuminated Street Name Sign Replacement	-	-
Les Lacs Park and Town Park Playground Structures and Re-surfacing	-	-
Celestial Park Trail Replacement	-	-
Streets and Sidewalk Improvements	-	-
Airport ILS	-	-
Airport Fund		
South Runway Arresting System Design (EMAS)	35,170	2,100,000
Perimeter Access Controls and Monitoring System	10,000	-
Master Plan Update	11,493	-
Taxilane Victor Rehabilitation/Drainage	-	18,000
Taxiway Bravo/Golf extensions, service road	-	-
Runway Designation Change, rejuvenation	-	-
Taxilane Uniform Rehabilitation/Drainage	-	-
Automated Weather Ops. System Update (AWOS)	-	-
Wildlife Hazard Assessment	1,161	-
Roof Repair	251,161	-
Operating and Maintenance Equipment & Vehicles	26,982	20,000
Utility Fund		
Equipment Replacement: Mtr Veh's & CPU hardware	-	70,000
Utility Plant - Water	241,958	200,000
Water Mains/Hydrants	-	50,000
Elevated Storage Tank	354,648	-
Engineering/Architectural Services - Water	-	-
Special Services (Water/Water Storage Master Plans)	228,722	150,000
Sanitary Sewers	-	50,000
Engineering/Architectural Services - Sewer	-	-
Special Services (Master Planning)	-	200,000
Utility Plant - Sewer (Lift Station & Pump rehab/repair)	-	15,000
Storm Water Fund		
Les Lacs/Winnwood Ponds	-	200,000
Airport EMAS Drainage	-	800,000
Misc. Bridge & Channel Repair	-	10,000
Belt Line Drainage Improvements	-	-
Detailed Masterplan Study/Evaluation	-	350,000
Mary Kay/Keller Springs Basin Improvements	-	50,000
Hutton Branch Basin Improvements	-	-
Rawhide Branch Improvements	-	-
Unidentified Basin Improvement	-	-
Misc. Drainage Projects	-	150,000
Total Capital Projects	\$7,291,976	\$12,989,883

Budget 2014-15	Year 1 Projected 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19
\$-	\$-	\$-	\$-	\$-
-	-	-	211,990	-
900,000	-	-	-	-
8,839,774	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,000,000	-	-	-	-
18,579,670	-	-	-	-
-	-	-	-	-
2,274,473	-	-	-	-
-	-	-	-	-
2,400,000	-	-	-	-
910,000	-	-	-	-
355,000	108,723	-	-	-
3,000,000	234,055	-	-	-
-	-	-	-	-
1,980,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
150,000	-	-	-	-
200,000	-	-	-	-
-	325,000	-	-	-
350,000	-	-	-	-
180,000	-	-	-	-
-	200,000	200,000	200,000	200,000
300,000	-	-	-	-
-	-	-	-	-
-	75,000	30,000	-	-
-	-	-	-	-
203,000	-	-	-	-
54,000	1,039,100	-	-	-
-	1,500	116,900	55,400	-
-	-	36,000	245,600	-
15,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
110,000	35,000	35,000	35,000	35,000
171,000	380,000	156,000	108,000	50,000
2,697,500	151,500	103,045	160,911	156,275
484,892	197,304	138,480	147,134	125,000
50,000	51,500	53,045	54,636	56,275
250,000	-	-	-	20,000
832,732	198,147	222,091	246,754	263,633
60,000	61,800	63,654	65,564	67,531
750,000	-	-	-	-
25,000	25,000	25,000	25,000	50,000
900,000	-	-	-	-
-	-	-	-	-
100,000	220,000	50,000	50,000	100,000
100,000	-	100,000	-	-
300,000	300,000	300,000	350,000	100,000
700,000	950,000	450,000	-	-
950,000	1,050,000	550,000	-	-
-	-	450,000	1,250,000	-
-	-	-	300,000	1,150,000
50,000	50,000	50,000	100,000	100,000
\$52,222,041	\$5,653,629	\$3,129,215	\$3,605,989	\$2,473,714







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 Expenditures – Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

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.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Addison

Texas

For the Fiscal Year Beginning

October 1, 2013

A handwritten signature in black ink, appearing to read 'Jeffrey R. Brown'.

Executive Director

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, 2013. 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, 2013. 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.



MAYOR AND COUNCIL

Council	Name	Profession	Term of Office
Mayor.....	Todd Meier	Business Person/Attorney	05/13-05/15
Mayor Pro Tempore	Blake W. Clemens	Corporate Real Estate	05/13-05/15
Deputy Mayor	Janelle Moore	Medical and Business.....	05/14-05/16
Pro Tempore		Development Consultant	
Council Member	Chris DeFrancisco	Senior Vice President,	05/13-05/15
		Comm. Banking	
Council Member	David Heape	Residential Real Estate	05/14-05/16
Council Member	Bruce Arfsten	Residential Real Estate	05/13-05/15
Council Member	Mary Carpenter.....	Retired	05/14-05/16

TOWN STAFF

Mayor's Office	Todd Meier, Mayor	972-450-7026
	City Council	972-450-7001
City Manager's Office	Lea Dunn, City Manager.....	972-450-7037
City Manager's Office	Cheryl Delaney, Deputy City Manager	972-450-7036
City Manager's Office	Chris Terry, Assistant City Manager.....	972-450-7010
Economic Development.....	Orlando Campos, Director.....	972-450-7034
Finance.....	Eric Cannon, Chief Financial Officer	972-450-7050
General Services	Mark Acevedo, Director	972-450-2848
Human Resources.....	Passion Hayes, Director	972-450-2819
Information Technology	Hamid Khaleghipour, Director.....	972-450-2868
Police.....	Ron Davis, Chief.....	972-450-7168
Fire	John O'Neal, Chief	972-450-7203
Infrastructure and Development Services.....	Lisa Pyles, Director.....	972-450-2878
Parks/ Recreation	Slade Strickland, Director	972-450-2869
Communicatons & Marketing	Vacant.....	972-450-7032
Special Events.....	Barbara Kovacevich, Director.....	972-450-6221

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