



**ADDISON**

**BUILDING A  
SOLID FOUNDATION**

**2016/2017  
TOWN OF ADDISON, TEXAS  
BUDGET BOOK**







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# HOW TO READ THIS DOCUMENT

## WELCOME!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017. 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 Addison's finances from these pages, the 2016-2017 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 Addison 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 both in writing and graphically.

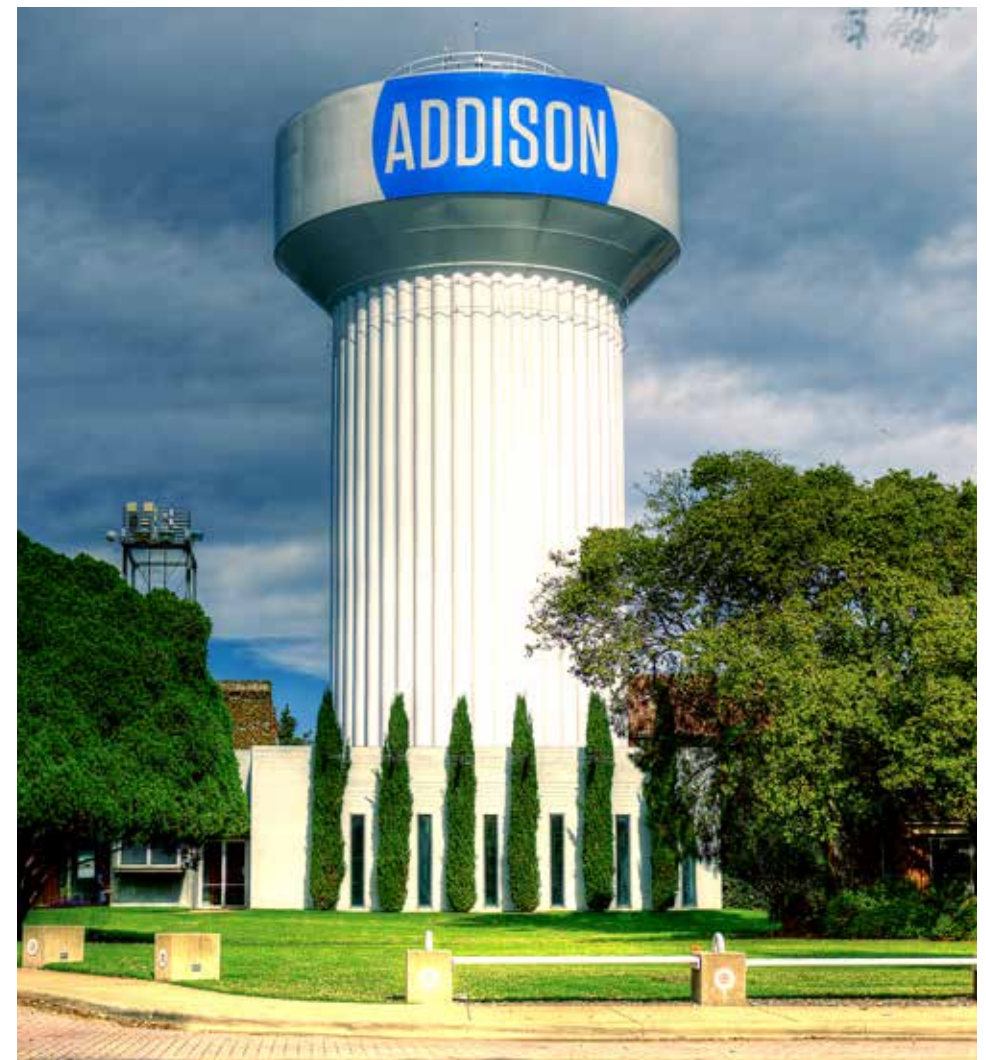
## BUDGET FORMAT

The document is divided into three major sections: Introduction, Financial/Operational, 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 FY2017 budget. The section also contains a statement of Addison'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, Addison 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 2016-2017 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 2014-2015 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2015-2016 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2015-2016 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2016-2017 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 Addison'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 FY2017. Selected service levels for each department are presented graphically. Actual prior year data and estimated FY2016 data are used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

Finally, various appendices are presented toward the end of the document which more fully describe the budget process, Addison'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, Addison's compensation and merit pay plans, and departmental organization charts.





# LETTER TO THE MAYOR & COUNCIL

## HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

I am pleased to present the fiscal year 2017 adopted budget for the Town of Addison. It has been prepared in conformance with the requirements of the Town Charter, Town financial policies, and State law. This budget represents the expected revenues and planned expenditures for the Town's fiscal year from October 1, 2016, to September 30, 2017. The adopted budget for fiscal year 2017 seeks to build a solid foundation for the future by putting first things first and living within our means.

While Addison is currently enjoying the fruits of prosperity, it is important that we begin to make plans today to address a number of big issues that will impact the Town's prosperity in the future. The fundamental issues of how we fund and rebuild our infrastructure and facilities; how we attract, train, and retain talented and effective staff; and how we continually improve the way we do business and the services we provide so that Addison remains a vibrant and attractive place to live, work, and play all need to be addressed.

With this budget, staff recommends allocating resources according to our needs and the priorities of our citizens and City Council, while maintaining the conservative fiscal approach that has allowed Addison to continue to maintain our stellar bond ratings (S&P AAA; Moody's AA1). This budget seeks to balance the high demand for quality services with the ever increasing cost to deliver those services.

Staff has worked hard to develop a clear understanding of the needs that should be addressed. It is important for the community to know of these needs so that everyone understands that hard choices will have to be made.

### Property Values

According to the Dallas Central Appraisal District, the total assessed property value for fiscal year 2017 equals \$4.3 billion, which equates to an overall increase of approximately \$264 million or 6.5 percent over the previous year.

### Tax Rate

The adopted budget reduces the Town's tax rate from \$0.579150 in fiscal year 2016 to \$0.560472. This tax rate allows the Town to continue to provide quality services and to begin to address outstanding issues related to infrastructure, attracting and retaining talented employees, and increases in the cost of doing business. Of the total tax rate, \$0.381215 is dedicated to operations and maintenance in the General Fund, and \$0.179257 is dedicated to general obligation debt service.

The average taxable value for a single-family home in Addison is \$287,033, an increase of approximately \$18,500, or 6.9 percent from the previous year. At a property tax rate of \$0.560472, the municipal tax paid on the average single-family home will be approximately \$1,609, an increase of \$53.77 over the previous year.

### GENERAL FUND

The General Fund Accounts for all expenditures for traditional government services (Public Safety, Parks & Recreation, Administration, etc.). General Fund revenue is generated from ad valorem property taxes, a one-cent portion of the sales tax, and a variety of fees for services.

General Fund revenues total \$35.7 million for the fiscal year 2017 budget, an increase of 7 percent over last year. The Town's sales tax remains at the state maximum of 8.25 percent. Of that amount 2 percent is for local use with 1 percent contributed to the Town of Addison's General Fund and the other 1 percent dedicated for our contribution to our membership in the Dallas Area Rapid Transit (DART) system. The sales tax received by the General Fund is projected to generate revenue of approximately \$13.4 million, a 2.8 percent increase from the estimated 2015-2016 year-end. We believe this is a conservative projection given continued positive economic activity.

General Fund operating expenditures total \$35.3 million, reflecting a 6 percent increase from the estimated fiscal year 2016 budget. The available ending fund balance for the General Fund is projected to be \$10,175,709 leaving 28.5 percent of operating reserves, which exceeds the Town policy of 25 percent.

In order to maintain the existing levels of service that the Town provides, this budget funds the following in the General Fund:

- **Compensation** – This budget includes merit increases of between 0 percent - 6 percent for a total average increase of 4 percent. These funds are budgeted to take effect October 2016. Additionally, this budget plans for a certification pay study and an amount of \$190,000 for implementation of the study's findings.
- **Development Services** – 1 FTE: An entry-level planner position will be funded at half the fiscal year to alleviate the work load on the Assistant Director of Development Services. The new position will focus on basic planning func-

tions such as answering inquiries, researching zoning issues, and processing routine requests. The added position will allow the Assistant Director to focus on complex zoning cases, leading long-range planning efforts, addressing code revisions, and managing the other aspects of the Development Services operations.

- **Fire** – 0.7 FTE: The part-time Fire Inspector (0.3 FTE) will be converted to a full-time Fire Inspector. This full-time Fire Inspector will be able to assist the current Fire Prevention Specialist (an Addison Fire Department Captain) in completing prevention activities related to the built environment (i.e. building inspections, plan review, systems testing, etc.). Not only will the full-time position help alleviate the current work load, this is an important part of succession planning as the current Fire Prevention Specialist has been with the Town for 33 years.
- **Parks** – 1 FTE: A Fountain/Electrical Technician will be funded at half the fiscal year to maintain the Town's many fountains and related electrical systems. Currently, Irrigation Technicians do this repair work but they are not trained to do so and are spending approximately 29 percent of their time working on fountains and electrical work instead of caring for the irrigation systems. This position would resolve potential liability concerns as well as improve the efficiency of our Irrigation Technicians.

Additional dollars are budgeted to cover the increasing costs to maintain existing levels of service. Examples of such increases include: payment to the North Texas Emergency Communications Center, maintenance of Town facilities,

# LETTER TO THE MAYOR & COUNCIL (CONT'D)

irrigation water costs for Parks facilities, landscape maintenance, Texas Municipal Retirement System increases, and credit card charges that the Town absorbs, just to name a few.

## HOTEL FUND

The Hotel Fund collects funds from a 7 percent tax on hotel rooms rented in the Town of Addison. These funds are used to support projects that enhance and promote tourism, the arts, and the convention/hotel industry in Addison.

Fund revenues for fiscal year 2017 are expected to total \$9.5 million with budgeted expenses of \$7.8 million. The available ending fund balance for the Hotel Fund is projected to be \$4.1 million, leaving 45 percent of operating reserves, which exceeds the Town policy of 25 percent.

The Hotel Fund budget includes the costs associated with the Performing Arts department. The only remaining expenditure in the Performing Arts department is the grant to the WaterTower Theatre.

Tracking all expenditures paid to non-profits is an important component of adhering to best business practices and ensuring that our Theatre and Conference Centre are competitive in the convention and theatre market. Including the grant to the WaterTower Theatre, this budget includes \$658,000 in funding for non-profit organizations.

This budget funds the following in new items from the Hotel Fund:

- **Roof and Fire Suppression Repair** – \$438,000 for repair of the Conference and Theatre Centre roof and fire suppression system.
- **Marketing Specialist** – 1 FTE: A Marketing Specialist will assist with the need to communicate exter-

nally to attract people to Addison. Additionally, this position will play an important role in the implementation of a comprehensive Town communication plan.

- **Sales Consultant** – 1 FTE: A Sales Consultant will be converted from the current contract employee to a Town employee. Creating this FTE appropriately reflects the true employment relationship and brings the Town in compliance with the Fair Labor Standards Act. It is anticipated that this position will generate sufficient revenues for the Conference Centre to cover the costs associated with the position.
- **Position Reclassification** – The Senior Special Events Coordinator position will be reclassified to a Special Events Manager. This reclassification is in keeping with the succession planning efforts of the Special Events Department.

## UTILITY FUND

The Utility Fund is expected to begin fiscal year 2017 with a working capital balance of \$10,069,003. The total fund revenues are expected to be approximately \$10,727,000, allowing for budgeted expenses of \$9,775,516. A total of \$5.5 million in capital projects has been included in the Utility Fund for fiscal year 2017, which will be paid from working capital balance. The available ending working capital balance for the Utility Fund is projected to be \$4,641,729, leaving 47.5 percent of operating reserves, which exceeds the Town policy of 25 percent.

Notable items in the Utility Fund this year include: pending increases in both water and sewer rates of approximately 2 percent or \$0.78 per month for an average residential user of 5,000 gallons of water. This increase

is caused by increased costs charged to the Town by our water and sewer providers, Dallas Water Utilities and The Trinity River Authority respectively. Per ordinance, these cost increases are passed on to water and sewer consumers.

This budget funds the following in new items from the Utility Fund:

- **Geographical Information System (GIS) Analyst** – 0.33 FTE: A GIS Analyst will build our internal organizational capacity in this area with an eye towards creating a comprehensive asset management program. GIS is a critical part of being able to manage the Town's assets (infrastructure, facilities, etc.). It is proposed that the Utility Fund cover 1/3 of the cost of this new position.
- **Addison Grove Economic Development Incentive** – \$500,000: The Utility Fund will transfer \$500,000 to the Addison Grove Escrow Fund to cover the reimbursement of costs associated with the public infrastructure for the Addison Grove Redevelopment project.

## STORMWATER FUND

The Stormwater Fund is supported by drainage fees on utility bills. The anticipated revenues for fiscal year 2017 are \$1,850,000 with budgeted expenditures totaling \$743,246. The available ending working capital for the Stormwater Fund is projected to be \$5,819,331, leaving 783 percent of operating expenditures, which exceeds the Town policy of 25 percent.

Fees for the Stormwater Fund will increase this year per the Council-approved rate schedule instituted at the time of passage of the enabling ordinance.

A total of \$3.3 million in capital projects has been included in the Stormwater Fund for fiscal year 2017, with the most significant items including Les Lacs/Winnwood Ponds (\$1.1 million), a Stormwater Master Plan Study (\$600,000), and improvements to Sherlock Basin (\$800,000).

This budget funds the following in new items from the Stormwater Fund:

- **Geographical Information System (GIS) Analyst** – 0.33 FTE: A GIS Analyst will build our internal organizational capacity in this area with an eye towards creating a comprehensive asset management program. GIS is a critical part of being able to manage the Town's assets (infrastructure, facilities, etc.). It is proposed that the Stormwater Fund cover 1/3 of the cost of this new position.
- **Increases in Costs of Rental Equipment** – \$15,000: This increase is intended to allow the Stormwater division additional funds to rent larger pieces of equipment as needed for the increasing number of operational activities. The current expectation is to utilize these types of equipment 6-8 times in a year which doesn't justify outright purchase of the equipment.

The Stormwater Fund has a projected working capital adequate for funding of these projects for fiscal year 2017.



# LETTER TO THE MAYOR & COUNCIL (CONT'D)

## ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is supported by a combination of following revenue sources totaling \$1,074,352:

- An allocation of a portion of the property tax rate (\$0.023716)
- A transfer from the General Fund for Economic Development Incentive Agreements (\$425,000)
- A transfer from the Hotel Fund to cover the Tourism Department activities (\$548,000)

These revenue sources allow for budgeted expenses of \$2 million. There are no Modified Levels of Service for this fund for fiscal year 2017.

The Economic Development Treehouse project has produced excellent results. The Addison Economic Development Department is housed within the Treehouse and is surrounded by over 60 existing startups. In 2016, the Texas Economic Development Council recognized the Treehouse with a Community Development Award and that same year, the International Economic Development Council also recognized the Treehouse with a Bronze Award for Entrepreneurship.

Since its opening in 2014, the Treehouse has helped launch more than 150 startups and hosted more than 200 events, bringing in more than 6,000 visitors. Corporate mentors have provided over 400 hours of whiteboard sessions. Collide Village Accelerator also launched within the Treehouse, graduating 14 new businesses. Over 200 new jobs have been created in Addison with more to come. Local startups have also attracted over \$4.1 million in private investment.

## AIRPORT FUND

The Airport Fund is expected to begin fiscal year 2017 with a working capital balance of \$3,323,963. The total fund revenues are expected to be approximately \$5,500,158, allowing for budgeted expenses of \$4,403,000. The budget anticipates additional revenues from recently approved increases to the fuel flowage fees. The available ending working capital balance for the Airport Fund is projected to be \$2,260,287, which is 51.3 percent of operating expenditures, which exceeds the Town policy of 25 percent.

Capital projects in the fund total \$1.6 million, which includes \$270,000 to design a customs facility, \$181,000 to design and construct a new hangar at the Flightline site and \$159,000 for a sweeper truck, among several other capital purchases/projects.

This budget funds the following in new items from the Airport Fund:

- **Geographical Information System (GIS) Analyst** – 0.34 FTE: A GIS Analyst will build our internal organizational capacity in this area with an eye towards creating a comprehensive asset management program. GIS is a critical part of being able to manage the Town's assets (infrastructure, facilities, etc.). It is proposed that the Airport Fund cover 1/3 of the cost of this new position.

## INFRASTRUCTURE INVESTMENT FUND (IIF)

The Infrastructure Investment Fund was created in fiscal year 2015 through a \$4 million transfer from General Fund reserves. Annually, \$0.006201 of the tax rate is allocated to the IIF. For fiscal year 2017, \$300,000 will be transferred into the IIF from the Utility Fund and

\$1,720,676 will be transferred from the General Fund to have an ending balance of \$4,706,757. The intent of this fund is to cash finance infrastructure projects. The fiscal year 2017 budget appropriates \$863,106 for capital projects, including \$300,000 to create an ADA Transition Plan. This plan is an important part of how we move forward with addressing how our infrastructure complies with the Americans with Disabilities Act (ADA) of 1990.

The IIF will transfer \$500,000 to the Addison Grove Escrow Fund to cover the reimbursement of costs associated with the public infrastructure for the Addison Grove Redevelopment project.

## BOND FUNDED CAPITAL PROJECTS

The majority of capital projects are bond funded. For fiscal year 2017, \$21.4 million has been budgeted for capital projects which are funded by bonds. The largest of these projects includes finalizing phase 1 of the Belt Line Road Utility Relocation (\$12.36 million), Vitruvian Park Public Infrastructure (\$5.2 million), and completion of the Midway Road Design and Rehabilitation (\$1.65 million).

## UNFUNDED CAPITAL PROJECTS

The Town currently funds capital improvements on a year-to-year basis. While there is a list of known capital needs across multiple Funds and departments, it is not comprehensive and the majority of the projects are not funded. With an incomplete project list and no identified project funding for the majority of the projects, it is hard to say we have anything more than an ad-hoc capital improvement program. In fiscal year 2017, staff will begin to develop a true five-year capital improve-

ment program so that we can address our infrastructure and facility needs in a systematic and intentional manner.

This is important to know because, when factoring in our capital improvement needs, existing fund and working capital balances in some of our Funds may be insufficient to both maintain our desired reserve levels and fund capital improvements.

## NEWLY CREATED FUNDS FOR FISCAL YEAR 2017

Newly established this budget year are three funds: the Public, Educational, and Governmental Access Channels (PEG) Fee Fund, the Addison Grove Escrow Fund, and the Self-Funded Special Project Fund.

The PEG fund accounts for monies derived from cable fees mandated by the State government. Currently, those funds have been collected and reported in the General Fund fund balance and are restricted for a specific use. To properly account for them, this new fund has been created, and \$327,000 has been deposited from the General Fund to the PEG Fund. PEG monies can only be used for capital projects to support communicating with the public through available cable resources (i.e. broadcasting City Council Meetings, public service announcements, etc.).

The Addison Grove Escrow Fund receives transfers from the General Fund, the Infrastructure Investment Fund, the Stormwater Fund, and the Utility Fund. Total transfers to this fund in fiscal year 2017 are \$1 million. It is expected that the first incentive payment for Addison Grove project will be due in fiscal year 2018, and will be \$2.083 million. Expenditures from this fund are limited to the incentive payments for the construction of the Addison Grove development.

# LETTER TO THE MAYOR & COUNCIL (CONT'D)

Finally, the Self-Funded Special Project Fund receives a transfer from the General Fund's fiscal year 2016 savings in order to pay for needed one-time projects. Major expenditures in this fund include \$250,000 for an asset management study, \$112,000 for a new Addison Dog park, and \$60,000 for a new Fire Department emergency backup generator.

## CONCLUSION

This completes the highlights of the fiscal year 2017 budget. I believe this budget balances the desire to continue to deliver high-quality services with the need to begin to address issues that are important to the future of Addison (infrastructure, attracting and retaining talent, etc.). This budget begins to build a solid foundation for the future.

I would like to thank the department directors who have put much time and expertise into the development of the budget. The development of this budget would not have been possible without the hard work of our Finance Department, in particular, Scott Neils, Paul DeBuff, Howard Romney and Tina Walker. In addition, I would like to give a special thanks to all the Town employees who continue to work so hard to provide quality services to our residents and businesses in the Addison Way.

Respectfully submitted,



Wesley S. Pierson  
City Manager

# TOWN OF ADDISON VISION STATEMENT

## "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 Addison's limited resources, the City Council has established the following strategic pillars to guide the organization's efforts.

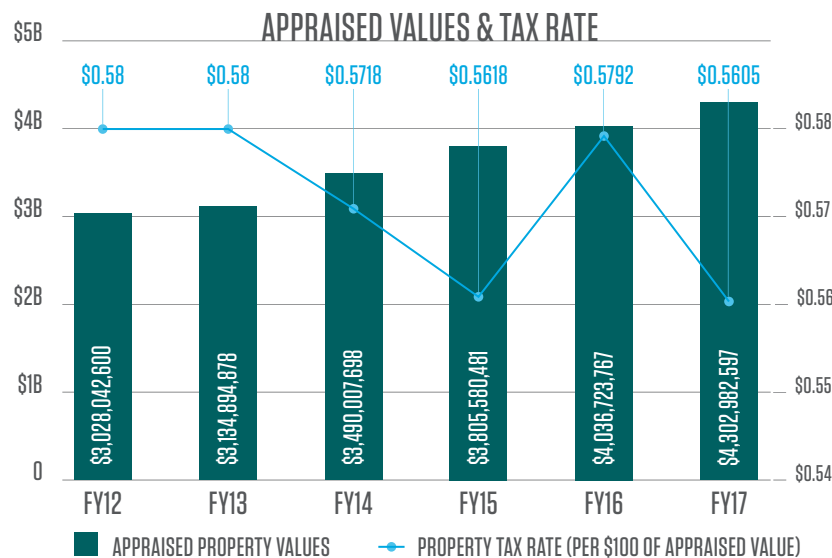
- Work towards East/West connection
- Continue to make Addison an entrepreneurship and business hub
- Pursue excellence in transportation systems
- Set the gold standard in customer service
- Set the gold standard in Financial Health
- Strive to optimize the Addison brand
- Continue to promote public safety

## 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

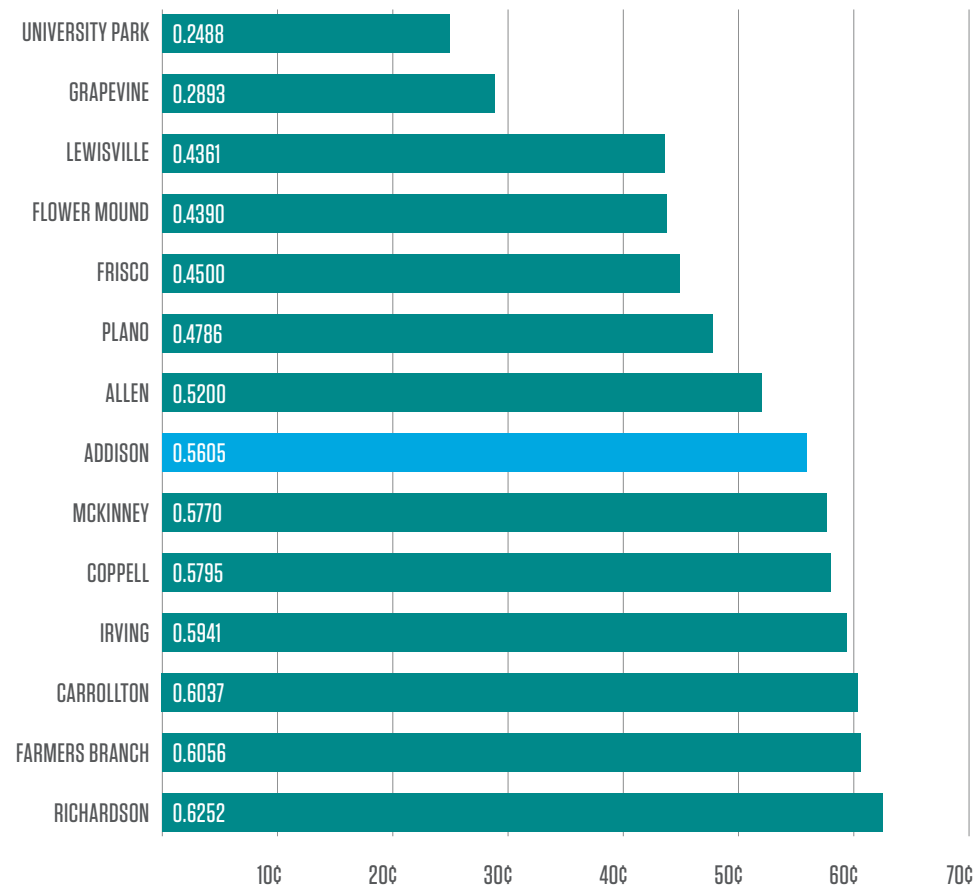
Throughout the budget document, initiatives that tie directly with the strategic pillars and/or milestones for FY2017 are footnoted.





# MUNICIPAL TAX RATE COMPARISON

## 2016-2017 BUDGET



TAX RATES ARE EXPRESSED AS CENTS PER \$100 OF TAXABLE VALUES.

# COMPARATIVE TAX

FOR AN AVERAGE SINGLE-FAMILY RESIDENCE

FY2016

FY2017

## DALLAS COUNTY

Market Value	\$351,894	\$377,773
Homestead Exemptions	20%	20%
Taxable Value	\$281,515	\$302,218
Tax Rate/\$100	0.66275	0.654704
<b>Tax Levy</b>	<b>\$1,865.74</b>	<b>\$1,978.63</b>

## DALLAS ISD

Market Value	\$351,894	\$377,773
Homestead Exemptions	25,000 + 10%	25,000 + 10%
Taxable Value	\$281,515	\$302,218
Tax Rate/\$100	1.28209	1.282085
<b>Tax Levy</b>	<b>\$3,868.11</b>	<b>\$4,038.51</b>

## TOWN OF ADDISON

Market Value	\$351,894	\$377,773
Homestead Exemptions	20%	20%
Taxable Value	\$281,515	\$302,218
Tax Rate/\$100	0.57915	0.560472
<b>Tax Levy</b>	<b>\$1,554.97</b>	<b>\$1,608.74</b>

**Total Tax Levy**

**\$7,288.82**

**\$7,625.88**



# PROPERTY TAX DISTRIBUTION CALCULATIONS

CITY COUNCIL ADOPTED 2016-2017 BUDGET

## 2016 CERTIFIED TAX ROLL AND LEVY

Appraised Valuation (100%)	\$4,302,982,597
Rate Per \$100	\$0.560472
<b>Total Tax Levy</b>	<b>\$24,117,053</b>
Percent of Current Collection	98.69%
<b>Estimated Current Tax Collections</b>	<b>\$23,801,474</b>

## SUMMARY OF TAX COLLECTIONS

Current Tax	\$23,801,474
Delinquent Tax	5,000
Penalty and Interest	25,000
<b>Total 2015-2016 Tax Collections</b>	<b>\$23,831,474</b>

DISTRIBUTION OF TAX RATE	TAX RATE	% OF TOTAL	AMOUNT
<b>GENERAL FUND</b>			
Current Tax			\$14,826,545
Delinquent Tax			3,096
Penalty and Interest			15,483
<b>Total General Fund</b>	<b>\$0.3513</b>	<b>62.68%</b>	<b>\$14,845,124</b>
<b>ECONOMIC DEVELOPMENT FUND</b>			
Current Tax			1,000,000
Delinquent Tax			209
Penalty and Interest			1,043
<b>Total Economic Development Fund</b>	<b>\$0.0237</b>	<b>4.23%</b>	<b>\$1,001,252</b>
<b>INFRASTRUCTURE INVESTMENT FUND</b>			
Current Tax			261,491
Delinquent Tax			52
Penalty and Interest			261
<b>Total Infrastructure Investment Fund</b>	<b>\$0.0062</b>	<b>1.11%</b>	<b>\$261,804</b>
<b>Total Operations and Maintenance</b>	<b>\$0.3812</b>	<b>68.02%</b>	<b>\$16,108,180</b>
<b>DEBT SERVICE FUND</b>			
Current Tax			7,713,438
Delinquent Tax			1,643
Penalty and Interest			8,213
<b>Total Debt Service Fund</b>	<b>\$0.1793</b>	<b>31.98%</b>	<b>\$7,723,294</b>
<b>Total Distribution</b>	<b>\$0.5605</b>	<b>100.00%</b>	<b>\$23,831,474</b>

# FUND OVERVIEW

## GOVERNMENTAL FUNDS

<b>GENERAL FUND</b>	\$35,279,240
<b>SPECIAL REVENUE FUNDS</b>	
Hotel Fund	7,805,572
Economic Development Fund	2,029,769
Combined Grant Funds	34,875
Combined Other Funds	1,177,582
Combined Debt Service Funds	8,424,938
<b>CAPITAL PROJECT FUNDS</b>	
Infrastructure Investment Funds	863,106
Combined Bond Funds	21,380,430

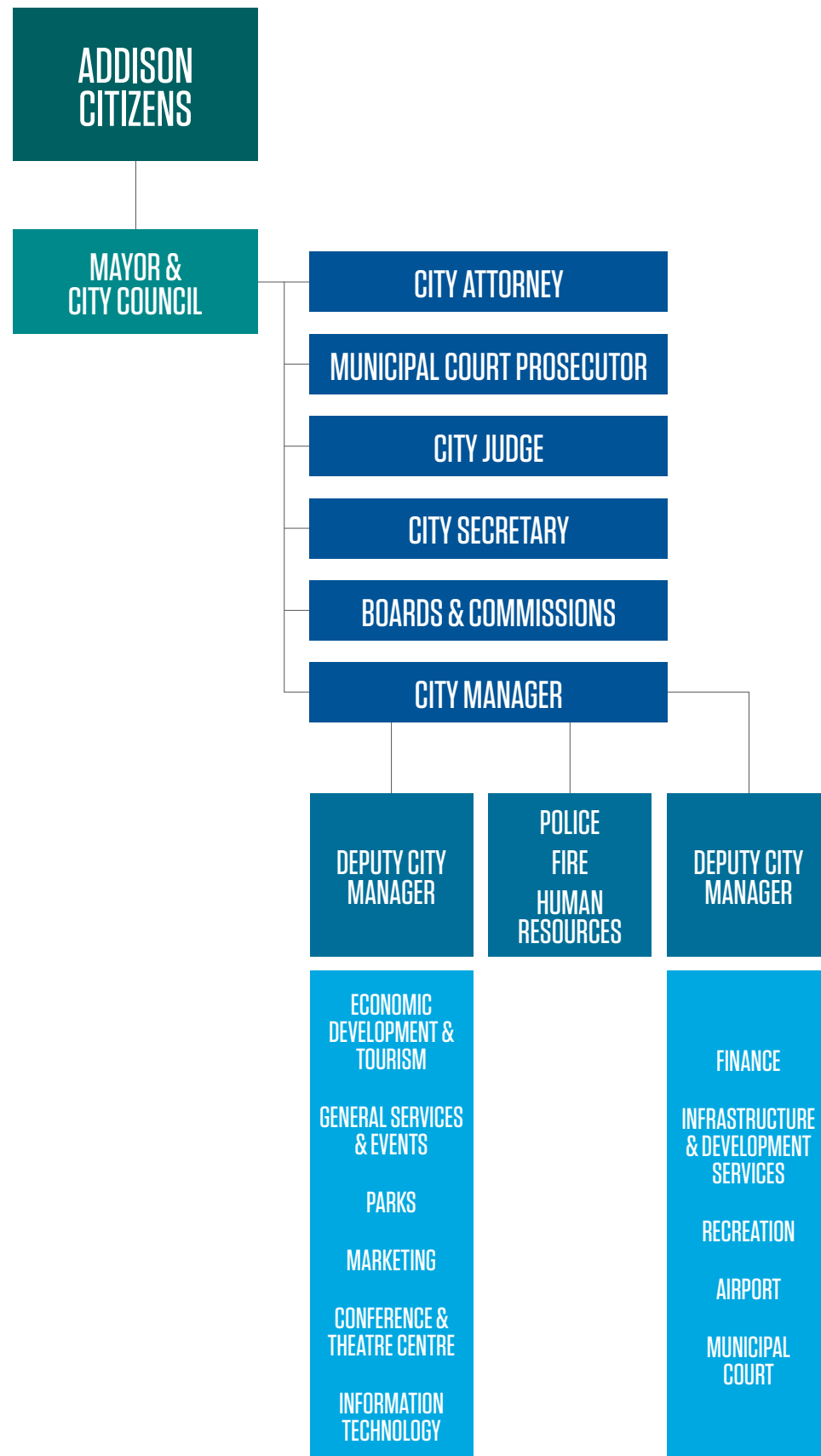
## PROPRIETARY FUNDS

Airport Fund	\$6,588,334
Utility Fund	15,607,873
Stormwater Fund	4,580,012
Combined Replacement Funds	3,450,126

**Total All Funds \$107,221,857**



# STAFF ORGANIZATION



# BUDGETED DEPARTMENTAL STAFFING SUMMARY

CITY COUNCIL ADOPTED 2016-2017 BUDGET

	2014	2015	2016	2017	DIFFERENCE 2016-2017
<b>GENERAL FUND</b>					
City Secretary	-	-	-	1.0	1.0
City Manager	8.5	8.5	7.5	5.5	(2.0)
Finance	9.7	9.7	13.0	13.0	-
General Services	5.0	5.0	5.0	6.0	1.0
Municipal Court	5.7	5.7	5.7	5.7	-
Human Resources	3.3	3.3	4.0	4.0	-
Information Technology	7.0	7.0	7.0	7.0	-
Police	75.3	79.8	79.8	79.8	-
Emergency Communications	14.5	14.5	14.5	-	(14.5)
Fire	55.3	55.3	55.3	56.0	0.7
Developmental Services	7.2	7.2	7.2	10.2	3.0
Property Standards	-	2.0	2.0	-	(2.0)
Streets	5.4	5.4	5.4	6.4	1.0
Parks	21.0	21.0	22.0	22.0	-
Recreation	15.1	15.1	15.1	15.1	-
<b>Total General Fund</b>	<b>233.0</b>	<b>239.5</b>	<b>243.5</b>	<b>231.7</b>	<b>(11.8)</b>
Hotel Fund	17.0	14.8	14.3	16.3	2.0
Economic Development Fund	3.0	4.0	4.0	4.0	-
Airport Fund	3.0	3.0	3.0	3.4	0.4
Utility Fund	18.3	16.6	17.6	17.9	0.3
Stormwater Fund	1.4	1.7	1.7	2.0	0.3
<b>Total All Funds</b>	<b>275.7</b>	<b>279.6</b>	<b>284.1</b>	<b>275.3</b>	<b>(8.8)</b>

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 2016-17 Annual Budget

With Comparisons to 2015-16 Estimates and 2014-15 Actual

Total Revenues 74,277

Decrease in Fund Balance 32,578

**Total Appropriable Funds \$106,855**

	SPECIAL REVENUE FUNDS					COMBINED DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS		PROPRIETARY FUNDS				TOTAL ALL FUNDS		
	General Fund	Hotel	Economic Dev.	Combined Grants	Combined Other		Infrastructure Investment Fund	Combined Bonds	Airport	Utility	Storm-water	Combined Replacement	2016-17 Budget	2015-16 Estimated	2014-15 Actual
<b>Beginning Balances</b>	<b>\$11,896</b>	<b>\$3,644</b>	<b>\$660</b>	<b>\$27</b>	<b>\$1,328</b>	<b>\$1,124</b>									
							<b>\$3,782</b>	<b>\$29,217</b>	<b>\$3,324</b>	<b>\$10,069</b>	<b>\$8,482</b>	<b>\$5,714</b>	<b>\$79,268</b>	<b>\$77,918</b>	<b>\$94,254</b>

### REVENUES

Ad valorem Tax	14,845	-	1,001	-	-	7,723	262	-	-	-	-	-	23,831	23,376	20,560
Non-Property Tax	14,660	6,000	-	-	-	-	-	-	-	-	-	-	20,660	18,675	19,729
Franchise Fees	2,870	-	-	-	-	-	-	-	-	-	-	-	2,870	2,680	2,828
Licenses and Permits	846	-	-	-	-	-	-	-	-	-	-	-	846	820	1,011
Intergovernmental	-	-	-	16	-	-	-	-	221	-	-	-	237	50	67
Service Fees	1,493	2,691	67	-	-	-	-	-	932	10,637	1,850	1,550	19,221	18,104	16,827
Fines and Penalties	675	-	-	-	110	-	-	-	-	75	-	-	860	903	829
Rental Income	175	789	-	-	-	-	-	-	4,346	-	-	-	5,311	5,262	5,266
Interest and Other Income	140	17	6	0	2	12	5	126	25	(31)	68	72	441	315	581
<b>Total Revenues</b>	<b>35,704</b>	<b>9,497</b>	<b>1,074</b>	<b>16</b>	<b>112</b>	<b>7,735</b>	<b>267</b>	<b>126</b>	<b>5,525</b>	<b>10,681</b>	<b>1,918</b>	<b>1,622</b>	<b>74,277</b>	<b>70,186</b>	<b>67,697</b>
Transfers from Other Funds	-	-	973	-	1,000	712	2,021	-	-	300	-	-	5,005	1,272	4,726
Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Available Resources</b>	<b>47,601</b>	<b>13,142</b>	<b>2,707</b>	<b>44</b>	<b>2,439</b>	<b>9,571</b>	<b>6,070</b>	<b>29,343</b>	<b>8,849</b>	<b>21,050</b>	<b>10,399</b>	<b>7,336</b>	<b>158,549</b>	<b>149,377</b>	<b>166,677</b>

### EXPENDITURES

General Government	9,589	-	-	35	-	-	-	-	-	-	-	3,450	13,074	10,898	5,056
Public Safety	17,099	-	-	-	232	-	-	-	-	-	-	-	17,331	16,693	16,738
Urban Development	1,387	-	-	-	-	-	-	-	-	-	-	-	1,387	1,384	1,091
Streets	1,748	-	-	-	-	-	-	-	-	-	-	-	1,748	2,060	1,803
Parks and Recreation	5,457	-	-	-	-	-	-	-	-	-	-	-	5,457	5,116	4,755
Tourism and Economic Dev.	-	7,806	2,030	-	-	-	-	-	-	-	-	-	9,835	7,492	6,737
Aviation	-	-	-	-	-	-	-	-	4,403	-	-	-	4,403	4,225	3,977
Utilities	-	-	-	-	-	-	-	-	-	9,408	743	-	10,151	9,730	9,351
Debt Service	-	-	-	-	-	8,425	-	-	587	1,070	544	-	10,627	11,110	(1,289)
Capital Projects/Other Uses	-	-	-	-	946	-	863	21,380	1,598	4,762	3,293	-	32,842	41,108	6,254
<b>Total Expenditures</b>	<b>35,279</b>	<b>7,806</b>	<b>2,030</b>	<b>35</b>	<b>1,178</b>	<b>8,425</b>	<b>863</b>	<b>21,380</b>	<b>6,588</b>	<b>15,240</b>	<b>4,580</b>	<b>3,450</b>	<b>106,855</b>	<b>109,817</b>	<b>54,474</b>
Transfers to Other Funds	(2,146)	(1,260)	-	-	-	(300)	(500)	-	-	(800)	-	-	(5,005)	1,272	(5,226)
<b>Ending Fund Balances</b>	<b>\$10,176</b>	<b>\$4,076</b>	<b>\$678</b>	<b>\$9</b>	<b>\$1,262</b>	<b>\$846</b>	<b>\$4,707</b>	<b>\$7,963</b>	<b>\$2,260</b>	<b>\$5,009</b>	<b>\$5,819</b>	<b>\$3,886</b>	<b>\$46,690</b>	<b>\$38,287</b>	<b>\$117,430</b>

\*Totals may not exactly match due to rounding.





LIBERTY  
1776 - 19...

NO PARKING

NO PARKING

NO PARKING



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# GENERAL FUND —



# GENERAL FUND

## FUND DESCRIPTION

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

## FUND NARRATIVE

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

## Concluding Fiscal Year Performance

Revenues for FY2016 are estimated to be \$34,081,650, which represents an increase of \$714,535, or 2 percent, over FY2016 budgeted revenues and is 6 percent over FY2015 revenues. Revenues collected from property taxes are expected to come in \$411,226 less than the budgeted amount. Sales tax collections are projected to be \$1,066,649, or 8 percent, over the budgeted amount.

Expenditures are expected to total \$32,695,210, which is \$602,354 less than the FY2016 budget. The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$11,896,301, which is \$640,038 more than budgeted.

## 2016-2017 Budget Narrative

There are four components that make up the Town's ad valorem tax rate of \$0.560472 per \$100 of appraised value: operations & maintenance, debt service, economic development and dedicated funding for the Infrastructure Investment Fund. A tax rate of \$0.351298 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 6 percent in FY2017 to \$14,845,124. In order to accommodate the Town's annual debt service requirement, a tax rate of \$0.179257 is levied to generate \$7,723,294, a decrease of \$452,026 from FY2016. A third tax rate of \$0.023716 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

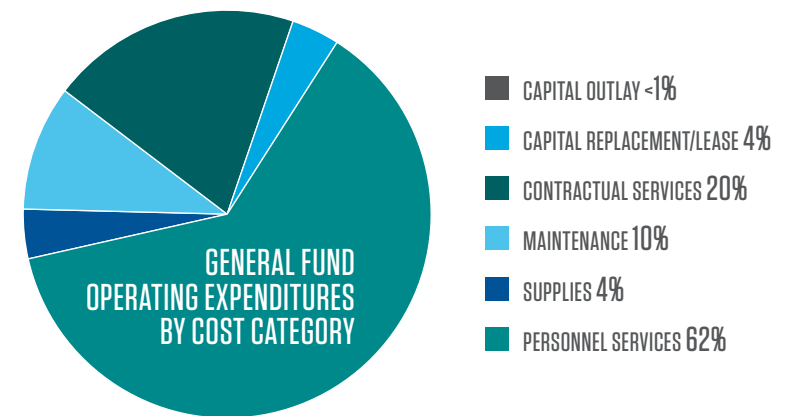
on an as needed basis. The rate for this portion is \$0.006201. Sales and alcoholic beverage tax revenues for FY2017 are projected at \$14,660,000, an 11 percent increase from the FY2016 budget. Licenses and permits are expected to increase 3 percent due to new development in FY2017.

Total fund expenditures for the 2017 fiscal year have been appropriated at \$35,279,241 which is \$1,981,677 more than the FY2016 budget.

The net impact on revenues and expenditures is a projected \$1,720,593 decrease fund balance. The ending fund balance of \$10,175,708 represents 28.5 percent of operating expenditures, which is above the 25 percent minimum balance required by the Town's financial policies. The long-term financial plan for the General Fund anticipates adjusting expenditures for a two percent inflationary increase each year along with moderate increases in revenue.<sup>1</sup>

CATEGORY	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$20,873,872	\$21,068,546	\$20,198,886	22,016,469
Supplies	1,144,035	1,408,564	1,394,420	1,359,838
Maintenance	2,467,116	3,253,973	3,255,119	3,512,331
Contractual Services	5,840,240	5,915,812	6,186,615	7,042,841
Capital Replacement/Lease	1,402,065	1,405,670	1,415,170	1,347,262
Capital Outlay	250,931	245,000	245,000	500
<b>Total Fund Budget</b>	<b>\$31,978,259</b>	<b>\$33,297,564</b>	<b>\$32,695,210</b>	<b>\$35,279,241</b>

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.



<sup>1</sup> Please refer to Appendix B for the Town's financial policies.



# GENERAL FUND

STATEMENT OF REVENUES & EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$15,506,011</b>	<b>\$11,201,712</b>	<b>\$11,601,861</b>	<b>\$11,896,301</b>
<b>REVENUES</b>				
Ad Valorem Taxes	11,378,975	13,963,710	13,552,484	14,845,124
Non-Property Taxes	14,215,555	13,175,000	14,241,649	14,660,000
Franchise Fees	2,828,420	2,680,000	2,765,094	2,870,300
Licenses and Permits	1,011,223	820,200	894,401	845,800
Service Fees	1,507,653	1,582,400	1,418,705	1,493,100
Fines and Penalties	725,189	781,900	719,000	675,000
Interest Income	69,431	30,000	42,000	70,000
Rental Income	236,667	275,000	197,000	175,000
Other	118,907	58,905	251,317	70,000
<b>Total Revenues</b>	<b>\$32,092,020</b>	<b>\$33,367,115</b>	<b>\$34,081,650</b>	<b>\$35,704,324</b>
<b>Total Resources Available</b>	<b>\$47,598,031</b>	<b>\$44,568,827</b>	<b>\$45,683,511</b>	<b>\$47,600,625</b>
<b>EXPENDITURES</b>				
<b>General Government</b>				
City Secretary	-	-	-	201,159
City Manager	1,521,976	1,302,565	1,263,988	1,044,171
Finance	1,009,649	1,231,286	1,301,982	1,670,369
General Services	684,803	666,310	815,350	812,135
Municipal Court	502,250	586,428	569,915	614,926
Human Resources	492,879	583,959	599,531	613,589
Information Technology	1,585,489	1,910,708	1,927,669	1,909,265
Combined Services	1,278,768	1,475,980	930,118	2,412,288
City Council	578,232	331,879	320,885	310,819
<b>Public Safety</b>				
Police	8,561,703	8,520,606	8,229,429	8,641,003
Emergency Communications	1,383,173	1,318,483	1,565,379	1,410,505
Fire	6,732,790	6,808,772	6,799,686	7,047,475
<b>Development</b>				
Code Enforcement	-	172,656	108,050	-
Streets	1,803,135	2,060,482	1,977,129	1,748,128
<b>Parks and Recreation</b>				
Parks	3,103,939	3,463,320	3,508,930	3,729,590
Recreation	1,651,403	1,652,493	1,660,569	1,727,051
<b>Total Expenditures</b>	<b>\$31,978,259</b>	<b>\$33,297,564</b>	<b>\$32,695,210</b>	<b>\$35,279,241</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Hotel Fund	-	-	-	-
Transfer to Other Funds	(4,015,000)	(15,000)	(1,092,000)	(2,145,676)
<b>Ending Fund Balance</b>	<b>\$11,604,772</b>	<b>\$11,256,263</b>	<b>\$11,896,301</b>	<b>\$10,175,708</b>

# GENERAL FUND

STATEMENT OF REVENUES BY SOURCE	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Ad Valorem Taxes				
Current Taxes	11,424,738	13,940,240	13,581,439	14,826,545
Delinquent Taxes	(71,220)	6,750	(53,255)	3,096
Penalty & Interest	25,457	16,720	24,300	15,483
Non-Property Taxes				
Sales Tax	13,038,912	12,305,000	13,033,701	13,400,000
Alcoholic Beverage Tax	1,176,643	870,000	1,207,948	1,260,000
Franchise/Right-Of-Way Use Fees				
Electric Franchise	1,539,972	1,500,000	1,569,000	1,575,000
Gas Franchise	273,320	190,000	217,389	217,400
Sanitation Franchise	-	-	-	120,000
Telecommunication Access Fee	593,387	650,000	636,529	636,500
Cable Franchise	414,891	335,000	334,796	316,400
Street Rental Fee	6,850	5,000	7,380	5,000
Licenses & Permits				
Business Licenses & Permits	259,487	170,750	158,541	247,800
Building & Construction Permits	751,736	649,450	735,860	598,000
Service Fees				
General Government	849	500	500	500
Public Safety	849,998	886,000	733,305	785,200
Urban Development	3,830	3,000	3,000	3,000
Streets & Sanitation	400,562	382,600	382,600	282,200
Recreation	72,279	80,300	69,300	73,300
Interfund	230,000	230,000	230,000	348,900
Court Fines	723,931	781,900	719,000	675,000
Interest Earnings	20,992	30,000	42,000	70,000
Rental Income	236,667	275,000	197,000	175,000
Recycling Proceeds	10,403	15,000	15,000	10,000
Other	108,336	43,905	236,317	60,000
<b>Total Revenues</b>	<b>\$32,092,020</b>	<b>\$33,367,115</b>	<b>\$34,081,650</b>	<b>\$35,704,324</b>



# CITY SECRETARY

## DEPARTMENT MISSION

The City Secretary's Office is accountable for enhancing governmental excellence and transparency to serve the public, elected officials and city departments. The office strives to provide high quality services and deliver excellent customer service.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Conducted May 2016 Election with Dallas County
- Fulfilled over 400 Public Information Act (PIA) requests
- Implemented new PIA guidelines and policies
- Began records retention and destruction project for Town

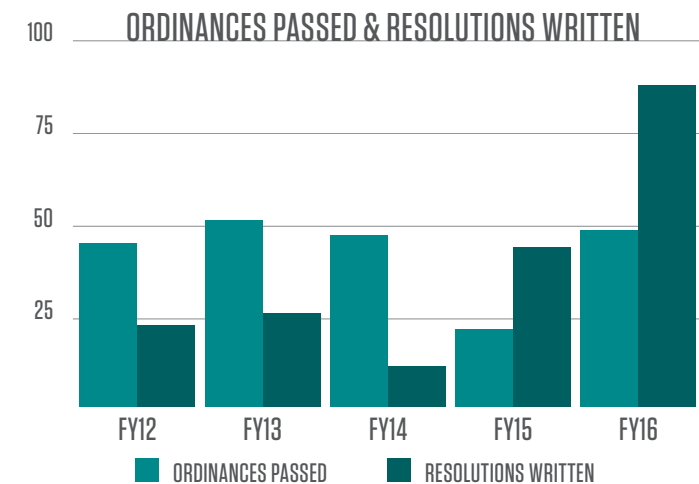
### Objectives for FY2017

- Conduct the May 2017 Election
- Continue records project focusing on Police Department and one other department
- Streamline processes within City Secretary Office
- Provide high quality services to all customers, both internally and externally
- Ensure transparency and confidence in the City Secretary Office with staff, Council and citizens

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	-	-	-	\$95,959
Supplies	-	-	-	20,700
Maintenance	-	-	-	-
Contractual Services	-	-	-	84,500
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	-	-	-	<b>\$201,159</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
City Secretary <sup>1</sup>	N/C	0.0	0.0	0.0	1.0
<b>Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>

<sup>1</sup> This position is not classified in the pay plan and was moved from the City Manager's Office in FY2017.



# CITY MANAGER'S OFFICE

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Graduated 27 residents from Citizen Academy
- Successfully hired Police Chief, Fire Chief, and Parks Director
- Developed formal process for new Council Member orientation
- Facilitated strategic planning with City Council for the FY2107 budget process

## Objectives for FY2017

- Begin work to create an asset management program
- Develop an operational assessment plan to evaluate current practices in order to operate more efficiently
- Conduct search for and hire Chief Financial Officer and Deputy City Manager
- Continue to promote fiscal transparency and cost savings throughout the organization

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$1,275,228	\$1,017,355	\$954,778	\$839,624
Supplies	22,902	28,000	28,000	28,550
Maintenance	66,509	45,120	69,120	45,727
Contractual Services	132,169	173,810	173,810	112,050
Capital Replacement/Lease	25,167	38,280	38,280	18,221
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$1,521,976</b>	<b>\$1,302,565</b>	<b>\$1,263,988</b>	<b>\$1,044,172</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
City Manager <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
Deputy City Manager <sup>2</sup>	34	1.0	1.0	1.0	1.0
Assistant City Manager	33	1.0	1.0	1.0	1.0
Assistant to the City Manager <sup>3</sup>	26	3.0	2.0	1.0	1.0
Special Projects Manager <sup>4</sup>	26	0.0	1.0	1.0	0.0
Administrative Assistant	10	1.0	1.0	1.0	1.0
Volunteer Coordinator <sup>5</sup>	12	0.5	0.5	0.5	0.5
Intern <sup>6</sup>	5	1.0	1.0	0.0	0.0
City Secretary <sup>7</sup>	N/C	0.0	0.0	1.0	0.0
<b>Total</b>		<b>8.5</b>	<b>8.5</b>	<b>7.5</b>	<b>5.5</b>

<sup>1</sup> This position is not classified in the pay plan.

<sup>2</sup> This position was moved from the Utility Fund.

<sup>3</sup> One Assistant to the City Manager position was reclassified to City Secretary.

<sup>4</sup> This position was moved to General Services Department in FY2016.

<sup>5</sup> This position was moved from the Human Resources Department.

<sup>6</sup> This position was moved to the Parks Department.

<sup>7</sup> This position was moved to the City Secretary Department.



# FINANCE DEPARTMENT

## DEPARTMENT MISSION

To optimally manage Addison'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, and 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), and the Town's Annual Budget, and administers the Town's risk management functions.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Implemented financial and fixed asset modules for ERP system
- 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 40th consecutive year

- Received the Distinguished Budget Presentation Award from the GFOA for the 30th consecutive year
- Added three electronic handheld utility readers, reducing time required to read all meters on route from two days to one
- Added additional staffing to improve customer service needs and address internal control requirements
- Completed FY2017 Town Budget

### Objectives for FY2017

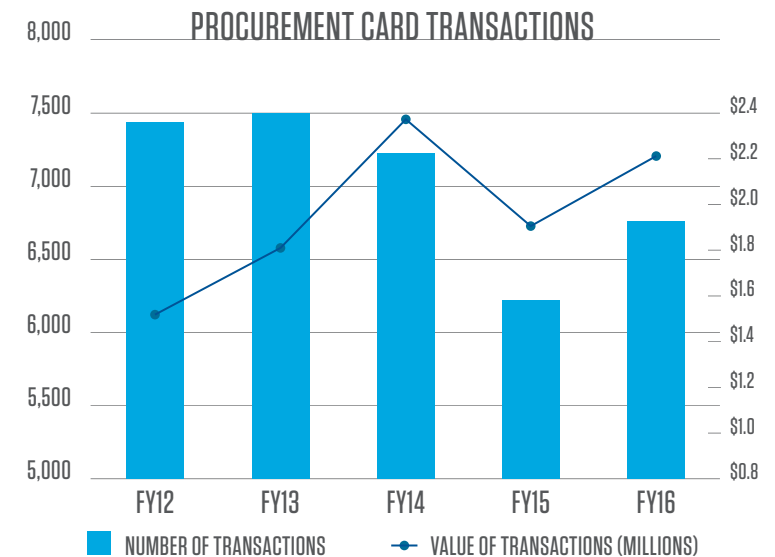
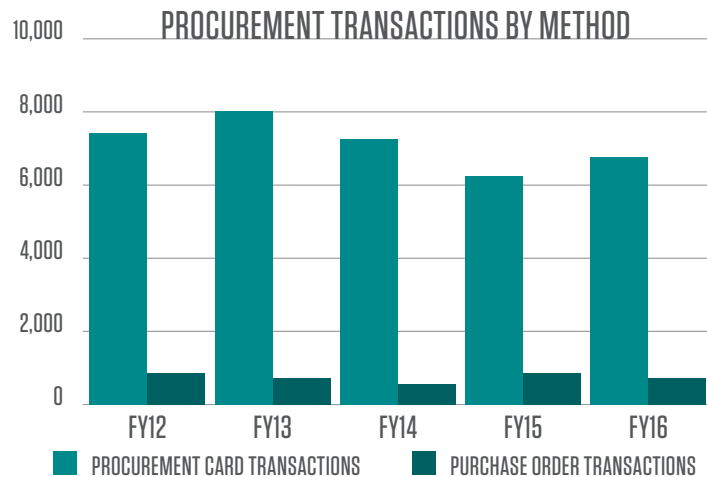
- Continue implementation of ERP system with Payroll, Procurement, and Utility Billing modules<sup>1</sup>
- Develop department budget training seminar
- Develop and implement Munis budget development and reporting application

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$604,033	\$734,015	\$806,824	\$1,166,560
Supplies	32,710	37,520	30,376	44,410
Maintenance	36,977	40,160	17,306	32,193
Contractual Services	306,291	381,871	400,256	380,446
Capital Replacement/Lease	29,637	37,720	47,220	46,760
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$1,009,649</b>	<b>\$1,231,286</b>	<b>\$1,301,982</b>	<b>\$1,670,369</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Chief Financial Officer	32	1.0	1.0	1.0	1.0
Assistant Finance Director	30	1.0	1.0	1.0	1.0
Accounting Manager	27	1.0	1.0	1.0	1.0
Purchasing Manager	26	0.0	0.0	1.0	1.0
Manager – Office of Management & Budget	26	0.0	0.0	1.0	1.0
Senior Accountant	25	0.0	0.0	2.0	2.0
Senior Budget Analyst	22	0.0	0.0	1.0	1.0
Accountant	21	1.0	1.0	1.0	1.0
Management Analyst <sup>2</sup>	20	2.0	2.0	0.0	0.0
Payroll Specialist <sup>3</sup>	12	0.7	0.7	1.0	1.0
Accounting Specialist II	11	0.0	0.0	2.0	2.0
Department Assistant	9	1.0	1.0	0.0	0.0
Accounting Specialist I	9	2.0	2.0	1.0	1.0
<b>Total</b>		<b>9.7</b>	<b>9.7</b>	<b>13.0</b>	<b>13.0</b>

<sup>2</sup> Both positions reclassified to Purchasing Manager and Senior Budget Analyst.

<sup>3</sup> This position was moved from Human Resources.



<sup>1</sup> Addresses strategic pillar of Gold Standard in Financial Health.

# GENERAL SERVICES

## DEPARTMENT MISSION

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

The Department's responsibility is to ensure all Addison facilities are maintained to be attractive and comfortable environments conducive to conducting Addison business, and Addison'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 FY2016

#### FACILITIES

- Worked closely with the new Assistant Director on all General Services operations
- Worked with IT to develop an iPad program to record staff work flow and efficiencies
- Coordinated and supervised all budget approved Town facilities projects
- Performed a comprehensive review of our Underground Storage Tank Systems for State compliance (UST – Fuel)
- Completed 849 Help Desk requests for services
- Rebid Custodial Services contracts for Police and Conference & Theatre facilities
- Remodeled a file room for IDS to provide office space for additional staff
- Replaced the main space and exhibit hall carpet at the Conference Centre
- Successfully mitigated a major water leak cleanup and repair process at the AAC that kept the down time to our residents at a minimal

#### FLEET

- Fleet averaged a 98.9% uptime
- Completed 1,269 service work orders
- Developed specifications, purchase and make-ready of 24 new fleet vehicles
- Successfully managed and completed the decaling of 14 new Police Patrol vehicles

## Objectives for FY2017

#### FACILITIES

- Review and utilize the Facilities Assessments CIP & O&M Plans to develop budget recommendations for the FY2018 budget
- Continue to work closely with the new Assistant Director on General Services Operations
- Coordinate and supervise all budget-approved town facilities projects/ MLS's for all departments (approximately 20)
- Coordinate and supervise the installation of new Underground Storage Tank (UST) drop tubes at the Service Center that will be updated with Vapor Swivels and a Vapor Recovery Port to our 10,000 gallon Unleaded UST for environmental compliance

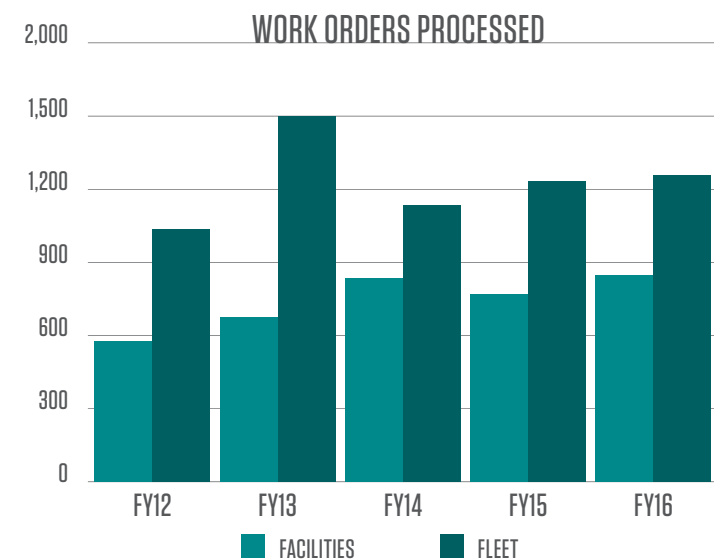
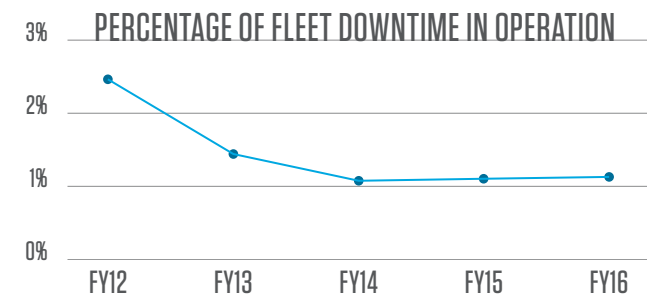
#### FLEET

- Continue to work with Centerra Fleet Management to manage the contract and accomplish fleet priorities, further enhance fleet operations and continue to acclimate the contract fleet service team to the Addison culture
- Continue to work closely with the Assistant Director on all fleet operations
- Develop specifications, purchase and make-ready – 19 new fleet vehicles as approved

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$426,738	\$417,517	\$566,557	\$416,220
Supplies	15,186	24,350	24,350	26,200
Maintenance	61,821	95,638	95,638	244,350
Contractual Services	140,727	94,545	94,545	96,746
Capital Replacement/Lease	35,090	34,260	34,260	28,620
Capital Outlay	5,241	-	-	-
<b>Total Department Budget</b>	<b>\$684,803</b>	<b>\$666,310</b>	<b>\$815,350</b>	<b>\$812,135</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – General Services	32	1.0	1.0	1.0	1.0
Assistant Director <sup>1</sup>	30	0.0	0.0	0.0	1.0
Supervisor – Facilities Services	11	1.0	1.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
Facilities Specialist	6	1.0	1.0	1.0	1.0
Facilities Assistant	4	1.0	1.0	1.0	1.0
<b>Total</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>

<sup>1</sup> This position was moved from the City Manager's Office and reclassified in FY2016.





# MUNICIPAL COURT

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Implemented new Court software – Incode
- Assisted in developing an RFP for Court collection agency
- Implemented new daily cash processes to comply with COSO standards

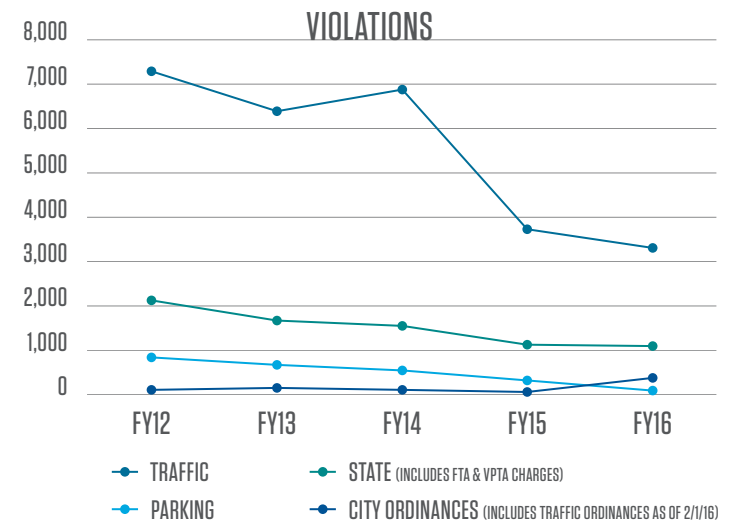
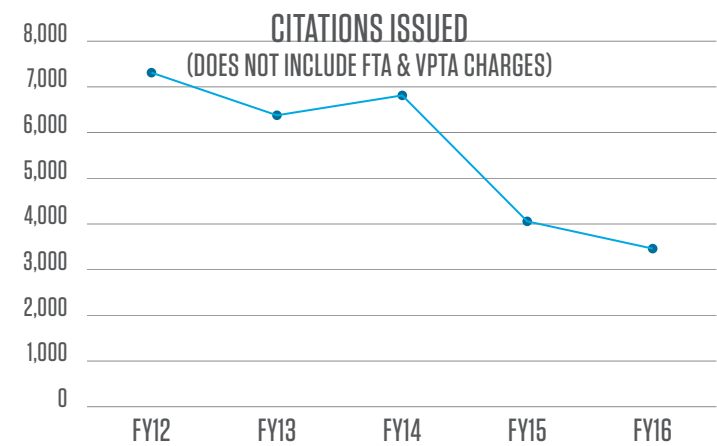
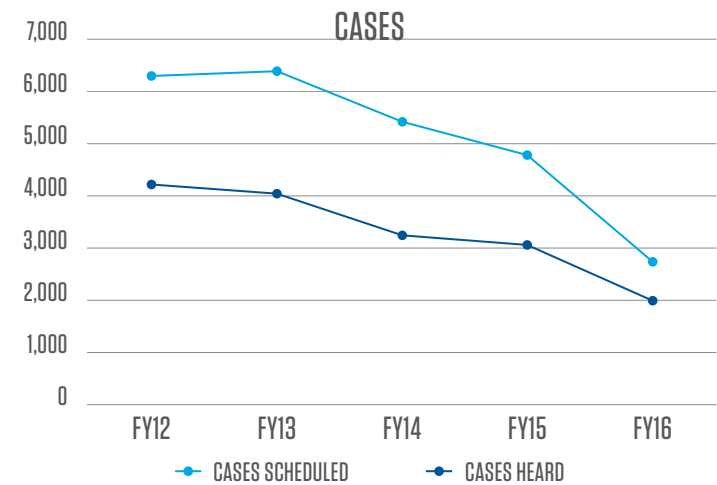
### Objectives for FY2017

- Continue to participate in the state-wide warrant round-up to collect on outstanding warrants
- Implementation of Court collection agency
- Complete Level 1 for Municipal Court Clerk Certification Program

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$433,441	\$457,758	\$441,245	\$473,578
Supplies	10,637	21,470	21,470	12,600
Maintenance	-	37,000	37,000	37,000
Contractual Services	37,524	47,960	47,960	65,626
Capital Replacement/Lease	20,648	22,240	22,240	25,622
Capital Outlay	-	-	-	500
<b>Total Department Budget</b>	<b>\$502,250</b>	<b>\$586,428</b>	<b>\$569,915</b>	<b>\$614,926</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Administrator – Court	26	1.0	1.0	1.0	1.0
Clerk – Court	7	3.7	3.7	3.7	3.7
Municipal Judge <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
<b>Total</b>		<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>

<sup>1</sup> This position is not classified in the pay plan.



# HUMAN RESOURCES

## DEPARTMENT MISSION

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

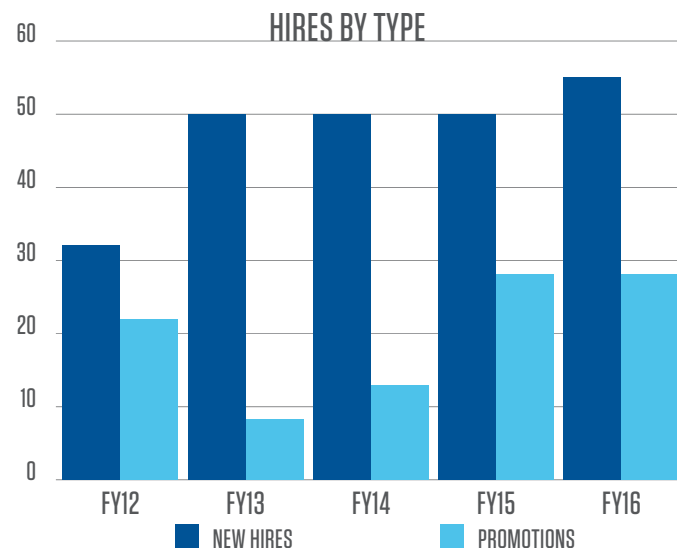
## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Negotiated a cost savings of approximately \$150,000 in the renegotiation process with our medical carrier for 2017
- Developed new wellness initiatives such as 12 days of strong, Zumba, biometric health screenings and a financial planning session to promote both health and financial wellness amongst our employees
- Successfully completed the first steps in the HR/Payroll system transition by importing employee payroll information into the test environment
- Processed 702 applications for review, and successfully on boarded 55 new employees
- Expanded the Town's recognition efforts including departmental City Manager lunches and additional employee activities

## Objectives for FY2017

- Consider implementing a wellness incentive program to increase participation in the Town's Wellness Program
- Successfully implement the employee piece of the HR/Payroll system transition from the legacy system
- Implement a new applicant tracking program that will enhance the applicant experience while providing more tools to our hiring supervisors<sup>1</sup>
- Assist the Parks and Infrastructure and Development Services department in redesigning and enhancing their departmental safety program
- Continue to make progress on the creation of staff development and succession plans to ensure integration with one another



<sup>1</sup> Addresses strategic pillar of Gold Standard in Customer Service.

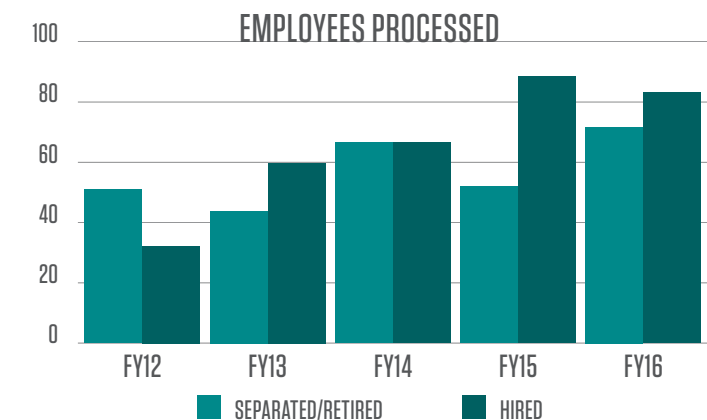
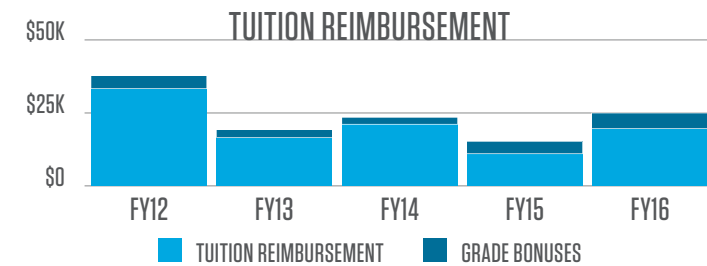
EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$285,722	\$357,649	\$373,221	\$387,701
Supplies	9,812	14,450	14,450	15,300
Maintenance	297	800	800	300
Contractual Services	181,359	199,600	199,600	197,640
Capital Replacement/Lease	15,688	11,460	11,460	12,648
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$492,879</b>	<b>\$583,959</b>	<b>\$599,531</b>	<b>\$613,589</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – Human Resources	32	1.0	1.0	1.0	1.0
HR Generalist	25	0.0	0.0	1.0	1.0
Benefits Specialist <sup>2</sup>	22	1.0	1.0	0.0	0.0
HR Analyst	20	0.0	0.0	1.0	1.0
HR Coordinator	12	0.0	0.0	1.0	1.0
Department Assistant <sup>3</sup>	8	1.0	1.0	0.0	0.0
Intern <sup>4</sup>	5	0.3	0.3	0.0	0.0
<b>Total</b>		<b>3.3</b>	<b>3.3</b>	<b>4.0</b>	<b>4.0</b>

<sup>2</sup> This position was reclassified to Human Resources Generalist in FY2015.

<sup>3</sup> This position was reclassified to Human Resources Analyst in FY2015.

<sup>4</sup> This position was reclassified to Human Resources Coordinator in FY2016.





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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

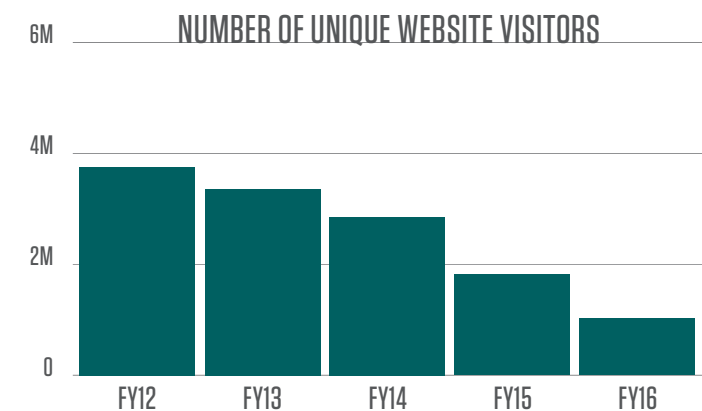
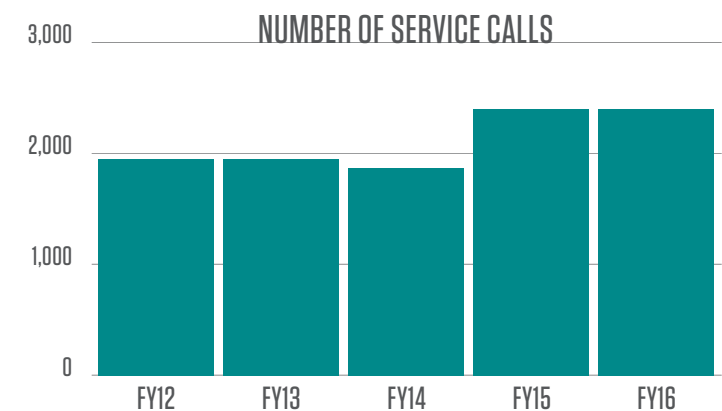
- Upgraded Handheld Citation Devices
- Completed the transition to Joint Dispatch Center
- Installed a new Airport Crash System
- Implemented a new Computer Aided Dispatch (CAD) and integrated with Patient Management System and Police Report Management System (PRMS)
- Installed new Access Points at Addison Conference and Theatre Centre
- Continued the ERP Implementation
- Installed Camera Systems at the Police Department, fuel farm, Treehouse, and Airport
- Upgraded Outdoor Siren and implemented Fire Station Alert System

## Objectives for FY2017

- Deployment of In-Car Video and Body cameras and rugged laptops for Police
- Implementation of Public, Educational, and Governmental (PEG) TV channel
- Facilitate the installation and deployment of Time Warner Wi-Fi services at all Addison Parks, Conference Centre, Treehouse, and the Athletic Club
- Redesign the backend system for the credit card processing at Addison Circle Park
- Deployment/replacement of PCs throughout the entire city
- Implement a Police Record Management System (PRMS) system
- Perform a Payment Card Industry (PCI) gap analysis
- Hire a GIS Administrator/Analyst
- Investigate the microwave technology to replace the dependency on third parties (e.g. AT&T, Time Warner, etc.) providers for connectivity between the Town's buildings

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$945,254	\$945,390	\$962,351	\$961,286
Supplies	55,886	58,400	58,400	58,400
Maintenance	409,850	717,218	717,218	712,629
Contractual Services	123,464	155,360	155,360	156,400
Capital Replacement/Lease	44,145	34,340	34,340	20,550
Capital Outlay	6,890	-	-	-
<b>Total Department Budget</b>	<b>\$1,585,489</b>	<b>\$1,910,708</b>	<b>\$1,927,669</b>	<b>\$1,909,265</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – Information Technology	32	1.0	1.0	1.0	1.0
Developer	29	1.0	1.0	1.0	1.0
Network Specialist	29	5.0	5.0	5.0	5.0
<b>Total</b>		<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>



# COMBINED SERVICES

## DEPARTMENT MISSION

The Combined Services 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.

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$52,710	\$573,150	\$27,288	\$1,066,402
Supplies	51,652	74,500	74,500	62,000
Maintenance	-	-	-	-
Contractual Services	1,174,406	828,330	828,330	1,283,886
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$1,278,768</b>	<b>\$1,475,980</b>	<b>\$930,118</b>	<b>\$2,412,288</b>

# COUNCIL SPECIAL PROJECTS

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Continued community engagement through City Council Liaison assignments
- Adopted the Athletic Club and Airport Master Plans
- Approved Addison Grove Reimbursement Agreement
- Set aside funding for the "Big Idea" east/west connection contingent on the raising of funds from the private sector
- Hired new City Manager Wes Pierson

## Objectives for FY2017

- Set strategic priorities for Addison as part of the annual strategic planning process
- Seek out operation efficiencies without compromising the overall level of service provided by the Town

## Non-Profit Funding

- The Family Place (\$12,000)
- Launchability (\$2,500)
- Metrocrest Chamber of Commerce (\$35,000)
- Metrocrest Family Medical Clinic (\$5,000)
- Metrocrest Social Services (\$61,000)
- Addison Arbor Foundation (\$47,500)

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$30,092	\$37,364	\$26,370	\$28,894
Supplies	33,225	47,000	47,000	31,500
Maintenance	-	-	-	-
Contractual Services	511,335	243,995	243,995	247,530
Capital Replacement/Lease	3,580	3,520	3,520	2,895
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$578,233</b>	<b>\$331,879</b>	<b>\$320,885</b>	<b>\$310,819</b>



# POLICE

## DEPARTMENT MISSION

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

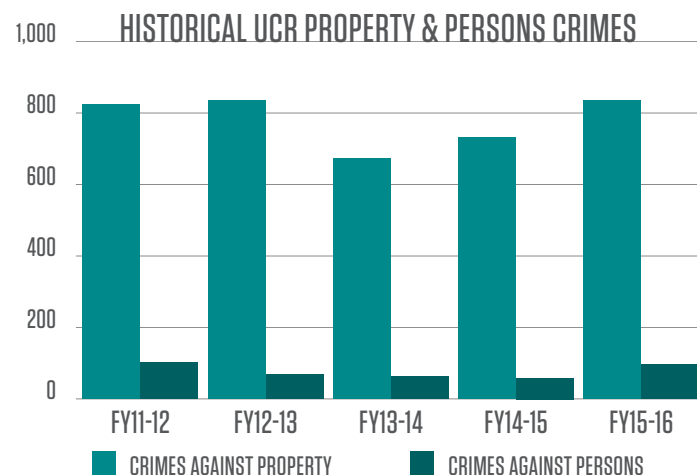
## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Successful cutover to the Harris Public Safety radio system
- Continued to develop community outreach programs with the addition of Coffee with a Cop
- Implemented new scheduling software and Mobile Data Computer system
- Streamlined General Orders and Special Operating Procedures
- Implemented GovPayNet payment systems for jail consolidation
- Finalized Interlocal Agreement with Carrollton police for jail services starting October 8, 2016

## Objectives for FY2017

- Look for ways to be more effective recruiting police officer applicants
- Increase training for police officers in the areas of diversity, de-escalation and use-of force<sup>1</sup>
- Develop the new Crime Analyst position to be an effective resource for the department and Town
- Continue to work with Town management and the community to be visible, transparent and proactive in our delivery of effective public safety services<sup>2</sup>



<sup>1</sup> Addresses strategic pillar of Gold Standard in Customer Service.

<sup>2</sup> Addresses strategic pillar of Public Safety.

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$6,946,492	\$6,898,181	\$6,616,753	\$6,964,079
Supplies	325,761	344,078	344,078	309,286
Maintenance	205,082	239,200	239,200	277,902
Contractual Services	458,473	501,328	491,578	497,322
Capital Replacement/Lease	585,645	537,820	537,820	592,414
Capital Outlay	40,249	-	-	-
<b>Total Department Budget</b>	<b>\$8,561,703</b>	<b>\$8,520,606</b>	<b>\$8,229,429</b>	<b>\$8,641,004</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
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	1.0	1.0	1.0
Supervisor – Detention <sup>3</sup>	13	1.0	1.0	1.0	0.0
Supervisor – Animal Control	13	0.0	0.0	0.0	1.0
Police Services Supervisor	13	1.0	1.0	1.0	1.0
Police Officer <sup>4</sup>	P2	48.0	48.0	48.0	48.0
Animal Control Officer <sup>5</sup>	9	1.5	2.0	2.0	2.0
Department Assistant	9	1.0	1.0	1.0	1.0
Jailer	8	3.0	6.0	6.0	6.0
Clerk – Police Records	7	2.0	2.0	2.0	2.0
Crime Analyst	7	0.0	0.0	0.0	1.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Quartermaster <sup>6</sup>	6	1.0	1.0	1.0	0.0
Intern <sup>7</sup>	5	0.5	0.5	0.5	0.5
Jailer – Temporary <sup>8</sup>	N/C	2.3	2.3	2.3	2.3
<b>Total</b>		<b>75.3</b>	<b>79.8</b>	<b>79.8</b>	<b>79.8</b>

<sup>3</sup> This position was converted to Supervisor – Animal Control in FY2017.

<sup>4</sup> One Officer position was converted to a Lieutenant in mid-FY2011.

<sup>5</sup> This position moved from Streets department in mid-FY2011.

<sup>6</sup> This position was converted to Crime Analyst in FY2017.

<sup>7</sup> This position was added in FY2012.

<sup>8</sup> This position is not classified in the pay plan.

# EMERGENCY COMMUNICATIONS

## DEPARTMENT MISSION

This function reflects expenditures incurred by Addison 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 FY2016

- Transitioned to the North Texas Emergency Communications Center in March 2016

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$990,668	\$447,180	\$544,076	-
Supplies	5,518	11,721	11,721	-
Maintenance	65,900	19,000	19,000	-
Contractual Services	321,087	535,042	685,042	1,410,505
Capital Replacement/Lease	-	60,540	60,540	-
Capital Outlay	-	245,000	245,000	-
<b>Total Department Budget</b>	<b>\$1,383,173</b>	<b>\$1,318,483</b>	<b>\$1,565,379</b>	<b>\$1,410,505</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Supervisor – Communications <sup>1</sup>	13	1.0	1.0	1.0	0.0
Telecommunicator <sup>1</sup>	11	13.5	13.5	13.5	0.0
<b>Total</b>		<b>14.5</b>	<b>14.5</b>	<b>14.5</b>	<b>0.0</b>

<sup>1</sup> Positions transferred to the North Texas Emergency Communications Center in FY2016.



# FIRE

## DEPARTMENT MISSION

To protect the persons and property in Addison by providing quality and innovative emergency services. To accomplish the mission, the department performs the following functions: fire suppression, including crash/fire rescue for aircraft utilizing Addison Airport; fire inspection prevention and investigation; and, 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 17 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." Core values include:

- Accountability
- Family
- Duty

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Replaced an ambulance (M101) with a 2016 Dodge Ram 4500 Frazer
- Personnel completed 16 hours of live fire training this year and 20 hours of fire in-service training monthly
- Moved to consolidated dispatch system at North Texas Emergency Communications Center (NTECC) and changed to Harris P25 digital radios
- Early warning sirens upgraded and Everbridge Mass Communication System replaced Code Red
- Performed the annual smoke detector battery replacement program visiting 398 homes replacing 2,010 batteries

## Objectives for FY2017

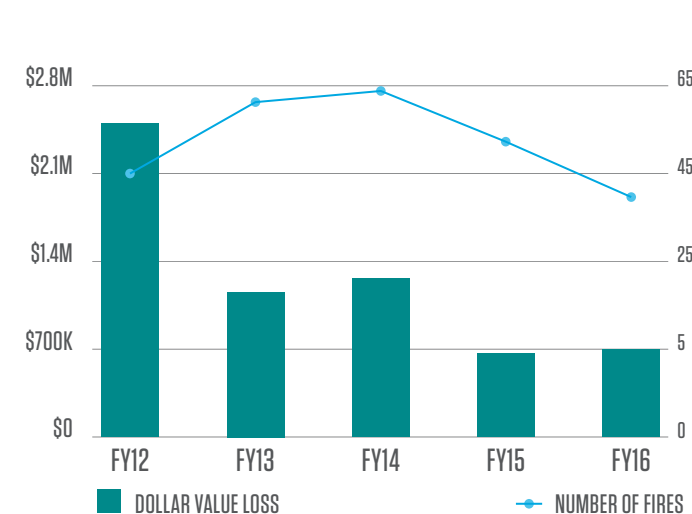
- Complete minimum 16 hours of live fire training<sup>1</sup>
- Participate as member of regional quad city training initiative
- All suppression personnel to complete 20 hours of fire in-service training monthly
- Replace two defibrillators from the Capital Replacement Fund
- Specify and initiate purchase of 100' Aerial apparatus from capital replacement fund to replace 2004 85' Aerial apparatus
- Specify and initiate purchase of replacement inspector vehicle from Capital Replacement Fund to replace aging vehicle
- Replace facility emergency generator at fire station 2 from Capital Replacement Fund to replace model that is no longer sustainable
- Establish career development plan and update promotional process
- Credential all officers and acting officers in Blue Card Incident Command – 80 hours of training and simulations

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$5,527,627	\$5,509,642	\$5,500,556	\$5,764,700
Supplies	215,168	270,050	270,050	279,600
Maintenance	252,574	311,660	311,660	309,621
Contractual Services	276,680	349,570	349,570	329,020
Capital Replacement/Lease	417,320	367,850	367,850	364,534
Capital Outlay	43,421	-	-	-
<b>Total Department Budget</b>	<b>\$6,732,790</b>	<b>\$6,808,772</b>	<b>\$6,799,686</b>	<b>\$7,047,475</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
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	30.0	30.0	30.0	30.0
Fire Inspector <sup>2</sup>	FP1	0.3	0.3	0.3	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
<b>Total</b>		<b>55.3</b>	<b>55.3</b>	<b>55.3</b>	<b>56.0</b>

<sup>2</sup> This position was reclassified to Full-Time in FY2017.

## NUMBER OF FIRES & CORRESPONDING PROPERTY LOSS



<sup>1</sup> Addresses strategic pillar of Gold Standard in Customer Service.

# INFRASTRUCTURE & DEVELOPMENT SERVICES

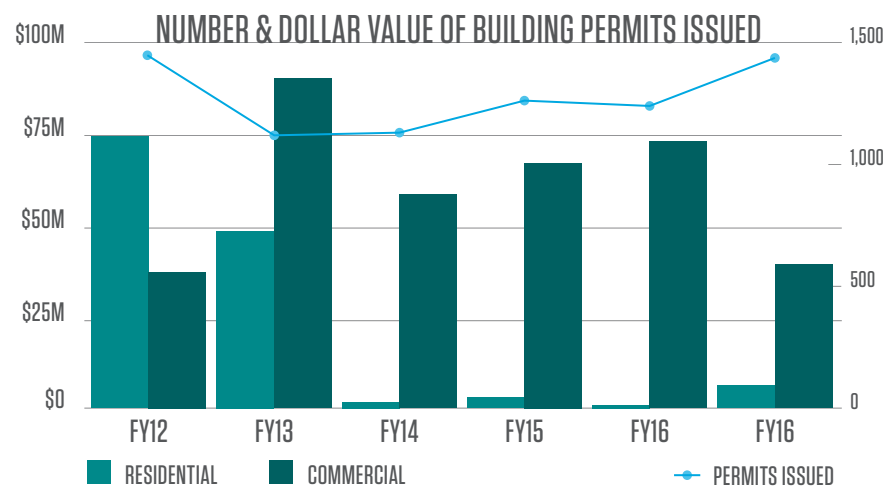
In 2014, the Development Services Department was added to the Infrastructure Operations and Services Department to help facilitate the interaction between private development and public infrastructure as a project goes through the construction process. The new department, Infrastructure and Development Services, includes Development, Property Standards, Utility, Streets, Stormwater, and Airport.

## DEVELOPMENT SERVICES MISSION

To manage the planning, development, and growth of Addison in a manner that results in a pleasant, safe, attractive, and sustainable environment and that enhances the 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 zoning, construction, community safety, food service, swimming pools, and a myriad of environmental hazards.

## PROGRAM NARRATIVE Accomplishments of FY2016

- Processed 25 zoning cases and 8 plats for consideration by the Planning and Zoning Commission and City Council
- Facilitated consideration and approval of the Addison Grove redevelopment for the Sam's Club site
- Organized a special area study to create a redevelopment vision for the Inwood Road Corridor
- Managed an inclusive process for creating and adopting a new Master Transportation Plan<sup>1</sup>
- Developed and implemented new permitting and inspection software
- Adopted revisions to the Town's property maintenance and signage regulations
- Implemented 2015 Texas Food Establishment Rules
- Coordinated, inspected and licensed 12 new or reoccupied/remodeled food establishments
- Relocated the Community Garage Sale from Sam's Club to Addison Town Center
- Issued 1,435 permits with a total valuation of \$45,915,878



<sup>1</sup> Addresses strategic pillar of Excellence in Transportation Systems.

# (IDS)

## Objectives for FY2017

- Hire and incorporate new Planner position into the development review process
- Facilitate completion of two additional special area studies
- Oversee permitting and inspection process for several large construction projects
- Begin review of operating procedures and succession planning

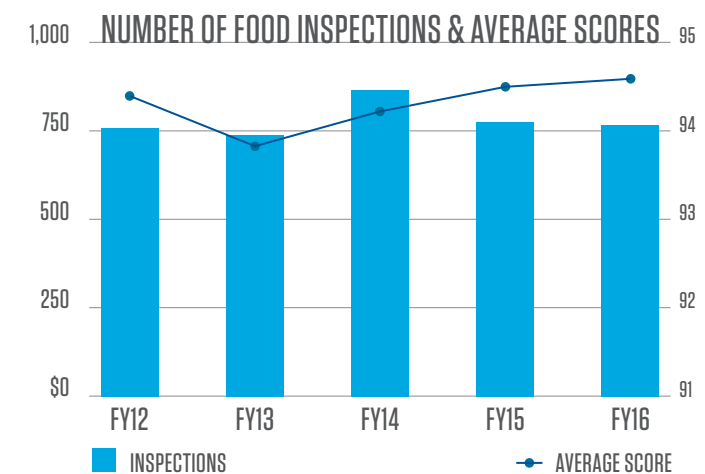
EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$806,146	\$780,122	\$821,635	\$987,746
Supplies	53,596	34,455	34,455	63,100
Maintenance	8,056	7,650	7,650	10,200
Contractual Services	159,870	348,590	212,040	281,489
Capital Replacement/Lease	35,991	40,820	40,820	44,233
Capital Outlay	24,421	-	-	-
<b>Total Department Budget</b>	<b>\$1,088,080</b>	<b>\$1,211,637</b>	<b>\$1,116,600</b>	<b>\$1,386,767</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – Development Services <sup>2</sup>	31	1.0	0.0	0.0	0.0
Assistant Director – DS	30	0.0	1.0	1.0	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
Planner	21	0.0	0.0	0.0	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
Code Enforcement Officer <sup>3</sup>	13	0.0	0.0	0.0	1.0
Department Assistant <sup>4</sup>	9	1.0	1.0	1.0	2.0
<b>Total</b>		<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>10.2</b>

<sup>2</sup> This position was reclassified to Assistant Director.

<sup>3</sup> This position was moved from Property Standards Department in FY2017.

<sup>4</sup> One Department Assistant was moved from Property Standards Department in FY2017.





# PROPERTY STANDARDS (IDS)

## DEPARTMENT MISSION

To encourage both residential and commercial property owners to voluntarily resolve code violations on their property in order to ensure that Addison remains a community that is a clean and safe place to live, work, and play.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Opened 410 Property Standards cases and closed 380 with a median of 14 days to compliance
- Created and distributed educational materials on common code violations to residents and businesses
- Developed new software system for tracking property maintenance cases

### Objectives for FY2017

- Property Standards has been combined with the Development Services department for FY2017

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	-	\$126,011	\$70,405	-
Supplies	-	10,070	3,070	-
Maintenance	-	3,075	3,075	-
Contractual Services	-	25,000	23,000	-
Capital Replacement/Lease	-	8,500	8,500	-
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>-</b>	<b>\$172,656</b>	<b>\$108,050</b>	<b>-</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Code Enforcement Officer <sup>1</sup>	13	0.0	1.0	1.0	0.0
Department Assistant <sup>1</sup>	9	0.0	1.0	1.0	0.0
<b>Total</b>		<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>

<sup>1</sup> Positions added in FY2015 and moved to Development Services Department in FY2017.

# STREETS (IDS)

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Continued the design for the Midway Road Project
- Developed and trained in-house personnel to complete pavement markings projects
- Completed over \$120,000 in pavement markings projects and over \$175,000 in street repair projects
- Began replacement of all the Town's illuminated street name signs
- Began a program of maintenance and painting for the Town's signal poles
- Replaced regulatory signage in all residential neighborhoods
- Made enhancements to the pedestrian crossings located in the Addison Circle district
- Continued work on undergrounding utilities on Belt Line Road

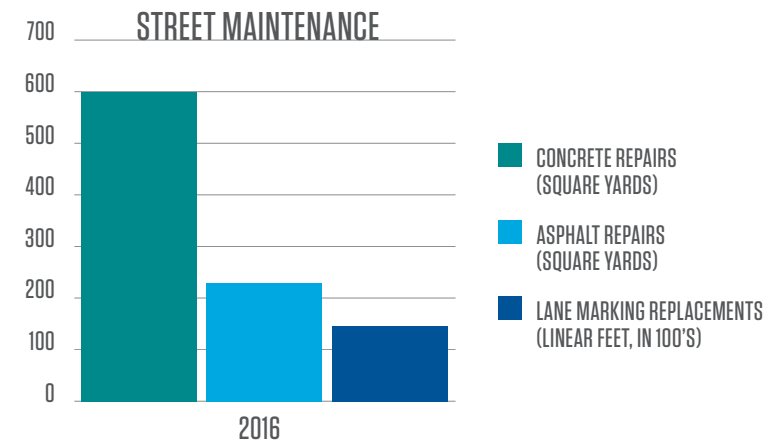
### Objectives for FY2017

- Continue program for performing small pavement marking projects in house
- Complete the replacement of the Town's illuminated street name signs
- Continue program of maintenance and painting for the Town's signal poles
- Paint Bella and Ponte bridge arches
- Replacement of all signal lights with new LED fixtures along Belt Line Road
- Replacement of all traffic signal battery backup batteries along Belt Line Road
- Restructure department to include divisions for both street maintenance and solid waste/brush pick up

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$322,316	\$369,129	\$297,776	\$373,682
Supplies	23,924	39,350	39,350	35,050
Maintenance	523,191	774,472	774,472	781,150
Contractual Services	785,952	804,701	792,701	494,519
Capital Replacement/Lease	65,743	72,830	72,830	63,727
Capital Outlay	82,010	-	-	-
<b>Total Department Budget</b>	<b>\$1,803,135</b>	<b>\$2,060,482</b>	<b>\$1,977,129</b>	<b>\$1,748,127</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Streets & Stormwater Manager	23	0.4	0.4	0.4	0.4
Streets Superintendent	12	0.0	0.0	0.0	1.0
Technician – Signs/Signals	11	2.0	2.0	2.0	1.0
Street Maintenance Worker <sup>1</sup>	7	3.0	3.0	3.0	4.0
<b>Total</b>		<b>5.4</b>	<b>5.4</b>	<b>5.4</b>	<b>6.4</b>

<sup>1</sup> Position moved from Parks Department in FY2016 and reclassified.





# PARKS

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Completed the Beltway/Proton Pedestrian Connectivity Project
- Completed the refurbishment of winter-damaged groundcover on Vitruvian Way, Belt Line Road, Arapaho Road, and Addison Road
- Completed landscape improvements in North Addison Park
- Developed the new Parks Lighting App for internal staff use
- Facilitated the installation of public art pieces including 'Peace and Tranquility', 'Lost in Wisconsin', and the 'Intersection of Flight'
- Completed landscape projects in Beckert Park, Addison Circle Park (Pavilion), Spruill Park, Addison Athletic Club Median, and Fire Station #2 Median

## Objectives for FY2017

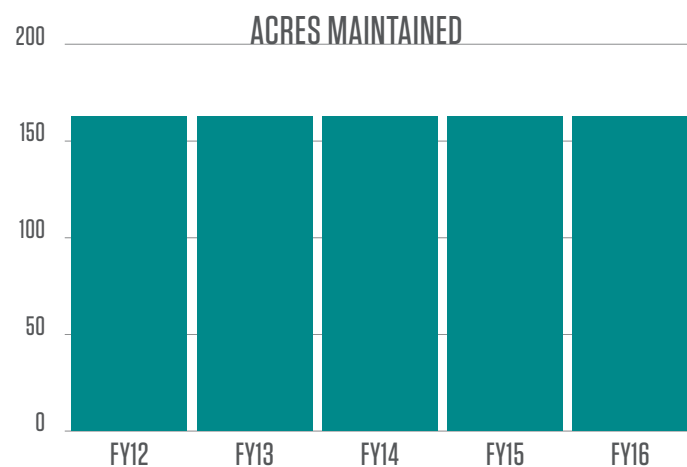
- Complete bidding and construction of the South Quorum Pedestrian Connectivity Project
- Complete the GIS inventory and assessment of park facilities
- Complete landscape renovations and new playground installation in Town Park
- Complete landscape renovations in Quorum Park
- Begin Soil Compaction Trials with the Texas A&M Extension
- Install new Rose Trail Garden with Texas A&M Extension
- Remove the Easement Playground in conjunction with Oncor's License Agreement
- Facilitate public improvement projects with the Addison Legacy Foundation and the Addison Arbor Foundation
- Develop relevant performance matrix standards for the Department
- Install and complete Spruill Dog Park

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$1,396,946	\$1,563,460	\$1,369,070	\$1,644,724
Supplies	172,223	217,500	217,500	215,884
Maintenance	600,698	759,700	759,700	816,950
Contractual Services	852,485	832,470	1,072,470	981,715
Capital Replacement/Lease	69,400	90,190	90,190	70,317
Capital Outlay	12,187	-	-	-
<b>Total Department Budget</b>	<b>\$3,103,939</b>	<b>\$3,463,320</b>	<b>\$3,508,930</b>	<b>\$3,729,590</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – Parks & Recreation	32	1.0	1.0	1.0	1.0
Manager – Parks	26	1.0	1.0	1.0	1.0
Assistant Parks Director	30	0.0	0.0	1.0	1.0
Landscape Architect <sup>1</sup>	26	1.0	1.0	0.0	0.0
Superintendent – Parks	23	1.0	1.0	1.0	1.0
Supervisor – Parks	10	2.0	2.0	2.0	2.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Fountain Technician/Electrician	13	0.0	0.0	0.0	1.0
Senior Groundskeeper	9	1.0	1.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
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
Intern <sup>2</sup>	5	0.0	0.0	1.0	0.0
<b>Total</b>		<b>21.0</b>	<b>21.0</b>	<b>22.0</b>	<b>22.0</b>

<sup>1</sup> This position was reclassified to Assistant Parks Director.

<sup>2</sup> This position was moved from the City Manager's Office in FY2016 and transferred to the Streets Department in FY2017.



# RECREATION

## DEPARTMENT MISSION

To offer and maintain for Addison'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; two racquetball courts; gymnasium; aerobic room; indoor running track; one lighted tennis court; weight and fitness rooms; and an outdoor leisure pool.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

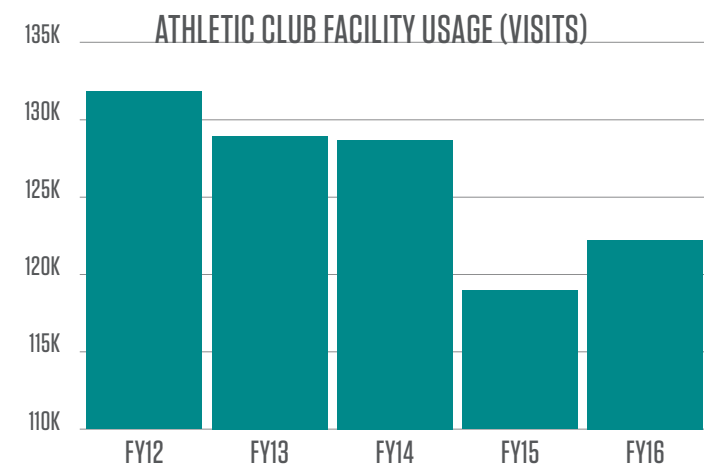
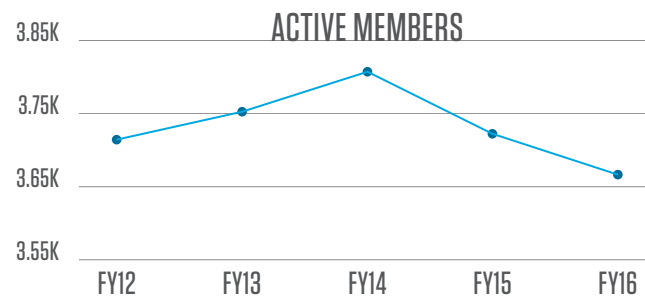
- Performed an audit of the pool and hot tub equipment to develop a maintenance and replacement plan
- Continued work on the Addison Athletic Club Master Plan. Held three community engagement sessions and collected 400 surveys
- Converted a second racquetball court to a fitness room and began offering additional group exercise classes in this space
- Updated marketing of the Accolade newsletter, programs and services through social media and mass email
- Replaced the Hammer Strength weight circuit through the Capital Equipment Replacement Fund. Added a LifeFitness Synergy 360 system as part of this replacement

## Objectives for FY2017

- Determine the next steps and continue working on the Addison Athletic Club Master Plan including funding options
- Continue to update the group exercise and fitness program offerings. In addition, review and update program offerings to seniors, children, and families
- Transition the library card program to the Athletic Club and integrate the procedures into ActiveNet recreation software system
- Replace non-capital exercise equipment based our exercise equipment replacement plan
- Continue customer service training for all staff including temporary summer staff. Plan a staff retreat to review and update the Recreation department mission
- Begin an evaluation process for all classes and programs offered
- Host a second annual Athletic Club open house to promote classes and programs
- Update the Athletic Club operations manual

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$830,458	\$834,623	\$819,981	\$849,317
Supplies	115,845	175,650	175,650	182,257
Maintenance	236,160	203,280	203,280	240,310
Contractual Services	378,417	393,640	416,358	398,447
Capital Replacement/Lease	54,012	45,300	45,300	56,721
Capital Outlay	36,511	-	-	-
<b>Total Department Budget</b>	<b>\$1,651,403</b>	<b>\$1,652,493</b>	<b>\$1,660,569</b>	<b>\$1,727,051</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
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	7	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Recreation Associate	7	4.5	4.5	4.5	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
<b>Total</b>		<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>







THEATRE

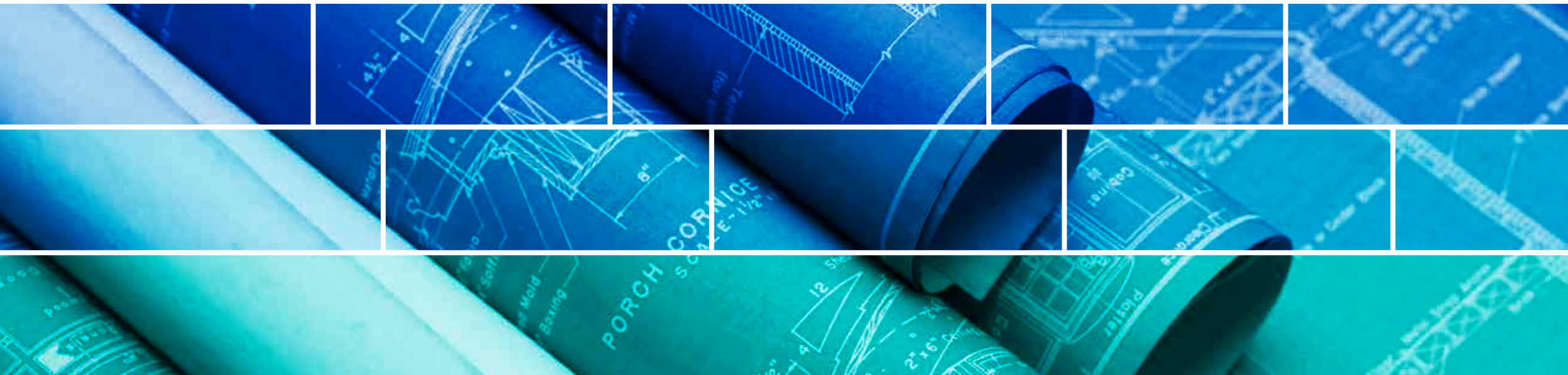
THEATRE ENTRANCE



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# HOTEL FUND —





# HOTEL FUND

## FUND DESCRIPTION

The Hotel Fund accounts for the use of hotel/motel occupancy tax revenue generated by Addison's 22 hotels (representing 3,929 rooms) and which is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

## FUND NARRATIVE Concluding Fiscal Year Performance

FY2016 revenues are expected to total \$8,531,460 or \$223,453 more than the amount budgeted. Hotel occupancy tax receipts are expected to increase 7 percent over FY2015 and are projected to exceed the original budget by \$384,000. Proceeds from special events are expected to be up 87 percent from the previous year due to the modification of events and change

in the accounting method for Tasty Bucks revenues and expenditures. Expenditures for the Hotel Fund are projected to come in \$135,650 under budget. All instances of expenditures exceeding budget were recognized with budget amendments approved by Council.

## 2016-2017 Budget Narrative

The Hotel Fund budget for FY2017 anticipates hotel occupancy tax collections will increase \$500,000 over last year's budget. Barring inclement weather during scheduled events, special event income is expected to generate approximately \$2.7 million. Rental income from the Conference Centre is projected at \$678,000 and the Theatre Centre rental is expected to decrease to \$111,240.

Total fund expenditures for FY2017 are budgeted at \$7,805,572, which represents a 34 percent increase over the FY2016 budget due to the change in accounting method for Tasty Bucks and increased expenditures for Special Events. The Hotel Fund budget includes a transfer of \$548,000 to the

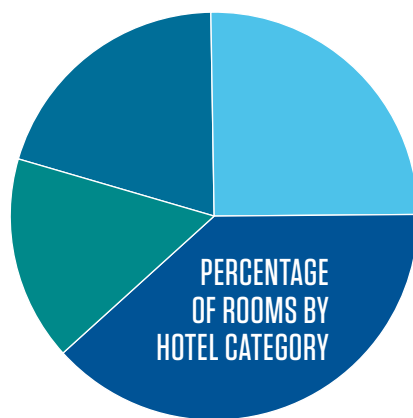
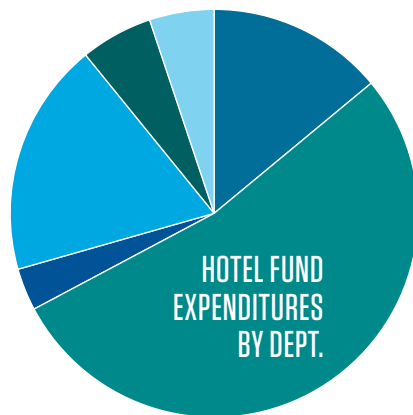
Economic Development Fund and \$711,500 to the Hotel Occupancy Tax Debt Service Fund for retirement of debt associated with Addison Circle Park, the venue for the Town's special events. Fund balance for FY2017 is projected to be \$4,076,450.

## HOTEL FUND BY MAJOR COST CATEGORY

CATEGORY	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$1,143,348	\$1,344,597	\$1,271,734	\$1,689,725
Supplies	79,346	103,270	103,270	111,060
Maintenance	352,740	402,910	402,910	994,339
Contractual Services	3,757,060	3,730,868	3,668,080	4,866,182
Capital Replacement/Lease	89,591	118,990	118,990	110,266
Capital Outlay	32,823	106,000	106,000	34,000
<b>Total Fund Budget</b>	<b>\$5,454,908</b>	<b>\$5,806,635</b>	<b>\$5,670,984</b>	<b>\$7,805,572</b>

## HOTEL FUND STATEMENT OF REVENUE & EXPENDITURES

	\$1,194,674	\$2,315,028	\$2,040,729	\$3,644,081
<b>Beginning Balance</b>				
<b>REVENUES</b>				
Hotel/motel occupancy taxes	5,512,956	5,500,000	5,884,000	6,000,000
Proceeds from special events	1,014,650	2,045,717	1,893,435	2,691,200
Conference Centre rental	638,045	630,000	668,000	678,000
Visit Addison rental	183,429	-	-	-
Theatre Centre rental	143,248	122,290	80,000	111,240
Interest earnings & other	19,722	10,000	6,025	17,000
<b>Total Revenues</b>	<b>7,512,050</b>	<b>8,308,007</b>	<b>8,531,460</b>	<b>9,497,440</b>
<b>Total Available Resources</b>	<b>8,706,724</b>	<b>10,623,035</b>	<b>10,572,189</b>	<b>13,141,521</b>
<b>EXPENDITURES</b>				
Visit Addison	765,286	400,000	200,000	-
Marketing	872,579	972,224	1,145,906	1,091,773
Special Events	2,279,533	2,529,296	946,981	4,155,275
Addison Theatre Centre	-	-	-	400,003
Conference Centre	959,139	1,216,466	2,695,657	1,449,405
Performing Arts	542,067	581,385	581,594	447,000
General Hotel Operations	36,304	107,263	100,845	262,116
<b>Total Expenditures</b>	<b>5,454,908</b>	<b>5,806,634</b>	<b>5,670,984</b>	<b>7,805,572</b>
<b>Other Financing Sources (Uses)</b>				
Interfund Transfer	(1,211,082)	(1,257,124)	(1,257,124)	(1,259,500)
<b>Ending Fund Balance</b>	<b>\$2,040,734</b>	<b>\$3,559,277</b>	<b>\$3,644,081</b>	<b>\$4,076,450</b>



# CONFERENCE CENTRE

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE Accomplishments of FY2016

- Hosted 46,381 event attendees and 330 events
- 62% of business was from outside Addison and 38% was local
- Completed standard operating procedures for all positions at Conference Centre
- Increased visibility on social media
- Contracted a new linen company that resulted in cost savings and additional services
- Replaced carpet, couches and LED sign at the Conference Centre

## Objectives for FY2017

- Begin a study/analysis to appropriately identify the business model for the Addison Conference Centre operation
- Increase total room revenue and event attendees by 4%
- Continued education for networking and marketing to better utilize these skills to generate increase revenue
- Implement back-of-house inventory management system
- Convert contracted sales position to full-time Town employee position

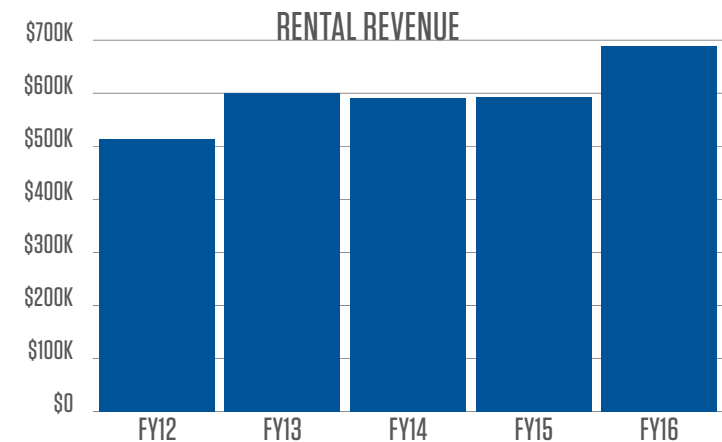
EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$456,570	\$538,976	\$496,416	\$466,452
Supplies	42,710	54,450	54,450	50,050
Maintenance	118,432	171,100	171,100	661,037
Contractual Services	321,392	352,490	324,490	244,930
Capital Replacement/Lease	19,728	33,450	33,450	22,936
Capital Outlay	307	66,000	66,000	4,000
<b>Total Department Budget</b>	<b>\$959,139</b>	<b>\$1,216,466</b>	<b>\$1,145,906</b>	<b>\$1,449,405</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Manager – CC	26	1.0	2.0	1.0	1.0
Specialist – Technical <sup>1</sup>	25	1.0	1.0	1.0	0.0
Sales Consultant	13	0.0	0.0	0.0	1.0
Coordinator – CC Services	13	1.0	1.0	0.0	0.0
Coordinator – CC <sup>2</sup>	12	0.0	0.0	1.0	1.0
Coordinator – CC Events	11	0.0	0.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
Senior Attendant – CC	7	2.0	2.0	1.0	1.0
Attendant – CC <sup>3</sup>	6	2.7	1.5	2.5	2.5
<b>Total</b>		<b>8.7</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>

<sup>1</sup> The Coordinator – Technical was reclassified to Specialist – Technical in FY2015 and moved to the Addison Theatre Centre Department in FY2017.

<sup>2</sup> The Coordinator – Conference Centre position was reclassified to Coordinator – Services in mid-FY2011.

<sup>3</sup> Position name changed from Houseman in mid-FY2011. One position was reclassified to Senior Attendant in FY2012, and one position was reclassified to full time in FY2012.





# COMMUNICATIONS & MARKETING

## DEPARTMENT MISSION

The Department of Communications and Marketing serves as the central point of contact for communications and marketing activities. It is responsible for coordinating Addison's multi-tiered communication efforts to ensure that they reflect Addison's philosophy and message, and manages all aspect of marketing products flowing to our businesses, residents, and visitors. Using industry best practices to lead, coordinate and manage Addison's brand, within our borders and beyond, the Department provides strategic communications, 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 FY2016

- Launched a weekly newsletter
- Created and launched a new print and digital tourism "Sweet Spot" campaign and launched a new Economic Development and Tourism video
- Expanded the Town's social media presence by creating Police Department and Animal Control Facebook pages, revived the Conference Centre facebook page and trained Conference Centre staff on how to best use it. Also created a Nextdoor account as another online vehicle to share information with the community
- Created a restaurant-specific digital campaign reached more than 200,000 people and garnered more than 21,000 engagements

### Objectives for FY2017

- Create and begin implementing a Strategic Communications plan for the Town of Addison
- Bring the social media content creation in house and continue to expand engagement
- Continue to evaluate tourism advertising, including the restaurant campaign, and consider opportunities to expand reach
- Create a campaign targeted at tourism "influencers" to help drive weekend hotel stays<sup>1</sup>

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$55,823	\$157,474	\$132,231	\$235,491
Supplies	1,732	5,770	5,770	6,000
Maintenance	5,698	8,270	8,270	26,310
Contractual Services	804,567	795,750	795,750	795,750
Capital Replacement/Lease	4,759	4,960	4,960	28,222
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$872,579</b>	<b>\$972,224</b>	<b>\$946,981</b>	<b>\$1,091,773</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – C&M	32	1.0	1.0	1.0	1.0
Marketing Specialist	21	0.0	0.0	0.0	1.0
<b>Total</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>

<sup>1</sup> Addresses strategic pillar of Optimize Addison Brand.

# SPECIAL EVENTS

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Successfully completed all events for the 2016 season as a new department
- Successfully brought the Taste Addison event back
- Delivered memorable experiences that brought tourists, residents, businesses and employees together in a fun and safe environment
- 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, Fodders 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
- Worked with UDR on a variety of events held at Vitruvian Park that attracted positive media exposure and over 60,000 spectators
- Worked with Finance to evaluate and re-tool ticket sales and cash management for all events
- Issued permits for six third party events taking place in the Addison Arts & Events District

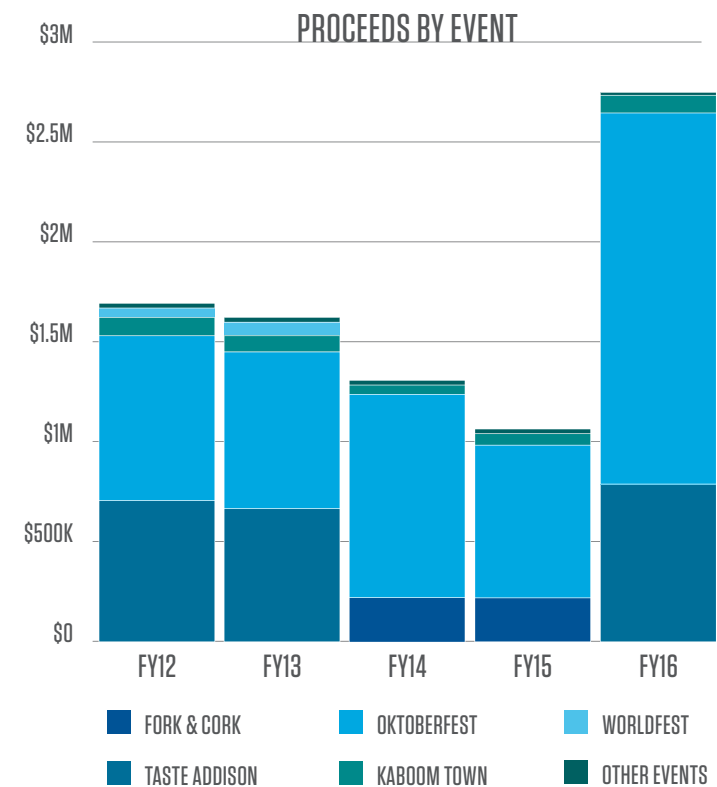
## Objectives for FY2017

- Develop and produce a series of quality special events that bring tourists, residents, businesses and employees together in a fun and safe environment, including Taste Addison, Addison Kaboom Town!®, Summer Series, and Addison Oktoberfest, plus a series of third party events<sup>1</sup>
- Continue to refine and generate incremental online ticket sales and packages for events
- Continue staff development and cross training for each event
- Continue to look for ways to enhance and add new elements to current events to keep them fresh
- Focus on enhancements to the Taste Addison event and the 30<sup>th</sup> Anniversary of Oktoberfest
- Begin a study/analysis to appropriately identify the operational model for the Special Events

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$587,731	\$547,868	\$564,217	\$766,368
Supplies	15,310	18,650	18,650	26,010
Maintenance	145,722	167,190	167,190	180,342
Contractual Services	1,468,877	1,716,948	1,866,960	3,137,414
Capital Replacement/Lease	61,893	78,640	78,640	45,141
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$2,279,533</b>	<b>\$2,529,296</b>	<b>\$2,695,657</b>	<b>\$4,155,275</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – SE	32	1.0	1.0	1.0	1.0
Manager – SE	26	0.0	0.0	0.0	1.0
Senior Coordinator – SE <sup>1</sup>	22	1.0	1.0	1.0	0.0
Billing Supervisor	11	0.3	0.3	0.3	0.3
Coordinator II – SE	13	0.0	1.0	0.0	0.0
Coordinator I – SE	11	2.0	1.0	2.0	2.0
Intern	5	0.0	0.0	0.0	0.0
<b>Total</b>		<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>

<sup>1</sup> Position reclassified as Manager – Special Events in FY2017.



<sup>1</sup> Addresses strategic pillar of Optimize Addison Brand.



# PERFORMING ARTS

## DEPARTMENT MISSION

To promote a culture of performing arts in the Town of Addison to strengthen Addison as an arts and tourism destination.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

#### WaterTower Theatre:

##### Resident Company

- Hosted 16,365 patrons
- Hosted 213 performances
- Subscriber base of 1,927 season ticket holders
- **Performance Measure**
  - » Number of expected season ticket holders for WTT in 2015-16 was 2,150

## Objectives for FY2017

### WaterTower Theatre

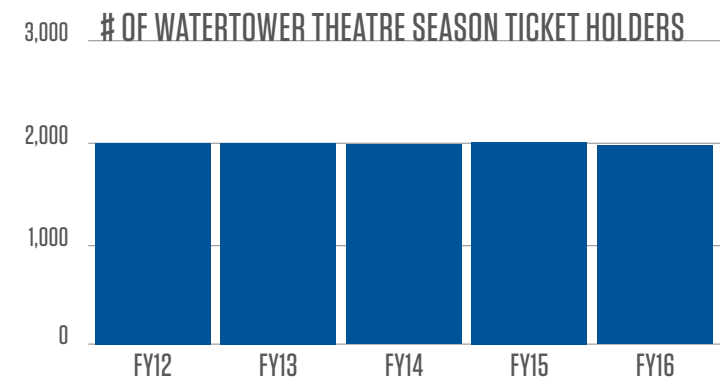
#### Resident Company

- Host 16,000+ patrons
- Host 121 performances
- Subscriber base 1,761+

## WaterTower Theatre Season 2016-2017

Ring of Fire	October 7–October 30, 2016	Performances
Sister's Christmas Catechism	December 2–December 23, 2016	Performances
Silent Sky	January 20–February 12, 2017	Performances
24 Hour Play Festival	February 25, 2017	Rehearsal/Performance
Parade in Concert	March 25, 2017	Event
The Gospel According to...	April 14–May 7, 2017	Performances
Native Gardens	June 2–June 25, 2017	Performances
Conservatory – Studio	June 19–July 1, 2017	Camp/Performances
Sunday in the Park with George	July 28–August 20, 2017	Performances
Community Cast Party	September 9, 2017	Event

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$4,350	\$7,305	\$7,514	-
Supplies	13,539	17,650	17,650	-
Maintenance	37,637	55,850	55,850	-
Contractual Services	450,814	460,140	460,140	447,000
Capital Replacement/Lease	3,210	440	440	-
Capital Outlay	32,517	40,000	40,000	-
<b>Total Department Budget</b>	<b>\$542,067</b>	<b>\$581,385</b>	<b>\$581,594</b>	<b>\$447,000</b>



# ADDISON THEATRE CENTRE

## DEPARTMENT MISSION

To enrich lives by producing exceptional performing arts. This is done in conjunction with our resident company WaterTower Theatre (WTT) and other Dallas Fort Worth (DFW) arts organizations.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

#### Town of Addison

- Produced 213 performances with resident company WTT
- Produced 13 Shows/Events with outside DFW arts organizations
- Rented 72 days to outside theatre groups

## Objectives for FY2017

#### Town of Addison

- Produce 120+ Shows/Events with WTT
- Produce 20+ Shows/Events with outside DFW arts organizations
- Rent 175+ days to outside theatre groups

## Select Outside Theatre Rentals for 2016–2017

<b>Outcry Theatre: Eurydice</b>	October 1–October 8, 2016	Performances
<b>MBS Productions: Slave Letters</b>	October 13–November 6, 2016	Performances
<b>Outcry Theatre: A Year with Frog &amp; Toad</b>	November 10–November 18, 2016	Performances
<b>MBS Productions: A Bur-Less-Q Nutcracker</b>	November 25–December 29, 2016	Performances
<b>Outcry Theatre: Peter and the Star Catcher</b>	January 20–February 5, 2017	Performances
<b>Proper Hijinx: Parents Evening</b>	February 10–February 19, 2017	Performances
<b>MBS Productions: Life &amp; Times of Conchita</b>	July 14–August 6, 2017	Performances

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	-	-	-	\$101,128
Supplies	-	-	-	22,250
Maintenance	-	-	-	118,340
Contractual Services	-	-	-	115,818
Capital Replacement/Lease	-	-	-	12,467
Capital Outlay	-	-	-	30,000
<b>Total Department Budget</b>	-	-	-	<b>\$400,003</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Specialist – Technical	25	1.0	1.0	1.0	1.0
<b>Total</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>



# GENERAL HOTEL OPERATIONS

## DEPARTMENT MISSION

To determine if the local hotels have properly remitted Hotel Occupancy Taxes, assure cash management and proper internal control procedures are in place for all Special Events, and streamline all Non-Profit Organization grant funding in the Town of Addison.

## PROGRAM NARRATIVE

Addison currently imposes a 7% Municipal Hotel Tax on the cost of hotel accommodations. The objective is to determine if the local hotels have properly collected, reported, and remitted Hotel Occupancy Taxes to Addison. Addison holds three major events throughout the year: Taste Addison, KaboomTown, and Oktoberfest. The objective is to accurately report and reconcile all transactions related to these events, while maintaining internal controls and cash management procedures.

## Accomplishments of FY2016

- Successful implementation of a new process for reconciling Special Events through recreation of training materials, forms, manuals, and processes
- Successful implementation of a new process for Non-Profit Organization grant funding through recreation of forms, manuals, and processes

## Objectives for FY2017

- Manage and oversee four hotel occupancy tax audits
- Assure that cash management and appropriate processes are consistently followed for all Special Events
- Streamline the application process and funding payouts for Non-Profit Organization grant funding

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$35,254	\$92,973	\$71,355	\$120,286
Supplies	-	6,750	6,750	6,750
Maintenance	-	500	500	8,310
Contractual Services	1,050	5,540	20,740	125,270
Capital Replacement/Lease	-	1,500	1,500	1,500
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$36,304</b>	<b>\$107,263</b>	<b>\$100,845</b>	<b>\$262,116</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Senior Accountant <sup>1</sup>	25	0.0	1.0	1.0	1.0
<b>Total</b>		<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

<sup>1</sup> Position added in FY2015.





**LIBERTY PLAZA**  
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# OTHER FUNDS —



# ECONOMIC DEVELOPMENT FUND

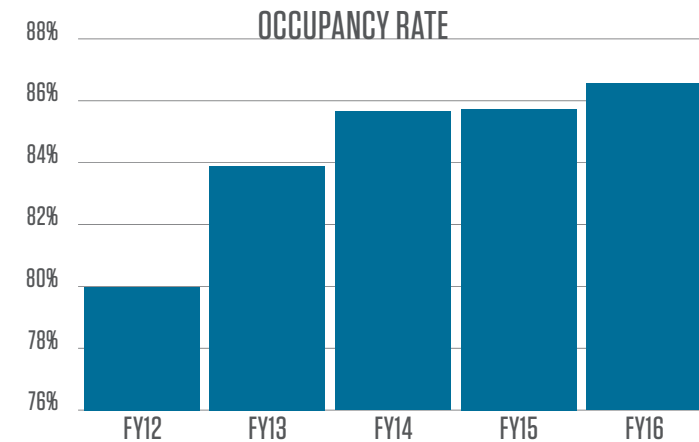
## FUND DESCRIPTION

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

## FUND NARRATIVE

The Economic Development 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.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$477,233</b>	<b>\$473,332</b>	<b>\$752,819</b>	<b>\$660,126</b>
<b>REVENUES</b>				
Ad Valorem Taxes				
Current Taxes	973,607	998,800	971,600	1,000,000
Delinquent Taxes	(6,062)	480	(3,800)	209
Penalty & Interest	2,169	1,190	1,700	1,043
Business License Fee	68,838	70,000	68,516	67,000
Interest Earnings & Other	3,400	10,200	2,400	6,100
<b>Total Revenues</b>	<b>1,041,952</b>	<b>1,080,670</b>	<b>1,040,416</b>	<b>1,074,352</b>
<b>Total Available Resources</b>	<b>1,519,185</b>	<b>1,554,002</b>	<b>1,793,235</b>	<b>1,734,478</b>
<b>EXPENDITURES</b>				
Personal Services	354,313	381,809	389,735	393,206
Supplies	20,854	29,700	29,700	32,450
Maintenance	62,447	50,541	50,541	57,362
Contractual Services	824,881	1,198,076	1,198,076	1,523,745
Capital Replacement/Lease	19,148	25,581	25,581	23,006
<b>Total Expenditures</b>	<b>1,281,643</b>	<b>1,685,707</b>	<b>1,693,633</b>	<b>2,029,769</b>
Other Financing Sources (Uses)				
Transfer from General Fund	15,000	15,000	15,000	425,000
Transfer from Hotel Fund	500,282	545,524	545,524	548,000
<b>Ending Fund Balance</b>	<b>\$752,824</b>	<b>\$428,819</b>	<b>\$660,126</b>	<b>\$677,709</b>





# ECONOMIC DEV. & TOURISM DEPARTMENT

## DEPARTMENT MISSION

To encourage economic prosperity and growth in the community to improve the quality of life for Addison's citizens, corporate residents and visitors by strengthening the community's economic competitive position and increasing business and leisure travel to Addison.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- In 2016 Addison reached a 17-year low on its office occupancy rate
- In collaboration with the Public Communications Department, a new promotional video was created
- Hosted the Third Annual Economic Development Stakeholder Luncheon in partnership with the Addison Business Association and the Metrocrest Chamber of Commerce. Assistant Managing Editor for Fortune Magazine, Leigh Gallagher was the keynote speaker
- Spearheaded Business Registration Renewal process for over 1,600 businesses and reached out to businesses not yet registered
- Hosted monthly "Meet and Greet" events at various office buildings which collectively account for over 10,000 employees
- Selected as the #12 largest economic development office in North Texas by the *Dallas Business Journal* based on deals closed and investment generated in 2015
- Recognized by the International Economic Development Council with an Excellence Award in Economic Development for Entrepreneurship in support of the Addison TreeHouse

- Awarded the 2015 Community Economic Development Award for Outstanding Achievement in Community Economic Development from Texas Economic Development Council (TEDC)
- Coordinated and implemented relocation and welcome program for OCWEN Financial (900+ employees) to Addison
- Participated in 2016 BIG D BBQ Battle with Addison Fire Department & SBDC, and won Third Place award
- Successfully recruited Big D BBQ Battle to relocate to Addison for 2017

### Objectives for FY2017

- Focus on filling up commercial space in the community
- Attract new, innovation-based business start-ups to the 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
- Strengthen the Business Retention & Expansion Program through expanded use of Executive Pulse Software
- Take stronger advantage of the ED website and social media to actively promote local business activity and to promote Addison's economic development successes
- Strengthen the relationship with local businesses and building brokers so that businesses become more engaged in the community.
- Host/sponsor at least three commercial broker events in Addison

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$295,202	\$320,873	\$332,818	\$331,431
Supplies	12,865	22,500	22,500	26,950
Maintenance	30,353	40,711	40,711	47,532
Contractual Services	510,646	739,216	739,216	1,062,810
Capital Replacement/Lease	5,469	16,883	16,883	14,308
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$854,536</b>	<b>\$1,140,183</b>	<b>\$1,152,128</b>	<b>\$1,483,031</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
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	9	1.0	1.0	1.0	1.0
<b>Total</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

# TOURISM SERVICES

## FUND MISSION

To provide funding support to the Economic Development & Tourism Department that will focus on programs that will increase leisure and business travel to Addison for Addison-based hotels.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Created programs that generated 32,648 room nights for Addison hotels
- Hosted Addison familiarization tours for the following organizations:
  - » Premier SuperCopa
  - » Unum
  - » Southeastern Homicide Investigators Association
  - » NAFSA: Association of International Educators
- Held hotelier meetings to continue open communication between the Town and the hoteliers
- Revised, edited, and printed updated Visitor/Restaurant Guides
- Fulfilled 1,599 online requests for Visitor/Restaurant Guides
- Provided informational session as well as welcome bags for Ocwen Financial's 950 employee relocation to Addison
- Sponsored the Dallas Cup, OU Club of Dallas and Big Design conference which brought in almost 5000 room nights annually

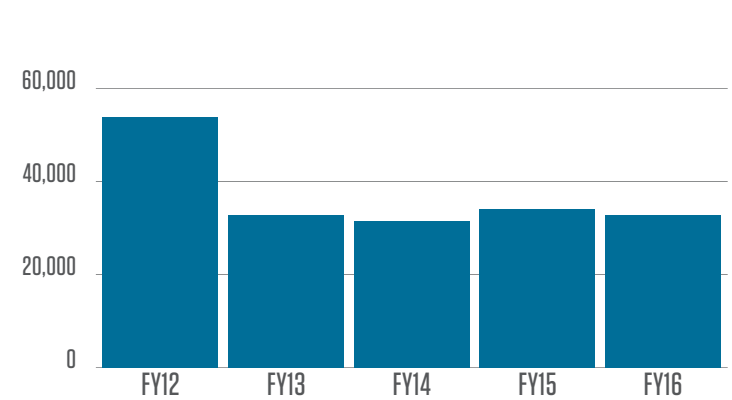
## Objectives for FY2017

- Increase the number of hotel room nights generated by the help of Addison programs
- Continue hosting hotelier meetings
- Develop strategic advertising campaign to extend outside of Texas
- Develop content for the new Tourism microsite website
- Implement the Visit Widget-Plan a Visit feature on our website as well as in app format
- Work with our Tourism allies to conduct meeting planner familiarization tours of Addison
- Implement hotelier newsletter to give updates on Tourism related information

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$59,111	\$60,936	\$56,917	\$61,775
Supplies	7,989	7,200	7,200	5,500
Maintenance	32,094	9,830	9,830	9,830
Contractual Services	314,235	458,860	458,860	460,935
Capital Replacement/Lease	13,679	8,698	8,698	8,698
Capital Outlay	-	-	-	-
<b>Total Department Budget</b>	<b>\$427,108</b>	<b>\$545,524</b>	<b>\$541,505</b>	<b>\$546,738</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Tourism Coordinator	20	0.0	1.1	1.0	1.0
<b>Total</b>		<b>0.0</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>

HOTEL ROOM NIGHTS GENERATED BY THE TOURISM DEPT.





# 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 Addison does not expend the monies within the fiscal year. The Reimbursement Grant Fund will track expenditures for which the Town expects to be reimbursed. Addison will record a receivable for any reimbursements not received prior to the fiscal year end. The American Recovery and Reinvestment Act (ARRA) Grant Fund was established to track receipts and expenditures of ARRA grant monies. The Act requires that agencies separate ARRA funds from other funds.

## FUND NARRATIVES

### Advanced Funding Grant Fund

Public Safety anticipates receiving LEOSE State Grants in FY2016 in various amounts.

### Reimbursement Grant Fund

The fiscal year 2017 budget anticipates \$16,101 in revenues and \$34,875 in expenditures. The available ending fund balance is projected at \$8,720, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$21,887</b>	<b>\$25,858</b>	<b>\$23,394</b>	<b>\$27,494</b>
<b>REVENUES</b>				
Intergovernmental	5,421	-	5,400	15,901
Interest Earnings & Other	99	50	100	200
<b>Total Revenues</b>	<b>5,520</b>	<b>50</b>	<b>5,500</b>	<b>16,101</b>
<b>Total Available Resources</b>	<b>27,407</b>	<b>25,908</b>	<b>28,894</b>	<b>43,595</b>
<b>EXPENDITURES</b>				
Supplies	-	200	-	500
Contractual Services	4,013	5,000	1,400	34,375
<b>Total Expenditures</b>	<b>4,013</b>	<b>5,200</b>	<b>1,400</b>	<b>34,875</b>
<b>Ending Fund Balance</b>	<b>\$23,394</b>	<b>\$20,708</b>	<b>\$27,494</b>	<b>\$8,720</b>

# 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 (\$19,385). The available ending fund balance is projected at \$4,855, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$19,185</b>	<b>\$23,135</b>	<b>\$19,190</b>	<b>\$24,040</b>
<b>REVENUES</b>				
Court Awards	-	-	9,100	-
Interest Earnings & Other	89	50	50	200
<b>Total Revenues</b>	<b>89</b>	<b>50</b>	<b>9,150</b>	<b>200</b>
<b>Total Available Resources</b>	<b>19,274</b>	<b>23,185</b>	<b>28,340</b>	<b>24,240</b>
<b>EXPENDITURES</b>				
Supplies	-	5,000	3,100	19,385
Contractual Services	84	-	1,200	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>84</b>	<b>5,000</b>	<b>4,300</b>	<b>19,385</b>
<b>Ending Fund Balance</b>	<b>\$19,190</b>	<b>\$18,185</b>	<b>\$24,040</b>	<b>\$4,855</b>

## OTHER SPECIAL REVENUE FUNDS (CONT'D)

### COURT TECHNOLOGY FUND Fund Description

The court 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 Addison's municipal court.

### Fund Narrative

For FY2017, budgeted expenses are for supplies and maintenance cost for technology in the municipal court. The available ending fund balance is projected at \$16,956, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$79,591</b>	<b>\$93,111</b>	<b>\$77,831</b>	<b>\$70,231</b>
REVENUES				
Court Technology Fees	16,670	20,000	15,000	14,000
Interest Earnings & Other	204	50	400	600
<b>Total Revenues</b>	<b>16,874</b>	<b>20,050</b>	<b>15,400</b>	<b>14,600</b>
<b>Total Available Resources</b>	<b>96,465</b>	<b>113,161</b>	<b>93,231</b>	<b>84,831</b>
EXPENDITURES				
Personnel Services	-	-	-	-
Supplies	381	2,000	8,000	16,500
Maintenance	-	4,000	15,000	3,125
Contractual Services	-	-	-	23,625
Computer Hardware/Software	18,253	-	-	24,625
<b>Total Expenditures</b>	<b>18,634</b>	<b>6,000</b>	<b>23,000</b>	<b>67,875</b>
<b>Ending Fund Balance</b>	<b>\$77,831</b>	<b>\$107,161</b>	<b>\$70,231</b>	<b>\$16,956</b>

### BUILDING SECURITY FUND Fund Description

The building security 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 Addison's municipal court.

### Fund Narrative

For FY2017, budgeted expenses are for a part-time bailiff (\$31,557) and costs associated with security. The available ending fund balance is projected at \$13,366, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$65,782</b>	<b>\$66,822</b>	<b>\$63,788</b>	<b>\$53,388</b>
REVENUES				
Court Security Fees	12,497	15,000	11,000	13,000
Interest Earnings & Other	181	50	300	400
<b>Total Revenues</b>	<b>12,678</b>	<b>15,050</b>	<b>11,300</b>	<b>13,400</b>
<b>Total Available Resources</b>	<b>78,460</b>	<b>81,872</b>	<b>75,088</b>	<b>66,788</b>
EXPENDITURES				
Personnel Services	13,826	23,300	20,000	31,557
Supplies	846	-	-	3,000
Maintenance	-	1,700	1,700	2,000
Contractual Services	-	-	-	16,865
<b>Total Expenditures</b>	<b>14,672</b>	<b>25,000</b>	<b>21,700</b>	<b>53,422</b>
<b>Ending Fund Balance</b>	<b>\$63,788</b>	<b>\$56,872</b>	<b>\$53,388</b>	<b>\$13,366</b>



# OTHER SPECIAL REVENUE FUNDS (CONT'D)

## 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 security. Addison does not have a school crossing program. 100% of the funds stay in the designated account with the city.

### Fund Narrative

For FY2017, the budget anticipates that fees generated in this fund pay for expenses related to traffic safety for children. The available ending fund balance is projected at \$20,179, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$101,664</b>	<b>\$110,654</b>	<b>\$88,479</b>	<b>\$91,979</b>
REVENUES				
Child Safety Fees	8,001	8,900	10,000	8,200
Interest Earnings & Other	289	50	500	600
<b>Total Revenues</b>	<b>8,290</b>	<b>8,950</b>	<b>10,500</b>	<b>8,800</b>
<b>Total Available Resources</b>	<b>109,954</b>	<b>119,604</b>	<b>98,979</b>	<b>100,779</b>
EXPENDITURES				
Personnel Services	-	-	-	-
Supplies	-	-	-	10,000
Maintenance	-	-	-	4,680
Contractual Services	-	7,500	7,000	30,800
Signal Sytems/Street Lights	21,475	-	-	35,120
<b>Total Expenditures</b>	<b>21,475</b>	<b>7,500</b>	<b>7,000</b>	<b>80,600</b>
<b>Ending Fund Balance</b>	<b>\$88,479</b>	<b>\$112,104</b>	<b>\$91,979</b>	<b>\$20,179</b>

## JUSTICE ADMINISTRATION FUND

### Fund Description

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 FY2017, the budget anticipates that funds generated by the Justice Administration Fund fee will pay for maintenance costs associated with the courtroom and clerk's office. The available ending fund balance is projected at \$2,702, leaving 25% of operating expenditures, which is in compliance with the Town's policy of 25%.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$31,898</b>	<b>\$33,478</b>	<b>\$28,892</b>	<b>\$10,992</b>
REVENUES				
Justice Administration Fees	1,787	2,410	1,600	2,410
Interest Earnings & Other	852	100	500	100
<b>Total Revenues</b>	<b>2,639</b>	<b>2,510</b>	<b>2,100</b>	<b>2,510</b>
<b>Total Available Resources</b>	<b>34,537</b>	<b>35,988</b>	<b>30,992</b>	<b>13,502</b>
EXPENDITURES				
Personnel Services	545	-	-	-
Supplies	5,100	2,000	-	-
Maintenance	-	-	20,000	-
Contractual Services	-	-	-	10,800
<b>Total Expenditures</b>	<b>5,645</b>	<b>2,000</b>	<b>20,000</b>	<b>10,800</b>
<b>Ending Fund Balance</b>	<b>\$28,892</b>	<b>\$33,988</b>	<b>\$10,992</b>	<b>\$2,702</b>

# OTHER SPECIAL REVENUE FUNDS (CONT'D)

## SELF-FUNDED PROJECT FUND

### Fund Description

The Self-Funded Project Fund was created from savings in the General Fund for FY2016.

### Fund Narrative

For FY2017, expenditures are associated with:

- Asset Management (\$250,000)
- Dog Park (\$112,000)
- Fire Training Center (\$110,000)
- Backup Generator for Fire (\$60,000)
- Records Management (\$50,000)
- Operational Assessment (\$50,000)
- Celestial Face Plates (\$45,000)
- GIS Setup (\$23,500)
- Market Review (\$15,000)
- Ceramic Plate Bullet Proof Vests (\$15,000)
- Certification Pay Study (\$15,000)

## Impact of Self-Funded Project Fund Projects on Operating Budgets

When considering new capital projects, Addison 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 Self-Funded Project Fund are completed, there is sometimes a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year, two projects within this fund will impact the Town's operating budgets: the Dog Park and the Joint Fire Training Facility. After its construction, the Dog Park will require approximately \$22,000 per year in costs related to lighting, mowing, landscaping and fence repair. The Joint Fire Training Facility will require approximately \$7,500 per year for maintenance and utilities. This facility will, however, reduce the costs required for overtime and third party training facility rentals by approximately \$36,000, resulting in a net savings of \$28,500 annually.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	-	-	-	<b>\$750,000</b>
<b>REVENUES</b>				
Interest Earnings & Other	-	-	-	-
<b>Total Revenues</b>	-	-	-	-
<b>Total Available Resources</b>	-	-	-	<b>750,000</b>
<b>EXPENDITURES</b>				
Design & Engineering				
Engineering & Contractual Services	-	-	-	745,500
Construction & Equipment	-	-	-	-
<b>Total Expenditures</b>	-	-	-	<b>745,500</b>
Other Financing Sources (Uses)				
Transfer in from General Fund	-	-	750,000	-
<b>Ending Fund Balance</b>	-	-	<b>\$750,000</b>	<b>\$4,500</b>

## PEG FUND

### Fund Description

Public, Educational or Governmental (PEG) Funds are restricted to programming equipment, broadcasting and programs. These funds had previously resided in the General Fund Reserves and are being transferred into a separate account for tracking purposes.

### Fund Narrative

For FY2017, expenditures are associated with the upgrade of programming equipment in the Council Chambers.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	-	-	-	<b>\$327,000</b>
<b>REVENUES</b>				
PEG Fee Revenues	-	-	-	72,000
Interest Earnings & Other	-	-	-	50
<b>Total Revenues</b>	-	-	-	<b>72,050</b>
<b>Total Available Resources</b>	-	-	-	<b>399,050</b>
<b>EXPENDITURES</b>				
Supplies	-	-	-	-
Contractual Services	-	-	-	200,000
<b>Total Expenditures</b>	-	-	-	<b>200,000</b>
Other Financing Sources (Uses)				
Transfer in from General Fund	-	-	327,000	-
<b>Ending Fund Balance</b>	-	-	<b>\$327,000</b>	<b>\$199,050</b>



# OTHER SPECIAL REVENUE FUNDS (CONT'D)

## ADDISON GROVE ESCROW FUND

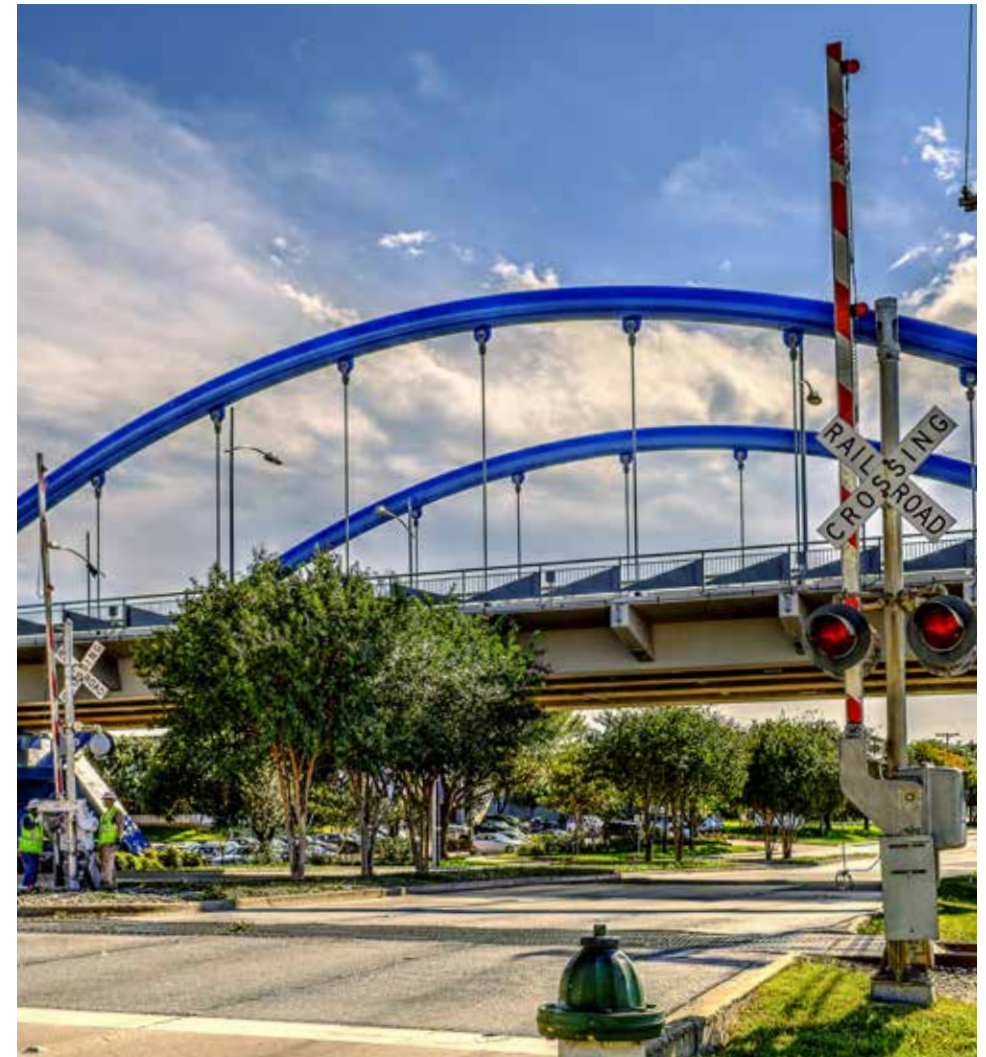
### Fund Description

The Addison Grove Escrow Fund receives transfers from other funds in order to pay incentive payments for the construction of the Addison Grove development.

### Fund Narrative

For FY2017, \$500,000 will be transferred from the Utility and Infrastructure Investment Funds for a total of \$1 million.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	-	-	-	-
<b>REVENUES</b>				
Interest Earnings & Other	-	-	-	-
<b>Total Revenues</b>	-	-	-	-
<b>Total Available Resources</b>	-	-	-	-
<b>EXPENDITURES</b>				
Design & Engineering Services	-	-	-	-
Incentive Payments	-	-	-	-
Construction & Equipment	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
Transfer in from Utility Fund	-	-	-	500,000
Transfer in from Infrastructure Investment Fund	-	-	-	500,000
Transfer in from General Fund	-	-	-	-
Transfer in from Stormwater Fund	-	-	-	-
<b>Ending Fund Balance</b>	-	-	-	<b>\$1,000,000</b>



# 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 Addison carry an "Aa1" rating from Moody's Investors Service and a "AAA" rating from Standard and Poor's Ratings Service.

### Fund Narrative

Addison issued \$23,560,000 in General Obligation Refunding Bonds during the 2016 fiscal year, for a total savings of \$4,082,050 over the life of the bonds' service period. Shown below is the Town's debt position as of the beginning of FY2016.

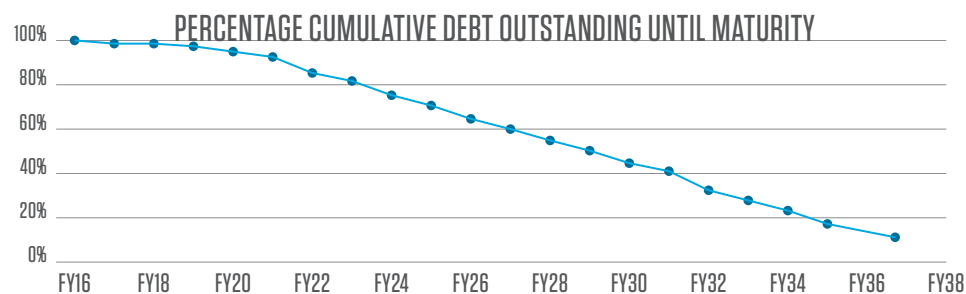
**Total debt** **\$98,030,000**

**Less self-supporting debt from Hotel, Airport, and Utility Funds** **\$22,712,521**

**Net outstanding general obligation debt** **\$75,317,479**

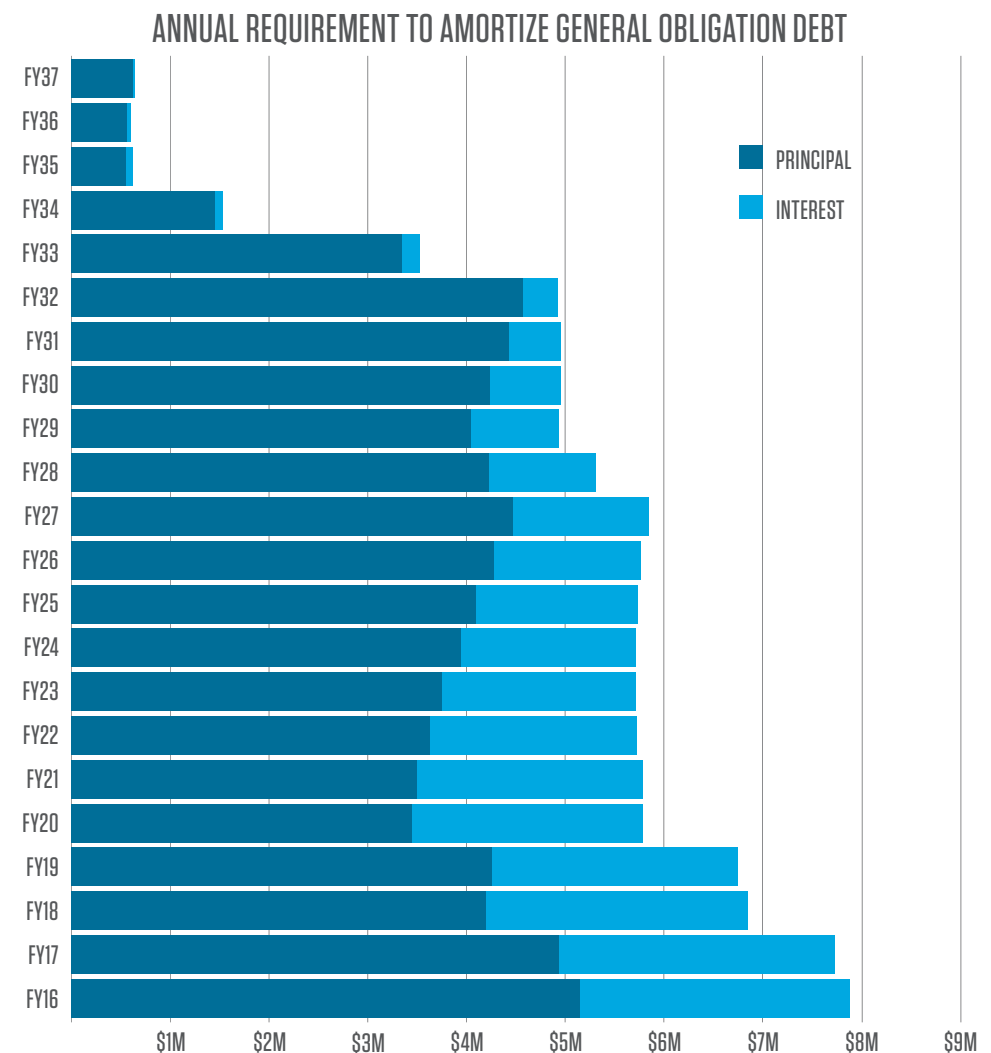
The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan adopted for the General Fund, the Town intends to utilize surplus operating funds to support capital projects<sup>1</sup>. In those instances when debt has to be issued for projects which 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.

Addison'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 2016 taxable assessed valuation of \$4,302,982,597 at 90 percent collection, tax revenue of \$58,090,265 would be produced. This revenue could service the debt of approximately \$603 million issued as 5 percent 15-year serial bonds, which is more than \$505 million greater than the Town's outstanding obligations.



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

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$1,020,159</b>	<b>\$898,304</b>	<b>\$831,366</b>	<b>\$633,694</b>
<b>REVENUES</b>				
Ad Valorem Taxes	7,984,536	8,161,580	7,900,000	7,723,294
Interest Earnings & Other	9,892	13,740	8,000	9,400
<b>Total Revenues</b>	<b>7,994,428</b>	<b>8,175,320</b>	<b>7,908,000</b>	<b>7,732,694</b>
<b>Total Available Resources</b>	<b>9,014,587</b>	<b>9,073,624</b>	<b>8,739,366</b>	<b>8,366,388</b>
<b>EXPENDITURES</b>				
Debt Service – Principal	4,833,152	5,140,150	5,140,150	4,938,331
Debt Service – Interest	3,347,020	3,030,043	2,721,238	2,771,107
Fiscal Fees	3,049	12,000	244,284	4,000
<b>Total Expenditures</b>	<b>8,183,221</b>	<b>8,182,193</b>	<b>8,105,672</b>	<b>7,713,438</b>
Transfer to Utility Fund	-	-	-	(300,000)
<b>Ending Fund Balance</b>	<b>\$831,366</b>	<b>\$891,431</b>	<b>\$633,694</b>	<b>\$352,950</b>





# DEBT SERVICE FUNDS (CONT'D)

## HOTEL OCCUPANCY TAX DEBT SERVICE FUND

### Fund Description

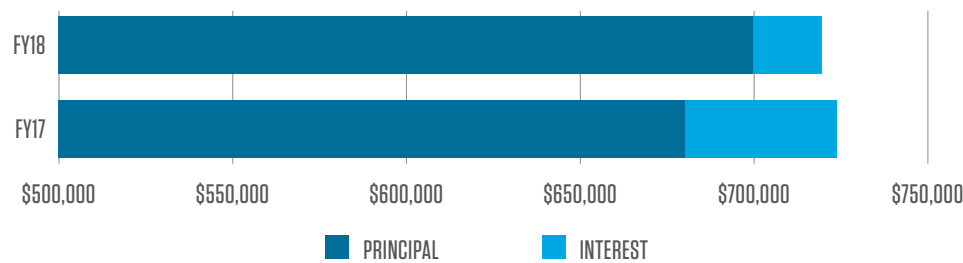
The Hotel Occupancy Tax Debt Service Fund receives, as a transfer from the Hotel Fund, occupancy taxes to meet the debt service requirements associated with the \$8,000,000 of certificates of obligation issued in 2003 to fund the additions and improvements to the Arts and Events District. The issue carries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

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$487,491</b>	<b>\$488,691</b>	<b>\$488,542</b>	<b>\$490,042</b>
<b>REVENUES</b>				
Interest Earnings & Other	1,416	1,200	1,500	2,600
<b>Total Revenues</b>	<b>1,416</b>	<b>1,200</b>	<b>1,500</b>	<b>2,600</b>
<b>Total Available Resources</b>	<b>488,907</b>	<b>489,891</b>	<b>490,042</b>	<b>492,642</b>
<b>EXPENDITURES</b>				
Debt Service – Principal	640,000	660,000	660,000	680,000
Debt Service – Interest	70,800	51,300	51,300	31,200
Fiscal Fees	365	300	300	300
<b>Total Expenditures</b>	<b>711,165</b>	<b>711,600</b>	<b>711,600</b>	<b>711,500</b>
<b>Other Financing Sources (Uses)</b>				
Transfer from Hotel Fund	710,800	711,600	711,600	711,500
<b>Ending Fund Balance</b>	<b>\$488,542</b>	<b>\$489,891</b>	<b>\$490,042</b>	<b>\$492,642</b>

ANNUAL REQUIREMENT TO AMORTIZE HOTEL OCCUPANCY TAX DEBT



# INFRASTRUCTURE INVESTMENT FUND

## FUND DESCRIPTION

The Infrastructure Investment Fund (IIF) accumulates resources to support pay-as-you-go capital projects, building a reserve to reduce Addison's reliance on debt for capital projects.

## FUND NARRATIVE

The Fund was created in FY2015 in order to set aside resources to fund a reserve for years of decline, to fund capital from current funds for projects that would have otherwise been funded by debt financing, or to fund significant non-routine capital expenditures. The FY2017 budget allocates \$0.006201 of the property tax rate to fund the IIF for future appropriations. Together with the ending balance from FY2016 and transfers from the Utility and General Funds, the dedicated portion of the tax rate is budgeted to bring the Infrastructure Investment Fund beginning balance to just under \$3.8 million. The assignment of capital improvement projects for FY2017 to the IIF brings the projected ending fund balance to approximately \$4.7 million.

The budget for FY2017 Infrastructure Investment Fund reflects a continuation of projects approved in the FY2016 budget that includes \$162,500 for Illuminated Street Name Sign Replacement and \$150,606 for Les Lacs park and Town Park Playground Structures and Re-surfacing. New items for FY2017 include: \$250,000 for Belt Line Road Phase II Design; \$300,000 for the Americans with Disabilities Act Transition Plan; and a \$500,000 transfer to the Addison Grove Incentive Payment Fund<sup>1</sup>.

## IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGETS

When considering new capital projects, Addison 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 are completed, there is sometimes a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year, the total estimated net impact on the operating costs of Addison's newly completed capital projects paid for from the Infrastructure Investment Fund will be a decrease of \$5,000 associated with the installation of the illuminated street signs related to a decreased cost for maintenance.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	-	\$3,485,980	\$3,908,975	\$3,782,383
<b>REVENUES</b>				
Tax Contribution	226,898	250,440	243,607	261,804
Interest Earnings & Other	8,088	5,000	16,198	5,000
<b>Total Revenues</b>	<b>234,986</b>	<b>255,440</b>	<b>259,805</b>	<b>266,804</b>
<b>Total Available Resources</b>	<b>234,986</b>	<b>3,741,420</b>	<b>4,168,780</b>	<b>4,049,187</b>
<b>EXPENDITURES</b>				
<b>Design &amp; Engineering</b>				
Engineering & Contractual Services	193,754	30,000	15,003	863,106
Construction & Equipment	132,257	925,000	371,394	-
<b>Total Expenditures</b>	<b>326,011</b>	<b>955,000</b>	<b>386,397</b>	<b>863,106</b>
<b>Other Financing Sources (Uses)</b>				
Transfer from Utility Fund	-	-	-	300,000
Transfer from General Fund	4,000,000	-	-	1,720,676
Transfer out to Addison Grove Escrow Fund	-	-	-	(500,000)
<b>Ending Fund Balance</b>	<b>\$3,908,975</b>	<b>\$2,786,420</b>	<b>\$3,782,383</b>	<b>\$4,706,757</b>

<sup>1</sup> See Appendix F.



# CAPITAL PROJECT FUND

## FUND DESCRIPTION

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

## FUND NARRATIVE

The Capital Project Fund Summary section provides brief descriptions of some of the major projects that will be in progress during FY2017 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 Capital Improvement Projects section.

The budget for FY2017 reflects \$1,653,250 for Midway Road design and rehabilitation; \$5,204,847 for Vitruvian Phase 4 & 5; \$12,356,624 for Belt Line Road Utility Relocation; \$766,361 for Addison Road rehabilitation; \$467,838 for pedestrian connectivity projects<sup>1</sup>; \$412,614 for the joint dispatch project and \$518,896 for Public Safety radio replacement<sup>2</sup>.

## IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGETS

When considering new capital projects, Addison 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 sometimes a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year, the total estimated net impact on the operating costs of Addison's newly completed capital projects paid for from the Capital Projects Fund will be \$5,000 due to the increase in costs associated with new streets and utilities for Vitruvian Phases 4 & 5.

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>Beginning Balance</b>	<b>\$45,217,597</b>	<b>\$32,859,200</b>	<b>\$36,992,655</b>	<b>\$29,217,284</b>
<b>REVENUES</b>				
Intergovernmental	158,253	-	-	-
Interest Earnings & Other	207,959	54,000	180,000	125,900
<b>Total Revenues</b>	<b>366,212</b>	<b>54,000</b>	<b>180,000</b>	<b>125,900</b>
<b>Total Available Resources</b>	<b>45,583,809</b>	<b>32,913,200</b>	<b>37,172,655</b>	<b>29,343,184</b>
<b>EXPENDITURES</b>				
Land Aquisition	-	3,000,000	-	-
Engineering & Contractual Services	4,882,500	1,700,000	90,283	1,653,250
Construction & Equipment	3,708,654	26,834,243	7,865,088	19,727,180
<b>Total Expenditures</b>	<b>8,591,154</b>	<b>31,534,243</b>	<b>7,955,371</b>	<b>21,380,430</b>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Premium (Discount on Bond Issuance)	-	-	-	-
Transfer In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$36,992,655</b>	<b>\$1,378,957</b>	<b>29,217,284</b>	<b>\$7,962,754</b>

<sup>1</sup> Addresses strategic pillar of East/West Connection.

<sup>2</sup> See Appendix F.





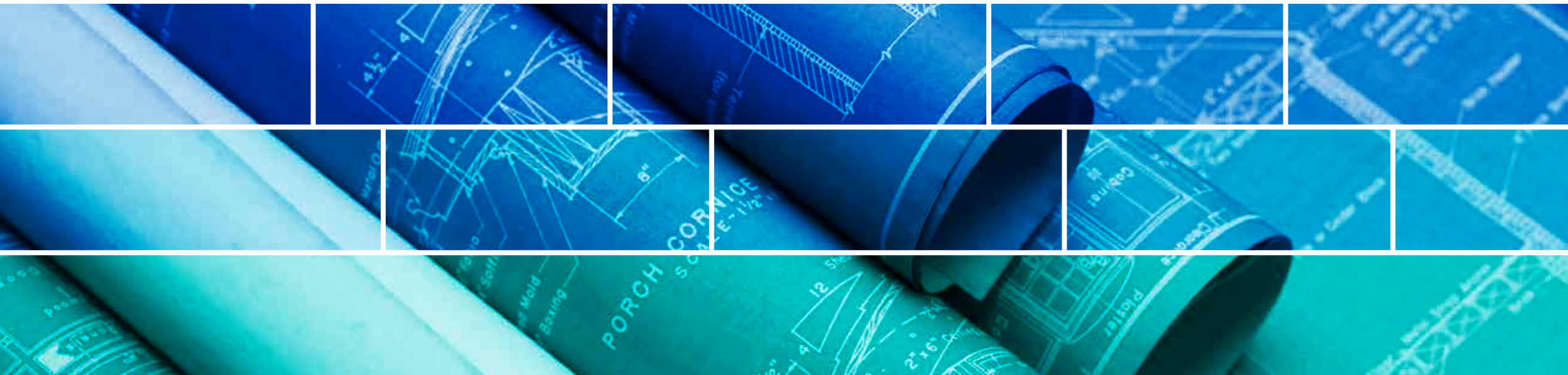


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# PROPRIETARY FUNDS

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# AIRPORT FUND

## FUND DESCRIPTION

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; it is also designated by FAA as a Reliever to DFW International. 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 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 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

Addison has contracted with a private operator for operation and maintenance of the airport. The Town has contracted with AECOM, formerly URS Energy & Construction (URS), to perform all functions directly associated with the management, operation, and maintenance of the airport and related facilities. AECOM 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 Addison facilities and the management of ground leases, have been contracted to SAMI Management, Inc. (SAMI). SAMI is also responsible for the billing and collection of all revenue related to rentals, leases, fuel flowage fees, and miscellaneous income.

Under the terms of the two agreements, AECOM will submit each year to Addison 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 AECOM receiving an annual base management fee of \$170,000 plus 2.5 percent of revenue collected in excess of \$4 million. SAMI receives an annual base management fee of \$120,000 with financial incentives for realizing increased revenues from the airport.

Operating revenue for FY2016 is now projected to total \$5,388,698, exceeding the original budget by 3%. The increase in revenues is a result of a mid-year increase in fuel flowage fees of \$0.02/gallon and commercial rental income, with the latter resulting from lower than projected vacancy rates as well as the delay of the anticipated redevelopment of the Papa Series T-hangars to be completed in FY2017.

Operating expenses are estimated to come in \$4,350,771 or 3 percent more than budget. Uses of working capital include Addison's local match for capital grants to maintain and enhance airport facilities.

For FY2017, the budget anticipates operating revenue of \$5,500,158, or a 5 percent increase over the FY2016 budget. Working capital in the upcoming fiscal year is expected to decrease from the prior year budget primarily due to retirement of long-term debt (bonds) and capital expenditures for grant matching and equipment replacement.

## VISION

Addison's aspiration for the airport, or vision statement, as expressed in the Airport Strategic Plan approved by City Council on November 25, 2013 is an adaptation of Addison's corporate vision statement:

*To be a safe, thriving General Aviation Airport that delivers the "Addison Way" with superior services, an attractive appearance and enhanced sense of community, offering a high-quality experience for tenants, businesses, visitors, and all stakeholders. Addison Airport will lead the way in creativity, innovation, and environmental and fiscal responsibility within a culture of excellence and regard for others.*

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Completed reconstruction of Taxilane Victor with \$2 million Airport Improvement Program (AIP) grant
- Completed \$515,000 reconstruction project for the asphalt ramps serving the A1, A1a, S4, and T14 hangars and parking lots serving the T9 and T11 hangars
- Completed the Airport Master Plan update, a \$230,000 AIP grant funded project; secured approvals from City Council, TX-DOT, and FAA

- Executed ground lease for the Sky B&B hangar development on Airport Parkway and supported construction of a \$4 Million hangar, now completed
- Conducted a full-scale airport emergency exercise (on November 5, 2015) that included Addison first responders, mutual aid units from neighboring municipalities, FAA personnel, and a number of airport tenants in addition to airport staff
- Completed construction of north-west drainage channel improvements, an \$800,000 project funded with storm water management fees

## Objectives for FY2017

- Initiate review of the airport's Minimum Standards for the Conduct of Commercial Aeronautical Activities (the "Minimum Standards") and revise as needed
- Begin the redevelopment process for the airport's southeast quadrant (SEQ): negotiate and execute ground lease, complete site preparations, begin construction (phase 1)<sup>1</sup>
- Negotiate and execute ground leases for redevelopment projects on the Jetport site and the old Flightline hangar site; complete site preparations
- Secure FAA/TxDOT grant for design / engineering work for the Taxiway Bravo and Golf extension project
- Complete engineering / design work for reconstruction of U-4 ramp (Martinaire hangar)
- Complete site selection and preliminary design / cost estimation for construction of new facility for U.S. Customs and Border Protection

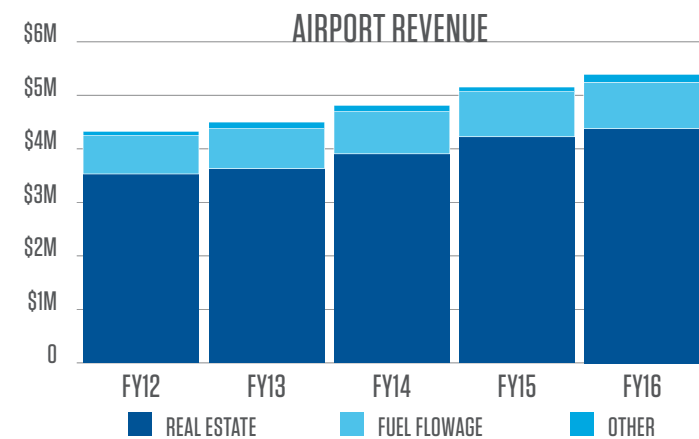
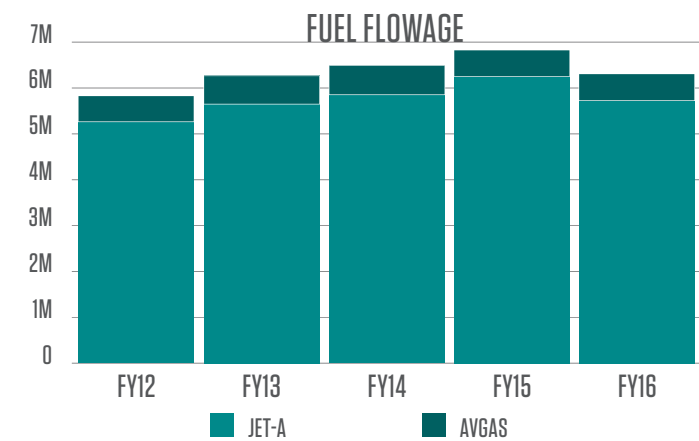
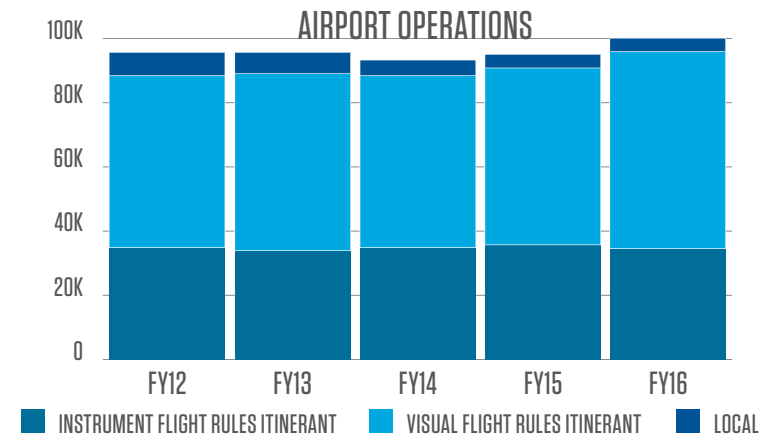
<sup>1</sup> Addresses strategic pillar of Entrepreneurship and Business Hub.



# AIRPORT FUND (CONT'D)

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>OPERATING REVENUES</b>				
Operating Grants	-	\$50,000	\$50,000	\$50,000
Fuel Flowage Fees	829,044	791,680	817,368	932,380
Rental	4,248,056	4,234,732	4,375,231	4,346,485
Other Income (Expense)	512,888	-	-	-
User Fees & Other	61,379	161,250	146,099	171,293
<b>Total Operating Revenues</b>	<b>5,651,367</b>	<b>5,237,662</b>	<b>5,388,698</b>	<b>\$5,500,158</b>
<b>OPERATING EXPENSES</b>				
Town – Personnel Services	318,036	361,152	328,437	411,766
Town – Supplies	58,326	41,000	41,000	42,000
Town – Maintenance	88,270	112,910	112,910	116,150
Town – Contractual Services	560,906	172,990	172,990	192,455
Town – Capital Replacement/ Lease	1,778,693	19,160	39,160	27,878
Grant – Maintenance	100,000	100,000	100,000	100,000
Operator – Operations & Main- tenance	675,158	3,004,748	3,153,274	3,125,960
Operator – Service Contract	398,061	413,301	403,000	386,792
<b>Total Operating Expenses</b>	<b>3,977,450</b>	<b>4,225,261</b>	<b>4,350,771</b>	<b>4,403,000</b>
<b>Net Operating Income</b>	<b>1,673,918</b>	<b>1,012,401</b>	<b>1,037,927</b>	<b>1,097,158</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Earnings & Other	13,588	5,000	10,000	24,500
Interest on Debt, Fiscal Fees, & Other	(137,468)	(132,691)	(132,691)	(127,016)
Capital Contributions	-	-	-	-
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(123,880)</b>	<b>(127,691)</b>	<b>(122,691)</b>	<b>(102,516)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>\$1,550,038</b>	<b>\$884,710</b>	<b>\$915,236</b>	<b>\$994,641</b>
<b>Changes in Working Capital</b>				
<b>Net Income (Excluding Depreciation)</b>	<b>\$1,550,038</b>	<b>\$884,710</b>	<b>\$915,236</b>	<b>\$994,641</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>				
Retirement of Long-Term Debt	(445,000)	(455,000)	(455,000)	(460,000)
Net Additions to Fixed Assets with Grants	(388,195)	(62,000)	(60,500)	(100,966)
Other Net Additions to Fixed Assets	-	(60,000)	(60,000)	(1,497,351)
Bond Proceeds	55,706	-	-	-
<b>Net Sources (Uses) of Working Capital</b>	<b>(777,489)</b>	<b>(577,000)</b>	<b>(575,500)</b>	<b>(2,058,317)</b>
Net Increase (Decrease) in Working Capital	772,549	307,710	339,736	(1,063,676)
Beginning Working Capital	2,211,678	1,783,670	2,984,227	3,323,963
<b>Ending Working Capital</b>	<b>\$2,984,227</b>	<b>\$2,091,380</b>	<b>\$3,323,963</b>	<b>\$2,260,287</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Sergeant	P3	1.0	1.0	1.0	1.0
Police Officer	P2	2.0	2.0	2.0	2.0
GIS Analyst	25	0.0	0.0	0.0	0.4
<b>Total</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.4</b>



# UTILITY FUND

## FUND DESCRIPTION

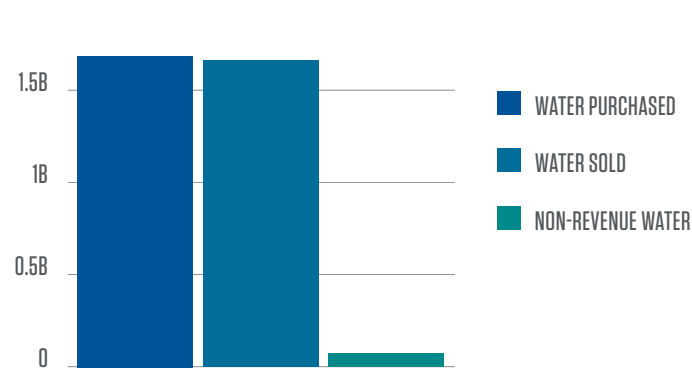
Addison's water and wastewater utilities are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The Fund's financial summary is distinguished from those of other funds in that it resembles 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 FY2016 are projected to total \$9,811,261, which is \$569,269 less than budget and \$381,832 less than was generated in FY2015. Operating expenses are projected to be \$84,244 less than budgeted amounts. The difference between estimated and budgeted revenues and expenses is attributable to water conservation efforts and increased rainfall amounts. Anticipated ending working capital totals \$10,069,003.

FY2017 budgeted operating revenues total \$10,727,000, an increase of \$346,470 from the previous year. Operating expenses are budgeted at \$9,775,516, an increase of \$598,269 over the prior year. This increase is due primarily to an increase in the purchase price of water and sewer services. Working capital is projected to decrease \$5,427,274 due to capital projects.

2B 2016 WATER AUDIT (IN GALLONS)



	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>OPERATING REVENUES</b>				
Water Sales	\$5,678,134	\$5,758,909	\$5,576,551	\$6,040,000
Sewer Charges	4,436,230	4,524,621	4,124,431	4,590,000
Tap Fees & Other	12,580	7,000	10,280	7,000
Penalties	64,949	75,000	80,000	75,000
Other Income	1,200	15,000	20,000	15,000
<b>Total Operating Revenues</b>	<b>10,193,093</b>	<b>10,380,530</b>	<b>9,811,261</b>	<b>10,727,000</b>
<b>OPERATING EXPENSES</b>				
Water Purchases	3,223,750	3,459,088	3,159,257	3,700,000
Wastewater Treatment	2,496,828	2,298,729	2,634,648	2,590,000
Utility Operations	3,046,128	3,419,430	3,299,098	3,485,516
<b>Total Operating Expenses</b>	<b>8,766,706</b>	<b>9,177,247</b>	<b>9,093,003</b>	<b>9,775,516</b>
<b>Net Operating Income</b>	<b>1,426,387</b>	<b>1,203,284</b>	<b>718,258</b>	<b>951,484</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Earnings & Other	48,098	(110,510)	18,000	(46,400)
Interest on Debt, Fiscal Fees, & Other	(504,965)	(541,165)	(285,978)	(493,689)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(456,867)</b>	<b>(651,675)</b>	<b>(267,978)</b>	<b>(540,089)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>969,520</b>	<b>551,609</b>	<b>450,280</b>	<b>411,395</b>
<b>Changes in Working Capital</b>				
<b>Net Income (Excluding Depreciation)</b>	<b>\$969,520</b>	<b>\$551,609</b>	<b>\$450,280</b>	<b>\$411,395</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>				
Retirement of Long-Term Debt	(381,848)	(549,850)	(265,000)	(576,669)
Transfer in from GO Debt Service Fund	-	-	-	300,000
Debt Issuance	-	-	-	-
Net Additions to Fixed Assets	(1,818,648)	(3,370,164)	(291,114)	(4,705,000)
Net (increase) decrease in other assets	(347,326)	(57,000)	(57,000)	(57,000)
Transfer Out to IIF	-	-	-	(300,000)
Transfer Out to Addison Grove Escrow Fund	-	-	-	(500,000)
<b>Net Sources (Uses) of Working Capital</b>	<b>(2,547,822)</b>	<b>(3,977,014)</b>	<b>(613,114)</b>	<b>(5,838,669)</b>
Net Increase (Decrease) in Working Capital	(1,578,302)	(3,425,405)	(162,834)	(5,427,274)
Beginning Working Capital	11,810,139	9,846,741	10,231,837	10,069,003
<b>Ending Working Capital</b>	<b>\$10,231,837</b>	<b>\$6,421,336</b>	<b>\$10,069,003</b>	<b>\$4,461,729</b>



# UTILITY OPERATIONS

## DIVISION DESCRIPTION

To provide safe, uninterrupted water and wastewater (sewer) services to Addison residents and businesses. The Town purchases water from the City of Dallas and delivers its sewage to treatment facilities in Dallas and to the Trinity River Authority's northern region treatment plant. Staff is responsible for maintaining over 80 miles of water line, 3,660 water meters, 1,052 fire hydrants, 1,955 main valves, two water pump stations, 66 miles of sanitary sewer lines, 1,052 man-holes, 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 FY2016

- Completed water master plan
- Completed annual water quality report
- Completed updates to the Town's Water Monitoring Plan
- Began the Kellway Lift Station master plan and evaluation
- Began the design for the Surveyor Ground Storage Tank Rehabilitation and Piping Improvements project
- Purchased new Vac-truck and CCTV van for utility operations
- Exercised over 1,000 valves
- Cleaned 30,000 linear feet of sewer lines

## Objectives for FY2017

- Complete construction on the Surveyor Ground Storage Tank Rehabilitation and Piping Improvements project
- Complete and begin preparing strategies to implement the projects identified in the Kellway Lift Station Master Plan and Evaluation
- Complete final year of sanitary sewer evaluation and master plan and develop strategies to implement the projects identified in the plan
- Complete design and construction for the new equipment storage building at the Kellway Lift Station
- Complete two projects identified in the water master plan
- Rehabilitate/replace pump and motor #1 at Surveyor Pump Station
- Begin Asset Management Plan development
- Begin Americans with Disabilities Self-evaluation and Transition Plan

EXPENDITURES	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
Personnel Services	\$1,329,625	\$1,312,605	\$1,299,273	\$1,458,522
Supplies	132,336	153,000	153,000	155,300
Maintenance	415,013	525,339	505,339	625,536
Contractual Services	1,169,152	782,896	695,896	1,189,399
Capital Replacement/Lease	37,526	61,590	61,590	56,759
Capital Outlay	-	584,000	584,000	-
<b>Total Department Budget</b>	<b>\$3,083,652</b>	<b>\$3,419,430</b>	<b>\$3,299,098</b>	<b>\$3,485,516</b>

STAFFING	LEVEL	BUDGET 2013-14	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
Director – Infrastructure & Development Services	32	1.0	1.0	1.0	1.0
Assistant Director	30	1.0	1.0	1.0	1.0
GIS Analyst	25	0.0	0.0	0.0	0.3
Streets & Facilities Manager	23	1.0	0.3	0.3	0.3
Manager – Utilities	23	0.0	0.0	2.0	2.0
Inspector – Infrastructure	13	1.0	2.0	2.0	2.0
Supervisor – Utilities <sup>1</sup>	13	2.0	2.0	0.0	0.0
Water Quality Specialist	12	1.0	1.0	1.0	1.0
Billing Supervisor	11	0.3	0.3	0.3	0.3
Senior Utility Operator	11	1.0	1.0	1.0	1.0
Utility Operator	10	8.0	8.0	8.0	8.0
Assistant Infrastructure Inspector	9	1.0	0.0	0.0	0.0
Department Assistant	9	1.0	1.0	1.0	1.0
<b>Total</b>		<b>18.3</b>	<b>17.6</b>	<b>17.6</b>	<b>17.9</b>

<sup>1</sup> This position was reclassified to Manager – Utilities in FY2015.

# STORMWATER FUND

## FUND DESCRIPTION

Addison'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 Addison's drainage infrastructure including drainage relief systems, detention facilities and improvements to the Les Lacs and Winwood ponds.

Operating revenues for FY2016 are projected to be \$1,800,000 and the FY2017 budget for operating revenue is \$1,850,000. Working capital is estimated to be \$5,819,331 at the end of FY2017. The FY2017 budget assumes an increase in the stormwater rate of \$0.16 for the Non-Resident rate; \$0.30 for Tier 1; \$0.50 for Tier 2; \$0.75 for Tier 3 and \$1.25 for Tier 4.

## PROGRAM NARRATIVE

### Accomplishments of FY2016

- Began basin-wide stormwater study and master plan
- Completed year 2 and began year 3 of the Town's MS4 (municipal separate storm sewer system) with TCEQ
- Completed cleaning of 2 separate storm sewer channels
- Completed construction of the improvements to the northwest drainage channel located on the Addison Airport
- Began construction on the Winwood Pond dredging project
- Began construction on the water well rebuilding and piping relocation projects for Les Lacs lake

### Objectives for FY2017

- Complete construction of Winwood pond dredging project
- Complete construction on the well replacement and piping relocation projects for Les Lacs lake
- Complete final phase of stormwater master plan and develop strategies to implement the projects identified in the plan
- Complete cleaning of 2 additional drainage channels
- Finish year 3 of the Town's MS4

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>OPERATING REVENUES</b>				
Drainage Fees	\$1,729,899	\$1,773,900	\$1,800,000	\$1,850,000
<b>Total Operating Revenues</b>	<b>1,729,899</b>	<b>1,773,900</b>	<b>1,800,000</b>	<b>1,850,000</b>
<b>OPERATING EXPENSES</b>				
Storm Water Operations	584,258	552,289	552,289	743,246
<b>Total Operating Expenses</b>	<b>584,258</b>	<b>552,289</b>	<b>552,289</b>	<b>743,246</b>
<b>Net Operating Income</b>	<b>1,145,641</b>	<b>1,221,611</b>	<b>1,247,711</b>	<b>1,106,754</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Earnings & Other	39,242	5,000	60,903	67,700
Interest on Debt, Fiscal Fees, & Other	(266,218)	(274,716)	(274,716)	(269,266)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(226,976)</b>	<b>(269,716)</b>	<b>(213,813)</b>	<b>(201,566)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>\$918,665</b>	<b>\$951,895</b>	<b>\$1,033,898</b>	<b>\$905,188</b>
<b>Changes in Working Capital</b>				
<b>Net Income (Excluding Depreciation)</b>	<b>\$918,665</b>	<b>\$951,895</b>	<b>\$1,033,898</b>	<b>\$905,188</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>				
Retirement of Long-Term Debt	(265,000)	(270,000)	(270,000)	(275,000)
Net Additions to Fixed Assets	(109,026)	(5,070,000)	(1,858,400)	(3,292,500)
Other	(4,992)	-	-	-
<b>Net Sources (Uses) of Working Capital</b>	<b>(379,018)</b>	<b>(5,340,000)</b>	<b>(2,128,400)</b>	<b>(3,567,500)</b>
Net Increase (Decrease) in Working Capital	539,647	(4,388,105)	(1,094,502)	(2,662,312)
Beginning Working Capital	9,036,498	8,900,014	9,576,145	8,481,643
<b>Ending Working Capital</b>	<b>\$9,576,145</b>	<b>\$4,511,909</b>	<b>\$8,481,643</b>	<b>\$5,819,331</b>

STAFFING	LEVEL	BUDGET 2014-15	BUDGET 2015-16	BUDGET 2016-17
GIS Analyst	25	0.0	0.0	0.3
Streets & Facilities Manager	23	0.3	0.3	0.3
Management Assistant	21	1.0	1.0	1.0
Billing Supervisor	11	0.4	0.4	0.4
<b>Total</b>		<b>1.7</b>	<b>1.7</b>	<b>2.0</b>



# INFORMATION TECHNOLOGY REPLACEMENT FUND

## FUND DESCRIPTION

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

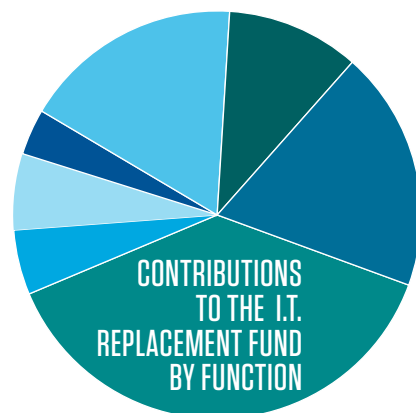
The Fund's financial summary is distinguished from those of other funds in that it resembles the income statements of a private corporation. In addition to the income statement, the Fund summary includes a statement of changes in working capital, which is defined as current assets (e.g. cash, investments, accounts receivable) less current liabilities (e.g. accounts payable, accrued interest payable, etc.). For the Information Technology Replacement Fund, working capital represents fund balance. The statement of changes in working capital reports significant financial transactions such as acquisition of fixed assets which are not included in the income statement.

## FUND NARRATIVE Expenses in FY2016:

- ERP System (\$442,000)
- Tyler Cashier Scanners (\$15,000)

## Scheduled purchases through FY2017 are:

- ERP System (\$724,000)
- Public Safety Rugged Laptops (\$260,000)
- PC Replacement (\$280,000)
- Police In-Car Video/Body Cameras (\$250,000)



- GENERAL GOVERNMENT 19%
- UTILITIES/STREETS 11%
- TOURISM & ECONOMIC DEVELOPMENT 17%
- AIRPORT 4%
- PARKS & RECREATION 6%
- URBAN DEVELOPMENT 5%
- PUBLIC SAFETY 38%

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>OPERATING REVENUES</b>				
Department Contributions & Other	\$750,000	\$750,000	\$750,000	\$750,000
<b>Total Operating Revenues</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
<b>OPERATING EXPENSES</b>				
Maintenance	337	-	-	-
Contractual Services	22,809	3,500	3,931	3,126
Capital Outlay	-	-	-	-
<b>Total Operating Expenses</b>	<b>23,146</b>	<b>3,500</b>	<b>3,931</b>	<b>3,126</b>
<b>Net Operating Income</b>	<b>726,854</b>	<b>746,500</b>	<b>746,069</b>	<b>746,874</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Earnings & Other	11,335	6,250	5,300	21,800
<b>Net Non-Operating Revenues (Expenses)</b>	<b>11,335</b>	<b>6,250</b>	<b>5,300</b>	<b>21,800</b>
<b>Net Income (Excluding Depreciation)</b>	<b>738,189</b>	<b>752,750</b>	<b>751,369</b>	<b>768,674</b>
<b>Changes in Working Capital</b>				
<b>Net Income (Excluding Depreciation)</b>	<b>\$738,189</b>	<b>\$752,750</b>	<b>\$751,369</b>	<b>\$768,674</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>				
Aquisition of Capital Hardware/ Software	(1,644,659)	(1,636,100)	(616,100)	(1,514,000)
<b>Net Sources (Uses) of Working Capital</b>	<b>(1,644,659)</b>	<b>(1,636,100)</b>	<b>(616,100)</b>	<b>(1,514,000)</b>
Net Increase (Decrease) in Working Capital	(906,470)	(883,350)	135,269	(745,326)
Beginning Working Capital	3,236,584	1,722,304	2,330,113	2,465,382
<b>Ending Working Capital</b>	<b>\$2,330,114</b>	<b>\$838,954</b>	<b>\$2,465,382</b>	<b>\$1,720,056</b>

# CAPITAL REPLACEMENT FUND

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

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

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

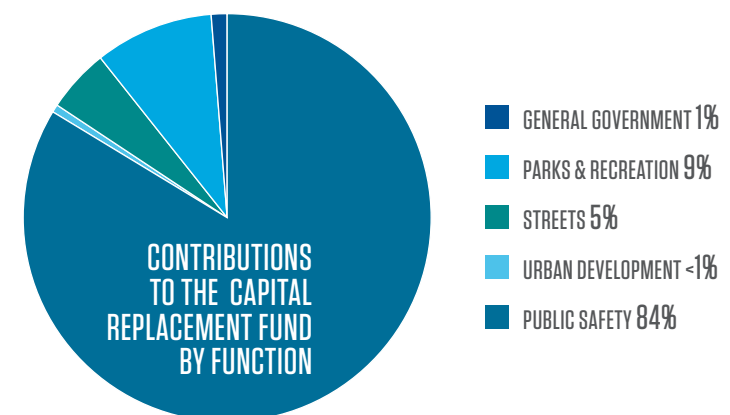
## FUND NARRATIVE Expenses in FY2016:

- (1) Fire Ambulance
- (15) Police Patrol Vehicles
- (2) Police CID Vehicles
- (1) Service Truck
- (1) Dump Truck
- (1) Tractor
- (1) Chemical Spray/ Trailer
- (1) Grappler Truck
- (1) Hybrid Electric Vehicle
- (1) MTS Hammer Training Circuit Equipment.

## Equipment purchases included in the FY2017 budget include:

- Fire – (1) 100' Aerial Platform Truck (\$1,250,000)
- Fire – (1) Fire Inspector Vehicle (Hybrid- HEV) (\$30,000)
- Fire – (2) Cardiac Monitors (\$80,000)
- Fire – (1) Air Compressor (\$75,000)
- Police – (3) Police Motorcycles (\$90,000)
- Police – (2) CID Vehicles (\$48,000)
- Parks – (2) 1 Ton Trucks (\$74,000)
- Parks – (2) ¾ Ton Trucks (\$62,000)
- Parks – (1) ½ Ton Trucks (\$19,000)
- Streets – (1) ¾ Ton Truck (\$31,000)
- Streets – (2) 1 Ton Trucks (\$74,000)
- Development Services – (2) Building Inspection (Pick-Up Trucks) (\$46,000)
- Recreation – (10) Treadmills (\$50,000)

	ACTUAL 2014-15	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>OPERATING REVENUES</b>				
Department Contributions & Other	\$800,000	\$800,000	\$800,000	\$800,000
<b>Total Operating Revenues</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>
<b>OPERATING EXPENSES</b>				
Maintenance & Materials	-	-	-	-
Contractual Services	5,504	4,000	4,000	4,000
Capital Outlay	-	-	-	-
<b>Total Operating Expenses</b>	<b>5,504</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Net Operating Income</b>	<b>794,496</b>	<b>796,000</b>	<b>796,000</b>	<b>796,000</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Earnings & Other	14,275	30,000	22,000	30,000
Proceeds from Sale of Assets	12,000	20,000	20,000	20,000
<b>Net Non-Operating Revenues (Expenses)</b>	<b>26,275</b>	<b>50,000</b>	<b>42,000</b>	<b>50,000</b>
<b>Net Income (Excluding Depreciation)</b>	<b>820,771</b>	<b>846,000</b>	<b>838,000</b>	<b>846,000</b>
<b>Changes in Working Capital</b>				
<b>Net Income (Excluding Depreciation)</b>	<b>\$820,771</b>	<b>\$846,000</b>	<b>\$838,000</b>	<b>\$846,000</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>				
Aquisition of Capital Hardware/ Software	(985,752)	(1,160,500)	(1,160,500)	(1,929,000)
<b>Net Sources (Uses) of Working Capital</b>	<b>(985,752)</b>	<b>(1,160,500)</b>	<b>(1,160,500)</b>	<b>(1,929,000)</b>
Net Increase (Decrease) in Working Capital	(164,981)	(314,500)	(322,500)	(1,083,000)
Beginning Working Capital	3,736,048	3,590,228	3,571,066	3,248,566
<b>Ending Working Capital</b>	<b>\$3,571,066</b>	<b>\$3,275,728</b>	<b>\$3,248,566</b>	<b>\$2,165,566</b>







5300



# TOWN CHRONICLE





# ADDISON FAST FACTS\*

2016 Population  
**16,246**

2016 Assessed Value  
**\$4,302,982,597**

Median Age  
**33.3 years**

Median Household Income  
**\$60,456**

Average Household Income  
**\$86,772**

Number of Households  
**9,591**

Total Employment in Addison  
**90,000**

Square Miles  
**4.4 square miles**

Developable Land Remaining  
**4%**

Housing Units  
Owner Occupied **22.8%**  
Renter Occupied **77.2%**  
Vacant **10.2%**

Education Level (Age 25+)  
**55%** with a Bachelor's degree or higher

## TOP 10 EMPLOYERS IN ADDISON

- Bank of America
- Mary Kay Cosmetics, Inc.
- Ocwen Financial
- Rexel Holdings USA Corp.
- NBS
- Hilton Worldwide, Inc
- Intercontinental Hotel Dallas
- Barrett Daffin Frappier Turner and Engel LLP
- Concentra, Inc
- United Surgical Partners International

\*Sources: United States Census, Economic Development & Infrastructure and Development Services departments, Dallas County Community College District and Labor Market Intelligence Department.

## TOP 10 PROPERTY TAX PAYERS

- 5100 Belt Line Road Investors LLC
- Post Addison Circle
- COP Spectrum Center LLC
- Gaedeke Holdings IX LLC
- Fiori LLC
- FPG Colonnade LP (The Colonnade III)
- Real Pink Limited
- FPG Colonnade LP (The Colonnade II)
- Savoye 2 LLC
- FPG Colonnade LP (The Colonnade)

\*Source: Dallas County 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 mall. The area commands a central location in reference to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

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

Addison's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 104 office buildings providing nearly 10 million square feet of office space, and an additional 152 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. Addison boasts 22 hotels with

3,929 rooms and over 180 restaurants, or an average of 46 per square mile. Two hotels will open in 2017 increasing local hotel rooms to nearly 5,000.

Because of its concentration of commercial and retail development, Addison is particularly susceptible to changes in the regional and national economies. Addison's taxable appraised values as of January 1, 2016 rose 6.5%. 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 continued this year with the opening of the AMC movie theater, a parking structure and the addition of new restaurants and retailers. Momentum will continue with the opening of the Tollway Centre Class A Office Building (200,000 SF), the redevelopment of Addison Groves comprised of a 17.4-acre site, and the fourth phase of Vitruvian Park expected to break ground in 2017. Sales tax for the 2017 fiscal year is expected to increase 2.8% over the estimated FY2016 year-end. Addison's hotels, which cater primarily to business travelers, are continuing to flourish with a projected 2% increase in hotel occupancy tax for the 2017 fiscal year compared to the estimated FY2016 year-end. Over the past year, Texas' unemployment rate has remained steady at 4% as of August 2016, and remains lower than the U.S. rate of 5%. 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 2016 at a 1.2% annual growth rate. This rate is in line with the average rate of growth over the past couple of decades.







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# APPENDICES —



# APPENDIX A | THE BUDGET PROCESS

**1** APRIL 2016

## **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.

**4** JULY 2016

## **PRELIMINARY BUDGET DISCUSSIONS**

A series of discussions are conducted by the City Manager's Office and Budget team to go over information included in the proposed budget.

**7** AUGUST 12, 2016

## **EFFECTIVE TAX RATE PUBLISHED**

Upon receipt of the certified appraisal rolls, Finance Department performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 54.5760 cents with a rollback rate of 56.2533 cents.

**10** SEPTEMBER 13, 2016

## **COUNCIL ADOPTS THE 2016-2017 BUDGET**

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2016 with total appropriations of \$106,854,526 and a tax rate of 56.0472 cents.

**2** MAY 1, 2016

## **BUDGET REQUESTS SUBMITTED AND REVIEWED**

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

**5** JULY 25, 2016

## **CERTIFIED TAX ROLLS RECEIVED**

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$4,302,892,597.

**8** AUGUST 2016

## **WORK SESSIONS WITH COUNCIL**

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

**11** DECEMBER 2016

## **2016-2017 BUDGET DOCUMENT IS PUBLISHED**

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

**3** JUNE–JULY 2016

## **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.

**6** JULY 29, 2016

## **2016-2017 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 \$108,202,381 and a tax rate of 56.41 cents.

**9** AUGUST–SEPTEMBER 30 & 6 2016

## **PUBLIC HEARINGS HELD**

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

**12** AUGUST 2017

## **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 Addison City Charter. The policies are intended to assist the City Council and city staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

## ANNUAL BUDGET

*Sections 1-7 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 first 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:
  - 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.
  - An estimate of all revenue from taxes and other sources, including the present tax structure rates and property valuations for the ensuing year.
  - 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.
  - A description of all outstanding bonded indebtedness of the Town.
  - A statement proposing any capital expenditure deemed necessary for undertaking during the next budget year and recommended provision for financing.
  - A list of capital projects which should be undertaken within the next five succeeding years.
  - 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 90 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).

- 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.
- 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 recog-

## APPENDIX B | FINANCIAL POLICIES (CONT'D)

nized 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.

- 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 reserve that portion of the applicable appropriation.
  - 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 reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

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

### BUDGET ADMINISTRATION

1. All expenses of the Town shall be made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
2. The following represents the Town's budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer (CFO). Transfers between operating departments may occur with the approval of the City Manager and CFO provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

### FINANCIAL REPORTING

1. Following the conclusion of the fiscal year, the Town's CFO shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
2. The CAFR shall show the status of the Town's finances on the basis of GAAP. The CAFR shall show fund revenues and expenditures 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.



# APPENDIX B | FINANCIAL POLICIES (CONT'D)

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

## OPERATING EXPENDITURES

1. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
  - Operating, Recurring Expenditures
    - » Personal Services
    - » Supplies
    - » Maintenance
    - » Contractual Services
    - » Capital Replacement/Lease
  - Operating, Non-Recurring Expenditures
    - » 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.

# APPENDIX B | FINANCIAL POLICIES (CONT'D)

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 City Council with each fund reflecting an ending fund balance 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 arrest the future use of fund balance for operating expenditures.

## 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.)
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:
  - Protect or improve the community's quality of life.
  - Protect or enhance the community's economic vitality.
  - 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.

## FACILITY CONSTRUCTION Best Value Methods for Entering into Contract

1. For purposes of this section, the term "facility" means buildings the design and construction of which are governed by accepted building codes; such term does not include (i) highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction, or (ii) buildings or structures that are incidental to projects that are primarily civil engineering construction projects.
2. In entering into and awarding a contract for the construction, rehabilitation, alteration, or repair of a facility, the city shall use one of the following methods that provides the best value for the city (such methods being those set forth in Section 271.113(a) of the Texas Local Government Code):



## APPENDIX B | FINANCIAL POLICIES (CONT'D)

- Competitive bidding;
  - Competitive sealed proposals for construction services;
  - A design-build contract;
  - A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
  - A job order contract for the minor repair, rehabilitation, or alteration of a facility.
3. The determination of which of the best value methods set forth in subparagraph (b) shall be used shall be made before advertising as required by law. The authority of the city council to make such determination is hereby delegated to the city manager (or the city manager's designee), and the city manager (and any designee of the city manager) is hereby authorized to make such determination.
- The use or implementation of any such methods shall comply in all respects with Chapter 271, Subchapter H of the Texas Local Government Code and any other applicable law.



# 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.

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

## MERIT AND MARKET PAY PLAN

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

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

Included in the 2016-2017 budget is \$825,700 for merit pay to eligible employees at an average of 4%.

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 & SALARY SCALE

## DEPARTMENTS

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

## POLICE DEPARTMENT

LEVEL	BASE SALARY	TOP SALARY
P1	51,979	
P2	56,202	74,485
P3	79,290	89,232
P4	93,161	98,835
P5	103,635	113,245
P6	113,925	116,996

## FIRE DEPARTMENT

LEVEL	BASE SALARY	TOP SALARY
F1	50,931	
F2	55,124	69,975
F2A	72,975	77,459
F3	81,303	86,253
FP1	42,682	64,022
FP2	90,563	96,075
F4	90,563	96,075
F5	100,901	110,248
F6	113,925	116,204



# APPENDIX D | MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$50,862,424 or 68% of Addison's total operating revenues (excluding interfund transfers).

## PROPERTY TAXES

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. Addison's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by the Dallas Central Appraisal District (DCAD) at 100 percent of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll as of January 1, 2016, upon which the fiscal year 2017 levy is based, is \$4,302,982,597. This amount is net of \$443,167,354 (representing 10 percent of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. In new construction this year, Addison has experienced significant growth over last year. New construction is valued at \$26,127,270 on the 2016 certified tax roll, which is an increase of 122.6 percent over the previous year. 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 and Village on the Parkway developments, and expects a continued growth as the nation's economy continues to stabilize<sup>1</sup>.

Addison 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, 2017 is \$0.560472 per \$100 of valuation, of which \$0.381215 is allocated for general government operation and maintenance and \$0.179257 is allocated for retirement of general obligation long-term debt. Of the \$0.381215 allocated for operations and maintenance, \$0.023716 is committed to economic development and \$0.006201 is committed to the Infrastructure Investment Fund.

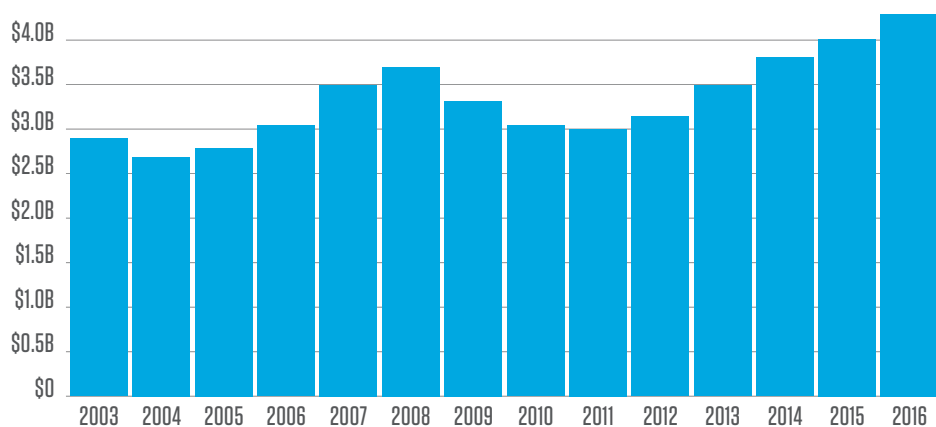
In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, Addison 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 FY2017 tax rate adopted by Addison is less than the calculated 56.2533¢ 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, 2017 are estimated to be 98.7 percent of the levy and will generate \$23,801,474 in revenues. Delinquent taxes and penalties are expected to produce an additional \$30,000.

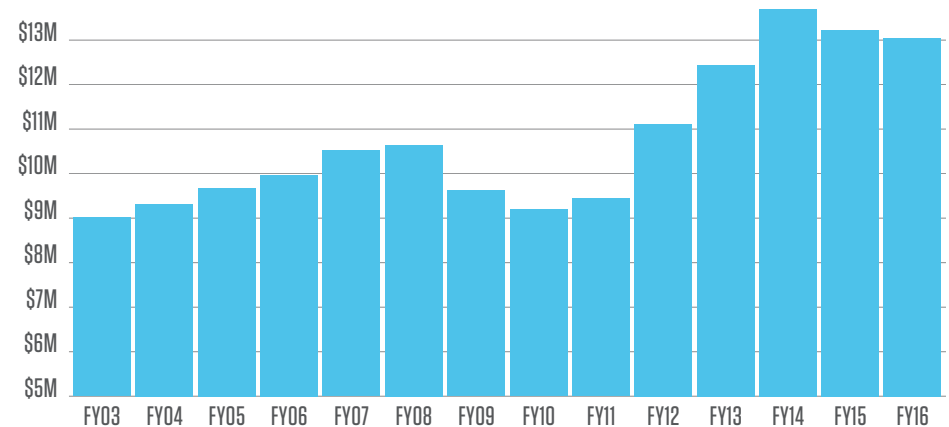
## SALES TAX

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.

ASSESSTED VALUATION OF TAXABLE PROPERTY AS OF JANUARY 1<sup>ST</sup> OF LEVY YEAR



SALES TAX REVENUE



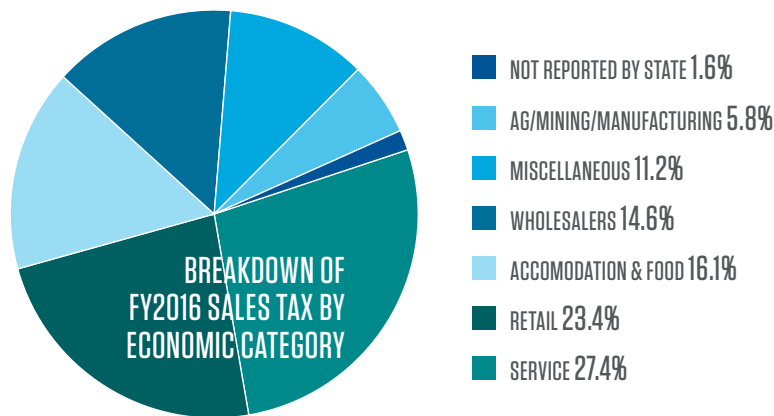
<sup>1</sup> For more information related to the Town's current projects and development, please refer to the Town Chronicle section of this document.

# APPENDIX D | MAJOR REVENUE SOURCES

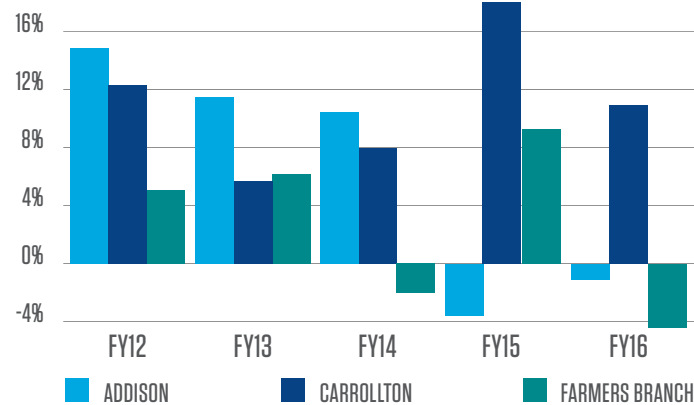
For the year ending September 30, 2017, Addison expects to receive \$13,400,000 in sales and use tax revenue. This amount is greater than the revenue projected for FY2016 collections of \$13,033,701 and a 9 percent increase over the FY2016 budget. Monthly collections during FY2016 averaged about 2.88 percent below what was collected in FY2015, less than Dallas County's 5.37 percent increase, and the State's 0.91 percent increase. The Town's General Fund long-term plan assumes a 2 percent growth in sales tax for FY2018 through 2021.

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 changed how Mixed Beverage taxes are calculated. The bill lowered the 14% Mixed Beverage Gross Receipts to 6.7%, while adding a beverage sales tax of 8.25%. Like the general sales tax, these taxes are collected by the state. The modification is of significant interest to a city like Addison, with its numerous restaurants and hotels. Although Addison has approximately 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 \$1,260,000 for the 2017 fiscal year, compared to the approximately \$1,208,000 collected in FY2016.



SALES TAX RECEIPTS YEAR-OVER-YEAR PERCENTAGE CHANGE



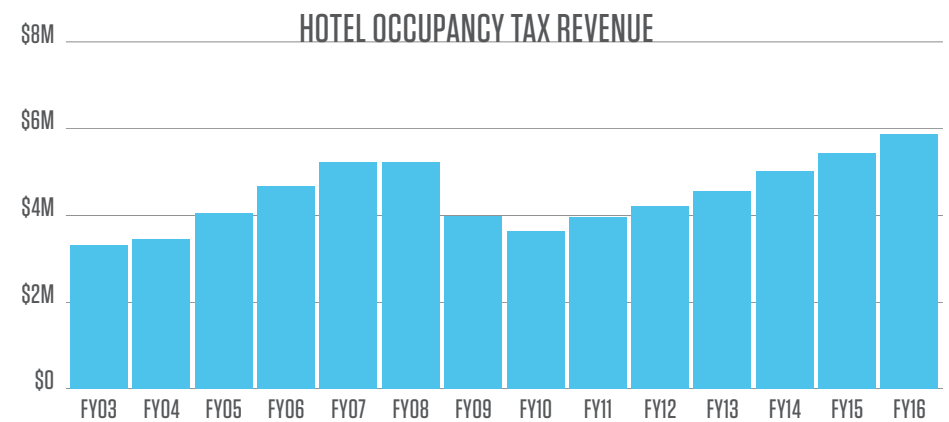
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## HOTEL/MOTEL OCCUPANCY TAX

The occupancy tax is levied by both Addison 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 2016, Addison was ranked number 15 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)<sup>2</sup>. In total hotel revenues, the Town experienced a 4.68% increase from \$89,527,808 in 2015 to \$93,715,788 in 2016<sup>3</sup>.

In hotel occupancy tax receipts, the Town continued to show significant gains in FY2016 with year-over-year growth for hotel tax receipts of approximately 7 percent, and end-of-year receipts estimated at \$5,884,000. For the year ending September 30, 2017, the Town occupancy tax is budgeted at \$6,000,000.



<sup>2</sup> <https://www.puc.texas.gov/industry/communications/row/LineRates.aspx>

Hotel Occupancy Tax Receipts, Quarterly Data

<sup>3</sup> <https://data.texas.gov/Government-and-Taxes/Hotel-Occupancy-Tax-Receipts-Quarterly/jghs-fiqn>

Hotel Occupancy Tax Receipts, Quarterly Data



# APPENDIX D | MAJOR REVENUE SOURCES

## PERCENTAGE OF FY2016 HOTEL OCCUPANCY IN TAX RECEIPTS BY ESTABLISHMENT

ESTABLISHMENT	NUMBER OF ROOMS	PERCENTAGE OF REVENUE
<b>FULL SERVICE</b>		
Marriott Quorum	547	14%
Hotel Intercontinental	528	13%
Crowne Plaza	428	11%
<b>EXTENDED STAY</b>		
Budget Suites	344	9%
Hawthorne Suites	70	2%
Marriott Residence Inn	150	4%
Hyatt House	132	3%
Homewood Suites	120	3%
Springhill Suites	159	4%
<b>BUSINESS MODERATE</b>		
Marriott Courtyard Quorum	176	4%
LaQuinta Inn	152	4%
Marriott Courtyard Midway	145	4%
Radisson – Addison	101	3%
Hilton Garden Inn	96	2%
Holiday Inn Express & Suites	102	3%
<b>ECONOMY</b>		
Motel 6	124	3%
Hampton Inn	158	4%
Red Roof Inn	104	3%
Quality Suites	78	2%
Super 8	71	2%
America's Best Value Inn	60	1%
Best Western Plus	84	2%
<b>Total</b>	<b>3929</b>	<b>100%</b>

# (CONT'D)

## 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 the prior fiscal year and dividing the amount by the number of kilowatt hours sold that same year. For FY2017, 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 \$1,575,000 as an electric franchise fee payment in FY2017.

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<sup>4</sup>:

Category 1  
(Residential lines)  
**\$1.11**

Category 2  
(Non-residential or business lines)  
**\$2.68**

Category 3  
(Point-to-point or dedicated lines)  
**\$5.25**

The FY2017 budget anticipates \$636,500 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 FY2017 cable franchise fees are budgeted at \$316,400. 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 FY2017 are budgeted at \$217,400, and various street rental fees are budgeted at \$5,000.

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

# APPENDIX D | MAJOR REVENUE SOURCES

## UTILITY FEES

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 City 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 rates increased this year, passing through the increase in wholesale water rates from Dallas Water Utilities. 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 \$11.61 for water and \$13.46 for sewer, which includes 2,000 gallons, totaling \$25.07 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 \$278.42, 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 \$74.19.

Addison'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 \$5.00 per 1,000 gallons compared to the base water rate of \$2.71 per 1,000 gallons over the minimum.

This section includes a distribution of customers by classification and the approximate percentage of contribution each classification made to water and sewer operating revenues in FY2016. For the 2017 budget year, the Town's Utility Fund anticipates receiving \$6,040,000 from the sale of water and \$4,590,000 from sewer fees. The total utility fees represent a slight decrease compared to the previous year's budget.

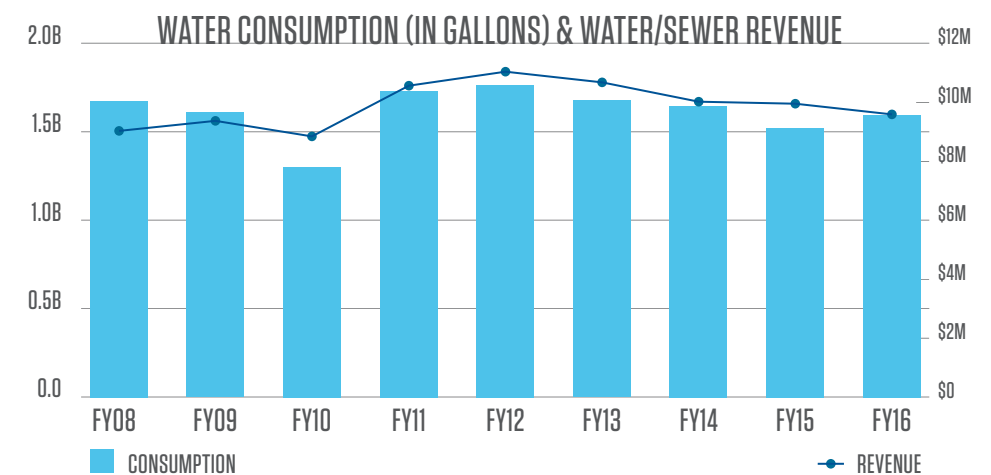
## STORMWATER FEES

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 \$1,850,000 in Stormwater fees.

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UTILITY ACCOUNTS & REVENUES BY USER TYPE

FY2015-16 CUSTOMER CLASSIFICATION	WATER		SEWER
	NUMBER OF ACCOUNTS	PERCENT OF REVENUES	NUMBER OF ACCOUNTS
Single-Family	1,766	11.7%	1,764
Multi-Family	135	14.0%	135
Municipal/School	31	0.8%	30
Irrigation	645	47.7%	-
Hotel/Motel	32	6.7%	31
Commercial	644	17.1%	639
Fire Meter	360	1.9%	-
Industrial	11	0.1%	10
<b>Total</b>	<b>3,624</b>	<b>100.0%</b>	<b>2,609</b>





# APPENDIX E | LONG-TERM FINANCIAL PLANS

## NARRATIVE

In accordance with Addison's financial policies, the 2016-2017 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 Addison'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 2017, and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on Town staff. The plans establish funding ceilings on recurring operating expenditures. Department directors may only exceed these ceilings by presenting requests to the City Manager and Council that provide new or expanded services to the community. Operating budgets are increased only when Council votes to approve each request.

Finally, the plans help the Town in absorbing the impact of economic booms and busts. 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 Addison serves a population in excess of 150,000<sup>1</sup>. 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 plan is exercised in all

four operating funds with the planning horizon beginning with the 2017 fiscal year. The 2016-2017 budget shows a healthy balance well above 25 percent threshold for all operating funds.

These financial controls are premised on the principle of balancing Addison's budget. In order to ensure fiscal stability of the Towns' operations, Addison 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 0.2 percent from FY2015 to the estimated 2016 total. The FY2017 budget assumes a 3 percent increase in sales tax compared to the FY2016 estimated year-end. The projected years of 2018 through 2021 assume modest 2 percent annual increases.
2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2016 (used for the 2017 levy) increased 6.5 percent; this is the fifth year in a row of increased in values. From FY2012 through FY2016, values have increased a cumulative 36.2 percent. Addison'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 FY2017 is \$0.564072 per \$100 assessed values, a decrease from the previous year. The tax rate and appraised values generated an additional \$738,499 in revenue. Addison's maintenance and operations portion of the rate is divided into three components: \$1,001,252 is directed to the Economic Development Fund, \$261,804 is contributed to the newly established Infrastructure Investment Fund, and the remaining \$14,845,124 for General Fund activities. The interest and sinking portion of the rate is \$7,723,294 for FY2017. The General Fund long-term plan assumes 2 percent average increase of appraised values from fiscal year 2016 to 2020. 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 2017 year budget for personnel services is \$951,926 more than the 2016 budget due to the addition of several finance positions in 2016, addition of a Planner and Fountain Maintenance Technician, conversion of a part-time to full-time fire inspector, and monies approved

by Council for an average 4% merit increase for all eligible employees.

5. There was no increase to the cost of healthcare for FY2017.
6. The 2017 budget reflects a \$254,359 increase in appropriations for maintenance projects associated mainly with Addison's aging infrastructure.
7. The General Fund makes contributions to Addison'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 2018 through 2021 are adjusted for a 3 percent inflationary increase. If possible, when Addison 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 FY2018, expenditures are projected to exceed revenues by \$1,258,871 and \$199,020 in FY2019. For fiscal years 2020 through 2021, expenditures are not projected to exceed revenues. Addison 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 Addison to maintain compliance

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

# APPENDIX E | LONG-TERM FINANCIAL PLANS

with its fund balance policy and elevate Addison's financial burden for non-recurring and capital expenditures. For FY2017, the Council motioned to transfer \$1,720,676 to the Infrastructure Investment Fund to grow the ending balance of FY2017 to at least \$4 million. This action brought the fund balance to \$10,175,709 for FY2017, or 28.5% of operating expenditures. While this percentage is lower than the Council practice of keeping the fund balance level at 30 percent, it is still in compliance with the adopted financial policy of 25 percent. Assuming a modest growth of ad valorem and sales tax revenues, fund balances gradually rise through 2021, at which point the \$10.8 million fund balance will represent 27.2 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. The Fund has continued to grow the past several years with FY2017 revenues projected to be 14 percent greater than the FY2016 budget. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the 2017 budget is expected to be higher than estimated 2016 numbers by 11 percent. For the 2018-2021 planning period, revenues from the tax are expected to increase at variable rates based upon Smith Travel Research data

specific to Addison hotels. The inventory of hotel rooms is expected to increase from 3,929 rooms to over 4,000 rooms with the addition of two hotels opening in FY2017.

2. Proceeds from special events in 2016 increased compared to the prior year by 87 percent due to a change in the accounting method for Tasty Bucks. Instead of netting the revenue earned against the expenditure to purchase the Tasty Bucks, revenues and expenditures were accounted for individually. Event revenue for the 2017 budget period is expected to increase 42 percent from 2016 estimates due to the modification of events, and projected to experience 2 percent annual increases for the 2018-2021 planning period.
3. Rental of the Addison Conference Centre is estimated to surpass the prior year budget by \$38,000, and expects to continue to increase 2 percent in FY2017 as Addison continues to implement changes. Subsequent years anticipate 2 percent annual increases in rental revenue.
4. Visit Addison center has been eliminated in FY2015.
5. Operating expenditures are forecasted to increase at 3 percent. The Fund reflects two transfers, totaling \$1,259,500. The first transfer of \$711,500 satisfies the debt service obligation. 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 \$601,000 contributes to Tourism efforts in the newly created depart-

# (CONT'D)

ment in the Economic Development Fund due to the elimination of the Visitor Services department.

6. The plan reflects revenues exceeding expenditures through fiscal year 2021 with fund balance growing to \$9,506,131 or 107.8 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 decreased slightly in 2016 due to the decrease of fuel flowage fees and rental. For fiscal years 2017 through 2021 revenues are assumed to increase by 2 percent annually.
2. Operating expenses for the 2017 budget will be 4 percent more than the 2016 budget. Over the planning horizon, expenses are expected to increase by 3 percent per year.
3. The plan recognizes the debt service associated with the 2013 issuance of certificates of obligation funding the airport's fuel farm

and other various capital projects. Also, the 2014 general obligation refunding bonds, which replace the 2004 combination tax and revenue certificates of obligation that were supported by the Airport Fund.

4. Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.
5. Increase in capital improvement project expenditures are associated with the adoption of the Airport Master Plan in FY2016.

## 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. Seasons of heavy precipitation, on the other hand, result in reduced water sales and the corresponding sewer revenues. Utility operating revenue for 2017 is estimated to be 9 percent more than estimated in 2016. The long-term plan assumes that for fiscal years 2018 through 2021, water sales will increase each year based on new residential and commercial development.



# APPENDIX E | LONG-TERM FINANCIAL PLANS

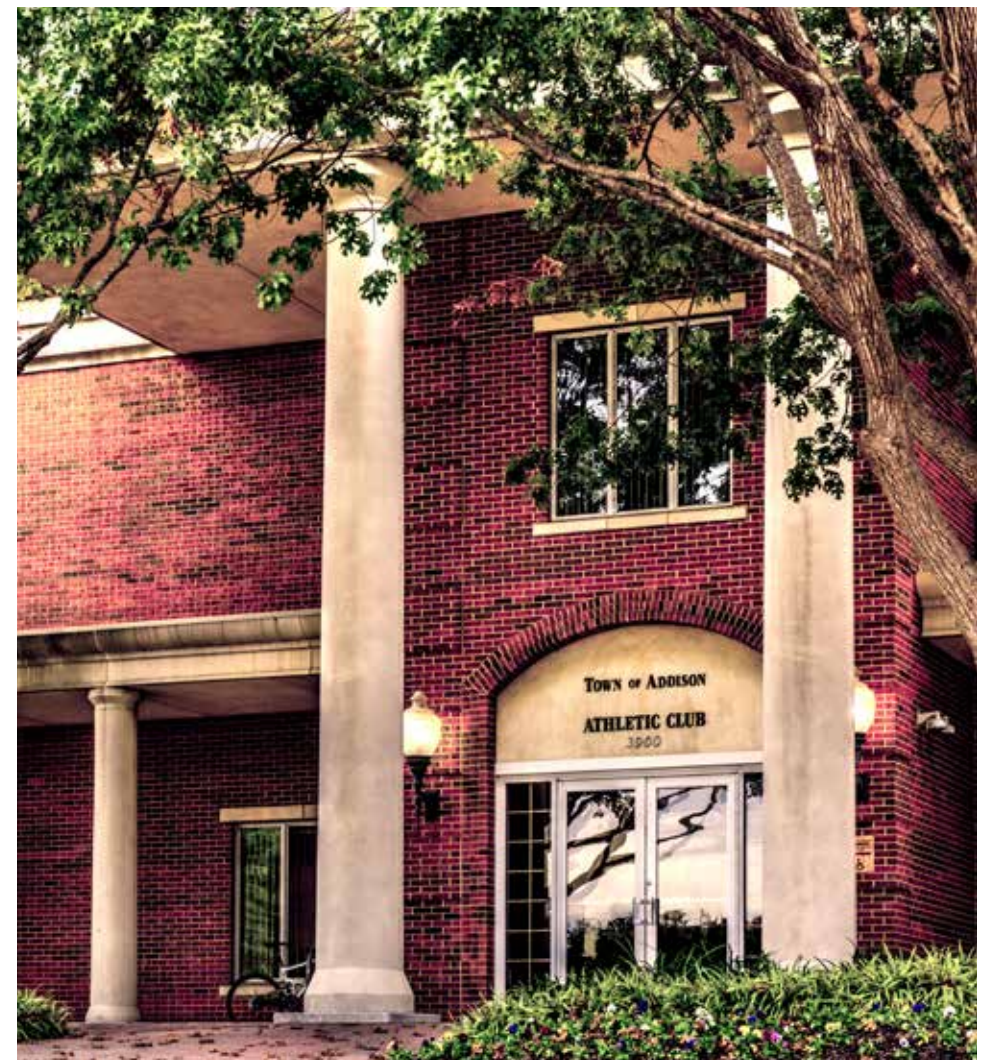
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- Operating expenses, dominated by payments to other entities for the purchase of water and the treatment of sewage, are expected to increase over last year's budget by an average of 7 percent per year for water purchases and 5 percent for sewer services. These assumptions are based primarily on expected growth of water rates from wholesale suppliers.
- From fiscal years 2017 through 2021, net income is expected to average \$61,258, which is needed to retire debt principal and fund capital projects.
- Debt service was reduced significantly in 2014 due to the retirement of debt that had been issued in the 1990's. Addison has issued approximately \$7.5 million for the purpose of updating various infrastructure throughout the community.

## STORMWATER FUND LONG-TERM PLAN

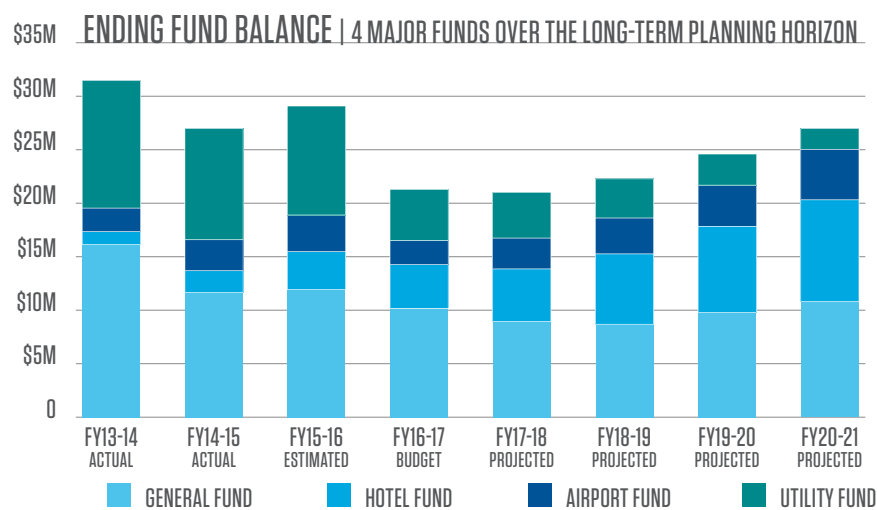
Similar to the Utility and Airport Funds, the Stormwater Fund's plan is to generate sufficient revenues to support operating expenses, as well as to fund capital projects. Features of the plan are as follows:

- Operating revenue increased slightly in 2017 due to the increase of stormwater fees. For fiscal years 2018 through 2021 revenues are projected to increase each year based on Council-adopted fee schedule.
- Operating expenses for the 2017 budget will be 35 percent greater than the 2016 budget, primarily due to the addition of a GIS Analyst position. Over the planning horizon, expenses show a 3 percent increase to adjust for inflation.
- From fiscal years 2017 through 2021, net income is expected to average \$1.2 million, which parallels the increases in fees adopted by Council.



## CAPITAL PROJECT LONG-TERM PLAN

Included in this appendix is a financial statement that summarizes Addison'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 FY2017 Annual Budget

	ACTUAL 2014-15	ESTIMATED 2015-16	BUDGET 2016-17	YEAR 1 PROJECTED 2017-18	YEAR 2 PROJECTED 2018-19	YEAR 3 PROJECTED 2019-20	YEAR 4 PROJECTED 2020-21
<b>Beginning Balance</b>	<b>\$15,506,011</b>	<b>\$11,601,861</b>	<b>\$11,896,301</b>	<b>\$10,175,709</b>	<b>\$8,916,838</b>	<b>\$8,717,817</b>	<b>\$9,773,433</b>
<b>REVENUES</b>							
Ad Valorem Taxes	11,378,975	13,552,484	14,845,124	14,950,894	16,709,516	18,188,808	18,683,785
Non-Property Taxes	14,215,555	14,241,649	14,660,000	14,953,200	15,252,260	15,557,310	15,868,460
Franchise Fees	2,828,420	2,765,094	2,870,300	2,927,710	2,986,260	3,045,990	3,106,910
Licenses and Permits	1,011,223	894,401	845,800	862,720	879,970	897,570	915,520
Service Fees	1,507,653	1,418,705	1,493,100	1,522,960	1,553,420	1,584,490	1,616,180
Fines and Penalties	725,189	719,000	675,000	688,500	702,270	716,320	730,650
Interest Income	69,431	42,000	70,000	71,400	72,830	74,290	75,780
Rental Income	236,667	197,000	175,000	178,500	182,070	185,710	189,420
Miscellaneous	118,907	251,317	70,000	71,400	72,830	74,290	75,780
<b>Total Revenues</b>	<b>\$32,092,020</b>	<b>\$34,081,650</b>	<b>\$35,704,324</b>	<b>\$36,227,284</b>	<b>\$38,411,426</b>	<b>\$40,324,778</b>	<b>\$41,262,485</b>
<b>EXPENDITURES</b>							
<b>Operating</b>							
Personnel Services	20,876,689	20,198,886	22,020,472	22,681,090	23,361,520	24,062,370	24,784,240
Supplies	1,144,129	1,394,420	1,384,834	1,426,380	1,469,170	1,513,250	1,558,650
Maintenance	2,467,116	3,255,119	3,508,332	3,635,580	3,767,310	3,903,670	4,044,820
Contractual Services	5,840,240	6,186,615	7,017,840	7,228,380	7,445,230	7,668,590	7,898,650
Capital Replacement/Lease	1,402,065	1,415,170	1,347,262	1,387,680	1,429,310	1,472,190	1,516,360
Capital Outlay	250,931	245,000	500	515	530	546	562
Fund Transfer Out	4,015,000	1,092,000	2,145,676	1,126,530	1,137,376	648,547	410,054
<b>Total Expenditures</b>	<b>\$35,996,170</b>	<b>\$33,787,210</b>	<b>\$37,424,916</b>	<b>\$37,486,155</b>	<b>\$38,610,446</b>	<b>\$39,269,163</b>	<b>\$40,213,336</b>
<b>Ending Fund Balance</b>	<b>\$11,601,861</b>	<b>\$11,896,301</b>	<b>\$10,175,709</b>	<b>\$10,053,217</b>	<b>\$9,764,866</b>	<b>\$10,704,364</b>	<b>\$11,610,072</b>
<b>Ending Balances as a % of Expenditures</b>	<b>36.3%</b>	<b>36.4%</b>	<b>28.5%</b>	<b>28.3%</b>	<b>26.9%</b>	<b>28.2%</b>	<b>29.9%</b>
<b>DEBT ISSUANCE VARIABLE</b>							
Beginning Debt Outstanding	\$87,007,001	\$82,173,849	\$72,717,479	\$67,779,148	\$63,570,000	\$59,290,000	\$55,865,000
Principal Retired	4,833,152	9,456,370	4,938,331	4,209,148	4,280,000	3,425,000	3,555,000
Principal Issued	-	-	-	-	-	-	-
<b>Ending Debt Outstanding</b>	<b>\$82,173,849</b>	<b>\$72,717,479</b>	<b>\$67,779,148</b>	<b>\$63,570,000</b>	<b>\$59,290,000</b>	<b>\$55,865,000</b>	<b>\$52,310,000</b>
<b>TAX RATE VARIABLES</b>							
	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
Taxable Values (thousands)	\$3,805,581	\$4,036,724	\$4,302,983	\$4,389,042	\$4,476,823	\$4,566,360	\$4,657,687
Maintenance & Operation   General Fund	\$0.311000	\$0.345750	\$0.351298	\$0.372555	\$0.377355	\$0.402255	\$0.404555
Capital Improv.   Infrastructure Invest. Fund	\$0.006200	\$0.006201	\$0.006201	\$0.006201	\$0.006201	\$0.006201	\$0.006201
Maintenance & Operation   Econ. Dev. Fund	\$0.026500	\$0.024773	\$0.023716	\$0.023716	\$0.023716	\$0.023716	\$0.023716
Debt Service Fund Rate	\$0.218100	\$0.202426	\$0.179257	\$0.158000	\$0.153200	\$0.128300	\$0.126000
<b>Total</b>	<b>\$0.561800</b>	<b>\$0.579150</b>	<b>\$0.560472</b>	<b>\$0.560472</b>	<b>\$0.560742</b>	<b>\$0.560472</b>	<b>\$0.560472</b>



# HOTEL SPECIAL REVENUE FUND

## LONG-TERM FINANCIAL PLAN

City Council Adopted FY2017 Annual Budget

	ACTUAL 2014-15	ESTIMATED 2015-16	BUDGET 2016-17	YEAR 1 PROJECTED 2017-18	YEAR 2 PROJECTED 2018-19	YEAR 3 PROJECTED 2019-20	YEAR 4 PROJECTED 2020-21
<b>Beginning Balance</b>	<b>\$1,194,674</b>	<b>\$2,040,729</b>	<b>\$3,644,081</b>	<b>\$4,076,450</b>	<b>\$4,966,889</b>	<b>\$6,525,959</b>	<b>\$8,040,105</b>
<b>REVENUES</b>							
Hotel/Motel Occupancy Taxes (HOT)	5,512,956	5,884,000	6,000,000	6,120,000	6,242,400	6,367,248	6,494,593
Proceeds from Special Events	1,014,650	1,893,435	2,691,200	2,745,024	2,799,924	2,855,923	2,913,041
Conference Centre Rental	638,045	668,000	678,000	691,560	705,391	719,499	733,889
Visit Addison Rental	183,429	-	-	-	-	-	-
Theatre Rental	143,248	80,000	111,240	113,465	115,734	118,049	120,410
Interest and Other	19,719	6,025	17,000	17,340	17,687	18,041	18,401
<b>Total Revenues</b>	<b>\$7,512,047</b>	<b>\$8,531,460</b>	<b>\$9,497,440</b>	<b>\$9,687,389</b>	<b>\$9,881,137</b>	<b>\$10,078,759</b>	<b>\$10,280,334</b>
<b>EXPENDITURES</b>							
Visit Addison	765,288	200,000	-	-	-	-	-
Conference Centre	959,140	1,145,906	1,449,405	1,054,270	1,085,910	1,118,490	1,152,040
Marketing	872,579	946,981	1,091,773	1,124,660	1,157,560	1,191,450	1,226,350
Special Events	2,279,532	2,695,657	4,155,275	4,268,860	4,395,570	4,526,080	4,660,500
Addison Theatre Centre	-	-	400,003	412,020	424,017	436,372	449,095
Performing Arts	542,067	581,594	447,000	420,410	434,220	448,450	463,100
General Hotel Operations	36,304	100,845	262,116	247,270	254,650	262,230	270,050
Transfers to Other Funds/Debt Service	1,211,082	1,257,124	1,259,500	1,269,460	570,139	581,542	593,173
<b>Total Expenditures</b>	<b>\$6,665,992</b>	<b>\$6,928,108</b>	<b>\$9,065,072</b>	<b>\$8,796,950</b>	<b>\$8,322,066</b>	<b>\$8,564,614</b>	<b>\$8,814,308</b>
<b>Ending Fund Balance</b>	<b>\$2,040,729</b>	<b>\$3,644,081</b>	<b>\$4,076,450</b>	<b>\$4,966,889</b>	<b>\$6,525,959</b>	<b>\$8,040,105</b>	<b>\$9,506,131</b>
<b>Ending Balances as a % of Expenditures</b>	<b>30.6%</b>	<b>52.6%</b>	<b>45.0%</b>	<b>56.5%</b>	<b>78.4%</b>	<b>93.9%</b>	<b>107.8%</b>
<b>MLS REQUESTS REFLECTED ABOVE</b>							
Marketing			\$75,525	\$77,791	\$80,124	\$82,528	\$85,004
Special Events			18,539	19,095	19,668	20,258	20,866
Conference Centre			462,290	23,422	24,125	24,849	25,594
<b>Total MLS Requests</b>			<b>\$556,354</b>	<b>\$151,308</b>	<b>\$123,917</b>	<b>\$127,635</b>	<b>\$131,464</b>

# AIRPORT FUND

## LONG-TERM FINANCIAL PLAN

City Council Adopted FY2017 Annual Budget

	ACTUAL 2014-15	ESTIMATED 2015-16	BUDGET 2016-17	YEAR 1 PROJECTED 2017-18	YEAR 2 PROJECTED 2018-19	YEAR 3 PROJECTED 2019-20	YEAR 4 PROJECTED 2020-21
<b>Beginning Balance</b>	<b>\$2,211,678</b>	<b>\$2,984,227</b>	<b>\$3,323,963</b>	<b>\$2,260,287</b>	<b>\$2,779,370</b>	<b>\$3,296,570</b>	<b>\$3,813,790</b>
<b>NET INCOME</b>							
<b>OPERATING REVENUES</b>							
Operating Grants	-	50,000	50,000	50,000	50,000	50,000	50,000
Fuel Flowage Fees	829,044	817,368	932,380	951,028	970,048	989,449	1,009,238
Rental	4,248,056	4,375,231	4,346,485	4,411,682	4,477,858	4,545,025	4,613,201
User Fees	61,379	146,099	171,293	173,862	176,470	179,117	181,804
Other	512,888	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$5,651,367</b>	<b>\$5,388,698</b>	<b>\$5,500,158</b>	<b>\$5,586,572</b>	<b>\$5,674,376</b>	<b>\$5,763,591</b>	<b>\$5,854,243</b>
<b>OPERATING EXPENSES</b>							
Town   Personnel Services	318,036	328,437	411,766	424,120	436,840	449,950	463,450
Town   Supplies	58,326	41,000	42,000	43,260	44,560	45,900	47,280
Town   Maintenance	88,270	112,910	116,150	119,630	123,220	126,920	130,730
Town   Contractual Services	560,906	172,990	192,455	198,230	204,180	210,310	216,620
Grant   Operations and Maintenance	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Operator   Operations and Maintenance	2,453,851	3,192,434	3,153,838	3,189,088	3,236,924	3,285,478	3,334,760
Operator   Service Contract	398,061	403,000	386,792	427,582	439,484	451,727	451,727
<b>Total Operating Expenses</b>	<b>\$3,977,450</b>	<b>\$4,350,771</b>	<b>\$4,403,000</b>	<b>\$4,501,910</b>	<b>\$4,585,208</b>	<b>\$4,670,285</b>	<b>\$4,744,567</b>
<b>Net Operating Income</b>	<b>\$1,673,917</b>	<b>\$1,037,927</b>	<b>\$1,097,158</b>	<b>\$1,084,662</b>	<b>\$1,089,168</b>	<b>\$1,093,306</b>	<b>\$1,109,676</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest Earnings and Other	13,588	10,000	24,500	25,240	26,000	26,780	27,580
Interest on Debt, Fiscal Fees, and Other	(137,468)	(132,691)	(127,016)	(120,816)	(112,966)	(102,866)	(94,766)
Capital Contribution	-	-	-	-	-	-	-
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(123,880)</b>	<b>(122,691)</b>	<b>(102,516)</b>	<b>(95,576)</b>	<b>(86,966)</b>	<b>(76,086)</b>	<b>(67,186)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>\$1,550,038</b>	<b>\$915,236</b>	<b>\$994,641</b>	<b>\$989,086</b>	<b>\$1,002,202</b>	<b>\$1,017,220</b>	<b>\$1,042,490</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>							
Retirement of Long-Term Debt	(445,000)	(455,000)	(460,000)	(470,000)	(485,000)	(500,000)	(125,000)
Net Additions to Fixed Assets (incl. Capital Contributions from Grants)	(388,195)	(60,500)	(100,966)	-	-	-	-
Other Net Additions to Fixed Assets	-	(60,000)	(1,497,351)	-	-	-	-
Increase in Customer Deposits	55,706	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Net Sources (Uses) of Working Capital	(777,489)	(575,500)	(2,058,317)	(470,000)	(485,000)	(500,000)	(125,000)
<b>Ending Working Capital</b>	<b>\$2,984,227</b>	<b>\$3,323,963</b>	<b>\$2,260,287</b>	<b>\$2,779,372</b>	<b>\$3,296,572</b>	<b>\$3,813,790</b>	<b>\$4,731,280</b>
<b>Ending Working Capital as a % of Operating Expenses</b>	<b>75.0%</b>	<b>76.4%</b>	<b>51.3%</b>	<b>61.7%</b>	<b>71.9%</b>	<b>81.7%</b>	<b>99.7%</b>
<b>USES OF WORKING CAPITAL</b>							
Grant Eligible Projects							
Taxiway Alpha	-	1,545	-	-	-	-	-
General	-	35,236	-	-	-	-	-
Taxiway Bravo	-	64,185	-	-	-	-	-
Capital (Town's Share)							
Taxiway Alpha	-	292,000	-	-	-	-	-
Taxiway Bravo	60,500	81,000	-	-	-	-	-
General	60,000	536,464	-	-	-	-	-
Taxiway Mike	-	50,000	-	-	-	-	-
Taxiway Quebec	-	113,000	-	-	-	-	-
Taxiway Romeo	-	127,582	-	-	-	-	-
Taxiway Sierra	-	126,585	-	-	-	-	-
Taxiway Tango	-	16,800	-	-	-	-	-
Taxiway Uniform	-	153,920	-	-	-	-	-
Taxiway Victor	-	-	-	-	-	-	-
<b>Total</b>	<b>\$120,500</b>	<b>\$1,598,317</b>					



# UTILITY FUND

## LONG-TERM FINANCIAL PLAN

City Council Adopted FY2017 Annual Budget

	ACTUAL 2014-15	ESTIMATED 2015-16	BUDGET 2016-17	YEAR 1 PROJECTED 2017-18	YEAR 2 PROJECTED 2018-19	YEAR 3 PROJECTED 2019-20	YEAR 4 PROJECTED 2020-21
<b>Beginning Working Capital</b>	<b>\$11,810,139</b>	<b>\$10,231,837</b>	<b>\$10,069,003</b>	<b>\$4,641,729</b>	<b>\$4,239,471</b>	<b>\$3,666,994</b>	<b>\$2,870,237</b>
<b>NET INCOME</b>							
<b>OPERATING REVENUES</b>							
Water Sales	5,678,134	5,576,551	6,040,000	6,221,200	6,407,836	6,600,071	6,798,073
Sewer Charges	4,436,230	4,124,431	4,590,000	4,727,700	4,869,531	5,015,617	5,166,085
Tap Fees	12,580	10,280	7,000	7,210	7,426	7,649	7,879
Penalties	64,949	80,000	75,000	77,250	79,568	81,955	84,413
Other Income	1,200	20,000	15,000	15,450	15,914	16,391	16,883
<b>Total Operating Revenues</b>	<b>\$10,193,093</b>	<b>\$9,811,261</b>	<b>\$10,727,000</b>	<b>\$11,048,810</b>	<b>\$11,380,274</b>	<b>\$11,721,683</b>	<b>\$12,073,333</b>
<b>OPERATING EXPENSES</b>							
Water Purchases	3,223,750	3,159,257	3,700,000	3,959,000	4,236,130	4,532,659	4,849,945
Wastewater Treatment	2,496,828	2,634,648	2,590,000	2,719,500	2,855,475	2,998,249	3,148,161
Utility Operations	3,046,128	3,299,098	3,485,516	3,590,081	3,697,783	3,808,717	3,922,978
<b>Total Operating Expenses</b>	<b>\$8,766,706</b>	<b>\$9,093,003</b>	<b>\$9,775,516</b>	<b>\$10,268,581</b>	<b>\$10,789,388</b>	<b>\$11,339,625</b>	<b>\$11,921,085</b>
<b>Net Operating Income</b>	<b>\$1,426,387</b>	<b>\$718,258</b>	<b>\$951,484</b>	<b>\$780,229</b>	<b>\$590,886</b>	<b>\$382,058</b>	<b>\$152,248</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest Earnings and Other	48,098	18,000	(46,400)	(47,792)	(49,226)	(50,703)	(52,224)
Interest on Bonded Debt and Fiscal Fees	(504,965)	(285,978)	(493,689)	(476,842)	(462,138)	(446,113)	(425,488)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(456,867)</b>	<b>(267,978)</b>	<b>(540,089)</b>	<b>(524,634)</b>	<b>(511,363)</b>	<b>(496,815)</b>	<b>(477,711)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>\$969,520</b>	<b>\$450,280</b>	<b>\$411,395</b>	<b>\$255,595</b>	<b>\$79,523</b>	<b>(\$114,757)</b>	<b>(\$325,463)</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>							
Net Retirement of Long-Term Debt	(381,848)	(265,000)	(576,669)	(600,852)	(595,000)	(625,000)	(645,000)
Debt Issuance/Transfer of Debt Proceeds	-	-	300,000	-	-	-	-
Net Additions to Fixed Assets	(1,818,648)	(291,114)	(4,705,000)	-	-	-	-
Net Increase (Decrease) to Other Assets	(347,326)	(57,000)	(57,000)	(57,000)	(57,000)	(57,000)	(57,000)
Transfer to Addison Escrow Fund (\$500k) & IIF (\$300k)	-	-	(800,000)	-	-	-	-
Net Sources (Uses) of Working Capital	(2,547,822)	(613,114)	(5,838,669)	(657,852)	(652,000)	(682,000)	(702,000)
<b>Ending Working Capital</b>	<b>\$10,231,837</b>	<b>\$10,069,003</b>	<b>\$4,641,729</b>	<b>\$4,239,471</b>	<b>\$3,666,994</b>	<b>\$2,870,237</b>	<b>\$1,842,774</b>
<b>Ending Working Capital as a % of Operating Expenses</b>	<b>116.7%</b>	<b>110.7%</b>	<b>47.5%</b>	<b>41.3%</b>	<b>34.0%</b>	<b>25.3%</b>	<b>15.5%</b>
<b>USES OF WORKING CAPITAL</b>							
Addison Grove Incentive Payment (\$500k)/Transfer to IIF (\$300k)	-	-	800,000	-	-	-	-
Equipment Replacement: Mtr Veh's & CPU Hardware	-	-	70,000	-	-	-	-
Elevated Storage Tank	-	81,800	-	-	-	-	-
Engineering/Architectural Services   Water	-	136,910	125,000	-	-	-	-
Utility Plant   Water	-	-	2,770,000	-	-	-	-
Water Mains/Hydrants	-	-	500,000	-	-	-	-
Utility Plant   Sewer (Life Station & Pump rehab/repair)	-	72,404	865,000	-	-	-	-
Sanitary Sewers	-	-	375,000	-	-	-	-
<b>Total</b>	<b>-</b>	<b>\$291,114</b>	<b>\$5,505,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# STORMWATER FUND

## LONG-TERM FINANCIAL PLAN

City Council Adopted FY2017 Annual Budget

	ACTUAL 2014-15	ESTIMATED 2015-16	BUDGET 2016-17	YEAR 1 PROJECTED 2017-18	YEAR 2 PROJECTED 2018-19	YEAR 3 PROJECTED 2019-20	YEAR 4 PROJECTED 2020-21
<b>Beginning Working Capital</b>	<b>\$9,036,498</b>	<b>\$9,576,145</b>	<b>\$8,481,643</b>	<b>\$5,819,330</b>	<b>\$6,519,700</b>	<b>\$7,493,870</b>	<b>\$8,550,800</b>
<b>NET INCOME</b>							
<b>OPERATING REVENUES</b>							
Drainage Fees	1,729,899	1,800,000	1,850,000	1,872,450	2,168,100	2,266,650	2,365,200
<b>Total Operating Revenues</b>	<b>\$1,729,899</b>	<b>\$1,800,000</b>	<b>\$1,850,000</b>	<b>\$1,872,450</b>	<b>\$2,168,100</b>	<b>\$2,266,650</b>	<b>\$2,365,200</b>
<b>OPERATING EXPENSES</b>							
Personnel Services	178,069	85,108	153,279	157,880	162,620	167,500	172,530
Supplies	2,331	15,344	12,700	13,080	13,470	13,870	14,290
Maintenance	136,870	225,329	237,200	244,320	251,650	259,200	266,980
Contractual Services	266,987	226,507	211,727	218,080	224,620	231,360	238,300
<b>Total Operating Expenses</b>	<b>\$584,258</b>	<b>\$552,289</b>	<b>\$743,246</b>	<b>\$633,360</b>	<b>\$652,360</b>	<b>\$671,930</b>	<b>\$692,100</b>
<b>Net Operating Income</b>	<b>\$1,145,641</b>	<b>\$1,247,711</b>	<b>\$1,106,754</b>	<b>\$1,239,090</b>	<b>\$1,515,740</b>	<b>\$1,594,720</b>	<b>\$1,673,100</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest Earnings and Other	39,242	60,903	67,700	5,000	5,000	5,000	5,000
Interest on Debt, Fiscal Fees, and Other	(266,218)	(274,716)	(269,266)	(263,716)	(256,566)	(247,791)	(237,266)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(226,976)</b>	<b>(213,813)</b>	<b>(201,566)</b>	<b>(258,716)</b>	<b>(251,566)</b>	<b>(242,791)</b>	<b>(232,266)</b>
<b>Net Income (Excluding Depreciation)</b>	<b>\$918,665</b>	<b>\$1,033,898</b>	<b>\$905,188</b>	<b>\$980,374</b>	<b>\$1,264,174</b>	<b>\$1,351,929</b>	<b>1,440,834</b>
<b>SOURCES (USES) OF WORKING CAPITAL</b>							
Retirement of Long-Term Debt	(265,000)	(270,000)	(275,000)	(280,000)	(290,000)	(295,000)	(305,000)
Net Additions to Fixed Assets	(109,026)	(1,858,400)	(3,292,500)	-	-	-	-
Other	(4,992)	-	-	-	-	-	-
Transfer Out to Addison Grove Escrow Fund	-	-	-	-	-	-	-
<b>Net Sources (Uses) of Working Capital</b>	<b>(379,018)</b>	<b>(2,128,400)</b>	<b>(3,567,500)</b>	<b>(280,000)</b>	<b>(290,000)</b>	<b>(295,000)</b>	<b>(305,000)</b>
<b>Ending Working Capital</b>	<b>\$9,576,145</b>	<b>\$8,481,643</b>	<b>\$5,819,331</b>	<b>\$6,519,704</b>	<b>\$7,493,874</b>	<b>\$8,550,799</b>	<b>\$9,686,634</b>
<b>Ending Working Capital as a % of Operating Expenses</b>	<b>1,639.0%</b>	<b>1,535.7%</b>	<b>783.0%</b>	<b>1,029.4%</b>	<b>1,148.7%</b>	<b>1,272.6%</b>	<b>1,399.6%</b>
<b>USES OF WORKING CAPITAL</b>							
Les Lacs/Winnwood Ponds		600,000	200,000				
Winnwood Pond		-	900,000				
NW Drainage Channel Improvement		688,400	150,000				
Misc. Bridge & Channel Repair		-	87,500				
Belt Line Drainage Improvements		-	100,000				
Detailed Masterplan Study/Evaluation		500,000	600,000				
Sherlock Basin Improvement		-	800,000				
Hutton Branch Basin Improvements		-	-				
Midway Road Revitalization Storm Water Improvements		-	-				
Vitruvian Pond Maintenance (Dredging)		-	-				
Master Plan Basin Improvement		-	300,000				
Misc. Drainage Projects		70,000	155,000				
Addison Grove Incentive Payment		-	500,000				
<b>Total</b>		<b>\$1,858,400</b>	<b>\$3,792,500</b>				



# APPENDIX F | CAPITAL PROJECTS SUMMARY

## STREETS CAPITAL PROJECTS – BOND FUNDED (TOTAL: \$21M)

### Belt Line Road (\$12.4M)

- Construction of an underground duct system to house all of the existing overhead utilities (electric and telecom)
- Installation of all the necessary appurtenances to move the overhead utilities underground, i.e. transformers, switchgears, pull-boxes, hand-holes
- Replacement of several of the existing traffic signal poles and sidewalks

### Vitruvian Phase 4 & 5 (\$5.2M)

- Phase 5 construction will include all of the infrastructure associated with the new development at the corner of Marsh Lane and Vitruvian Way
  - » Elements include water, sanitary sewer, storm sewer, streetscape, sidewalks, and electrical
- Commercial development will include all of the infrastructure associated with the redevelopment of the commercial area located at/near the corner of Spring Valley Road and Marsh Lane

### Midway Road (\$1.63M)

- Design and project management of the Midway Road Reconstruction project. Current scope of the design includes reconstruction of Midway Road from Spring Valley Road to Keller Springs Road
  - » Project scope includes the design for the replacement of existing water, sanitary sewer, and storm sewer utilities, relocation/replacement of traffic signal poles where they conflict with pedestrian ramps, reconstruction of the medians and sidewalks

### Addison Road (\$766,000)

- Design and rehabilitation of the road adjacent to the existing railroad crossing located between Lindbergh Drive and Arapaho Road
  - » Scope will include removal and replacement of the damaged rubberized pads located between the railroad tracks and base repair and replacement of the old asphalt that has failed both north and south of the railroad tracks
  - » Continuation of project approved in FY2016. Work has been delayed due to approvals needed by the railroad
  - » Any savings from the project can be reallocated to other street projects

## PARKS CAPITAL PROJECTS – BOND FUNDED (TOTAL: \$468,000)

### Pedestrian Connectivity – Quorum (\$468,000)

- The South Quorum project is a lighting improvement project focused on increasing walkability and safety along Quorum Drive and Landmark Boulevard south of Belt Line Road. These improvements were identified through the North and South Quorum Pedestrian Study

## PUBLIC SAFETY CAPITAL PROJECTS – BOND FUNDED (TOTAL: \$932,000)

### Public Safety Radio Replacement (\$519,000)

- Reallocated from FY2016 associated with the Harris radio implementation due to project delays

### Joint Dispatch Project (\$413,000)

- Reallocated from FY2016 associated with implementation of police records management project

## CAPITAL PROJECTS – UTILITY FUND (\$5.5M)

### Utility Fund (\$870,000)

- Includes the reimbursement payment associated with the Addison Grove incentive agreement (\$500,000)
- Transfer to the Infrastructure Investment Fund (\$300,000)
- Purchase of 2 large utility trailers and retrofitting of equipment for use for brine application on bridges during ice events (\$70,000)

### Utility Plant – Water (\$2.8M)

- Repair and replacement of costs associated with the pump house electrical, plumbing, and HVAC system (\$30,000)
- Rehabilitation and Costs associated with the rehabilitation of Surveyor ground water storage facility (\$2,500,000)
- Design of improvements at Celestial ground storage facility (\$140,000)
- Replacement of a pump and motor at Surveyor pump house (\$100,000)

### Water Mains/Hydrants (\$625,000)

- Replacement of aging water lines in various locations such as Dooley Road and Montfort Drive; looping several dead end lines in Town to help alleviate need to flush water lines as frequently (\$500,000)
- Engineering services associated with water line improvements to be constructed in FY2018 (\$125,000)

### Utility Plant – Sewer (\$865,000)

- Repair and replacement of costs associated with the Kellway lift station electrical, plumbing, roof, and ventilation system (\$40,000)
- Replacement of obsolete emergency transfer switch at Kellway (\$200,000)

- Design and construction of a new equipment storage building to house the newly purchased vac-truck and T.V. van. (\$625,000)

### Sanitary Sewers (\$375,000)

- Wastewater line rehabilitation and replacement from projects identified in the Wastewater Evaluation and Master Plan (\$300,000)
- Engineering and architectural services for the rehabilitation of several failing manholes throughout the Town (\$75,000)

## CAPITAL PROJECTS – STORM WATER FUND (\$3.3M)

### Winnwood Pond (\$900,000)

- Project includes the dredging and removal of silt from the three (3) ponds located in and near Winnwood Park. The aquatic wildlife located in each of the three ponds will also be relocated as part of the project
  - » Project is a carryover from previous year and the construction contract with Shirley and Sons Construction Co., Inc. was approved by Council on June 28th, 2016

### Sherlock (\$800,000)

- New project that staff will bring forward to Council on August 23rd, 2016. Project anticipates design and construction of stormwater elements to address flooding issues located at the corner of Sherlock Drive and Winter Park Lane
  - » Staff will present several options for Council's consideration

# APPENDIX F | CAPITAL PROJECTS SUMMARY

## Improvements & Repairs (\$793,000)

- Item includes design and construction related costs for the replacement, upsizing, and/or rehabilitation of the Town's stormwater infrastructure
  - » Northwest Airport Drainage Channel improvements – to address erosion and on-going maintenance problems. This is a continuation of a project that started in FY2016 (\$150,000)
  - » Miscellaneous bridge and drainage channel repair – to address issues as they come up during the year related to improvements needed for bridges or drainage channels (\$87,500)
  - » Belt Line Road drainage improvements – repairs related to stormwater inlets and other structures on Belt Line. This is not part of the undergrounding project (\$100,000)
  - » Master plan basin improvement – costs associated with projects identified in the completed stormwater detailed basin studies (\$300,000)
  - » Miscellaneous drainage projects – costs associated with the stormwater basins that are currently being studied (\$155,000)

## Detailed Masterplan Study & Evaluation (\$600,000)

- Project includes the development of a capital improvement program for stormwater by creating a detailed stormwater infrastructure model to determine areas of potential flooding
  - » Project is a carryover from previous year and was approved by Council on October 27, 2015. The study is anticipated to be complete by the end of 2016

## Les Lacs Pond (\$200,000)

- Project includes the design and construction for several projects associated with the Les Lacs Pond
  - » Les Lacs Pond water well transfer piping system improvements project included the relocation of the existing ground water well discharge piping from the north end to the south end of the pond. This project is substantially complete with only punch list items remaining (\$120,325)
  - » Les Lacs Pond water well rebuilding project includes the replacement of the existing well pump and motor, the relocation of the existing well pump and motor electrical, and installation of new masonry wall and gate for access. Contractor is currently relocating the electrical components. Project is currently on budget and schedule and is anticipated to be complete at the end of September (\$224,597)
  - » Les Lacs Pond water quality assessment and continued testing includes the development of a detailed water quality testing schedule along with the initial testing. Continuing maintenance costs associated with the testing will also be accessed during this phase. This work authorization with Halff Associates was approved by Council on August 11th, 2015 and will commence upon completion of the transfer piping and water well projects (\$93,000)
  - » All of these projects are carryovers from the previous year

# (CONT'D)

## INFRASTRUCTURE INVESTMENT FUND (TOTAL: \$1.36M)

### ADA Transition Plan (\$300,000)

- Title II of the Americans with Disabilities Act (ADA) (1990) prohibits discrimination on the basis of disability by public entities. In order to comply with the Act, entities with 50 or more employees must take steps to designate an ADA coordinator; establish a grievance procedure; develop design standards, specifications, and details; develop a self-evaluation and transition plan; capital improvement plan for the needed improvements; and a method to monitor the implementation of the transition plan. To date, none of these steps have been taken so the Town is not in compliance with the Federal requirement and is vulnerable to a lawsuit or complaint by an individual or from the Department of Justice. A Department of Justice (DOJ) settlement agreement would likely require that all facilities, services, and programs be brought into compliance within 3 years without regard to availability of funding

## Belt Line Road Phase II (\$250,000)

- Design to determine the cost for streetscape improvements from Marsh Lane to Dallas North Tollway
- To include such elements as:
  - » Pedestrian improvement such as sidewalks, bus shelters, ramps
  - » Landscape enhancements such as planting pallet design, intersection corner enhancements, found areas
  - » Possible pavement treatments such as stained concrete at intersection crosswalks

## Illuminated Street Name Sign Replacement (\$162,500)

- Replacement of the old illuminated street name signs located on the traffic signal poles throughout the Town
- Project is a carryover from previous year. Approximately eight weeks behind schedule due to signs being printed incorrectly

## Town Park Playground (\$150,606)

- The Les Lacs and Town Park Playground Structures Project was created to replace the aging playgrounds in Les Lacs Linear Park and Town Park
- The Les Lacs replacement playground, shade structure and rubberized surface was installed last year utilizing these funds
- The Town Park Playground was temporarily put on hold while the Dog Park Committee discussed opportunities for the Park
- The Town Park playground will be replaced during FY2017

## Addison Grove Incentive Payment (\$500,000)

- Includes the reimbursement payment associated with the Addison Grove incentive agreement



# APPENDIX F | CAPITAL PROJECTS SUMMARY

(CONT'D)

## AIRPORT FUND (TOTAL: \$1.6M)

### Grant Eligible (\$100,966)

- Includes design for Taxiway Bravo/ Golf Improvements: the current plan is to extend Taxiway Bravo north to connect to Taxiway Golf, which will be extended west of the runway. Taxiway Bravo will also be extended south of Taxiway Charlie to connect to the south end of the runway (\$64,185)
- Includes design for Taxiway Uniform Improvements (\$18,566)
- General improvements (\$18,216)

### Non-Grant Eligible (\$1,497,351)

- The Airport's current facility does not conform to U.S. Customs and Border Protection facility standards for general aviation airports. Includes preliminary planning and design of a new customs facility, together with determining the best location at the airport needed to properly support customs operation (\$280,000)
- The Town owns various facilities at the airport which require capital repair and replacement from time to time (\$346,000)
- Various portions of the airport perimeter fence on the west side of the airport are scheduled to be replaced (\$97,000)
- Airport Street and Access Road Repairs (\$50,000)
- Operations Vehicle and Heavy Equipment (\$194,000)

CITY COUNCIL ADOPTED FY2017 ANNUAL BUDGET	LIFE TO DATE EXPENDITURES	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>CAPITAL PROJECTS FUNDS (BOND FUNDED)</b>				
<b>STREETS</b>				
Midway Road Design & Rehabilitation	1,055,000	1,700,000	90,283	1,653,250
Addison Road Rehabilitation	1,508,112	568,619	841,325	766,361
Vitruvian Phase 4 & 5	556,142	8,176,791	268,393	5,204,847
Belt Line Road	9,878,196	16,350,110	4,675,978	12,356,624
<b>PARKS</b>				
Pedestrian Connectivity (Beltway/Proton)	2,154,556	1,000,000	1,938,162	295,444
Pedestrian Connectivity (Quorum)	877,606	338,723	9,000	172,394
<b>PUBLIC SAFETY</b>				
Public Safety Radio Replacement	3,451,104	400,000	-	518,896
Joint Dispatch Project	617,386	-	132,230	412,614
<b>INFORMATION TECHNOLOGY</b>				
Wireless Network Improvements	15,600	-	-	-
<b>GENERAL</b>				
Land Purchase	-	3,000,000	-	-
<b>Capital Projects Funds Subtotal</b>	<b>\$20,113,702</b>	<b>\$31,534,243</b>	<b>\$7,955,371</b>	<b>\$21,380,430</b>
<b>AIRPORT FUND</b>				
<b>GRANT ELIGIBLE PROJECTS</b>				
Taxiway Alpha	-	-	-	1,545
General	-	-	-	35,236
Taxiway Bravo	-	-	-	64,185
<b>AIRPORT DEVELOPMENT/REDEVELOPMENT PROJECTS (NON-GRANT ELIGIBLE)</b>				
Taxiway Alpha	-	-	-	292,000
Taxiway Bravo	-	60,500	60,500	81,000
General	-	61,500	60,500	536,464
Taxiway Mike	-	-	-	50,000
Taxiway Quebec	-	-	-	113,000
Taxiway Romeo	-	-	-	127,582
Taxiway Sierra	-	-	-	126,585
Taxiway Tango	-	-	-	16,800
Taxiway Uniform	-	-	-	153,920
<b>Airport Fund Subtotal</b>	<b>-</b>	<b>\$122,000</b>	<b>\$120,500</b>	<b>\$1,598,317</b>
<b>INFRASTRUCTURE INVESTMENT FUND</b>				
City Wide Streets & Sidewalk Evaluation	123,849	30,000	15,003	-
Surveyor Railroad Crossing Improvements	-	50,000	-	-
Illuminated Street Name Sign Replacement	-	325,000	162,500	162,500
Les Lacs Park & Town Park Playground Structures	199,394	150,000	199,394	150,606
Celestial Park Trail Replacement	132,256	-	-	-
Streets & Sidewalk Improvements	7,125	200,000	9,500	-
Airport ILS	-	200,000	-	-
Beltline Road Phase II Design	-	-	-	250,000
ADA Transition Plan	-	-	-	300,000
Addison Grove Incentive Payment	-	-	-	500,000
<b>Infrastructure Investment Fund Subtotal</b>	<b>\$462,624</b>	<b>\$955,000</b>	<b>\$386,397</b>	<b>\$1,363,106</b>

# APPENDIX F | CAPITAL PROJECTS SUMMARY

(CONT'D)

CITY COUNCIL ADOPTED FY2017 ANNUAL BUDGET	LIFE TO DATE EXPENDITURES	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>UTILITY FUND</b>				
Addison Grove Incentive Payment (\$500k)/Transfer to IIF (\$300k)	-	-	-	800,000
Vehicle Replacement & CPU Hardware	-	600,000	-	70,000
<b>UTILITY PLANT   WATER</b>				
Elevated Storage Tank	210,649	-	81,800	-
Water System Evaluation and Strategic Plan	466,501	57,750	136,910	-
Facilities Rehab/Repair (Building Envelope)	-	-	-	30,000
Pump Rehabs/Replacement	-	-	-	100,000
Surveyor Ground Storage Tank Rehabilitation and Piping Improvement (Construction)*	-	1,232,750	-	2,500,000
Celestial Ground Storage Tank Rehabilitation (Design)	-	-	-	140,000
<b>WATER MAINS/HYDRANTS</b>				
Water Line Improvements	-	227,784	-	500,000
Engineering/Architectural Services	-	-	-	125,000
<b>UTILITY PLANT   SEWER (LIFT STATION &amp; PUMP REHAB/REPAIR)</b>				
Engineering/Architectural Services   Sewer	146,889	-	72,404	-
Facilities Rehab/Repair (Building Envelope)	-	-	-	40,000
Kellway Lift Station Emergency Generator Transfer Switch Replacement	-	-	-	200,000
Equipment Storage Building (Kellway Lift Station) (Design)	-	25,000	-	75,000
Equipment Storage Building (Kellway Lift Station) (Construction)*	-	-	-	550,000
<b>SANITARY SEWERS</b>				
Wastewater Line Rehabilitation/Replacement	-	756,330	-	300,000
Engineering/Architectural Services	-	70,550	-	75,000
Master Planning	-	400,000	-	-
<b>Utility Fund Subtotal</b>	<b>\$824,039</b>	<b>\$3,370,164</b>	<b>\$291,114</b>	<b>\$5,505,000</b>
<b>STORM WATER FUND</b>				
<b>LES LACS POND</b>				
Water Well	-	500,000	300,000	200,000
Transfer Piping System	102,276	400,000	300,000	-
Winnwood Pond	-	1,500,000	-	900,000
NW Drainage Channel Improvements	533,274	-	688,400	150,000
Misc. Bridge & Channel Repair	-	120,000	-	87,500
Belt Line Drainage Improvements	-	-	-	100,000
Detailed Masterplan Study/Evaluation	6,529	900,000	500,000	600,000
Mary Kay/Keller Springs Basin Improvements	-	850,000	-	-
Sherlock Basin Improvements	-	-	-	800,000
Master Plan Basin Improvements	-	-	-	300,000
Misc. Drainage Projects	-	100,000	70,000	155,000
<b>Storm Water Fund Subtotal</b>	<b>\$642,079</b>	<b>\$4,370,000</b>	<b>\$1,858,400</b>	<b>\$3,292,500</b>
<b>Total Capital Projects</b>	<b>\$22,042,444</b>	<b>\$40,351,407</b>	<b>\$10,611,782</b>	<b>\$33,139,353</b>



# APPENDIX F | CAPITAL PROJECTS SUMMARY

(CONT'D)

CITY COUNCIL ADOPTED FY2017 ANNUAL BUDGET

	LIFE TO DATE EXPENDITURES	BUDGET 2015-16	ESTIMATED 2015-16	BUDGET 2016-17
<b>SELF-FUNDED SPECIAL PROJECTS FUND</b>				
Asset Management	-	-	-	250,000
Dog Park	-	-	-	112,000
Fire Training Center	-	-	-	110,000
Backup Generator for Fire Department	-	-	-	60,000
Records Management	-	-	-	50,000
Operations Assessment	-	-	-	50,000
Celestial Face Plates	-	-	-	45,000
GIS Setup for Parks	-	-	-	23,500
Compensation Pay Study	-	-	-	15,000
Certification Pay Study	-	-	-	15,000
Ceramic Plate Bullet Proof Vests	-	-	-	15,000
<b>Total Self-Funded Special Projects Fund</b>	-	-	-	<b>\$745,500</b>

# 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 “according to the 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 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.

### DWU

Acronym for Dallas Water Utilities, Addison's wholesale water supplier.



## APPENDIX G | GLOSSARY OF TERMS (CONT'D)

### 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.

## APPENDIX G | GLOSSARY OF TERMS (CONT'D)

### 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.

#### TRA

Acronym for Trinity River Authority, Addison's primary sewer treatment provider.

#### 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, 2015**

Executive Director

## MAYOR AND COUNCIL

COUNCIL	NAME	PROFESSION	TERM OF OFFICE
Mayor	Todd Meier	Business Person/Attorney	05/15–05/17
Mayor Pro Tempore	Bruce Arfsten	Residential Real Estate	05/15–05/17
Deputy Mayor Pro Tempore	Ivan Hughes	Retired	05/15–05/17
Council Member	Al Angell	Retired	05/16–05/18
Council Member	Jim Duffy	Retired	05/16–05/18
Council Member	Paul Walden	Commercial Insurance Underwriting	05/16–05/18
Council Member	Dale Wilcox	Investor	05/15–05/17

## TOWN STAFF

Mayor's Office	Todd Meier   Mayor	972-450-7026 972-450-7027
City Manager's Office	Wes Pierson   City Manager	972-450-7037
City Manager's Office	Cheryl Delaney   Deputy City Manager	972-450-7036
City Manager's Office	Hamid Khaleghipour   Interim Deputy City Manager	972-450-7010
Economic Development & Tourism	Orlando Campos   Director	972-450-7034
Finance	Olivia Riley   Interim Chief Financial Officer	972-450-7051
General Services & Events	Mark Acevedo   Director	972-450-2848
Human Resources	Passion Hayes   Director	972-450-2819
Information Technology	Hamid Khaleghipour   Director	972-450-2868
Police	Paul Spencer   Police Chief	972-450-7168
Fire	David Jones   Fire Chief	972-450-7206
Infrastructure & Development Services	Lisa Pyles   Director	972-450-2878
Parks	Michael Kashuba   Director	972-450-2831
Communications & Marketing	Mary Rosenbleeth	972-450-7032

## CONSULTANTS

Auditors	BKD CPAs & Advisors	972-702-8262
Bond Counsel	Bracewell & Giuliani, LLP   Julie Partain	214-758-1606
City Attorney	Messer, Rockefeller & Fort   Brenda McDonald	214-672-2170
Financial Advisors	First Southwest, Co.   David Medanich	817-332-9710

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, 2015. 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, 2014. 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.





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