



ADDISON

# CREATING A ROADMAP FOR SUCCESS

TOWN OF ADDISON, TEXAS | BUDGET BOOK 2017/2018

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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, 2017 and ending September 30, 2018. 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 2017-2018 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 written and graphically.

## BUDGET FORMAT

The document is divided into four major sections: Introduction, Financial/Operational, Town Chronicle, and Appendices. The Introduction section contains the City Manager's letter, which is addressed to the City Council and explains the major policies and issues which impacted the development of the FY2018 budget. The section also contains a statement of Addison's vision and goals, initiatives that address the strategic pillars and milestones adopted by City Council for FY2018, the Town's organization and staffing chart, and the summary of all financial statements.

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 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, these financial statements show beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts for the 2015-2016 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2016-2017 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2016-2017 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2017-2018 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 FY2018. Selected service levels for each department are presented graphically. Actual prior year data and estimated FY2017 data is used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

The Town Chronicle reports on issues or special projects which affect the Addison community. The Chronicle also provides statistical information about the Town of Addison.

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, and Addison's compensation and merit pay plans.



# LETTER TO THE MAYOR & COUNCIL

## HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL,

I am pleased to present the fiscal year 2018 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, which represents the expected revenues and planned expenditures for the Town's fiscal year from October 1, 2017 to September 30, 2018, seeks to create a roadmap for success by continuing to build on a solid foundation.

The adopted budget allocates resources according to the City Council's fiscal year 2018 priorities and the needs identified by staff to maintain current service levels, all while maintaining the conservative fiscal approach that has allowed Addison to maintain our stellar bond ratings (AAA from Standard and Poor's (S&P); Aa1 from Moody's). This budget seeks to balance the high demand for quality services with the ever-increasing cost to deliver those services.

We are experiencing unprecedented growth in the North Texas area. While we enjoy the fruits of this abundance, there are also formidable challenges to overcome. The pressure to do more with less is constant, the competition for talent is fierce, the question about how we will address our infrastructure needs is looming, and politicians at the state level are focused on interfering with local decision-making and eroding the authority cities have to control our own destinies. Because of these challenges it is important that we are aware of their potential impact on how we provide services to the people and businesses that call Addison home.

We continue to strive to improve the way we do business and to make progress on the plans we will need to have in place to address the big issues, mentioned earlier, that will impact the Town's prosperity in the future, namely: how we fund and rebuild our infrastructure and facilities; how we compensate our workforce in order to 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.

## BIG ISSUES

### INFRASTRUCTURE PLANNING

The fiscal year 2018 budget continues to support our work to develop the Town's first comprehensive Asset Management Plan. This effort will provide us with information about the condition of our infrastructure and will result in the plans necessary to properly maintain and restore our core infrastructure. We will use these plans and information to create a financial plan to fund this important work. Additionally, we are proposing a separate Five-Year Capital Improvement Program (CIP) Budget to be considered for adoption for the Town.

This will create a template for how to budget and implement the financial plan that will be developed as part of our Asset Management Plan.

### ATTRACTING AND RETAINING TALENT

This budget continues the Town's effort to attract, retain and train the best talent possible. In order to achieve the Council's goal of compensating Addison's employees better than the average of our comparator cities, this budget recommends \$800,000 to fund a 4% merit increase and an additional \$233,000 for the implementation of a certification pay program. The implementation of the certification pay program was delayed from fiscal year 2017 to fiscal year 2018 because of the decision to complete a full compensation study. This work began in July, 2017 and is scheduled for completion in November, 2017. The comprehensive review of the Town's job descriptions, positions, and pay plan will provide a clear picture of where we stand on compensation in relation to our comparator cities. While we do not yet know the results of the compensation study, our current position in an ever changing market has developed over time. Despite the meaningful progress the Town has made on the compensation front, it is possible that the study identifies further adjustments that need to be made. The results of this study will require additional conversations during fiscal year 2018 about how and when to fund additional compensation adjustments identified in the study.

### CONTINUOUS IMPROVEMENT

This budget supports our efforts to continually improve the way we deliver services to our residents and businesses in Addison. We continue to review how we operate and areas for improvement. In fiscal year 2017, I reclassified an executive level position to lead our business performance and innovation efforts and those efforts will continue in full force in fiscal year 2018. I would like to highlight just a few of the continuous improvement efforts that are funded in the adopted budget:

- Review and update of our land development code to ensure that our development regulations are conducive to delivering the high-quality developments that Addison is accustomed to in an environment where redevelopment is the new normal;
- Review of our Parks Master Plan to prepare for the future of our parks system;
- Redesign of the Town website, our digital front door;
- Reprogramming of our traffic signals to ensure effective movement of people and vehicles throughout the community; and
- Implementation and further development of a long-range financial plan.

### PROPERTY VALUES

Total assessed property values for fiscal year 2018 equal \$4.45 billion, which equates to an overall increase of approximately \$150 million or 3.5% over the previous year. The average taxable value for a single-family home in Addison is \$299,911, an increase of approximately \$12,878 or 4.5% from the previous year.

## TAX RATE

The adopted fiscal year 2018 budget reduces the Town's tax rate from \$0.560472 in fiscal year 2017 to \$0.550000; a reduction of more than one penny. The proposed tax rate allows the Town to continue to provide quality services to our customers. Of the total tax rate, \$0.396958 is dedicated to maintenance and operations in the General Fund, and \$0.153042 is dedicated to debt service payments.

At a property tax rate of \$0.550000, the municipal tax paid on the average single-family home will be approximately \$1,650 annualized, an increase of \$40.77 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 approximately \$36.5 million for fiscal year 2018, an increase of 2% over last year. We project property tax revenues of \$15.7 million, an increase of approximately 6% over the previous year and sales tax revenues of approximately \$13.4 million, a conservative estimate that holds sales tax revenues at the same level as last year.

General Fund operating expenditures total \$36.5 million, reflecting a 4% increase from the fiscal year 2017 budget. The available ending fund balance for the General Fund is projected to be approximately \$12.9 million, leaving 35.5% of operating reserves, which exceeds both the Town's policy of 25% and the City Council's goal of 30%.

This budget proposes to fund the following in the General Fund:

- Fire, Management Assistant - 1.0 FTE: This is the only new FTE proposed for fiscal year 2018. This will be a civilian position that will assist with critical administrative duties such as: maintaining accreditation, project management, process review and improvement, and other administrative duties as needed. The Addison Fire Department is one of 196 agencies accredited through the Commission on Fire Accreditation International (CFAI). Accreditation allows the department to measure the quality of our fire and emergency services and helps us to establish methods for continuous improvement.

Additional dollars are budgeted to cover the increasing costs to maintain existing levels of service. Examples include: payment to North Texas Emergency Communications Center (NTECC), maintenance for town facilities, and Texas Municipal Retirement System (TMRS) increases, just to name a few.

## HOTEL FUND

The Hotel Fund collects funds from a 7% 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 2018 are expected to total \$8.9 million, a 6% decrease over fiscal year 2017, with budgeted expenses of \$7.7 million. The available ending fund balance for the Hotel Fund is projected to be \$3.5 million, leaving 45.1% of operating reserves, which exceeds the Town's policy of 25%.

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.

This budget proposes to fund the following in new items for the Hotel Fund:

- Theatre Centre - \$20,000 for repair of the Theatre Centre stage floor.
- Special Events - \$130,000 for personnel and operating cost adjustments.

## UTILITY FUND

The Utility Fund is supported by fees charged to water and sewer customers that pay for the services they receive from the Town. As a business-type fund, the revenues charged should at a minimum cover the Fund's operating expenses and debt service as well as any other policy-related goals defined by the City Council (i.e. funding for capital projects, capital replacement, conservation efforts, etc.).

In fiscal year 2017, as part of a review of the fiscal condition of all our funds, the Finance Department discovered a couple of areas for improvement that needed to be addressed to maintain the long-term sustainability of our utility operations. These items are identified as follows:

- Utility Fund revenues and bond proceeds for Utility Fund projects were reported in a comingled fashion. The comingling of these dollars from a reporting stand point could overstate the resources available to pay for utility operations.
- Annual Utility Fund rate increases only included the "pass-through costs" from our water and sewer providers and did not take into account increases in other operating costs such as new employees, salaries increases, capital replacement (i.e. vehicles, equipment, etc.), etc.
- Debt Service payments were budgeted to come out the Utility Fund's working capital reserves. This is potentially problematic because of the fluctuating nature of the working capital reserves due to their use both as a "back stop" in case of a revenue shortfall and to cash fund water and sewer capital projects.

In addressing the items above, and during the preparation of the Utility Fund budget for fiscal year 2018, it was determined that our projected water and sewer fees would not raise enough revenues to cover the budgeted expenditures necessary to maintain our current level of service. To rectify this issue, the Town has hired

a utility rate consultant to review our current rate structure and to assist us in creating a new rate model that will allow us to achieve our goals (infrastructure funding, staffing, etc.) and sustainably maintain the desired level of service. Fortunately, the Utility Fund is strong and we are in a position to proactively plan for the future.

The total Utility Fund revenues for fiscal year 2018 are expected to be approximately \$11.3 million with budgeted expenses of \$11.8 million. The available ending fund balance for the Utility Fund is projected to be \$6.8 million, a decrease of approximately \$1 million from the beginning fund balance of \$7.8 million. This decrease is due to a \$500,000 transfer to the Addison Grove Escrow Fund and the operating deficit described above. The projected end of year fund balance will maintain 57.6% of operating reserves, which exceeds the Town's policy of 25%.

Notable items in the Utility Fund this year include:

- "Pass through" cost increases in water and sewer rates of approximately 5% or \$2.17 per month for an average residential user of 5,000 gallons of water.
- No cash-funded capital improvement projects are budgeted for fiscal year 2018. Future cash-funded capital projects will be addressed as part of the utility rate study.

A total of \$4.8 million in bond funded capital projects are in the Utility Fund for fiscal year 2018. A list of projects can be found in the Capital Improvements Program budget adopted by the City Council.

### STORMWATER FUND

The Stormwater Fund is supported by drainage fees added to utility bills. The projected revenues for fiscal year 2018 are \$2 million with budgeted expenditures totaling \$1.3 million. The available ending fund balance for the Stormwater Fund is projected to be \$5.4 million, leaving 416.6% of operating expenditures, which exceeds the Town's policy of 25%.

Fees for the Stormwater Fund will increase this year 5% in each of the rate classes per the Council-approved rate schedule instituted at the time of passage of the enabling ordinance.

A total of \$2.3 million in bond funded capital projects are in the Stormwater Fund for fiscal year 2018. The most significant items include:

- Stormwater Assessment Basin Improvements (\$735,000); and
- Construction of a parallel storm water pipe at the intersection of Sherlock Drive and Winter Park Lane (\$1,200,000).

### ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is supported by a combination of the following revenue sources:

- An allocation of a portion of the property tax rate equal to \$0.023716 (\$1 million)
- A transfer from the Hotel Fund to cover the Tourism Department activities (\$610,000)

These revenue sources allow for budgeted operating expenses of \$1.6 million and a one-time expense of \$100,000.

This budget funds the following in new items from the Economic Development Fund:

- An Economic Development Strategic Plan to provide an updated strategic roadmap for our economic development efforts (\$100,000)
- Tourism research to guide our strategic messaging and outreach efforts (\$25,000)
- Funding to create a brand for tourism marketing efforts and increase tourism advertising to promote Addison (\$50,000).

### AIRPORT FUND

The Airport Fund mainly receives revenues from rental income on Town-owned property and service fees to airport customers. Total projected revenues of approximately \$5.4 million in fiscal year 2018 will allow for budgeted expenses of approximately \$5.2 million. The available ending fund balance for the Airport Fund is projected to be \$3.4 million, leaving 67.3% of operating expenditures, which exceeds the Town's policy of 25%.

Capital projects in the Airport Fund for fiscal year 2018 total \$1.8 million from reserves in excess of the 25% fund balance requirement, which includes:

- A TxDOT Aviation Grant Program grant match for Bravo and Golf Taxiway Improvements (\$740,000);
- General facility repairs and improvements (\$370,000);
- Vehicle and equipment replacements (\$287,000); and
- Funding for the design of a new customs facility (\$285,000).

### INFRASTRUCTURE INVESTMENT FUND (IIF)

The Infrastructure Investment Fund was created in fiscal year 2015 through a \$4 million transfer from General Fund reserves. Annually, a portion of the property tax rate equal to \$0.006201 or approximately \$265,000 is deposited into this fund. The intent of this fund is to cash finance infrastructure projects. The fiscal year 2018 budget appropriates \$1.1 million for the following projects:

- \$125,000 is allocated to complete the ADA Transition Plan that was started in fiscal year 2017;
- \$200,000 is allocated for design work related to the Belt Line Road Streetscape in fiscal year 2018 (a.k.a. Belt Line Road Phase 1.5). \$50,000 of these funds has been spent in fiscal year 2017 with work continuing in fiscal year 2018; and
- \$731,000 is allocated for Public Safety Facility Improvements and Rehabilitation.

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**

For fiscal year 2018, \$10.8 million has been budgeted for capital projects which are funded by bonds. The largest of these projects includes Vitruvian Park Public Infrastructure (\$4.6 million), and completion of the Midway Road Design and Rehabilitation (\$1.5 million). For more information related to these capital projects, please reference the Capital Improvement Program (CIP) Budget that was adopted by the City Council.

**ADDISON GROVE ESCROW FUND**

The Addison Grove Escrow Fund was created in fiscal year 2016 to capture the multi-fund contributions that would be used to reimburse the developer for the costs of the public infrastructure associated with the Addison Grove development at the old Sam’s Club site. For fiscal year 2018, I am recommending that we change our original funding schedule for the escrow fund and not make the scheduled \$750,000 contribution from the General Fund. The reason for this change is the delay in the Addison Grove project. The Addison Grove Escrow Fund is scheduled to receive a \$500,000 transfer from the Infrastructure Investment Fund and a \$500,000 transfer from the Utility Fund. Total transfers to this fund in fiscal year 2018 are \$1 million. This fund will end fiscal year 2018 with a balance of \$2 million. It is expected that the first incentive payment for the Addison Grove project will be paid in fiscal year 2019.

**SELF-FUNDED SPECIAL PROJECT FUND**

The purpose of the Self-Funded Special Project Fund is to cash fund important one-time projects. The dollars for these one-time projects are intended to come from the savings from the previous fiscal year that flow through the General Fund’s fund balance along with contributions from other funds when the project will service multiple funds. Dollars above the 30% Council goal for General Fund fund balance can be transferred to this fund. Major expenditures in this fund in FY2018 include:

- \$157,000 Asset Management Study (Phase 2)
- \$167,000 Fire Training Center Equity Buy-in (Year 2 of 3)
- \$50,000 Records Management
- \$15,000 Employee Handbook Update
- \$175,000 Unified Development Code Study (Year 1 of 2)
- \$100,000 Website Redesign
- \$125,000 Parks Master Plan
- \$128,000 Outdoor Pool Filters
- \$190,000 Signal Timing
- \$100,000 Economic Development Strategic Plan

**CONCLUSION**

This completes the highlights of the fiscal year 2018 budget. I believe this budget balances the desire to continue to deliver high-quality services with the need to address issues that are important to the future of Addison.

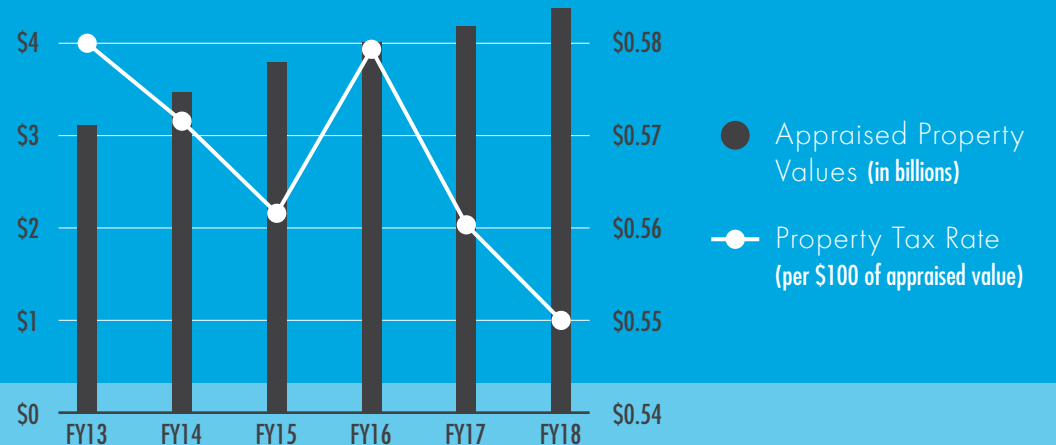
I would like to thank the department directors who have put much time and expertise into the development of the budget. The development of this budget would not have been possible without the hard work of our Finance Department. In addition, I would like to give a special thanks to all the Town employees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

Respectfully submitted,

Wesley S. Pierson  
City Manager

FY13	\$3,134,894,878	\$0.5800
FY14	\$3,490,007,698	\$0.5718
FY15	\$3,805,580,481	\$0.5618
FY16	\$4,036,723,767	\$0.5792
FY17	\$4,300,271,555	\$0.5605
FY18	\$4,450,533,504	\$0.5500

**APPRAISED VALUES AND TAX RATE**



# ADDISON

## ADDISON WAY

The "Addison Way" 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



# TOWN OF ADDISON VISION STATEMENT

## COUNCIL'S PILLARS OF SUCCESS

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.

- Entrepreneurship and Business Hub
- Excellence in Asset Management
- Excellence in Transportation Systems
- Gold Standard in Customer Service
- Gold Standard in Financial Health
- Optimize the Addison Brand
- Gold Standard in 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.





# STRATEGIC PILLAR INITIATIVES

## ENTREPRENEURSHIP & BUSINESS HUB

**MILESTONE**  
Focus on economic development activities which attract and retain entrepreneurship and high-tech conferences

**INITIATIVES**  
Create an Economic Development Strategic Plan *(Economic Development)*

Conduct research to increase Tourism activity *(Tourism)*

Create a Tourism brand and marketing campaign *(Tourism/Marketing)*

**MILESTONE**  
Review Town Ordinances and Regulations with a focus on modernization in order to facilitate redevelopment

**INITIATIVE**  
Begin the process of reviewing and updating the Town's development regulations *(Development Services)*

## EXCELLENCE IN ASSET MANAGEMENT

**MILESTONE**  
Create an Asset Management Plan

**INITIATIVE**  
Facilitate the completion of the Asset Management Plan *(Streets/Utilities/Stormwater)*

## EXCELLENCE IN TRANSPORTATION SYSTEMS

**MILESTONE**  
Develop a Cotton Belt Strategy

**INITIATIVE**  
Conduct a special area study to establish a vision for the properties around the Cotton Belt rail line *(Development Services)*

**MILESTONE**  
Improve Connectivity around Addison with a focus on economic development

**INITIATIVES**  
Conduct a signal timing project *(Streets)*

Develop implementation strategy for Master Transportation Plan *(Development Services)*

**MILESTONE**  
Maintain all roads in an acceptable condition

**INITIATIVES**  
Complete the overall street assessment and assign a Pavement Condition Index to each road segment *(Streets)*

Design and construct the Belt Line Road Overlay project *(Streets)*

## GOLD STANDARD IN CUSTOMER SERVICE

**MILESTONE**  
Clarify and protect the Addison Way

**INITIATIVES**  
Evaluate and revise the employee handbook *(HR)*

Conduct a resident survey *(City Manager's Office/Marketing)*

Redesign the Town's website *(IT)*

Hire a Management Assistant for the Fire department *(Fire)*

## OPTIMIZE THE ADDISON BRAND

**MILESTONE**  
None identified for FY2018

**INITIATIVE**  
Continue implementation of Communication Strategy *(Marketing)*

## PUBLIC SAFETY

**MILESTONE**  
Maximize use of cutting edge technology to enhance public safety

**INITIATIVES**  
Hire a Management Assistant for the Fire Department *(Fire/HR)*

Improve security in the Police/Courts building and rehabilitate the gun range *(Police/General Services)*

Install backup communication lines for NTECC *(IT)*

## GOLD STANDARD IN FINANCIAL HEALTH

**MILESTONE**  
Implement and continue development of Long Term Financial Plans

**INITIATIVE**  
Implement and continue development of Long Term Financial Plans *(Finance)*



ENTREPRENEURSHIP & BUSINESS HUB



EXCELLENCE IN ASSET MANAGEMENT



EXCELLENCE IN TRANSPORTATION SYSTEMS



GOLD STANDARD IN CUSTOMER SERVICE



GOLD STANDARD IN FINANCIAL HEALTH



OPTIMIZE THE ADDISON BRAND



PUBLIC SAFETY

# MUNICIPAL TAX RATE COMPARISON

## FY18 Tax Rate

University Park	0.2488
Grapevine	0.2893
Lewisville	0.4361
Flower Mound	0.4390
Frisco	0.4466
Plano	0.4686
Allen	0.5100
Addison	0.5500
McKinney	0.5402
Coppell	0.5795
Irving	0.5941
Farmers Branch	0.6023
Carrollton	0.5997
Richardson	0.6252

# COMPARATIVE TAX

## For an Average Addison Single-Family Residence

FY17

FY18

### Dallas County

Market Value	377,665	392,316
Optional Homestead Exemption	20%	20%
Taxable Value	287,033	299,911
Tax Rate/\$100	0.253100	0.253100
<b>TAX LEVY</b>	<b>\$726.48</b>	<b>\$759.07</b>

### Dallas ISD

Market Value	377,665	392,316
Optional Homestead Exemption	10%	10%
Taxable Value	287,033	299,911
Tax Rate/\$100	1.282085	1.282085
<b>TAX LEVY</b>	<b>\$3,680.01</b>	<b>\$3,845.11</b>

### Town of Addison

Market Value	377,665	392,316
Optional Homestead Exemption	20%	20%
Taxable Value	287,033	299,911
Tax Rate/\$100	0.560472	0.550000
<b>TAX LEVY</b>	<b>\$1,608.74</b>	<b>\$1,649.51</b>

### TOTAL TAX LEVY

\$6,015.23

\$6,253.70

55¢



# PROPERTY TAX DISTRIBUTION CALCULATIONS

City Council Adopted FY2018 Annual Budget

## FY2018 Certified Tax Roll and Levy

Appraised Valuation (100%)	4,450,533,504
Rate Per \$100	0.550000
<b>TOTAL TAX LEVY</b>	<b>\$24,477,934</b>
Percent of Current Collection	96.50%
<b>ESTIMATED CURRENT TAX COLLECTIONS</b>	<b>\$23,864,145</b>

## Summary of Tax Collections

Summary of Tax Collections	\$23,864,145
Delinquent Tax	(63,800)
Penalty and Interest	49,700
<b>TOTAL 2017-2018 TAX COLLECTIONS</b>	<b>\$23,850,045</b>

Distribution of Tax Rate	Tax Rate	% of Total	Amount
--------------------------	----------	------------	--------

<b>GENERAL FUND</b>			
Current Tax			15,753,469
Delinquent Tax			(58,000)
Penalty and Interest			29,000
<b>TOTAL GENERAL FUND</b>	<b>\$0.3670</b>	<b>66.73%</b>	<b>15,724,469</b>
<b>ECONOMIC DEVELOPMENT FUND</b>			
Current Tax			1,017,859
Delinquent Tax			(4,700)
Penalty and Interest			2,200
<b>TOTAL ECONOMIC DEVELOPMENT FUND</b>	<b>\$0.0237</b>	<b>4.31%</b>	<b>1,015,359</b>
<b>INFRASTRUCTURE INVESTMENT FUND</b>			
Current Tax			266,275
Delinquent Tax			(1,100)
Penalty and Interest			500
<b>TOTAL INFRASTRUCTURE INVESTMENT FUND</b>	<b>\$0.0062</b>	<b>1.13%</b>	<b>265,675</b>
<b>TOTAL OPERATIONS &amp; MAINTENANCE</b>	<b>\$0.3970</b>	<b>72.17%</b>	<b>17,005,503</b>
<b>DEBT SERVICE FUND</b>			
Current Tax			6,826,542
Delinquent Tax			0
Penalty and Interest			18,000
<b>TOTAL DEBT SERVICE FUND</b>	<b>\$0.1530</b>	<b>27.83%</b>	<b>6,844,542</b>
<b>TOTAL DISTRIBUTION</b>	<b>\$0.5500</b>	<b>100.000%</b>	<b>\$23,850,045</b>

# FUND OVERVIEW

## Governmental Funds

General Fund	36,459,438
Special Revenue Funds	
Hotel Fund	7,694,713
Economic Development Fund	1,673,570
Combined Grant Funds	34,875
Combined Other Funds	120,406
Addison Grove Escrow Fund	-
Self-Funded Project Fund	1,207,000
Combined Debt Service Funds	7,541,342
Capital Project Funds	
Infrastructure Investment Fund	1,056,000
Combined Bond Funds	17,854,000
Airport Capital Projects	8,379,000

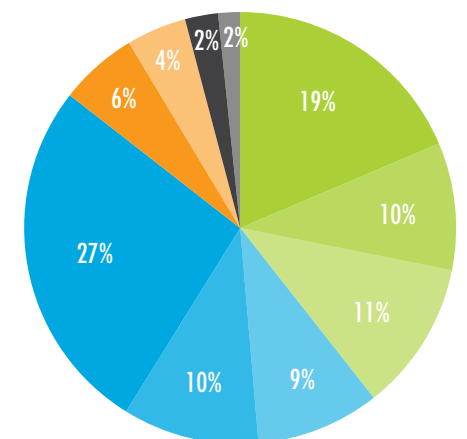
## Proprietary Funds

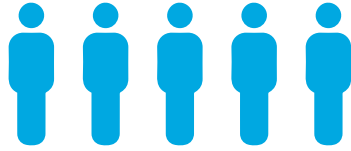
Airport Fund	5,194,156
Utility Fund	11,840,667
Stormwater Fund	1,286,011
Combined Replacement Funds	1,933,810

**TOTAL ALL FUNDS \$102,274,988**

## ALL FUNDS EXPENDITURES BY TYPE

- Public Safety ●
- Debt Service ●
- Utilities ●
- Tourism & Economic Dev. ●
- General Government ●
- Capital Projects/Other Uses ●
- Parks & Recreation ●
- Aviation ●
- Streets ●
- Urban Development ●





# BUDGETED DEPARTMENTAL STAFFING SUMMARY



## MAYOR & CITY COUNCIL

- City Attorney
- City Prosecutor
- City Judge
- City Secretary
- Board/Commissions

## CITY MANAGER

- Fire
- Police
- Human Resources

## DEPUTY CITY MANAGER

- Infrastructure & Development Services
- Airport
- Parks & Recreation
- Economic Development & Tourism
- Volunteer Services

## DEPUTY CITY MANAGER

- Finance
- Municipal Court
- General Services & Events
- Marketing & Communication

## EXECUTIVE DIRECTOR OF BUSINESS PERFORMANCE & INNOVATION

- Information Technology

# STAFF ORGANIZATION

City Council Adopted FY2018 Annual Budget

	15	16	17	18	Difference 17-18
<b>GENERAL FUND</b>					
City Secretary	-	-	1.0	1.0	-
City Manager	8.5	7.5	5.5	5.5	-
Finance	9.7	13.0	13.0	13.0	-
General Services	5.0	5.0	6.0	4.8	(1.2)
Municipal Court	5.8	5.8	5.8	5.8	-
Human Resources	3.3	4.0	4.0	4.0	-
Information Technology	7.0	7.0	7.0	7.0	-
Police	79.8	79.8	79.8	71.0	(8.8)
Emergency Communications	14.5	14.5	-	-	-
Fire	55.3	55.3	56.0	57.0	1.0
Development Services	7.2	7.2	10.2	11.0	0.8
Property Standards	2.0	-	-	-	-
Streets	5.4	5.4	6.4	6.4	-
Parks	21.0	22.0	22.0	22.0	-
Recreation	15.1	15.1	15.1	15.7	0.6
<b>TOTAL GENERAL FUND</b>	<b>239.6</b>	<b>241.6</b>	<b>231.8</b>	<b>224.2</b>	<b>(7.6)</b>
Hotel Fund	14.8	14.8	16.8	16.7	(0.1)
Economic Development Fund	4.0	4.0	4.0	4.0	-
Airport Fund	3.0	3.0	3.4	3.4	-
Utility Fund	16.6	17.6	17.9	19.2	1.3
Stormwater Fund	1.7	1.7	2.0	2.0	-
<b>TOTAL ALL FUNDS</b>	<b>279.70</b>	<b>282.70</b>	<b>275.90</b>	<b>269.50</b>	<b>(6.4)</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 FY2018 Annual Budget | With Comparisons to 2016-17 Estimates and 2015-2016 Actual

Total Revenues	74,313
Decrease in Fund Balance	673
<b>TOTAL APPROPRIABLE FUNDS</b>	<b>\$74,986</b>

	SPECIAL REVENUE FUNDS					COMB. DEBT SERVICE FUNDS	CAP. PROJ. FUNDS		PROPRIETARY FUNDS				TOTAL ALL FUNDS		
	General Fund	Hotel	Econ. Dev.	Comb. Grants	Comb. Other		Infrastructure Investment Fund	Airport	Utility	Storm-water	Comb. Replacement	17-18 Bud.	16-17 Est.	15-16 Act.	
Beginning Balances	\$14,001	\$3,559	\$989	\$27	\$1,452	\$814	\$4,717	\$3,201	\$7,812	\$4,626	\$4,269	\$45,466	\$44,017	\$37,805	
<b>REVENUES</b>															
Ad Valorem Tax	15,724	-	1,015	-	-	6,845	266	-	-	-	-	23,850	23,403	22,559	
Non-Property Taxes	14,660	5,760	-	-	-	-	-	-	-	-	-	20,420	20,420	20,182	
Franchise Fees	2,850	-	-	-	72	-	-	-	-	-	-	2,922	2,909	3,075	
Licenses and Permits	764	-	-	-	-	-	-	-	-	-	-	764	864	769	
Intergovernmental	-	-	-	35	-	-	-	50	-	-	-	85	66	159	
Service Fees	1,675	2,354	67	-	-	-	-	1,060	11,249	1,950	1,594	19,949	19,377	19,509	
Fines and Penalties	500	-	-	-	38	-	-	-	-	-	-	538	538	603	
Rental Income	175	798	-	-	-	-	-	4,355	-	-	-	5,328	5,328	5,472	
Interest and Other Income	148	17	14	0	2	12	20	25	-	-	-	457	4,004	942	
<b>TOTAL REVENUES</b>	<b>36,497</b>	<b>8,929</b>	<b>1,096</b>	<b>35</b>	<b>112</b>	<b>6,857</b>	<b>286</b>	<b>5,490</b>	<b>11,344</b>	<b>2,018</b>	<b>1,651</b>	<b>74,313</b>	<b>76,908</b>	<b>73,269</b>	
Transfers from Other Funds	-	-	610	-	2,207	711	-	-	-	-	-	3,528	5,702	2,349	
<b>TOTAL AVAILABLE RESOURCES</b>	<b>50,498</b>	<b>12,488</b>	<b>2,696</b>	<b>62</b>	<b>3,770</b>	<b>8,382</b>	<b>5,003</b>	<b>8,690</b>	<b>19,156</b>	<b>6,643</b>	<b>5,920</b>	<b>123,307</b>	<b>126,628</b>	<b>113,423</b>	
<b>EXPENDITURES</b>															
Personnel Services	22,459	1,802	441	-	22	-	-	423	1,659	158	-	26,966	24,605	24,102	
Supplies	1,293	109	23	1	75	-	-	40	142	23	-	1,706	1,669	1,362	
Maintenance	3,531	457	23	-	8	-	-	3,454	491	222	-	8,187	8,234	6,712	
Contractual Services	7,765	5,207	1,168	34	912	2	-	657	8,142	341	8	24,236	22,697	19,486	
Capital Replacement/Lease	1,411	90	18	-	-	-	-	27	54	-	-	1,600	1,607	1,570	
Debt Service	-	-	-	-	-	7,539	-	593	1,077	542	-	9,751	10,625	11,136	
Capital Outlay	-	30	-	-	310	-	-	-	275	-	1,926	2,541	5,483	2,288	
<b>TOTAL EXPENDITURES</b>	<b>36,459</b>	<b>7,695</b>	<b>1,674</b>	<b>35</b>	<b>1,327</b>	<b>7,541</b>	<b>-</b>	<b>5,194</b>	<b>11,841</b>	<b>1,286</b>	<b>1,934</b>	<b>74,986</b>	<b>74,920</b>	<b>66,655</b>	
Transfers to Other Funds	1,107	1,321	100	-	-	-	500	-	500	-	-	3,528	5,702	2,349	
Ending Fund Balances	\$12,931	\$3,472	\$922	\$27	\$2,443	\$840	\$4,503	\$3,496	\$6,815	\$5,357	\$3,986	\$44,793	\$45,466	\$44,017	

\*Totals may not exactly match due to rounding.

A photograph showing the back and shoulder of a person with short brown hair, wearing a grey and black striped sweater. They are standing in a workshop or office space where a wall is covered with numerous sticky notes, diagrams, and sketches. The lighting is warm and orange. A semi-transparent blue vertical bar is on the right side of the image. An orange rectangular box is overlaid on the right side, containing the text 'FINANCIAL/OPERATIONAL GENERAL FUND' in white, bold, uppercase letters.

FINANCIAL/OPERATIONAL  
**GENERAL FUND**

# GENERAL FUND STATEMENT OF REVENUE & EXPENDITURES

## FUND DESCRIPTION

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

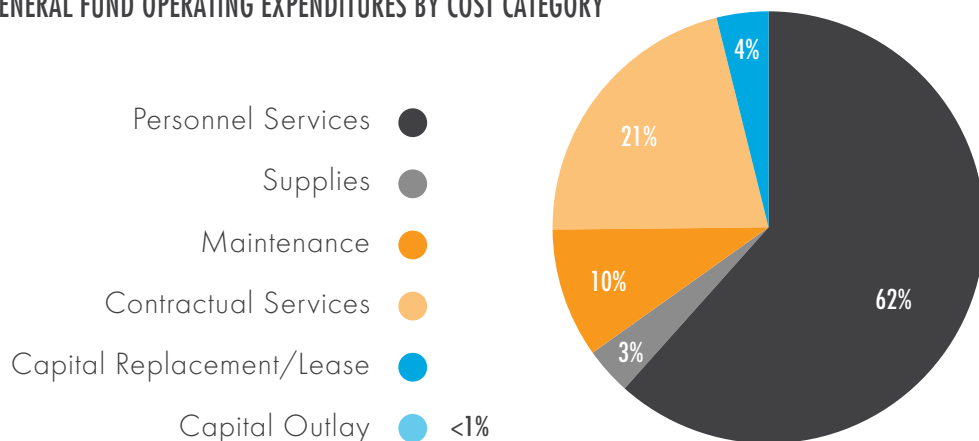
## FUND NARRATIVE

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 FY2017 are estimated to be \$38,882,926, which represents an increase of \$3,178,602, or 8.9 percent over FY2017 budgeted revenues and is more than 13 percent over FY2016 actual revenues. This \$3.2 million increase is the result of one-time revenue from the sale of Town property. Revenues collected from property taxes are expected to come in \$174,020 less than the budgeted amount. Sales tax collections are projected to be the same as the budgeted amount.

## GENERAL FUND OPERATING EXPENDITURES BY COST CATEGORY



Expenditures are expected to total \$34,755,071 in FY2017, which is \$949,170 less than the FY2017 budget (excluding transfers). The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$14,000,978, which is \$3,825,270 more than budgeted.

## 2017-2018 BUDGET NARRATIVE

There are four components that make up the Town's ad valorem tax rate of \$0.550000 per \$100 of appraised value: operations & maintenance, debt service, economic development, and dedicated funding for the Infrastructure Investment Fund. A tax rate of \$0.367041 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 in FY2018 to \$15,753,469. Sales and alcoholic beverage tax revenues for FY2018 are projected to remain constant at \$14,660,000, the same as the FY2017 budget. Licenses and permits are expected to decrease 9.6 percent due to the lack of new development in FY2018.

Total fund expenditures for the 2018 fiscal year have been appropriated at \$36,459,438 (excluding transfers) which is \$755,197 more than the FY2017 budget.

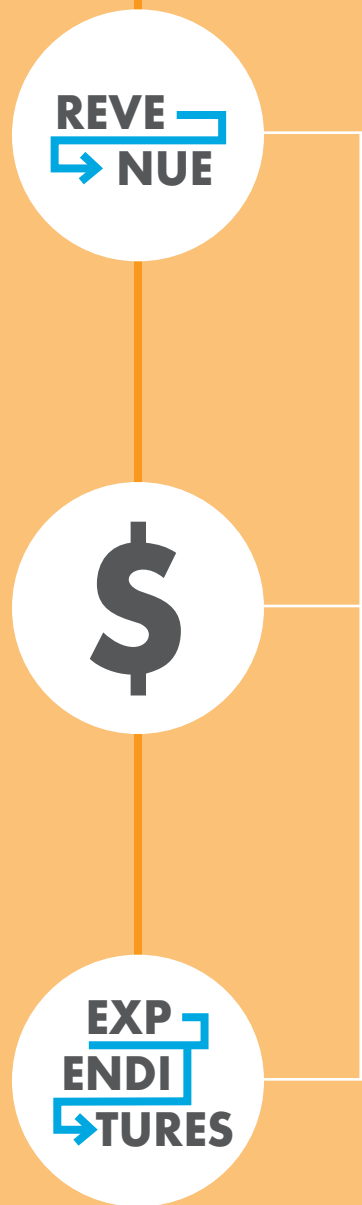
The net impact on revenues and expenditures is a projected increase in fund balance in FY2018. The ending fund balance of \$12,931,329 represents 35.5 percent of operating expenditures, which is above the minimum balance required by the Town's financial policies. The long-term financial plan for the General Fund anticipates adjusting expenditures for a two percent inflationary increase each year along with moderate increases in revenue<sup>1</sup>.

## GENERAL FUND BY MAJOR COST CATEGORY

Category	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	20,424,878	22,020,469	20,758,846	22,459,419
Supplies	1,076,165	1,384,838	1,282,629	1,292,730
Maintenance	2,671,951	3,508,331	3,404,697	3,531,293
Contractual Services	6,100,639	7,017,841	7,462,417	7,764,808
Capital Replacement/Lease	1,344,192	1,347,262	1,400,262	1,411,188
Capital Outlay	158,252	500	21,220	-
<b>TOTAL FUND BUDGET</b>	<b>\$31,776,077</b>	<b>\$35,279,241</b>	<b>\$34,330,071</b>	<b>\$36,459,438</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.*

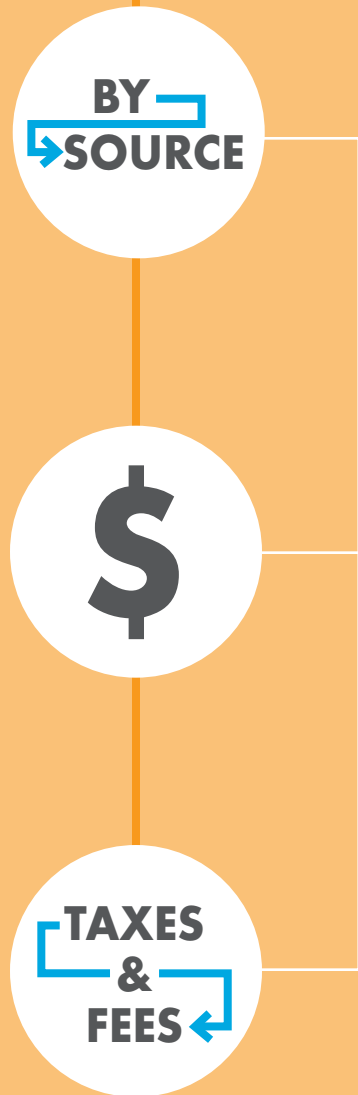
<sup>1</sup> Please refer to Appendix B for the Town's financial policies.



General Fund Statement  
of Revenue and  
Expenditures

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$11,601,861	\$11,896,301	\$12,890,799	\$14,000,978
<b>REVENUES</b>				
Ad Valorem Taxes	13,476,268	14,845,124	14,671,104	15,724,469
Non-Property Taxes	14,043,484	14,660,000	14,660,000	14,660,000
Franchise Fees	3,074,519	2,870,300	2,836,679	2,850,300
Licenses and Permits	768,964	845,800	864,300	764,300
Service Fees	1,691,003	1,493,100	1,493,100	1,674,720
Fines and Penalties	554,393	675,000	500,000	500,000
Interest Earnings	101,510	70,000	70,000	70,000
Rental Income	231,877	175,000	175,000	175,000
Other	214,997	70,000	3,612,743	78,000
<b>TOTAL REVENUES</b>	<b>\$34,157,015</b>	<b>\$35,704,324</b>	<b>\$38,882,926</b>	<b>\$36,496,789</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>45,758,876</b>	<b>47,600,625</b>	<b>51,773,725</b>	<b>50,497,767</b>
<b>EXPENDITURES</b>				
General Government				
City Secretary	34	201,159	173,152	200,071
City Manager	1,359,512	1,044,171	1,070,264	1,122,398
Finance	1,400,758	1,670,369	1,710,077	1,772,042
General Services	776,252	812,135	805,982	719,503
Municipal Court	552,162	614,926	590,389	682,615
Human Resources	559,963	613,589	598,952	677,438
Information Technology	1,586,922	1,909,265	1,881,596	2,024,830
Combined Services	997,868	2,412,288	1,126,207	1,672,262
City Council	360,177	310,819	298,765	346,924
Public Safety				
Police	8,107,260	8,641,004	8,901,576	9,112,629
Emergency Communications	1,412,601	1,410,505	1,749,331	1,459,046
Fire	6,757,240	7,047,475	7,069,539	7,343,860
Development Services	1,080,667	1,386,767	1,323,479	1,488,102
Code Enforcement	127,204	-	-	-
Streets	1,791,257	1,748,127	2,038,887	2,106,357
Parks and Recreation				
Parks	3,242,440	3,729,590	3,308,308	3,837,739
Recreation	1,663,760	1,727,052	1,683,567	1,893,622
<b>TOTAL EXPENDITURES</b>	<b>\$31,776,077</b>	<b>\$35,279,241</b>	<b>\$34,330,071</b>	<b>\$36,459,438</b>
Other Financing Sources (Uses)				
Transfer from Hotel Fund	-	-	-	-
Transfer to Other Funds	1,092,000	2,145,676	3,442,676	1,107,000
Ending Fund Balance	\$12,890,799	\$10,175,708	\$14,000,978	\$12,931,329





General Fund Statement  
of Revenue by Source

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
<b>Ad Valorem Taxes</b>				
Current Taxes	13,489,611	14,826,545	14,654,432	15,753,469
Delinquent Taxes	(45,520)	3,096	(15,399)	(58,000)
Penalty and Interest	32,177	15,483	32,071	29,000
<b>Non-Property Taxes</b>				
Sales Tax	12,831,723	13,400,000	13,400,000	13,400,000
Alcoholic Beverage Tax	1,211,761	1,260,000	1,260,000	1,260,000
<b>Franchise/Right-of-Way Use Fees</b>				
Electric Franchise	1,842,513	1,575,000	1,675,000	1,675,000
Gas Franchise	216,745	217,400	203,779	217,400
Sanitation Franchise	-	120,000	-	-
Telecommunication Access Fees	592,062	636,500	636,500	636,500
Cable Franchise	348,838	316,400	316,400	316,400
PEG Fees	69,741	-	-	-
Street Rental Fee	4,620	5,000	5,000	5,000
<b>Licenses and Permits</b>				
Business Licenses and Permits	137,282	247,800	237,300	137,300
Building and Construction Permits	631,681	598,000	627,000	627,000
<b>Service Fees</b>				
General Government	324,433	500	500	500
Public Safety	921,283	785,200	785,200	785,200
Urban Development	(1,300)	3,000	3,000	3,000
Streets and Sanitation	374,295	282,200	282,200	282,200
Recreation	72,293	73,300	73,300	73,300
Intergovernmental	15,905	348,900	348,900	530,520
Court Fines	554,393	675,000	500,000	500,000
Interest Earnings	101,510	70,000	70,000	70,000
Rental Income	231,877	175,000	175,000	175,000
Recycling Proceeds	2,426	10,000	3,000	3,000
Other	196,667	60,000	3,609,743	75,000
<b>TOTAL REVENUES</b>	<b>\$34,157,016</b>	<b>\$35,704,324</b>	<b>\$38,882,926</b>	<b>\$36,496,789</b>

## 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 FY2017

- Continued community engagement through City Council Liaison assignments
- Continued to facilitate private investments in the Town through private development
- Allocated non-profit funding to area agencies
- Identified top 7 strategic pillars and 9 milestones for FY2018 budget process

### OBJECTIVES FOR FY2018

- Identify initiatives that target the top 7 strategic pillars and 9 milestones
- Seek out operational 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)

## CITY COUNCIL SPECIAL PROJECTS

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	27,320	28,894	29,678	29,474
Supplies	33,816	31,500	31,500	26,500
Maintenance	-	-	-	-
Contractual Services	295,521	247,530	234,692	287,570
Capital Replacement/Lease	3,520	2,895	2,895	3,380
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$360,178</b>	<b>\$310,819</b>	<b>\$298,765</b>	<b>\$346,924</b>

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

<sup>2</sup> This position was reclassified to Deputy City Manager in FY2017.

<sup>3</sup> This position was moved to General Services Department in FY2016.

<sup>4</sup> This position was moved from the Human Resources Department in FY2015.

<sup>5</sup> This position was moved to the City Secretary Department 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 FY2017

- Graduated 23 residents from Citizen Academy
- Successfully hired Deputy City Manager and Chief Financial Officer
- Facilitated strategic planning with City Council for the FY2018 budget process

### OBJECTIVES FOR FY2018

- Lead initiatives that correlate with the top 9 milestones identified by Council for FY2018
- Develop an operational assessment plan to evaluate current practices in order to operate more efficiently
- Identify funding strategy for capital improvement projects and capital needs

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	1,015,081	839,624	819,788	909,562
Supplies	25,488	28,550	29,179	23,923
Maintenance	44,889	45,727	50,821	63,292
Contractual Services	235,774	112,050	152,255	111,834
Capital Replacement/Lease	38,280	18,221	18,221	13,787
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,359,512</b>	<b>\$1,044,172</b>	<b>\$1,070,264</b>	<b>\$1,122,398</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
City Manager <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
Deputy City Manager	34	1.0	1.0	1.0	2.0
Assistant City Manager <sup>2</sup>	33	1.0	1.0	1.0	0.0
Assistant to the City Manager	26	2.0	1.0	1.0	1.0
Special Projects Manager <sup>3</sup>	26	1.0	1.0	0.0	0.0
Administrative Assistant	10	1.0	1.0	1.0	1.0
Volunteer Coordinator <sup>4</sup>	12	0.0	0.5	0.5	0.5
City Secretary <sup>5</sup>	N/C	0.0	1.0	0.0	0.0
<b>TOTAL</b>		<b>7.0</b>	<b>7.5</b>	<b>5.5</b>	<b>5.5</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 FY2017

- Conducted May 2017 Election with Dallas County
- Fulfilled 530 open records requests
- Created new Action Agenda for tracking of Council items for approval and payment by Finance

### OBJECTIVES FOR FY2018

- Conduct the May 2018 Election
- Continue records project focusing on Police Department and one other department
- Ensure transparency and confidence in the City Secretary's Office with staff, Council and citizens

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	-	95,959	96,034	94,871
Supplies	-	20,700	20,700	20,700
Maintenance	-	-	-	-
Contractual Services	34	84,500	56,418	84,500
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$34</b>	<b>\$201,159</b>	<b>\$173,152</b>	<b>\$200,071</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
City Secretary <sup>1</sup>	N/C	0.0	0.0	1.0	1.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>1.0</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

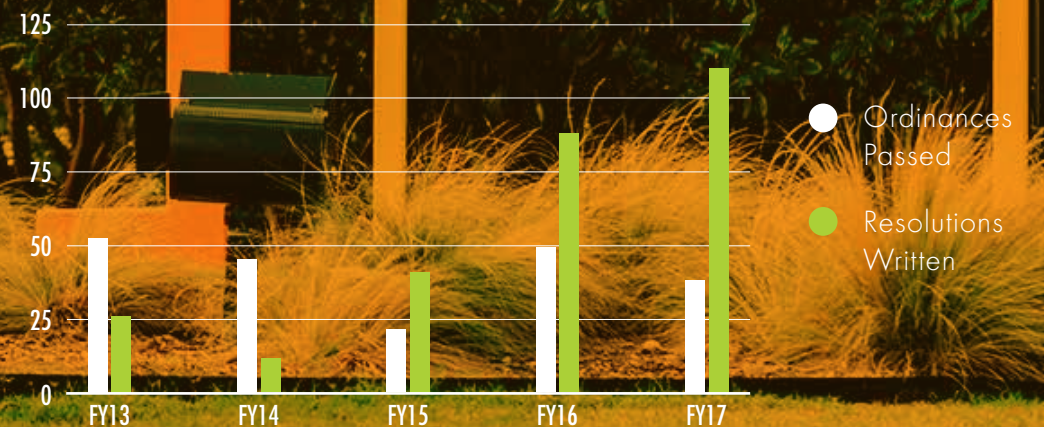
# COMBINED SERVICES

## 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	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	6,363	1,066,402	124,819	270,701
Supplies	53,842	62,000	62,000	52,000
Maintenance	937,663	-	-	-
Contractual Services	-	1,283,886	939,388	1,349,561
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$997,868</b>	<b>\$2,412,288</b>	<b>\$1,126,207</b>	<b>\$1,672,262</b>

## ORDINANCES PASSED AND RESOLUTIONS WRITTEN



# 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. Expenses associated with this department are for the North Texas Emergency Communications Center (NTECC) consolidate dispatch.

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	541,183	-	-	-
Supplies	1,787	-	-	-
Maintenance	50,062	-	65,786	45,547
Contractual Services	819,569	1,410,505	1,683,545	1,413,499
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,412,601</b>	<b>\$1,410,505</b>	<b>\$1,749,331</b>	<b>\$1,459,046</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Supervisor - Communications <sup>1</sup>	13	1.0	1.0	0.0	0.0
Telecommunicator <sup>1</sup>	11	13.5	13.5	0.0	0.0
<b>TOTAL</b>		<b>14.5</b>	<b>14.5</b>	<b>0.0</b>	<b>0.0</b>

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

# FINANCE

## 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, 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 FY2017

- Implemented payroll module in Munis software as well as Employee Self Service (ESS) for time entry, and trained Town employees on ESS
- Implemented a fully automated budget process in Munis software
- Developed a long-term planning model

### OBJECTIVES FOR FY2018

- Improve capital equipment and Capital Improvements Program budgeting
- Implement and continue development of Long-Term Financial Plan
- Implement the Utility Billing and Contract modules in Munis software

### AWARDS RECEIVED

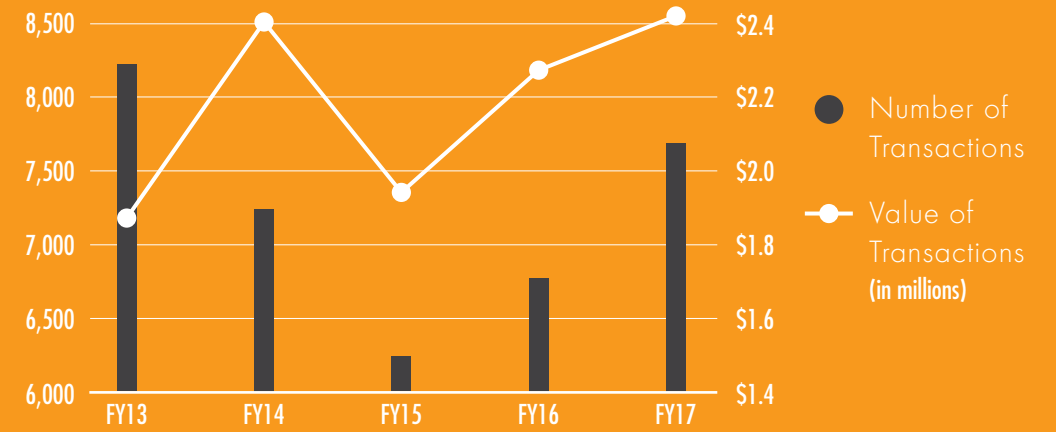
- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 41st consecutive year
- Received the Distinguished Budget Presentation Award from the GFOA for the 31st consecutive year
- Received the Traditional Finances Transparency Star from the Texas Comptroller

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	832,324	1,166,560	1,073,277	1,243,436
Supplies	39,281	44,410	44,998	30,363
Maintenance	24,824	32,193	31,866	45,724
Contractual Services	450,525	380,446	460,176	402,610
Capital Replacement/Lease	47,220	46,760	99,760	49,909
Capital Outlay	6,584	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,400,758</b>	<b>\$1,670,369</b>	<b>\$1,710,077</b>	<b>\$1,772,042</b>

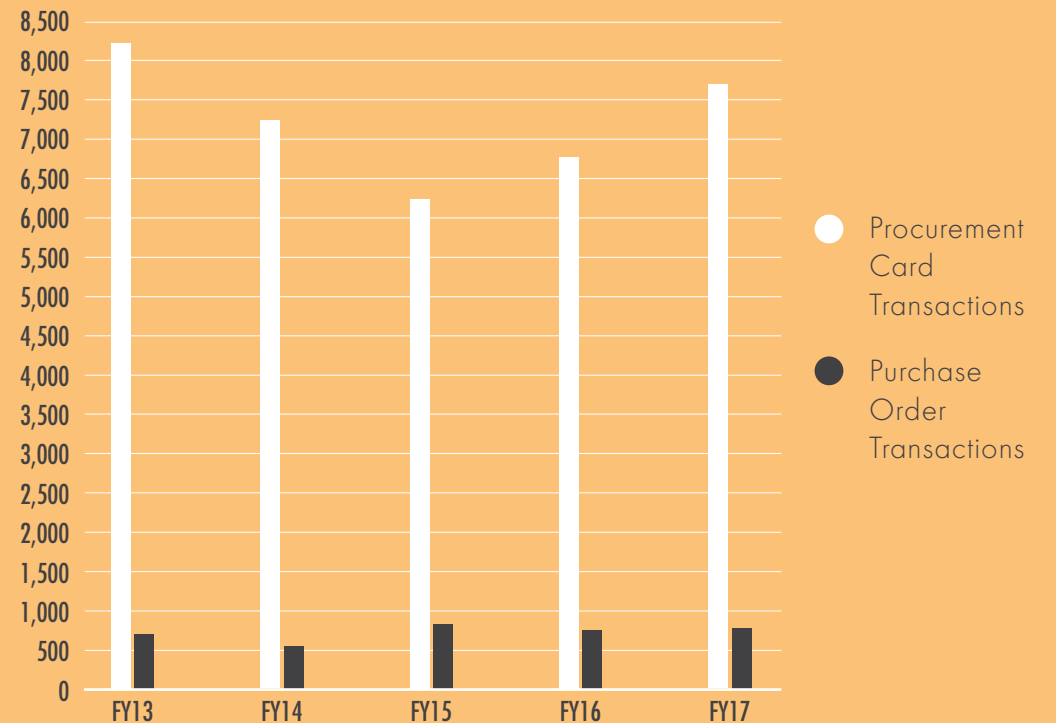
Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Chief Financial Officer	32	1.0	1.0	1.0	1.0
Assistant Finance Director <sup>1</sup>	30	1.0	1.0	1.0	0.0
Controller	30	0.0	0.0	0.0	1.0
Accounting Manager	27	1.0	1.0	1.0	1.0
Purchasing Manager	26	0.0	1.0	1.0	1.0
Budget Manager	26	0.0	1.0	1.0	1.0
Senior Accountant	25	0.0	2.0	2.0	2.0
Senior Budget Analyst	22	0.0	1.0	1.0	1.0
Accountant	21	1.0	1.0	1.0	1.0
Payroll Specialist	12	0.7	1.0	1.0	1.0
Accounting Specialist II	11	0.0	2.0	2.0	2.0
Accounting Specialist I	9	2.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>9.7</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

<sup>1</sup> This position was reclassified to Controller in FY2017.

### PROCUREMENT CARD TRANSACTIONS



### PROCUREMENT TRANSACTIONS BY METHOD





# 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:

1. Do Your Job
2. Treat People Right
3. Give All-Out Effort
4. Have an All-In Attitude

## PROGRAM NARRATIVE

Accomplishments of FY2017

- Completed construction of the Joint Fire Training Facility
- Purchased a new 100' aerial apparatus
- Hired a full-time Inspector in the Prevention Division

## OBJECTIVES FOR FY2018

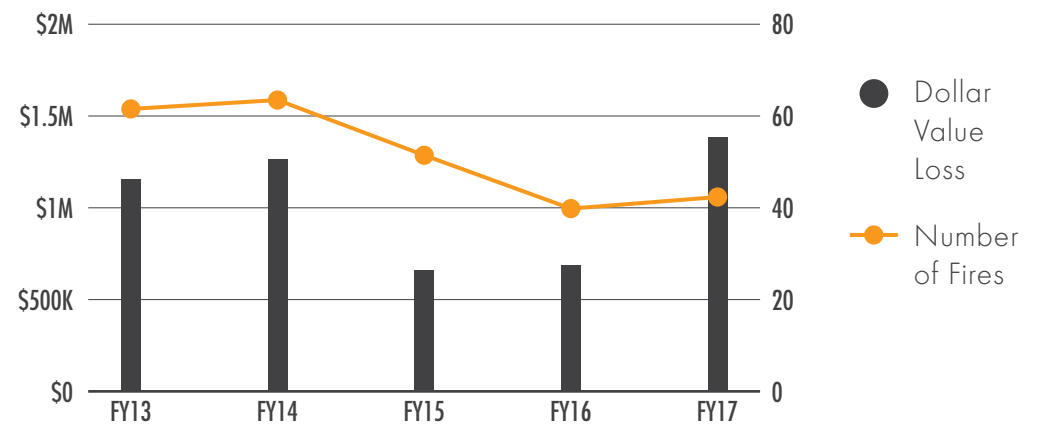
- Address administrative staffing needs by recruiting and hiring a new Fire Management Assistant
- Obtain re-accreditation through the Center of Public Safety Excellence
- Specify and initiate purchase of a new pump-er apparatus to replace a 2004 75' aerial apparatus and a new smaller more versatile squad apparatus to replace a 1999 Freightliner Utility apparatus

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	5,647,673	5,764,700	5,874,365	6,097,088
Supplies	229,199	279,600	251,993	270,319
Maintenance	221,939	309,621	288,061	297,489
Contractual Services	282,779	329,020	290,586	316,144
Capital Replacement/Lease	367,850	364,534	364,534	362,820
Capital Outlay	7,800	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$6,757,240</b>	<b>\$7,047,475</b>	<b>\$7,069,539</b>	<b>\$7,343,860</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
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 Prevention Technician			0.3	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
Management Assistant <sup>1</sup>	21	0.0	0.0	0.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>55.0</b>	<b>55.3</b>	<b>56.0</b>	<b>57.0</b>

<sup>1</sup> This position was added in FY2018.

## NUMBER OF FIRES & CORRESPONDING PROPERTY LOSS



# 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 a comfortable environment conducive to conducting Addison business, and that 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 FY2017

#### FACILITIES

- Hired a Facilities Specialist
- Replaced the lighting system at the Service Center with energy efficient LED lighting
- Replaced the Conference Centre roof

#### FLEET

- Fleet averaged a 99.93% uptime
- Received the DFW Clean Cities 2016 Silver Fleet Award for the 2nd year in a row
- Developed specifications, purchased and made-ready 13 new fleet vehicles including a 100' aerial ladder fire truck

## OBJECTIVES FOR FY2018

### FACILITIES

- Replace 31 year old elevator at the Athletic Club
- Replace HVAC system at the Athletic Club
- Coordinate and manage the security enhancement project at Police & Municipal Court building

### FLEET

- Develop specifications, purchase and make-ready 17 replacement vehicles and equipment to include 2 Fire Trucks (Pumper & Rescue)
- Continue to utilize Hybrid Electric vehicles where applicable & introduce all electric technology
- Coordinate and manage the replacement of the Underground Fuel Tank Monitoring System and fuel dispensing pumps at both fuel farms

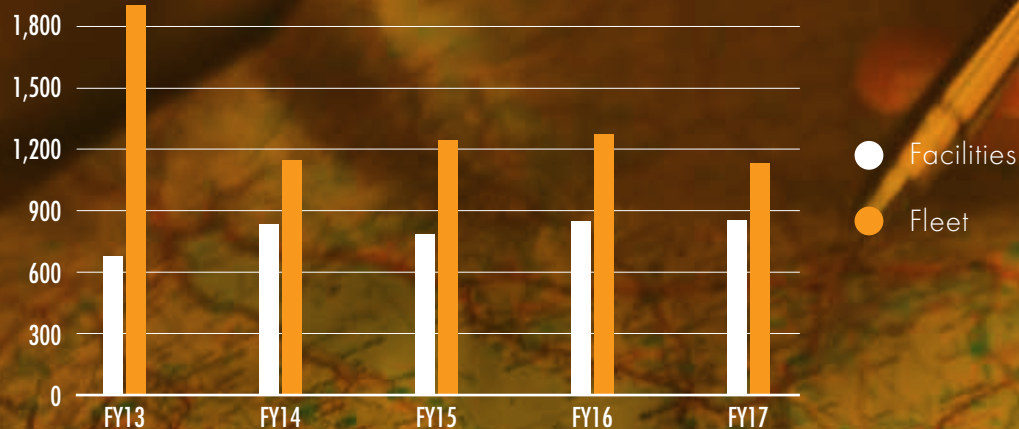
Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	566,614	416,220	428,647	439,480
Supplies	15,429	26,200	25,091	24,673
Maintenance	84,319	244,350	237,797	130,564
Contractual Services	75,630	96,746	85,827	96,777
Capital Replacement/Lease	34,260	28,620	28,620	28,009
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$776,252</b>	<b>\$812,135</b>	<b>\$805,982</b>	<b>\$719,503</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
Director-General Services & Events <sup>1</sup>	32	1.0	1.0	1.0	0.3
Assistant Director <sup>2</sup>	30	0.0	0.0	1.0	1.0
Supervisor - Facilities Services	11	1.0	1.0	1.0	1.0
Department Assistant <sup>1</sup>	9	1.0	1.0	1.0	0.5
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>6.0</b>	<b>4.8</b>

<sup>1</sup> This position is split between the General Services department and Special Events department.

<sup>2</sup> This position was moved from the City Manager's Office and reclassified in FY2016.

## WORK ORDERS PROCESSED



## FLEET DOWNTIME (AS A PERCENTAGE OF TIME IN OPERATION)



**DEPARTMENT MISSION**

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

**PROGRAM NARRATIVE**

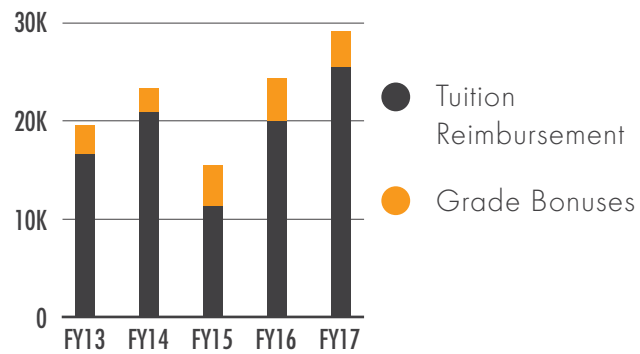
**ACCOMPLISHMENTS OF FY2017**

- Negotiated a 0% increase for health insurance for calendar year 2018
- Led the Performance Evaluation Committee to review the employee evaluation form and process
- Recommended and led the Certification Pay Study process

**OBJECTIVES FOR FY2018**

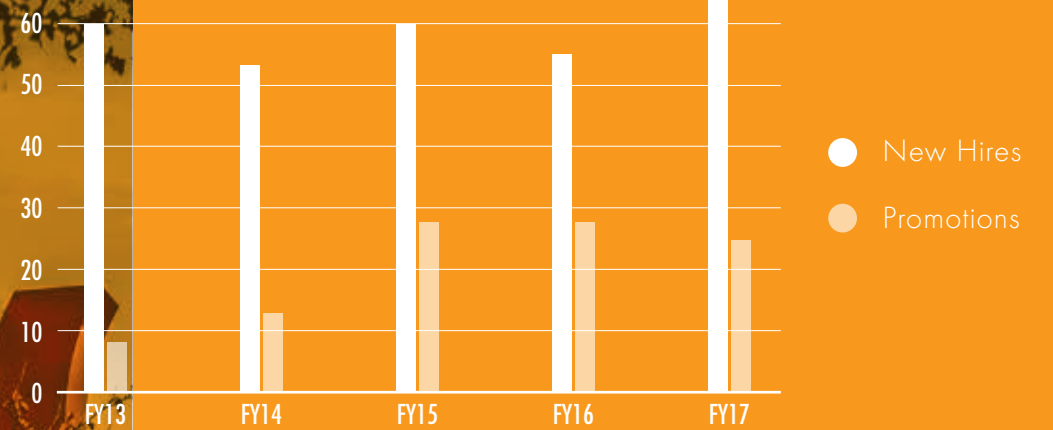
- Offer training through the Human Resources Training Program aimed at enhancing Town employees' technical skills
- Finalize and implement the results of the organizational classification and compensation study
- Finalize and implement the results of the certification study review

**TUITION REIMBURSEMENT**

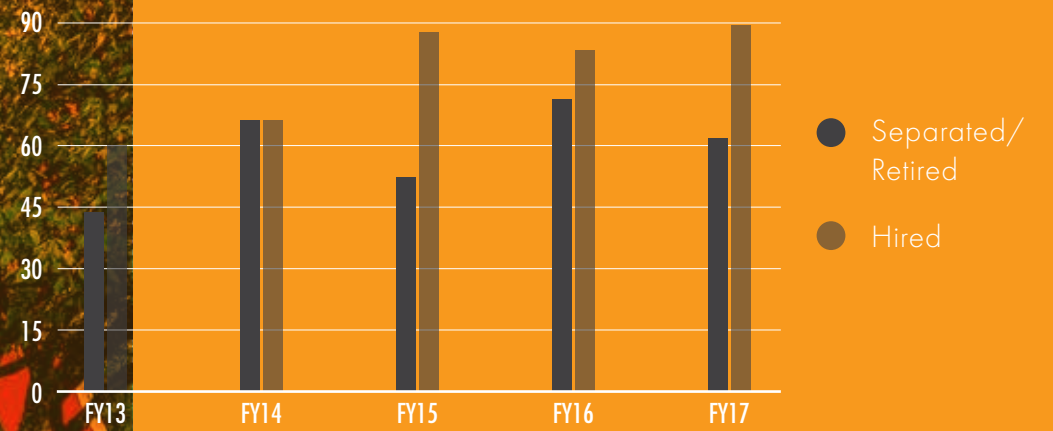


**HUMAN RESOURCES**

**HIRES BY TYPE**



**EMPLOYEES PROCESSED**



Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	379,820	387,701	397,226	453,798
Supplies	5,152	15,300	15,553	11,823
Maintenance	635	300	300	-
Contractual Services	162,896	197,640	173,225	199,973
Capital Replacement/Lease	11,460	12,648	12,648	11,844
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$559,963</b>	<b>\$613,588</b>	<b>\$598,952</b>	<b>\$677,438</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Director - Human Resources	32	1.0	1.0	1.0	1.0
Benefits Specialist <sup>1</sup>	22	1.0	0.0	0.0	0.0
Human Resources Generalist	25	0.0	1.0	1.0	1.0
Human Resources Coordinator	12	0.0	1.0	1.0	1.0
Human Resources Analyst	20	0.0	1.0	1.0	1.0
Volunteer Coordinator <sup>2</sup>	11	0.5	0.0	0.0	0.0
Department Assistant <sup>3</sup>	8	1.0	0.0	0.0	0.0
Intern <sup>4</sup>	5	0.3	0.0	0.0	0.0
<b>TOTAL</b>		<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

<sup>1</sup> This position was reclassified to Human Resources Generalist in FY2015.  
<sup>2</sup> This position was moved to the City Manager's Office 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.



# IDS DEVELOPMENT SERVICES

## INFRASTRUCTURE AND DEVELOPMENT SERVICES (IDS)

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

### DEPARTMENT 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 FY2017

- Facilitated adoption of a new Master Transportation Plan and a Comprehensive Plan Amendment for the Inwood Road corridor
- Implemented new Energov computer system for zoning, permitting, inspections, and code enforcement
- Managed zoning and permitting for major projects including Vitruvian West, Fourteen555 Dallas Parkway, AMLI, and Addison Grove

### OBJECTIVES FOR FY2018

- Conduct special area study to establish a vision for the properties around the Cotton Belt rail line
- Begin process of reviewing and updating the Town's development regulations
- Develop implementation strategy for the Master Transportation Plan

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	777,974	987,746	946,823	1,093,805
Supplies	32,363	63,100	62,371	31,529
Maintenance	7,943	10,200	17,232	8,000
Contractual Services	221,570	281,489	252,820	313,759
Capital Replacement/Lease	40,820	44,233	44,233	41,009
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,080,670</b>	<b>\$1,386,767</b>	<b>\$1,323,479</b>	<b>\$1,488,102</b>

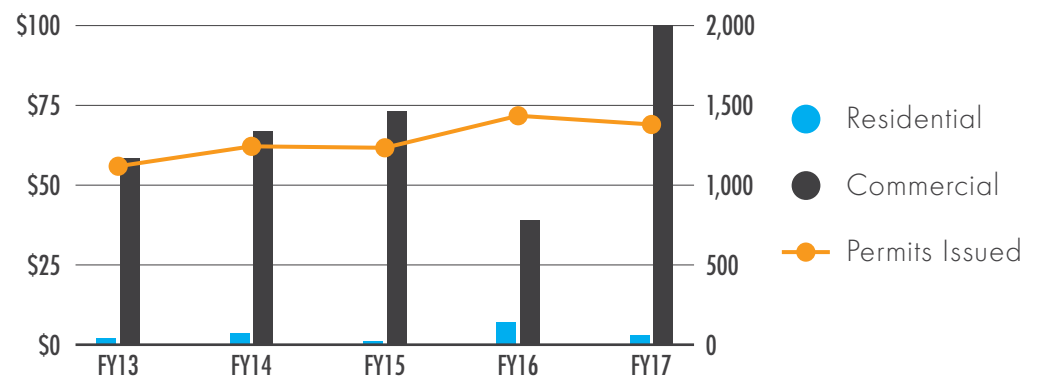
Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Assistant Director - Development Services	30	1.0	1.0	1.0	1.0
Official - Building	30	1.0	1.0	1.0	1.0
Official - Environmental Services	29	1.0	1.0	1.0	1.0
Planner	21	0.0	0.0	1.0	1.0
Inspector - Building <sup>1</sup>	13	2.2	2.2	2.2	3.0
Environmental Health Specialist	13	1.0	1.0	1.0	1.0
Code Enforcement Officer <sup>2</sup>	13	0.0	0.0	1.0	1.0
Department Assistant <sup>3</sup>	9	1.0	1.0	2.0	2.0
<b>TOTAL</b>		<b>7.2</b>	<b>7.2</b>	<b>10.2</b>	<b>11.0</b>

<sup>1</sup> One part-time position was converted to full-time in FY2017.

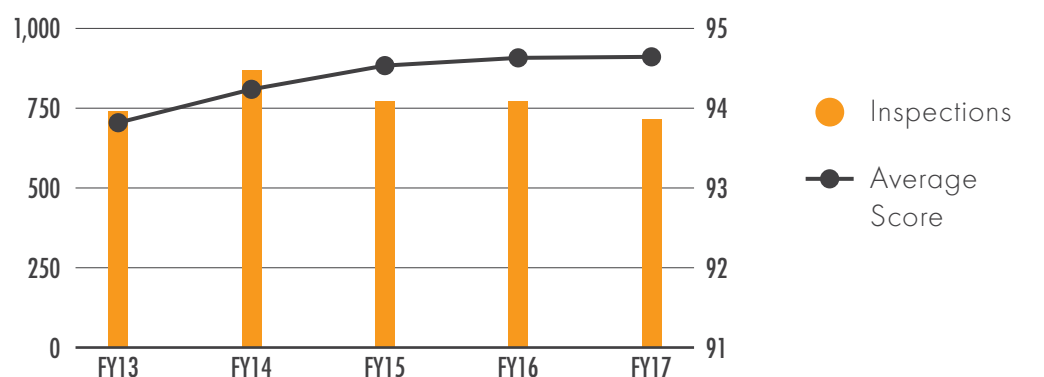
<sup>2</sup> This position was moved from Property Standards Department in FY2017.

<sup>3</sup> One Department Assistant was moved from Property Standards Department in FY2017.

### NUMBER & DOLLAR VALUE (IN MILLIONS) OF BUILDING PERMITS ISSUED



### NUMBER OF FOOD INSPECTIONS & AVERAGE SCORES



# IDS PROPERTY STANDARDS

## DEPARTMENT MISSION

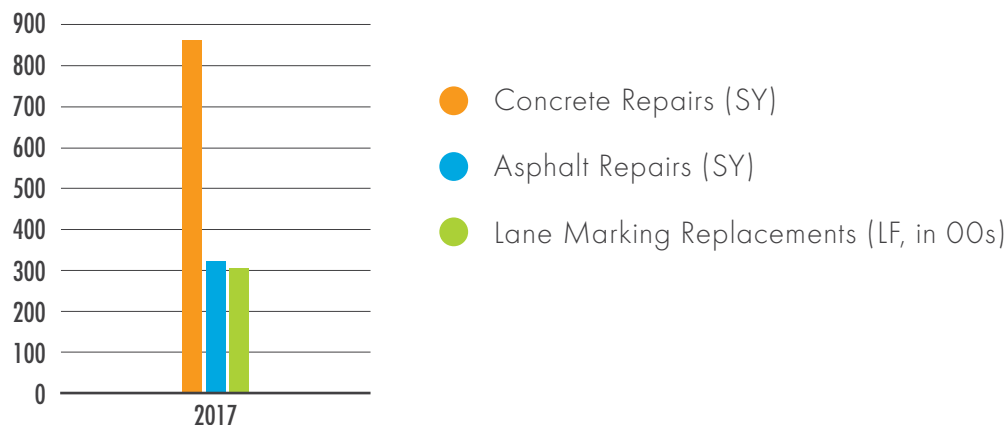
To encourage both residential and commercial property owners to voluntarily resolve code violations on their property in order to ensure that Addison remains a community that is a clean and safe place to live, work, and play. This department has been combined with the Development Services Department.

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	114,162	-	-	-
Supplies	1,763	-	-	-
Maintenance	910	-	-	-
Contractual Services	1,870	-	-	-
Capital Replacement/Lease	8,500	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$127,204</b>	-	-	-

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Code Enforcement Officer <sup>1</sup>	13	1.0	1.0	0.0	0.0
Department Assistant <sup>1</sup>	9	1.0	1.0	0.0	0.0
<b>TOTAL</b>		<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>

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

## STREET MAINTENANCE



# IDS STREETS

## DEPARTMENT MISSION

The Streets Department is a division of Infrastructure and Development Services. 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 FY2017

- Completed installation of the new illuminated street name signs at signalized intersections
- Completed the FY2017 pavement markings project
- Replaced over 300 regulatory signs throughout the Town

### OBJECTIVES FOR FY2018

- Facilitate completion of the asset management plan
- Complete the overall street assessment and assign a Pavement Condition Index to each road segment
- Design and construct the Belt Line Road Overlay Project

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	299,939	373,682	364,867	438,616
Supplies	26,837	35,050	33,647	37,550
Maintenance	596,785	781,150	772,979	758,150
Contractual Services	717,673	494,519	797,228	807,559
Capital Replacement/Lease	72,830	63,727	63,727	64,482
Capital Outlay	77,193	-	6,439	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,791,257</b>	<b>\$1,748,127</b>	<b>\$2,038,887</b>	<b>\$2,106,357</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Streets & Stormwater Manager	26	0.4	0.4	0.4	0.4
Streets Superintendent	12	0.0	0.0	1.0	1.0
Technician - Signs/Signals	11	2.0	2.0	1.0	1.0
Street Maintenance Worker <sup>1</sup>	7	3.0	3.0	4.0	4.0
<b>TOTAL</b>		<b>5.4</b>	<b>5.4</b>	<b>6.4</b>	<b>6.4</b>

<sup>1</sup> One position was reclassified from an Intern in the Parks department.

# 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

### ACHIEVEMENTS FOR FY2017

- Completed the implementation of payroll, fixed assets, inventory, permit/inspection and work order modules in Munis software
- Completed deployment of new PCs and rugged laptops across organization, and in-car video and body cameras systems for Public Safety
- Began implementation/installation of the Charter Communications Wi-Fi services at Addison's 11 parks, Addison Athletic Club, and the Treehouse

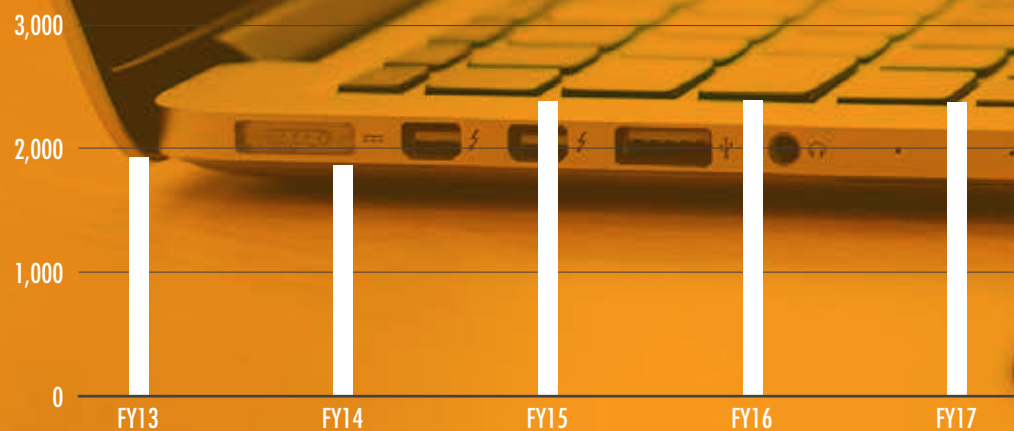
Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	957,383	961,286	995,621	1,046,495
Supplies	41,909	58,400	58,543	35,963
Maintenance	475,701	712,629	712,629	736,934
Contractual Services	77,589	156,400	94,253	162,657
Capital Replacement/Lease	34,340	20,550	20,550	42,781
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,586,922</b>	<b>\$1,909,265</b>	<b>\$1,881,596</b>	<b>\$2,024,830</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
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>

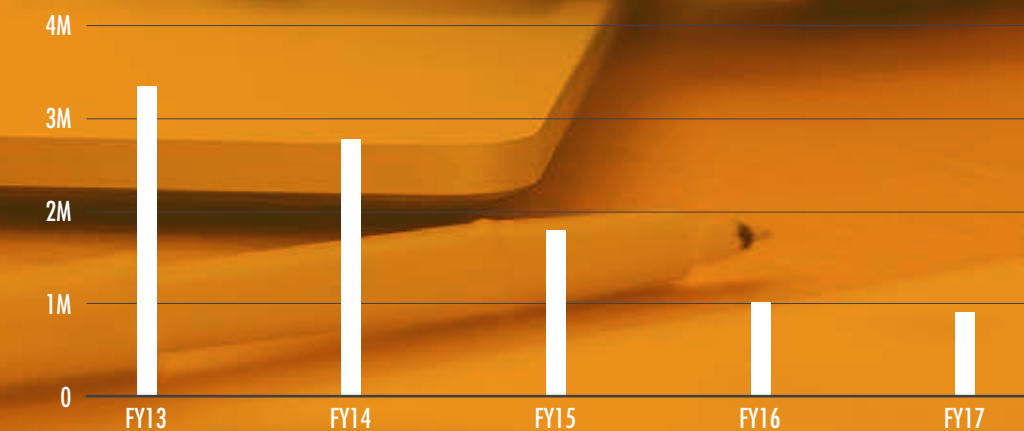
## OBJECTIVES FOR FY2018

- Implementation of Addison Continuous Process Improvement Program
- Implement a joint Police Report Management System with the City of Carrollton
- Release a Request For Proposal to solicit proposals to redesign Town's main website

## NUMBER OF SERVICE CALLS



## NUMBER OF UNIQUE WEBSITE VISITORS



# 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 must also issue writs and warrants of arrest for those who fail to obey the orders of the court.

## PROGRAM NARRATIVE

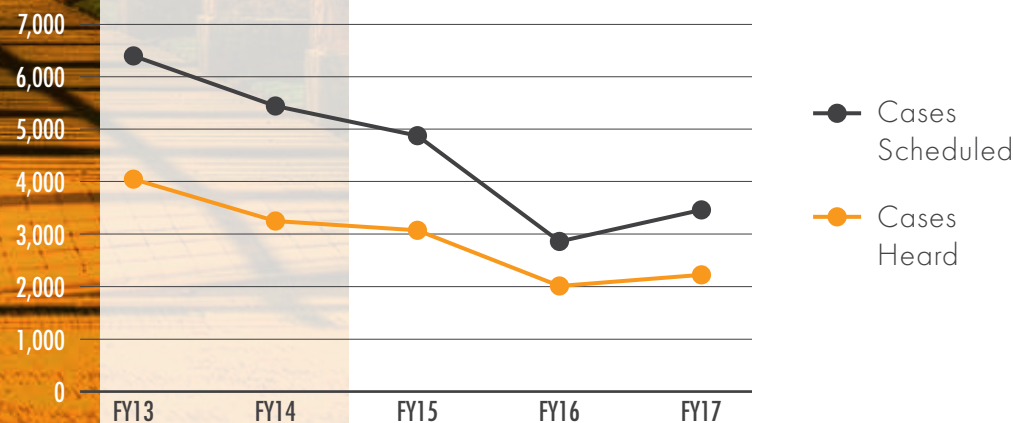
### ACCOMPLISHMENTS OF FY2017

- Implemented Court collection agency agreement with Municipal Services Bureau
- Court Administrator completed qualification to become a level 1 Certified Court Clerk
- Attended the 2017 Texas State Legislative update to determine which new laws will have an impact on the Municipal Court

### OBJECTIVES FOR FY2018

- To comply with mandates established by the current Legislature and the Department of Justice regarding collections of fines and cost and the ability of the accused, if found guilty, to pay those fines and cost.
- Continue training for court clerk's certifications
- Continue to work with Municipal Services Bureau to increase collections

### CASES

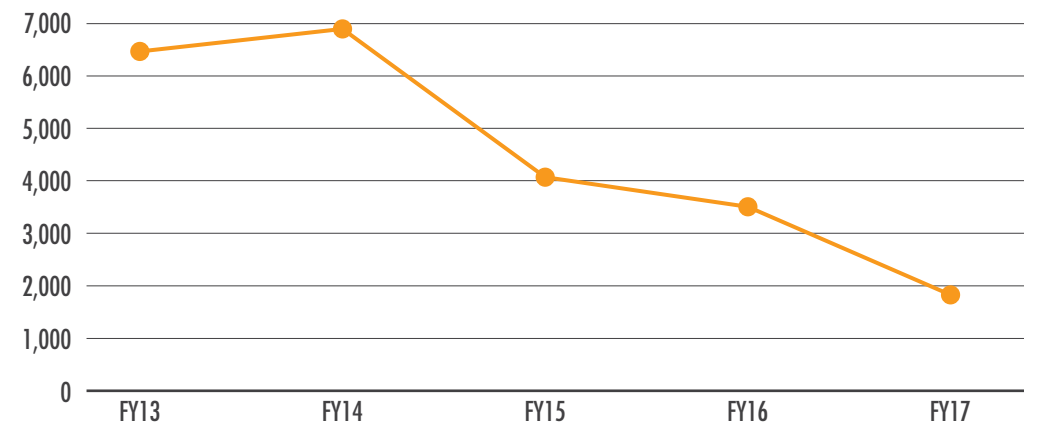


Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	430,685	473,578	471,642	534,281
Supplies	7,920	12,600	13,828	21,199
Maintenance	14,311	37,000	-	-
Contractual Services	77,006	65,626	79,297	97,892
Capital Replacement/Lease	22,240	25,622	25,622	29,243
Capital Outlay	-	500	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$552,162</b>	<b>\$614,926</b>	<b>\$590,389</b>	<b>\$682,615</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Administrator - Court	26	1.0	1.0	1.0	1.0
Clerk - Court	7	3.7	3.8	3.8	3.8
Municipal Judge <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>5.7</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>

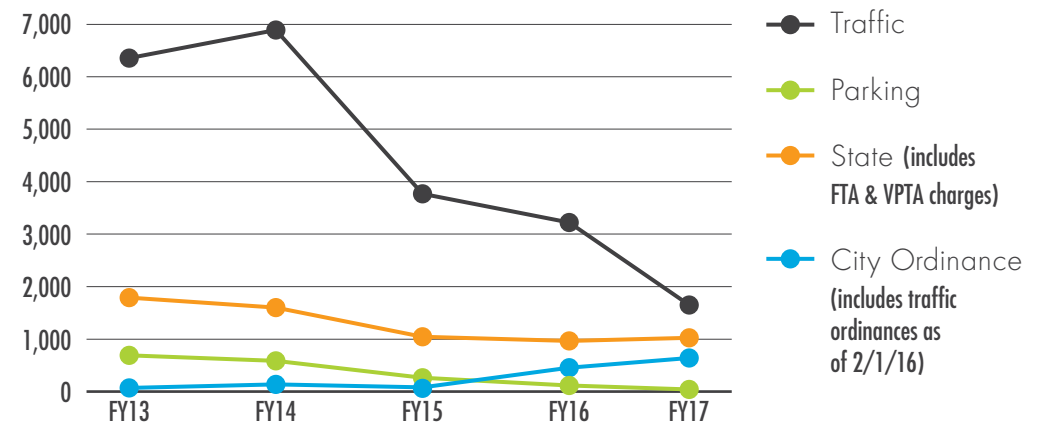
<sup>1</sup> This position is not classified in the pay plan.

## CITATIONS ISSUED (DOESN'T INCLUDE FTA & VPTA CHARGES)



\*FTA= Failure To Appear; VPTA= Violation of Promise To Appear

## VIOLATIONS



# PARKS & RECREATION 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 FY2017

- Converted Spruill Park into a dog park
- Completed the GIS inventory and assessment of Park facilities
- Completed landscape renovations at Town Park

### OBJECTIVES FOR FY2018

- Update the Parks Master Plan
- Integrate new GIS data into work order system and fixed asset management systems
- Complete Belt Line Road 1.5 Schematic Design

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	1,366,153	1,644,724	1,483,562	1,667,677
Supplies	188,560	215,884	213,352	217,871
Maintenance	701,115	816,950	715,838	883,450
Contractual Services	846,557	981,715	810,458	988,924
Capital Replacement/Lease	89,252	70,317	70,317	79,817
Capital Outlay	50,803	-	14,781	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$3,242,440</b>	<b>\$3,729,590</b>	<b>\$3,308,308</b>	<b>\$3,837,739</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Director - Parks and Recreation	32	1.0	1.0	1.0	1.0
Assistant Parks Director	30	0.0	1.0	1.0	1.0
Manager - Parks	26	1.0	1.0	1.0	1.0
Landscape Architect <sup>1</sup>	26	1.0	0.0	0.0	0.0
Superintendent - Parks	23	1.0	1.0	1.0	1.0
Fountain Technician/Electrician	13	0.0	0.0	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
Groundskeeper - III	10	2.0	2.0	2.0	2.0
Supervisor Trainee - Parks	9	0.0	0.0	0.0	1.0
Senior Groundskeeper <sup>2</sup>	9	1.0	1.0	1.0	0.0
Department Assistant	9	1.0	1.0	1.0	1.0
Groundskeeper - II <sup>3</sup>	8	2.0	2.0	2.0	1.0
Groundskeeper - I	7	6.0	6.0	6.0	7.0
Intern <sup>4</sup>	5	0.0	1.0	0.0	0.0
<b>TOTAL</b>		<b>21.0</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>

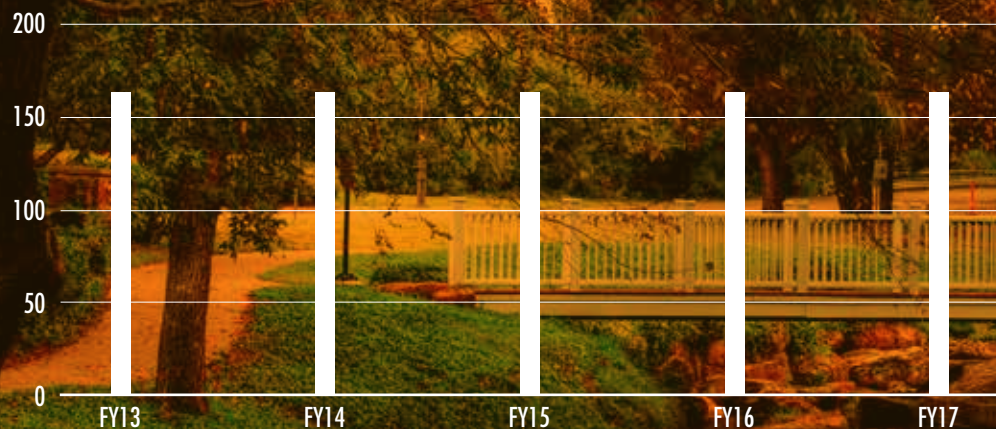
<sup>1</sup> This position was reclassified to Assistant Parks Director.

<sup>2</sup> This position was reclassified to Supervisor Trainee - Parks in FY2018.

<sup>3</sup> One position was reclassified to Groundskeeper I.

<sup>4</sup> This position was moved to the Streets department.

## ACRES MAINTAINED



# PARKS & RECREATION 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

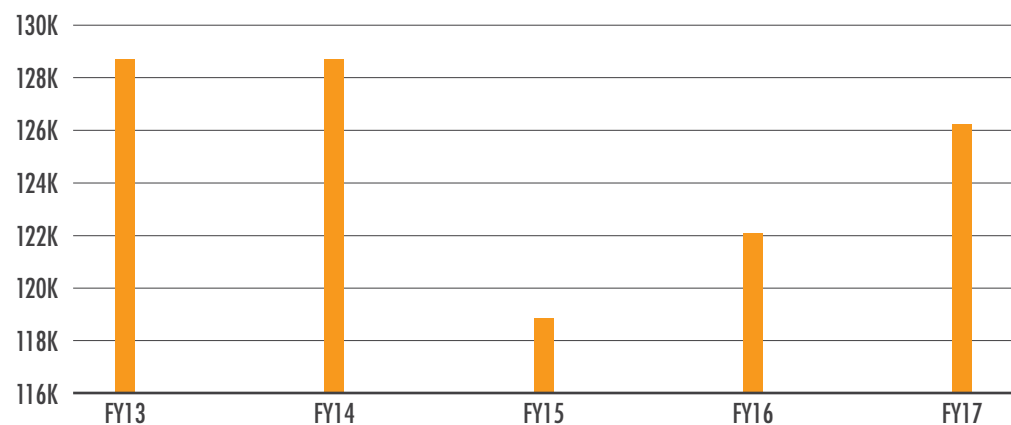
### ACCOMPLISHMENTS OF FY2017

- Athletic Club Master Plan adopted and architect selected for next phase
- Resurfaced the Kid's Outdoor Pool and updated the indoor pool main drain
- Updated the Athletic Club employee handbook

### OBJECTIVES FOR FY2018

- Move forward with Athletic Club Master Plan priority items: modernization of the elevator and updating the HVAC system
- Replace the outdoor pool filters
- Update and consolidate Athletic Club membership policy

## ATHLETIC CLUB FACILITY USAGE (VISITS)



TOWN of ADDISON  
ATHLETIC CLUB  
3900

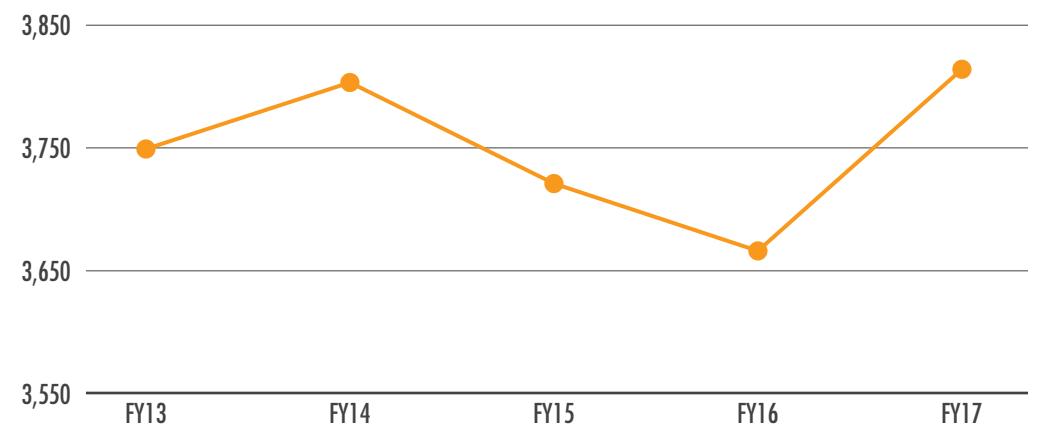
Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	842,208	849,317	845,632	932,146
Supplies	119,303	182,257	158,180	182,327
Maintenance	231,917	240,310	240,758	296,362
Contractual Services	409,161	398,447	382,276	424,005
Capital Replacement/Lease	45,300	56,721	56,721	58,782
Capital Outlay	15,871	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,663,760</b>	<b>\$1,727,051</b>	<b>\$1,683,567</b>	<b>\$1,893,622</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Manager - Recreation	26	1.0	1.0	1.0	1.0
Supervisor - Recreation	13	1.0	1.0	1.0	2.0
Coordinator - Recreation <sup>1</sup>	11	2.0	2.0	2.0	1.0
Coordinator - Fitness	11	1.0	1.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
Seasonal Pool Supervisor	8	0.2	0.2	0.2	0.2
Recreation Associate <sup>2</sup>	7	4.5	4.5	4.5	3.5
Childcare Associate	7	0.0	0.0	0.0	1.0
Lead Seasonal Camp Counselor <sup>3</sup>	7	0.0	0.0	0.0	0.2
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Seasonal Camp Counselor	5	0.6	0.6	0.6	0.6
Custodian	2	1.0	1.0	1.0	1.0
Seasonal Lifeguard <sup>4</sup>	2	1.6	1.6	1.6	2.0
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>15.7</b>

<sup>1</sup> One position was reclassified to Supervisor - Recreation in FY2018. <sup>2</sup> One position was reclassified to Childcare Associate in FY2018.

<sup>3</sup> This position was added in FY2018. <sup>4</sup> A part-time position was added in FY2018.

## ACTIVE MEMBERS



## 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. We will also conduct ourselves according to the highest ethical standards and treat others with fairness, dignity, and respect. The police pledge to manage our organization with professionalism, leadership, and integrity.

## PROGRAM NARRATIVE

### ACCOMPLISHMENTS OF FY2017

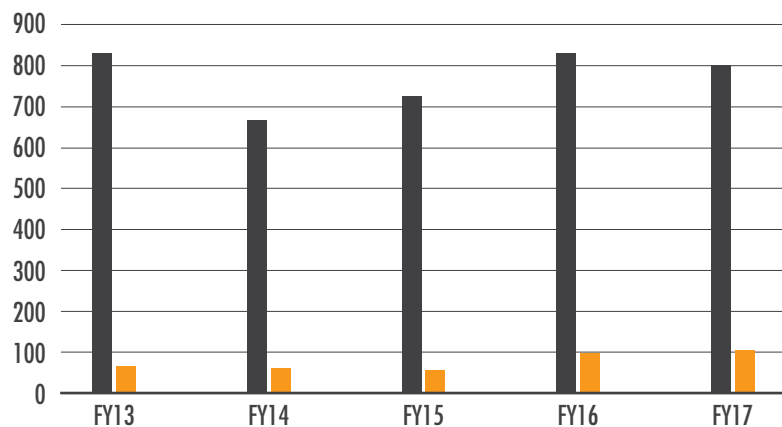
- Contracted with the City of Carrollton for jail services for an estimated savings of \$245,000 annually
- Hired Animal Control Supervisor and Crime Analyst
- Purchased rifle-rated plate armor for all officers and increased training for all employees

### OBJECTIVES FOR FY2018

- Award and implement a new records management system
- Continue to expand and develop Crime Analysis Program; and explore new technology to enhance crime mitigation strategies in our residential and business districts
- Continue to work with Town management and the community to be visible, transparent, and proactive in our delivery of effective public safety services

# POLICE

## HISTORICAL UCR PROPERTY & PERSONS CRIMES



- Crimes Against Property
- Crimes Against Persons

FY13	835	66
FY14	671	62
FY15	728	55
FY16	835	97
FY17	804	106

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	6,619,996	6,964,080	6,806,865	7,207,989
Supplies	253,519	309,286	261,694	305,990
Maintenance	216,757	277,902	270,630	265,781
Contractual Services	479,168	497,322	969,973	707,544
Capital Replacement/Lease	537,820	592,414	592,414	625,325
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$8,107,260</b>	<b>\$8,641,004</b>	<b>\$8,901,576</b>	<b>\$9,112,629</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
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	1.0	1.0	1.0	1.0
Supervisor - Detention <sup>1</sup>	13	1.0	1.0	0.0	0.0
Supervisor - Animal Control	13	0.0	0.0	1.0	1.0
Police Services Supervisor	13	1.0	1.0	1.0	1.0
Police Officer	P2	48.0	48.0	48.0	48.0
Animal Control Officer	9	2.0	2.0	2.0	2.0
Department Assistant	9	1.0	1.0	1.0	1.0
Jailer <sup>2</sup>	8	6.0	6.0	6.0	0.0
Clerk - Police Records	7	2.0	2.0	2.0	2.0
Crime Analyst	7	0.0	0.0	1.0	1.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Quartermaster <sup>3</sup>	6	1.0	1.0	0.0	0.0
Intern <sup>4</sup>	5	0.5	0.5	0.5	0.0
Jailer - Temporary <sup>2</sup>	N/C	2.3	2.3	2.3	0.0
<b>TOTAL</b>		<b>79.8</b>	<b>79.8</b>	<b>79.8</b>	<b>71.0</b>

<sup>1</sup> This position was converted to Supervisor - Animal Control in FY2017.

<sup>2</sup> Jail services were consolidated with the City of Carrollton in FY2017.

<sup>3</sup> This position was converted to Crime Analyst in FY2017.

<sup>4</sup> This position was removed as an FTE and funds moved to a contract labor account.



FINANCIAL/OPERATIONAL  
**HOTEL FUND**



# HOTEL FUND

## FUND DESCRIPTION

The Hotel Fund accounts for the use of hotel/motel occupancy tax revenue generated by Addison's 23 hotels (representing over 4,000 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

FY2017 revenues are expected to total \$9,188,000 or \$309,440 less than the amount budgeted. Hotel occupancy tax receipts are expected to decrease 6.2 percent from FY2016 and are projected to be less than the original budget by \$240,000. Proceeds from special events are expected to be down 4.6 percent from FY2016. Expenditures for the Hotel Fund are projected to come in \$49,630 under budget.

### 2017-2018 BUDGET NARRATIVE

The Hotel Fund budget for FY2018 anticipates hotel occupancy tax collections to remain the same as the estimated FY2017. Barring inclement weather during scheduled events, special event income is expected to generate approximately \$2.4 million. Rental income from the Conference Centre is projected at \$678,000 and the Theatre Centre rental is expected to increase to \$120,000.

Total fund expenditures for FY2018 are budgeted at \$7,694,713, which represents a 1.4 percent decrease over the FY2017 budget due to the staffing changes at the Conference Centre. The Hotel Fund budget includes a transfer of \$610,000 to the Economic Development Fund for Tourism department expenses and \$710,800 to the Hotel Occupancy Tax Debt Service Fund for retirement of debt associated with Addison Circle Park, the venue for the Town's special events. Fund balance for FY2018 is projected to be \$3,472,459.

## HOTEL FUND BY MAJOR COST CATEGORY

Category	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	1,344,717	1,714,703	1,486,526	1,801,825
Supplies	76,219	111,060	110,844	108,760
Maintenance	381,383	990,281	844,588	457,481
Contractual Services	5,010,780	4,845,262	5,181,033	5,206,918
Capital Replacement/Lease	132,509	110,266	98,981	89,729
Capital Outlay	131,763	34,000	33,970	30,000
<b>TOTAL FUND BUDGET</b>	<b>\$7,077,371</b>	<b>\$7,805,572</b>	<b>\$7,755,942</b>	<b>\$7,694,713</b>

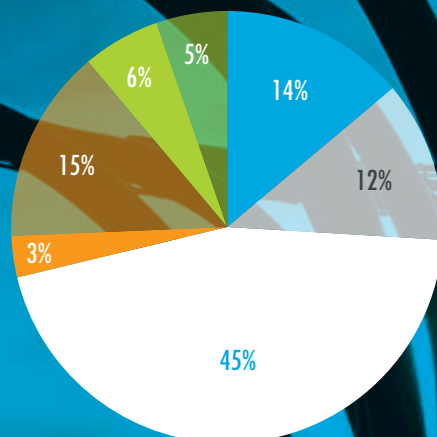


Hotel Fund Statement of Revenue and Expenditures

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$2,040,729	\$3,644,081	\$3,386,414	\$3,558,972
<b>REVENUES</b>				
Hotel/Motel Occupancy Taxes	6,138,213	6,000,000	5,760,000	5,760,000
Proceeds from Special Events	2,740,185	2,691,200	2,613,000	2,354,000
Conference Centre Rental	758,676	678,000	678,000	678,000
Visit Addison Rental	30,337	-	-	-
Theatre Centre Rental	24,992	111,240	120,000	120,000
Interest Earnings and Other	(12,223)	17,000	17,000	17,000
<b>TOTAL REVENUES</b>	<b>\$9,680,180</b>	<b>\$9,497,440</b>	<b>\$9,188,000</b>	<b>\$8,929,000</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$11,720,909</b>	<b>\$13,141,521</b>	<b>\$12,574,414</b>	<b>\$12,487,972</b>
<b>EXPENDITURES</b>				
Visit Addison	331,854	-	-	-
Marketing	813,446	1,091,773	1,081,488	1,068,418
Special Events Operations	4,115,195	4,155,275	4,465,481	928,269
Special Events	-	-	-	3,485,196
Addison Theatre Center	-	400,003	373,048	408,822
Conference Centre	1,156,760	1,449,405	1,280,095	1,118,361
Performing Arts	569,491	447,000	445,000	447,000
General Hotel Operations	90,625	262,116	110,830	238,647
<b>TOTAL EXPENDITURES</b>	<b>\$7,077,371</b>	<b>\$7,805,572</b>	<b>\$7,755,942</b>	<b>\$7,694,713</b>
<b>Other Financing Sources (Uses)</b>				
Transfer to Hotel Debt Service	(711,600)	(711,500)	(711,500)	(711,800)
Transfer to Economic Development	(545,524)	(548,000)	(548,000)	(610,000)
Ending Fund Balance	\$3,386,414	\$4,076,449	\$3,558,972	\$3,472,459

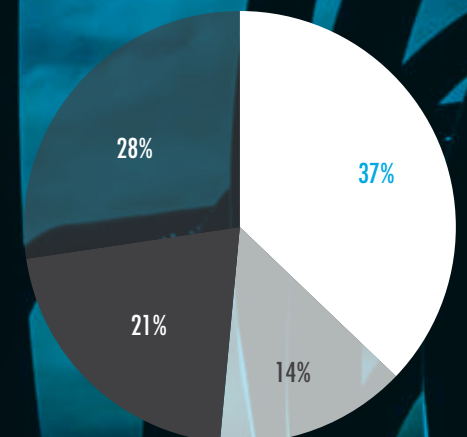
HOTEL FUND EXPENDITURES BY DEPARTMENT

- Communications & Marketing ●
- Special Events Operations ●
- Special Events ●
- General Hotel Operations ●
- Conference Centre ●
- Performing Arts ●
- Addison Theatre Centre ●



PERCENTAGE OF ROOMS BY HOTEL CATEGORY

- Full Service ●
- Economy ●
- Business Moderate ●
- Extended Stay ●



# COMMUNICATIONS & MARKETING

## DEPARTMENT MISSION

The Department of Communications and Marketing serves as the central point of contact for communications and marketing activities city-wide. 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 FY2017

- Drafted a three-year Strategic Communications Plan and began implementation
- Created and launched three branded special events microsites for Taste Addison, Kaboom Town! and Oktoberfest. The three sites together had more than 850,000 pageviews
- Hired and trained a Marketing Specialist that allowed us to bring social media scheduling and content curation in-house and increase followers on all platforms, particularly Instagram

### OBJECTIVES FOR FY2018

- Begin redesigning the Town's main website - AddisonTexas.net
- Incorporate more video into Addison communications, including creating simple how-to videos to help residents navigate the new website
- Create new tourism branding and launch a new tourism-focused advertising plan

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	132,170	235,491	211,119	234,379
Supplies	1,319	6,000	10,877	2,723
Maintenance	9,990	26,310	26,310	11,000
Contractual Services	665,007	795,750	804,960	814,311
Capital Replacement/Lease	4,960	28,222	28,222	6,005
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$813,446</b>	<b>\$1,091,773</b>	<b>\$1,081,488</b>	<b>\$1,068,418</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
Director - Communications and Marketing	32	1.0	1.0	1.0	1.0
Marketing Specialist	21	0.0	0.0	1.0	1.0
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>

## 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 FOR FY2017

- Best outside production rental in our history
  - WaterTower Theatre
    - FY17 - \$54,775
    - FY16 - \$74,325
  - Outside Groups
    - FY17 - \$51,295
    - FY16 - \$14,905
- Created new series - Monday Medley
- Booked space for FY2018 with improved efficiency

### OBJECTIVES FOR FY2018

- Continue Monday Medley Series
- Assist outside theatre groups in creating successful productions
- Conduct an outside pricing study for FY2018

# ADDISON THEATRE CENTRE

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	-	101,128	105,998	105,877
Supplies	-	22,250	22,250	27,250
Maintenance	-	118,340	101,491	112,031
Contractual Services	-	115,818	100,872	121,247
Capital Replacement/Lease	-	12,467	12,467	12,417
Capital Outlay	-	30,000	29,970	30,000
<b>TOTAL DEPARTMENT BUDGET</b>	<b>-</b>	<b>\$400,003</b>	<b>\$373,048</b>	<b>\$408,822</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
Specialist - Technical <sup>1</sup>	25	0.0	0.0	1.0	1.0
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>

<sup>1</sup> This position was moved from Conference Centre department in FY2017.

# 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 FY2017

- Reached revenue of \$640,000
- Right-sized staffing
- Developed a sales plan

### OBJECTIVES FOR FY2018

- Implement the sales plan
- Increase revenue from FY2017
- Participate in the creation of a joint Economic Development & Tourism strategic plan

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	499,797	470,510	329,071	510,369
Supplies	39,158	50,050	50,965	47,318
Maintenance	169,798	656,979	591,487	179,028
Contractual Services	322,792	244,930	281,636	355,636
Capital Replacement/Lease	33,450	22,936	22,936	26,010
Capital Outlay	91,765	4,000	4,000	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$1,156,760</b>	<b>\$1,449,405</b>	<b>\$1,280,095</b>	<b>\$1,118,361</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Manager - Conference Centre <sup>1</sup>	26	2.0	1.0	1.0	0.0
Administrator - Conference Centre	23	0.0	0.0	0.0	1.0
Specialist - Technical <sup>2</sup>	25	1.0	1.0	0.0	0.0
Coordinator - Conference Centre Services	13	1.0	0.0	0.0	0.0
Sales Coordinator <sup>3</sup>	12	0.0	0.0	1.0	1.0
Coordinator - Conference Centre	11	0.0	1.0	1.0	1.0
Coordinator - Events	11	0.0	1.0	1.0	1.0
Department Assistant <sup>4</sup>	9	1.0	1.0	1.0	0.0
Senior Attendant - Conference Centre	7	2.0	1.0	1.0	1.0
Receptionist	6	0.0	0.0	0.0	1.0
Attendant - Conference Centre	6	1.5	2.5	2.5	2.5
<b>TOTAL</b>		<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>

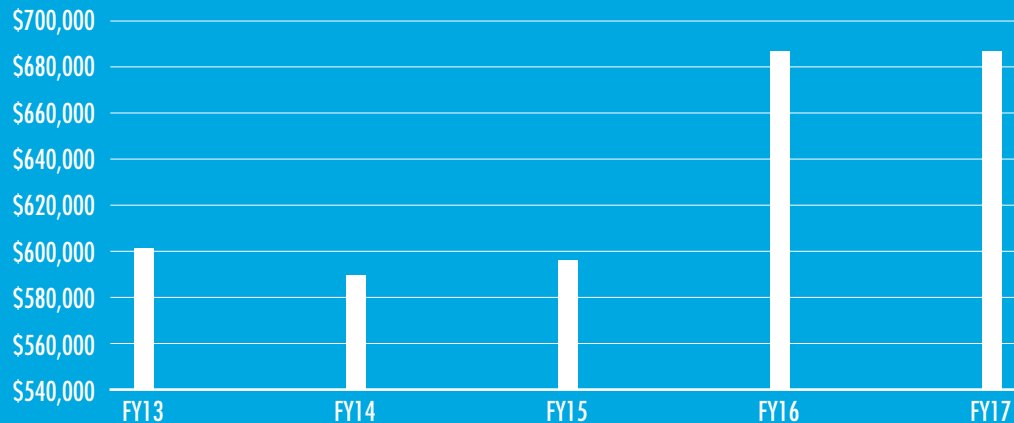
<sup>1</sup> This position was reclassified to Administrator - Conference Centre in FY2017.

<sup>2</sup> This position was moved to Addison Theatre Centre department in FY2017.

<sup>3</sup> This position was reclassified as an FTE from contract labor in FY2017.

<sup>4</sup> This position was reclassified to Receptionist in FY2017.

## RENTAL REVENUE



**\$640K REVENUE**

# 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 also holds three major events throughout the year: Taste Addison, Kaboom Town!, 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 FOR FY2017

- Improved hotel audit process and updated policies
- Established monthly reviews of hotel occupancy tax collections to monitor submittals and payments from hotels
- Provided financial assessment on all major special events

## OBJECTIVES FOR FY2018

- Increase the number of hotel occupancy tax audits
- Assure that cash management and appropriate processes are consistently followed for all special events, continuing to monitor internal controls
- Assure that the application process and funding payouts for non-profit organization grant funding are consistently followed

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	71,181	139,646	70,951	96,387
Supplies	1,480	6,750	6,750	7,750
Maintenance	-	8,310	-	-
Contractual Services	16,464	105,910	31,629	134,510
Capital Replacement/Lease	1,500	1,500	1,500	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$90,625</b>	<b>\$262,116</b>	<b>\$110,830</b>	<b>\$238,647</b>

# PERFORMING ARTS

## DEPARTMENT MISSION

To promote a culture of performing arts in the Town of Addison; by doing so we strengthen Addison as an arts and tourism destination.

## PROGRAM NARRATIVE

### ACCOMPLISHMENTS FOR FY2017

#### WaterTower Theatre—Resident Company

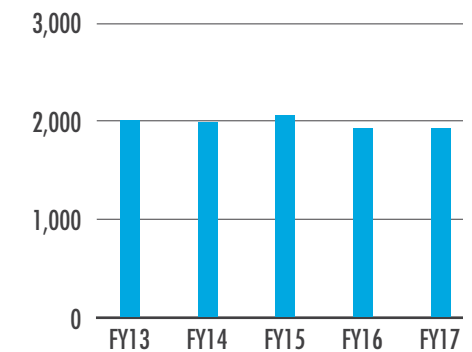
- Hosted over 16,000 patrons
- Hosted 124 performances
- Subscriber base of 1,831 season ticket holders
- Rented 265 production days

## OBJECTIVES FOR FY2018

#### WaterTower Theatre—Resident Company

- Assist WaterTower Theatre in their transition to a new Artistic director

NUMBER OF WATERTOWER THEATRE SEASON TICKET HOLDERS



Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	347	-	-	-
Supplies	16,835	-	-	-
Maintenance	53,855	-	-	-
Contractual Services	458,016	447,000	445,000	447,000
Capital Replacement/Lease	440	-	-	-
Capital Outlay	39,998	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$569,491</b>	<b>\$447,000</b>	<b>\$445,000</b>	<b>\$447,000</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Accounting Supervisor	25	0.0	0.0	0.0	1.0
Senior Accountant <sup>1</sup>	25	1.0	1.0	1.0	0.0
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

<sup>1</sup> This position was reclassified to Accounting Supervisor in FY2017.

# SPECIAL EVENTS OPERATIONS

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	-	-	-	475,884
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	-	-	-	3,009,312
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	-	-	-	<b>\$3,485,196</b>

## DEPARTMENT MISSION

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

## PROGRAM NARRATIVE

### ACCOMPLISHMENTS OF FY2017

- Successfully completed all events for the 2017 season with multiple new enhancements
- Partnered with the North Dallas Chamber of Commerce to bring Dallas' Big D BBQ to Addison
- Successfully partnered with 13 third-party events

### OBJECTIVES FOR FY2018

- Continue to enhance Taste Addison
- Enhance the Summer Series music program to create a new summer event
- Increase event sponsorship opportunities with local partners

# SPECIAL EVENTS

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	641,222	767,928	769,387	378,929
Supplies	17,427	26,010	20,002	23,719
Maintenance	138,240	180,342	125,300	155,422
Contractual Services	3,239,666	3,135,854	3,516,936	324,902
Capital Replacement/Lease	78,640	45,141	33,856	45,297
Capital Outlay	-	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$4,115,195</b>	<b>\$4,155,275</b>	<b>\$4,465,481</b>	<b>\$928,269</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Director - Special Events <sup>1</sup>	32	1.0	1.0	1.0	0.7
Manager - Special Events	26	0.0	0.0	1.0	1.0
Senior Coordinator - Special Events <sup>2</sup>	22	1.0	1.0	0.0	0.0
Coordinator II - Special Events <sup>3</sup>	13	1.0	0.0	0.0	0.0
Billing Supervisor <sup>4</sup>	11	0.3	0.3	0.3	0.0
Coordinator I - Special Events	11	1.0	2.0	2.0	2.0
Department Assistant <sup>1</sup>	9	0.0	0.0	0.0	0.5
<b>TOTAL</b>		<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>

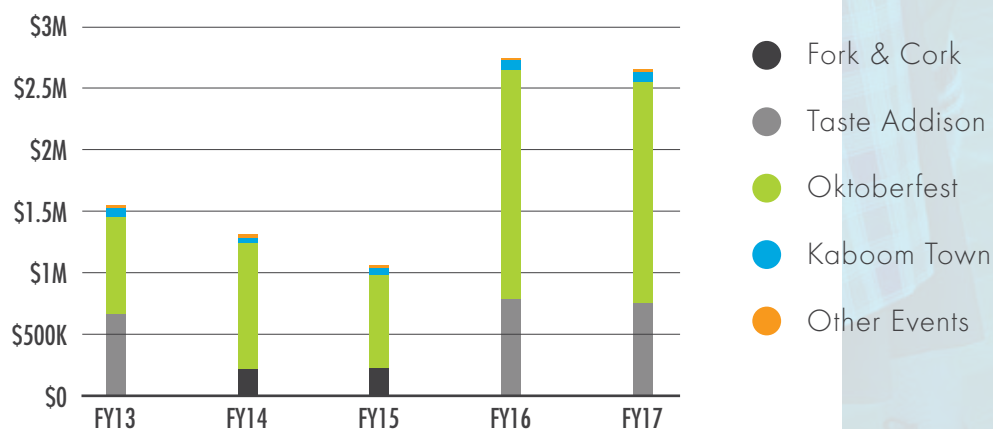
<sup>1</sup> This position is split between the Special Events department and General Services department.

<sup>2</sup> This position reclassified as Manager-Special Events in FY2017.

<sup>3</sup> This position was reclassified to Coordinator I in FY2017.

<sup>4</sup> This position was moved to the Utility department in FY2017.

## PROCEEDS BY EVENT





FINANCIAL/OPERATIONAL  
**OTHER FUNDS**

# DEBT SERVICE FUNDS GENERAL OBLIGATION

## FUND DESCRIPTION

The General Obligation Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Payments of principal and interest are made for general obligation bonds, certificates of obligation, and tax notes. 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

Current general obligation debt outstanding including principal and interest equals \$91,445,178. This includes general obligation refunded issues, certificates of obligation, and tax notes issued 2008 through 2016. The projected 2017-18 requirements are estimated at \$6,826,542. The total amount of outstanding debt represents 2.1% of assessed value.

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. There were no debt issuances and no debt refundings in FY2017.

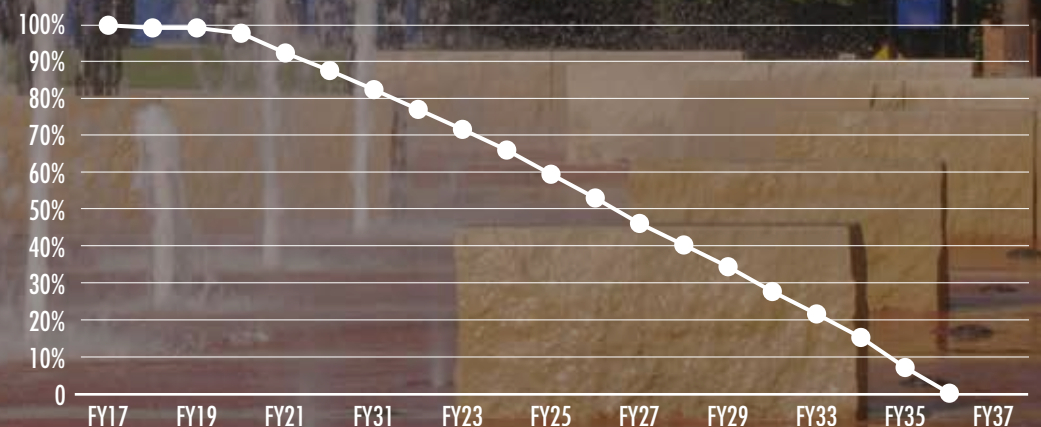
The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan adopted for the General Fund, the Town intends to utilize surplus operating funds to support capital projects.<sup>1</sup> In those instances when debt has to be issued for projects which 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. The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. Addison's rate of \$0.550000 falls well under this limit. The following table reflects the allocation of the property tax levy between debt service and General Fund operations for FY2017-18 and previous years:

Tax Rate	13-14	14-15	15-16	16-17	17-18
Debt Service	0.213000	0.218100	0.202426	0.179257	0.153042
O&M	0.358800	0.343700	0.376724	0.381215	0.396958
<b>TOTAL</b>	<b>0.571800</b>	<b>0.561800</b>	<b>0.579150</b>	<b>0.560472</b>	<b>0.550000</b>



PERCENT CUMULATIVE DEBT OUTSTANDING UNTIL MATURITY



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

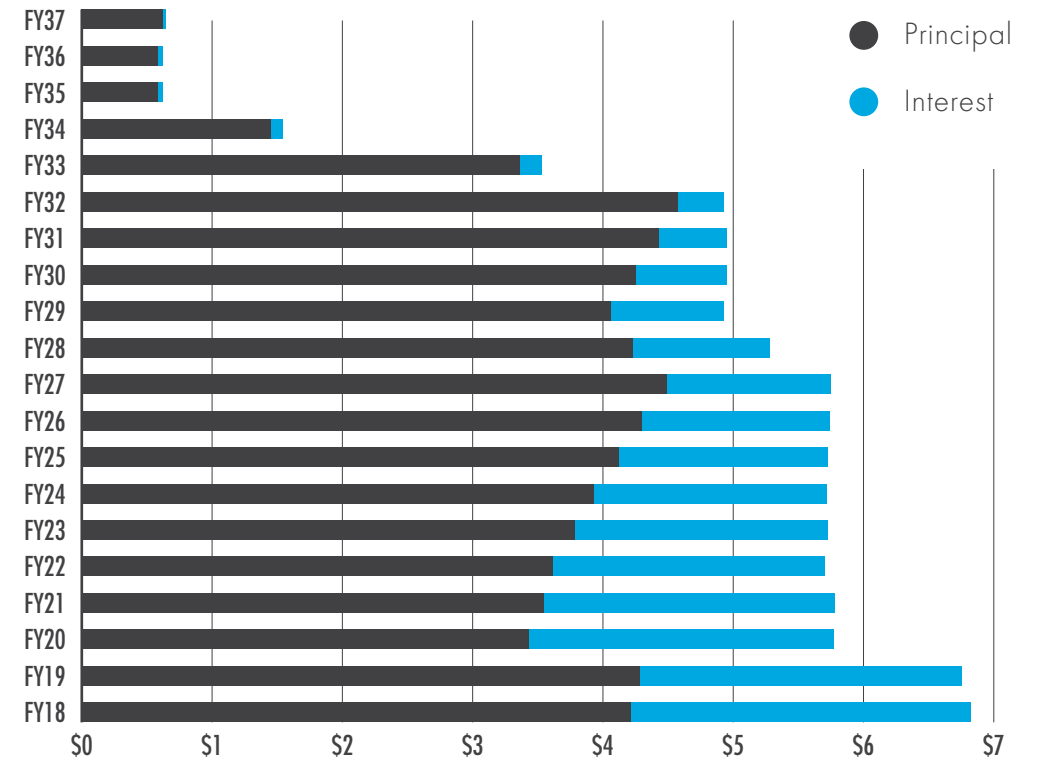




General Obligation  
Debt Service Fund  
Statement of Revenues  
& Expenditures

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
<b>Beginning Balance</b>	<b>\$831,366</b>	<b>\$633,694</b>	<b>\$541,074</b>	<b>\$321,465</b>
<b>REVENUES</b>				
Ad Valorem Taxes	7,877,268	7,723,294	7,484,429	6,844,542
Interest Earnings and Other	15,119	9,400	9,400	9,400
<b>TOTAL REVENUES</b>	<b>\$7,892,387</b>	<b>\$7,732,694</b>	<b>\$7,493,829</b>	<b>\$6,853,942</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$8,723,753</b>	<b>\$8,366,388</b>	<b>\$8,034,903</b>	<b>\$7,175,407</b>
<b>EXPENDITURES</b>				
Debt Service - Principal	5,140,150	4,938,331	4,938,311	4,209,660
Debt Service - Interest	3,030,043	2,771,107	2,771,107	2,616,882
Fiscal Fees	12,486	4,000	4,000	4,000
<b>TOTAL EXPENDITURES</b>	<b>8,182,679</b>	<b>7,713,438</b>	<b>7,713,418</b>	<b>6,830,542</b>
Transfer to Utility Fund	-	300,000	-	-
<b>Ending Fund Balance</b>	<b>\$541,074</b>	<b>\$352,950</b>	<b>\$321,485</b>	<b>\$344,865</b>

GENERAL OBLIGATION DEBT SERVICE OUTSTANDING (IN MILLIONS)



DEBT SERVICE FUNDS  
**HOTEL  
OCCUPANCY TAX**

**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 \$8,890,000 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**

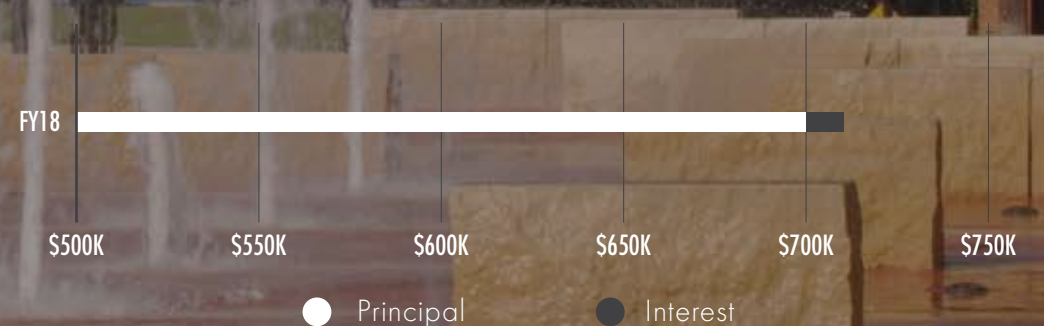
The financial statement for this particular fund is fairly straightforward. Transfers are made to the fund from the Hotel Fund sufficient for supporting annual debt service requirements. Although Addison pledged its full faith and credit for repayment of debts, including the levying of a property tax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

Hotel Occupancy  
Tax Debt Service Fund  
Statement of Revenues  
& Expenditures

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$488,542	\$490,042	\$490,095	\$492,695
<b>REVENUES</b>				
Interest and Other Income	2,003	2,600	2,600	2,600
<b>TOTAL REVENUES</b>	<b>\$2,003</b>	<b>\$2,600</b>	<b>\$2,600</b>	<b>\$2,600</b>
<b>TOTAL RESOURCES AVAILABLE</b>				
	<b>\$490,545</b>	<b>\$492,642</b>	<b>\$492,695</b>	<b>\$495,295</b>
<b>EXPENDITURES</b>				
Debt Service - Principal	660,000	680,000	680,000	700,000
Debt Service - Interest	51,300	31,200	31,200	10,500
Fiscal Fees	750	300	300	300
<b>TOTAL EXPENDITURES</b>	<b>\$712,050</b>	<b>\$711,500</b>	<b>\$711,500</b>	<b>\$710,800</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Hotel Fund	\$711,600	\$711,500	\$711,500	\$710,800
Ending Fund Balance	\$490,095	\$492,642	\$492,695	\$495,295



**HOTEL DEBT SERVICE OUTSTANDING**



# ECONOMIC DEVELOPMENT FUND

## FUND DESCRIPTION

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

## FUND NARRATIVE

The Economic Development Fund was created in the fiscal year 2011 budget in order to build capacity to conduct economic development activities; support existing commercial 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.

## ECONOMIC DEVELOPMENT

### DEPARTMENT MISSION

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

### PROGRAM NARRATIVE

#### ACCOMPLISHMENTS OF FY2017

- Provided support to the sale of Town-owned properties that generated \$3.2 Million in revenue
- Recognized by International Economic Development Council with three Excellence in Economic Development awards including two gold and one bronze for the Town's economic development video, "Sweet Spot" brochure and for the Village on the Parkway redevelopment project
- Recognized as one of the top economic development offices in North Texas by the *Dallas Business Journal*

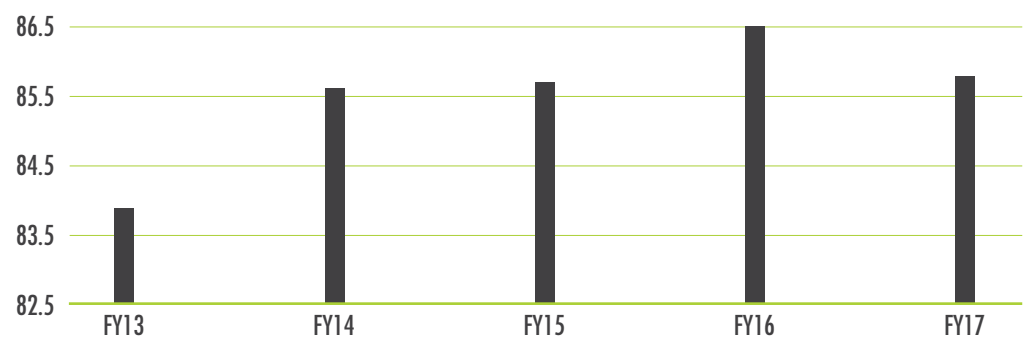
## Economic Development Fund Statement of Revenues & Expenditures

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$752,819	\$660,126	\$1,003,514	\$989,411
<b>REVENUES</b>				
Ad Valorem Taxes	964,020	1,001,252	988,532	1,015,359
Non-Property Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Service Fees	65,136	67,000	67,000	67,000
Fines and Penalties	-	-	-	-
Rental Income	-	-	-	-
Interest and Other Income	10,935	6,100	6,100	14,100
<b>TOTAL OPERATIONAL REVENUE</b>	<b>\$1,040,091</b>	<b>\$1,074,352</b>	<b>\$1,061,632</b>	<b>\$1,096,459</b>
Transfers from Other Funds	560,524	973,000	973,000	610,000
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$2,353,434</b>	<b>\$2,707,478</b>	<b>\$3,038,146</b>	<b>\$2,695,870</b>
<b>EXPENDITURES</b>				
Personnel Services	389,360	393,206	402,493	441,302
Supplies	41,468	32,450	32,450	23,409
Maintenance	52,787	57,362	22,677	23,175
Contractual Services	840,724	1,523,745	1,568,109	1,167,996
Capital Replacement/Lease	25,581	23,006	23,006	17,688
<b>TOTAL OPERATIONAL EXPENDITURES</b>	<b>\$1,349,920</b>	<b>\$2,029,769</b>	<b>\$2,048,735</b>	<b>\$1,673,570</b>
Transfers to Other Funds	-	-	-	100,000
<b>TOTAL EXPENDITURES</b>	<b>\$1,349,920</b>	<b>\$2,029,769</b>	<b>\$2,048,735</b>	<b>\$1,773,570</b>
Ending Fund Balance	\$1,003,514	\$677,709	\$989,411	\$922,300

### OBJECTIVES FOR FY2018

- Complete new short and long term economic development strategic plan for the Town
- Focus on filling up commercial space in the community
- Continue to grow our business retention & expansion programs including strategic local company visits and building "Meet & Greet" events

### OCCUPANCY RATE



Econ. Dev. Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	332,708	331,431	339,258	370,840
Supplies	22,553	26,950	26,950	18,709
Maintenance	52,711	47,532	22,677	23,175
Contractual Services	459,664	1,062,810	925,323	633,961
Capital Replacement/Lease	16,883	14,308	14,308	15,894
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$884,519</b>	<b>\$1,483,031</b>	<b>\$1,328,516</b>	<b>\$1,062,579</b>

Tourism Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	56,652	61,775	63,235	70,462
Supplies	18,915	5,500	5,500	4,700
Maintenance	76	9,830	0	0
Contractual Services	381,060	460,935	642,786	534,035
Capital Replacement/Lease	8,698	8,698	8,698	1,794
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$465,401</b>	<b>\$546,738</b>	<b>\$720,219</b>	<b>\$610,991</b>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
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>

Staffing	Level	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
Tourism Coordinator	20	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>

**TOURISM**

**DEPARTMENT MISSION**

To provide support that will focus on programs that will increase leisure and business travel to Addison for Addison-based hotels.

**PROGRAM NARRATIVE**

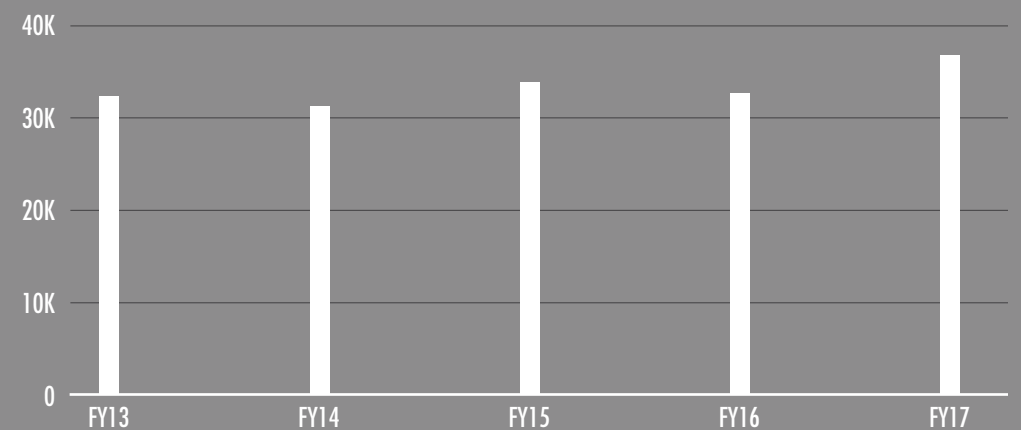
**ACCOMPLISHMENTS OF FY2017**

- Programs that helped generate 36,884 room nights and \$5 million in room revenue with only a \$242,000 investment
- Conducted 15 Familiarization (FAM) tours with meeting and event planners including 20 DFW Tour Guide Association members and a "hotel crawl" with 25 Helms Briscoe planners
- Successful first year of OU/TX Weekend, generating 710 room nights in one weekend
- Started new partnerships with South Asian Film Festival (SAFF) and College Gridiron Showcase (CGS)

**OBJECTIVES FOR FY2018**

- Develop strategic advertising campaign including extensive research on our target markets
- Increase the number of hotel room nights generated with the help of Addison programs
- Work with our hotels to better educate their front-line staff to become strong ambassadors of the Addison brand

**HOTEL ROOM NIGHTS GENERATED BY THE TOURISM DEPARTMENT**



## FUND DESCRIPTION

Two 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.

## FUND NARRATIVE

The budget includes funding for bullet-proof vests (\$35,000). The available ending fund balance is projected at \$26,952, leaving 77.3% of operating expenditures.

# GRANT FUNDS

Advanced Funding Grant Fund Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$25,484	\$27,494	\$30,521	\$26,952
<b>REVENUES</b>				
Intergovernmental	31,354	15,901	15,901	34,675
Interest and Other Income	157	200	200	200
<b>TOTAL REVENUES</b>	<b>\$31,511</b>	<b>\$16,101</b>	<b>\$16,101</b>	<b>\$34,875</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$56,995</b>	<b>\$43,595</b>	<b>\$46,622</b>	<b>\$61,827</b>
<b>EXPENDITURES</b>				
Personnel Services	14,067	-	-	-
Supplies	5,542	500	5,542	500
Contractual Services	610	34,375	14,146	34,375
Capital Replacement/Lease	6,255	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$26,474</b>	<b>\$34,875</b>	<b>\$19,670</b>	<b>\$34,875</b>
Ending Fund Balance	\$30,521	\$8,720	\$26,952	\$26,952

# 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 cash-fund capital for projects that would have otherwise been funded by debt financing, or to fund significant non-routine capital expenditures. The FY2018 budget allocates \$0.006201 of the property tax rate to fund the IIF for future appropriations. The FY2018 beginning fund balance in the Infrastructure Investment Fund is estimated to be just over \$4.7 million. The assignment of capital improvement projects for FY2018 to the IIF brings the projected ending fund balance to approximately \$3.4 million.

The budget for FY2018 Infrastructure Investment Fund includes \$125,000 to complete the ADA Transition Plan that was started in fiscal year 2017; \$200,000 for design work related to the Belt Line Road Streetscape; and \$731,000 for Public Safety Facility Improvements and Rehabilitation. Additionally, \$500,000 will be transferred to the Addison Grove Escrow Fund.

## 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. When the project is a rehabilitation of an existing asset, costs often decrease as a result of less maintenance or more energy efficiency. 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.

Infrastructure Investment Fund Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
<b>Beginning Balance</b>	<b>\$3,908,974</b>	<b>\$3,782,383</b>	<b>\$3,772,028</b>	<b>\$4,717,429</b>
<b>REVENUES</b>				
Tax Contribution	241,448	261,804	258,725	265,675
Interest Earnings and Other	23,461	5,000	5,000	20,000
<b>TOTAL REVENUES</b>	<b>\$264,909</b>	<b>\$266,804</b>	<b>\$263,725</b>	<b>\$285,675</b>
<b>TOTAL RESOURCES AVAILABLE</b>				
	<b>\$4,173,883</b>	<b>\$4,049,187</b>	<b>\$4,035,753</b>	<b>\$5,003,104</b>
<b>EXPENDITURES</b>				
<b>Capital Improvement Program</b>				
Illuminated Street Name Sign Replacement	142,985	163,000	163,000	125,000
ADA Transition Plan	-	175,000	175,000	125,000
Park Playground Structure and Resurface	199,394	151,000	151,000	-
Citywide Streets & Sidewalk Study	59,476	-	-	-
Belt Line Road Streetscape	-	50,000	50,000	200,000
Public Safety Facility Improvements	-	-	-	731,000
<b>TOTAL EXPENDITURES</b>	<b>\$401,855</b>	<b>\$539,000</b>	<b>\$539,000</b>	<b>\$1,056,000</b>
<b>Other Financing Sources (Uses)</b>				
Transfer in from Utility Fund	-	300,000	-	-
Transfer in from General Fund	-	1,720,676	1,720,676	-
Transfer out to Addison Grove Escrow Fund	-	(500,000)	(500,000)	(500,000)
<b>Ending Fund Balance</b>	<b>\$3,772,028</b>	<b>\$5,030,863</b>	<b>\$4,717,429</b>	<b>\$3,447,104</b>

# OTHER SPECIAL REVENUE FUNDS

## ADDISON GROVE ESCROW FUND

### FUND DESCRIPTION

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

### FUND NARRATIVE

For FY2018, \$500,000 each will be transferred from the Utility and Infrastructure Investment Funds for a total of \$1 million.

## 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 FY2018, budgeted expenses are for a part-time bailiff (\$22,406) and costs associated with security. The available ending fund balance is projected at \$59,848, leaving 267.1% of operating expenditures, which is in compliance with the Town's policy of 25%.

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	-	-	-	\$1,000,000
<b>REVENUES</b>				
Transfers from Other Funds	-	1,000,000	1,000,000	1,000,000
<b>TOTAL REVENUES</b>	-	\$1,000,000	\$1,000,000	\$1,000,000
<b>TOTAL RESOURCES AVAILABLE</b>	-	\$1,000,000	\$1,000,000	\$2,000,000
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
Ending Fund Balance	-	\$1,000,000	\$1,000,000	\$2,000,000

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$63,789	\$53,388	\$63,655	\$68,854
<b>REVENUES</b>				
Fines and Penalties	10,357	13,000	13,000	13,000
Interest and Other Income	390	400	400	400
<b>TOTAL REVENUES</b>	\$10,747	\$13,400	\$13,400	\$13,400
<b>TOTAL RESOURCES AVAILABLE</b>	\$74,536	\$66,788	\$77,055	\$82,254
<b>EXPENDITURES</b>				
Personnel Services	10,881	31,557	6,400	22,406
Maintenance	-	21,865	-	-
Contractual Services	-	-	1,801	-
<b>TOTAL EXPENDITURES</b>	\$10,881	\$53,422	\$8,201	\$22,406
Ending Fund Balance	\$63,655	\$13,366	\$68,854	\$59,848

**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 FY2018, 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 \$50,759, leaving 423% of operating expenditures, which is in compliance with the Town's policy of 25%.

**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 FY2018, budgeted expenses are for supplies and maintenance cost for technology in the Municipal Court. The available ending fund balance is projected at \$44,847, leaving 83.1% of operating expenditures, which is in compliance with the Town's policy of 25%.

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$88,479	\$91,979	\$98,540	\$53,959
<b>REVENUES</b>				
Fines and Penalties	10,307	8,200	8,200	8,200
Interest and Other Income	571	600	600	600
<b>TOTAL REVENUES</b>	<b>\$10,878</b>	<b>\$8,800</b>	<b>\$8,800</b>	<b>\$8,800</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$99,357</b>	<b>\$100,779</b>	<b>\$107,340</b>	<b>\$62,759</b>
<b>EXPENDITURES</b>				
Supplies	623	14,680	18,134	12,000
Contractual Services	194	30,800	127	-
Capital Outlay	-	35,120	35,120	-
<b>TOTAL EXPENDITURES</b>	<b>\$817</b>	<b>\$80,600</b>	<b>\$53,381</b>	<b>\$12,000</b>
Ending Fund Balance	\$98,540	\$20,179	\$53,959	\$50,759

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$77,831	\$70,231	\$86,147	\$84,247
<b>REVENUES</b>				
Fines and Penalties	13,741	14,000	14,000	14,000
Interest and Other Income	487	600	600	600
<b>TOTAL REVENUES</b>	<b>\$14,228</b>	<b>\$14,600</b>	<b>\$14,600</b>	<b>\$14,600</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$92,059</b>	<b>\$84,831</b>	<b>\$100,747</b>	<b>\$98,847</b>
<b>EXPENDITURES</b>				
Supplies	5,912	16,500	16,500	54,000
Maintenance	-	3,125	-	-
Contractual Services	-	23,625	-	-
Capital Replacement/Lease	-	24,625	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$5,912</b>	<b>\$67,875</b>	<b>\$16,500</b>	<b>\$54,000</b>
Ending Fund Balance	\$86,147	\$16,956	\$84,247	\$44,847



**JUSTICE ADMINISTRATION FUND**

**FUND DESCRIPTION**

This is a \$2.50 portion of the Time Payment Fee in Section 133.103 of the Local Government Code which shall be used for the purpose of improving the efficiency of the court.

**FUND NARRATIVE**

For FY2018, 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 \$25,972, leaving 259.7% of operating expenditures, which is in compliance with the Town’s policy of 25%.

**PEG FUND**

**FUND DESCRIPTION**

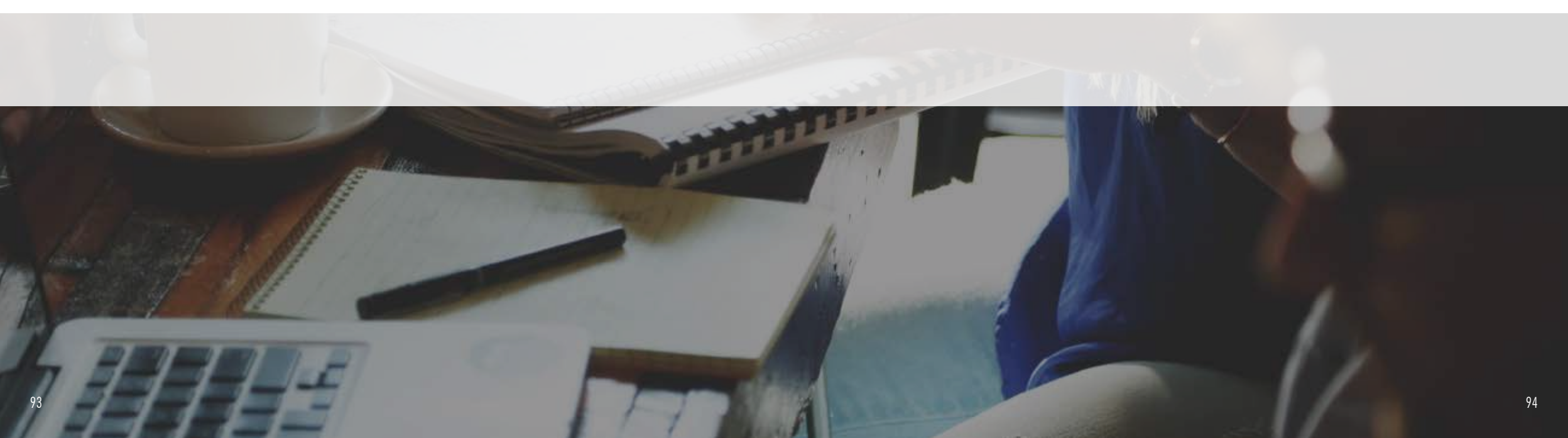
Public, Educational or Governmental (PEG) Funds are restricted to programming equipment, broadcasting and programs. These funds had previously resided in the General Fund Reserves and are being transferred into a separate fund for tracking purposes.

**FUND NARRATIVE**

For FY2018, budgeted expenses of \$15,000 are for supplies and maintenance cost for programming equipment. The available ending fund balance is projected at \$256,100, leaving 1707.3% of operating expenditures, which is in compliance with the Town’s policy of 25%.

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$28,893	\$10,992	\$30,952	\$33,462
<b>REVENUES</b>				
Fines and Penalties	1,486	2,410	2,410	2,410
Interest and Other Income	573	100	100	100
<b>TOTAL REVENUES</b>	<b>\$2,059</b>	<b>\$2,510</b>	<b>\$2,510</b>	<b>\$2,510</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$30,952</b>	<b>\$13,502</b>	<b>\$33,462</b>	<b>\$35,972</b>
<b>EXPENDITURES</b>				
Supplies	-	-	-	2,000
Maintenance	-	-	-	8,000
Contractual Services	-	10,800	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$10,800</b>	<b>-</b>	<b>\$10,000</b>
Ending Fund Balance	\$30,952	\$2,702	\$33,462	\$25,972

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	-	\$327,000	\$327,000	\$199,050
<b>REVENUES</b>				
Franchise Fees	-	72,000	72,000	72,000
Interest and Other Income	-	50	50	50
Transfers from Other Funds	327,000	-	-	-
<b>TOTAL REVENUES</b>	<b>\$327,000</b>	<b>\$72,050</b>	<b>\$72,050</b>	<b>\$72,050</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$327,000</b>	<b>\$399,050</b>	<b>\$399,050</b>	<b>\$271,100</b>
<b>EXPENDITURES</b>				
Capital Outlay	-	200,000	200,000	15,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$15,000</b>
Ending Fund Balance	\$327,000	\$199,050	\$199,050	\$256,100



**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 (\$7,000). The available ending fund balance is projected at \$863, leaving 12.3% of operating expenditures.

**SELF-FUNDED PROJECT FUND**

**FUND DESCRIPTION**

The Self-Funded Project Fund was created from savings in the General Fund for FY2016. The purpose of the fund is to allow surpluses in operating funds in excess of fund balance policy to be used to cash-fund projects that are one-time funding and not recurring expenses. Separating out recurring sources of revenue from one-time sources is considered a best practice for fiscal sustainability.

**FUND NARRATIVE**

For FY2018, expenditures are associated with:

- \$157,000 Asset Management Study (Phase 2)
- \$167,000 Fire Training Center Equity Buy-in (Year 2 of 3)
- \$50,000 Records Management
- \$15,000 Employee Handbook
- \$175,000 Unified Development Code (Year 1 of 2)
- \$100,000 Website Redesign
- \$125,000 Parks Master Plan
- \$128,000 Outdoor Pool Filters
- \$190,000 Signal Timing
- \$100,000 Economic Development Strategic Plan

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$19,190	\$24,049	\$28,125	\$7,663
<b>REVENUES</b>				
Intergovernmental	571	-	-	-
Fines and Penalties	12,427	-	-	-
Interest and Other Income	156	200	200	200
<b>TOTAL REVENUES</b>	<b>\$13,154</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$32,344</b>	<b>\$24,249</b>	<b>\$28,325</b>	<b>\$7,863</b>
<b>EXPENDITURES</b>				
Supplies	3,061	19,385	19,385	7,000
Contractual Services	1,158	-	1,277	-
<b>TOTAL EXPENDITURES</b>	<b>\$4,219</b>	<b>\$19,385</b>	<b>\$20,662</b>	<b>\$7,000</b>
Ending Fund Balance	\$28,125	\$4,864	\$7,663	\$863

Statement of Revenues & Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	-	\$750,000	\$750,000	\$4,500
<b>REVENUES</b>				
Transfers from Other Funds	750,000	-	1,297,000	1,207,000
<b>TOTAL REVENUES</b>	<b>\$750,000</b>	<b>-</b>	<b>\$1,297,000</b>	<b>\$1,207,000</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$2,047,000</b>	<b>\$1,211,500</b>
<b>EXPENDITURES</b>				
Maintenance	-	-	\$60,000	-
Contractual Services	-	745,500	353,500	912,000
Capital Outlay	-	-	1,629,000	295,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$745,500</b>	<b>\$2,042,500</b>	<b>\$1,207,000</b>
Ending Fund Balance	\$750,000	\$4,500	\$4,500	\$4,500

A photograph of a stone archway with the words "TOWN OF ADDISON" carved into it. The image has a green color overlay. A white rectangular box is positioned on the right side of the image, containing the text "FINANCIAL/OPERATIONAL PROPRIETARY FUNDS".

TOWN OF  
ADDISON

FINANCIAL/OPERATIONAL  
**PROPRIETARY  
FUNDS**

# 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 the 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.

## FUND NARRATIVE

Addison contracts with a private operator for operation and maintenance of the airport. For operations, the contractor is AECOM, formerly URS Energy & Construction (URS). AECOM performs 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 FY2017 is projected to total \$5,533,884, a slight increase from the original budget by 0.2%. Operating expenses are estimated to come in \$4,740,332 or 3.1 percent less than budget.

For FY2018, the budget anticipates operating revenue of \$5,489,500, or a 0.6 percent decrease from the FY2017 budget, the result of slightly lower fuel flowage fees.

## 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 FY2017**

- Orchestrated smooth relocation of Papa T-hangar tenants displaced by planned southeast quadrant (SEQ) redevelopment
- Updated standard Aircraft Storage Lease Agreement to incorporate new FAA Hangar Use Policy and other material terms & conditions
- Drafted Tenant Leasehold Minimum Maintenance and Repair Standards and Practices for ground leases
- Airfield access training program resulted in ZERO vehicle/pedestrian deviations over the past year

**OBJECTIVES FOR FY2018**

- Continue redevelopment of the Airport in accordance with the Airport Master Plan
- Council goals of setting the gold standard for customer service and optimizing the Addison brand will also be supported by the Airport Operator (AECOM) and Real Estate Operator (SAMI Management)
- Continue to focus on first class maintenance of the airport and will continue to pursue a solution for the new Customs and Border Protection facility

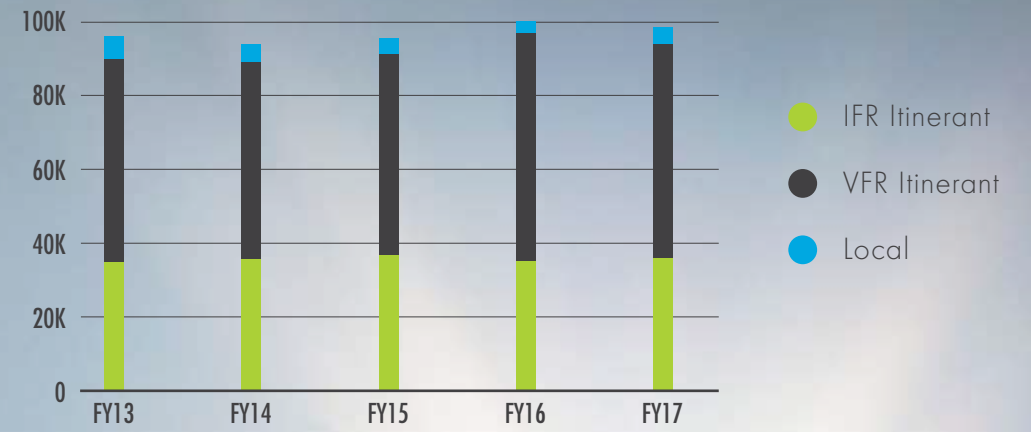
Airport Fund Statement of Income

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$1,390,969	\$3,323,963	\$2,407,024	\$3,200,576
<b>REVENUES</b>				
Intergovernmental				
Operating Grants	110,898	50,000	50,000	50,000
Service Fees				
Customs Fees	120,990	48,000	151,620	152,960
Fuel Flowage Fees	828,240	932,380	932,380	907,040
Rental Income	4,426,111	4,346,485	4,355,000	4,355,000
Interest and Other Income	170,574	147,793	44,884	24,500
<b>TOTAL REVENUES</b>	<b>\$5,656,813</b>	<b>\$5,524,658</b>	<b>\$5,533,884</b>	<b>\$5,489,500</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$7,047,782</b>	<b>\$8,848,621</b>	<b>\$7,940,908</b>	<b>\$8,690,076</b>
<b>EXPENDITURES</b>				
Personnel Services	328,233	411,766	357,716	423,447
Supplies	9,350	42,000	34,026	40,000
Maintenance				
Town Maintenance	113,270	116,150	57,845	48,000
Maintenance Contract	2,964,232	3,125,960	3,004,748	3,405,903
Contractual Services				
Town Contractual Services	185,935	192,455	236,918	263,154
Operator Contract	427,703	386,792	413,301	393,857
Capital Replacement/Lease	19,161	27,878	27,878	26,823
Debt Service	592,874	587,016	587,516	592,972
Capital Outlay	-	-	20,384	-
<b>TOTAL EXPENDITURES</b>	<b>\$4,640,758</b>	<b>\$4,890,017</b>	<b>\$4,740,332</b>	<b>\$5,194,156</b>
Ending Fund Balance	\$2,407,024	\$3,958,604	\$3,200,576	\$3,495,920

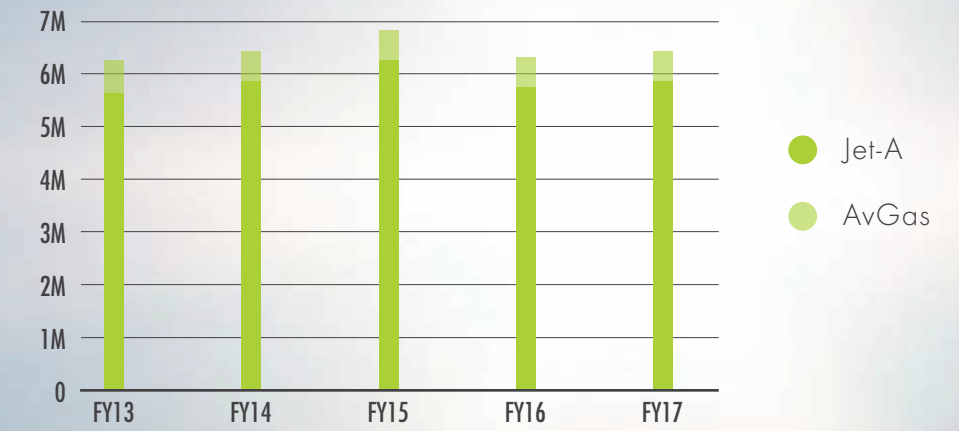


Staffing	Bud. 14-15	Bud. 15-16	Bud. 16-17	Bud. 17-18
Sergeant	1.0	1.0	1.0	1.0
Police Officer	2.0	2.0	2.0	2.0
GIS Analyst	0.0	0.0	0.4	0.4
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>3.4</b>	<b>3.4</b>

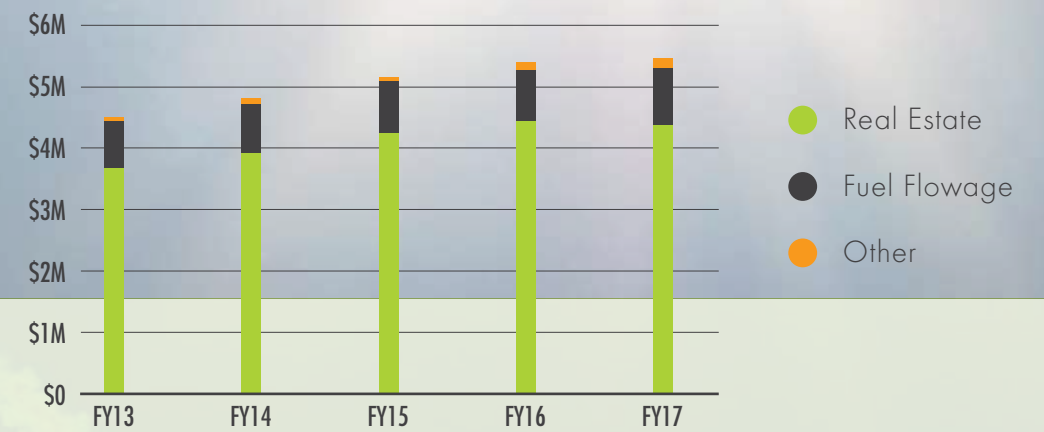
### AIRPORT OPERATIONS



### FUEL FLOWAGE



### REVENUE



# CAPITAL REPLACEMENT FUND

This fund was established to accumulate sufficient resources to replace existing capital rolling stock and heavy 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.

## FUND NARRATIVE

Expenses in FY2017 were primarily associated with the purchase of

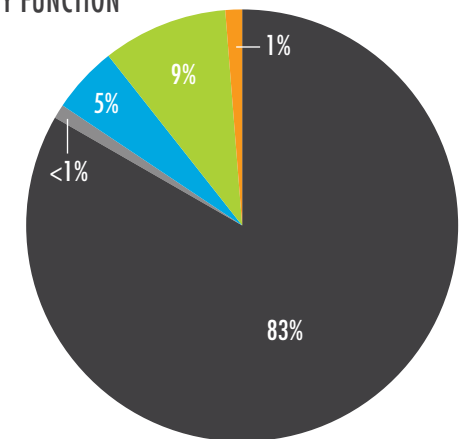
- Two CID Vehicles
- One 100' Aerial Platform Fire Truck
- One Fire Inspector Vehicle (Hybrid-HEV)
- Two Cardiac Monitors
- One Airport Compressor
- Three ¾-Ton Trucks
- Four One-Ton Trucks
- One 1/2-ton Truck
- Two Building Inspection Vehicles (Hybrid-HEV)

## Capital Replacement Fund Statement of Income

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
<b>Beginning Balance</b>	<b>\$3,600,004</b>	<b>\$3,248,566</b>	<b>\$3,548,509</b>	<b>\$2,449,509</b>
<b>REVENUES</b>				
<b>Service Fees</b>				
Department Contributions	800,000	800,000	800,000	800,000
Interest and Other Income	60,755	50,000	50,000	50,000
<b>TOTAL REVENUES</b>	<b>\$860,755</b>	<b>\$850,000</b>	<b>\$850,000</b>	<b>\$850,000</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$4,460,759</b>	<b>\$4,098,566</b>	<b>\$4,398,509</b>	<b>\$3,299,509</b>
<b>EXPENDITURES</b>				
Supplies	9,750	-	-	-
Contractual Services	5,995	4,000	4,000	4,000
Capital Outlay	896,505	1,929,000	1,945,000	1,070,810
<b>TOTAL EXPENDITURES</b>	<b>\$912,250</b>	<b>\$1,933,000</b>	<b>\$1,949,000</b>	<b>\$1,074,810</b>
<b>Ending Fund Balance</b>	<b>\$3,548,509</b>	<b>\$2,165,566</b>	<b>\$2,449,509</b>	<b>\$2,224,699</b>

## CONTRIBUTIONS TO THE CAPITAL REPLACEMENT FUND BY FUNCTION

- Public Safety ●
- Urban Development ●
- Streets ●
- Parks & Recreation ●
- General Government ●



Equipment purchases included in the FY2018 budget include:

- Fire - One Pumper Truck (\$588,500)
- Fire - One Utility Vehicle (\$227,310)
- General Services - One CMAX Electric Vehicle (\$30,000)
- Police - One ACAP Vehicle (Hybrid-HEV) (\$28,000)
- Police - Two CID Vehicles (\$52,000)
- Streets - One Vermeer Chipper (\$75,000)
- Fuel Dispensers & UST Monitoring System - (\$70,000)

# INFORMATION TECHNOLOGY REPLACEMENT FUND

## FUND DESCRIPTION

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

## FUND NARRATIVE

Expenses in FY2017 were associated with the following purchases:

- ERP System (\$724,000)
- Public Safety Rugged Laptops (\$260,000)
- PC Replacement (\$280,000)
- Police In-Car Video/Body Cameras (\$250,000)
- North Texas Emergency Communications Center (NTECC) Contribution (\$84,360)

Scheduled purchases through FY2018 are:

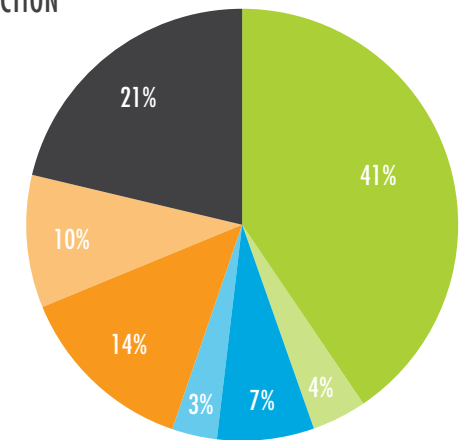
- Laptop/iPad Replacement (\$60,000)
- Document/Record Management System (\$150,000)
- Supervisory Control And Data Acquisition (SCADA) System (\$70,000)
- ERP System (\$500,000)
- Interactive Voice Response (IVR) System (\$75,000)

## Information Technology Replacement Fund Statement of Income

	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$2,330,113	\$2,465,382	\$2,640,939	\$1,819,170
<b>REVENUES</b>				
<b>Service Fees</b>				
Department Contributions	764,451	750,000	757,917	793,824
Interest and Other Income	7,311	21,800	21,800	7,000
<b>TOTAL REVENUES</b>	<b>\$771,762</b>	<b>\$771,800</b>	<b>\$779,717</b>	<b>\$800,824</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$3,101,875</b>	<b>\$3,237,182</b>	<b>\$3,420,656</b>	<b>\$2,619,994</b>
<b>EXPENDITURES</b>				
Contractual Services	3,918	3,126	3,126	4,000
Capital Outlay	457,018	1,514,000	1,598,360	855,000
<b>TOTAL EXPENDITURES</b>	<b>\$460,936</b>	<b>\$1,517,126</b>	<b>\$1,601,486</b>	<b>\$859,000</b>
Ending Fund Balance	\$2,640,939	\$1,720,056	\$1,819,170	\$1,760,994

## CONTRIBUTIONS TO THE IT REPLACEMENT FUND BY FUNCTION

- Public Safety ●
- Urban Development ●
- Parks & Recreation ●
- Airport ●
- Tourism & Econ. Development ●
- Utilities/Streets ●
- General Government ●





# STORMWATER FUND

## FUND DESCRIPTION

Addison's Stormwater Fund is an enterprise fund, which is a proprietary type fund where operations are accounted for and financed in a manner similar to private business enterprises. In this budget, two types of funds are utilized, Governmental and Proprietary. Governmental funds are used for most government activities, while Proprietary funds are based on the premise that designated city services should be conducted as a business. Addison's stormwater utility is operated on the premise that this city service should be operated and financed where the costs of providing the services to the public are financed primarily through user charges.

## FUND NARRATIVE

The Stormwater Fund was created in 2013 to address 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 FY2017 are projected to be \$1,917,700; the FY2018 budget for operating revenue is \$2,017,700. Fund balance is estimated to be \$5,357,228 at the end of FY2018. The FY2018 budget incorporates the five percent rate increase as planned in the FY2015 ordinance creating the stormwater fee.

## PROGRAM NARRATIVE

### ACCOMPLISHMENTS OF FY2017

- Completion of the Stormwater Assessment and Capital Improvements Program
- Completion of the Winnwood Pond Dredging Project and the Les Lacs Transfer Piping and Well Rehabilitation Projects
- Successful completion of year three of five year TCEQ-administered Municipal Separate Storm Sewer (MS4) permit program

### OBJECTIVES FOR FY2018

- Facilitate completion of the asset management plan
- Continue channel cleanup program
- Finalize the implementation of the new work order management system

Stormwater Fund Statement of Income	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Beginning Balance	\$2,756,262	\$8,481,643	\$3,756,553	\$4,625,539
<b>REVENUES</b>				
Service Fees				
Drainage Fees	1,885,773	1,850,000	1,850,000	1,950,000
Fines and Penalties	-	-	-	-
Rental Income	-	-	-	-
Interest and Other Income	92,021	67,700	67,700	67,700
<b>TOTAL REVENUES</b>	<b>\$1,977,794</b>	<b>\$1,917,700</b>	<b>\$1,917,700</b>	<b>\$2,017,700</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$4,734,056</b>	<b>\$10,399,343</b>	<b>\$5,674,253</b>	<b>\$6,643,239</b>
<b>EXPENDITURES</b>				
Personnel Services	74,337	156,619	82,611	158,023
Supplies	4,662	12,700	11,500	23,200
Maintenance	57,941	237,200	236,028	222,200
Contractual Services	294,295	336,727	174,309	341,027
Debt Service	546,268	544,266	544,266	541,561
<b>TOTAL EXPENDITURES</b>	<b>\$977,503</b>	<b>\$1,287,512</b>	<b>\$1,048,714</b>	<b>\$1,286,011</b>
Ending Fund Balance	\$3,756,553	\$9,111,831	\$4,625,539	\$5,357,228

Staffing	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
GIS Analyst	0.0	0.0	0.3	0.3
Streets and Stormwater Manager	0.3	0.3	0.3	0.3
Management Assistant	1.0	1.0	1.0	1.0
Billing Supervisor	0.4	0.4	0.4	0.2
Accounting Specialist II	0.0	0.0	0.0	0.2
<b>TOTAL</b>	<b>1.7</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>

## FUND DESCRIPTION

Addison's Utility Fund is an enterprise fund, which is a Proprietary type fund where operations are accounted for and financed in a manner similar to private business enterprises. In this budget, two types of funds are utilized, Governmental and Proprietary. Governmental funds are used for most government activities, while Proprietary funds are based on the premise that designated city services should be conducted as a business. Addison's water and wastewater utilities are operated on the premise that this city service should be operated and financed where the costs of providing the services to the public are financed primarily through user charges.

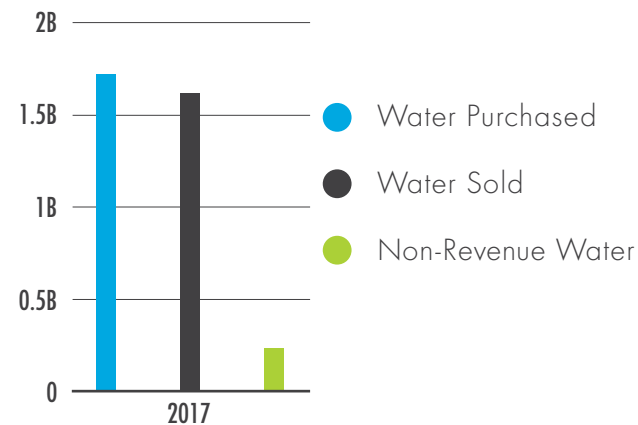
## FUND NARRATIVE

Operating revenues for FY2017 are projected to total \$10,806,600, which is \$126,000 more than budget and \$76,331 less than was generated in FY2016. Operating expenses in FY2017 are projected to be \$512,705 less than budgeted amounts. The anticipated ending fund balance for FY2017 totals \$7,811,879.

FY2018 budgeted operating revenues total \$11,343,826, an increase of \$663,226 from the previous year. Operating expenses are budgeted at \$11,840,667, an increase of \$667,793 over the prior year. This increase is due primarily to an increase in the purchase price of water and sewer services.

# UTILITY FUND

## WATER AUDIT



Utility Fund Statement of Income	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
<b>Beginning Balance</b>	<b>\$7,799,733</b>	<b>\$10,069,003</b>	<b>\$8,165,448</b>	<b>\$7,811,879</b>
<b>REVENUES</b>				
Service Fees				
Water Sales	6,056,506	6,040,000	6,040,000	6,286,823
Sewer Charges	4,452,519	4,590,000	4,590,000	4,880,403
Tap Fees & Other	25,275	7,000	7,000	7,000
Fines and Penalties	79,319	75,000	75,000	75,000
Interest and Other Income	269,312	(31,400)	94,600	94,600
<b>TOTAL OPERATIONAL REVENUE</b>	<b>\$10,882,931</b>	<b>\$10,680,600</b>	<b>\$10,806,600</b>	<b>\$11,343,826</b>
Transferred from Other Funds	-	300,000	-	-
<b>TOTAL REVENUES</b>	<b>\$10,882,931</b>	<b>\$10,980,600</b>	<b>\$10,806,600</b>	<b>\$11,343,826</b>
<b>TOTAL RESOURCES AVAILABLE</b>	<b>\$18,682,664</b>	<b>\$21,049,603</b>	<b>\$18,972,048</b>	<b>\$19,155,705</b>
<b>EXPENDITURES</b>				
Personnel Services	\$1,515,072	1,463,121	1,510,541	1,659,385
Supplies	129,354	155,300	137,816	142,149
Maintenance	470,078	755,536	603,603	490,803
Contractual Services				
Water Purchases	3,458,701	3,700,000	3,700,000	3,926,500
Wastewater Treatment	2,543,156	2,590,000	2,590,000	2,842,330
Other Services	617,160	1,324,800	991,092	1,372,934
Capital Replacement/Lease	61,590	56,759	56,759	54,394
Debt Service	1,097,486	1,127,358	1,070,358	1,077,172
<b>CAPITAL OUTLAY</b>	<b>624,619</b>	<b>-</b>	<b>-</b>	<b>275,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$10,517,216</b>	<b>\$11,172,874</b>	<b>\$10,660,169</b>	<b>\$11,840,667</b>
Transfer to Addison Grove Fund	-	500,000	500,000	500,000
Transfer to Infrastructure Investment Fund	-	300,000	-	-
<b>Ending Fund Balance</b>	<b>\$8,165,448</b>	<b>\$9,076,729</b>	<b>\$7,811,879</b>	<b>\$6,815,038</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 manholes, and one wastewater lift station.

## PROGRAM NARRATIVE

### ACCOMPLISHMENTS OF FY2017

- Completed the design of the improvements to the Surveyor Ground Storage Tank and Pump Station
- Completed the Kellway Lift Station Evaluation, including the development of a Capital Improvements Program
- Completed the Texas Commission on Environmental Quality mandated lead and copper testing

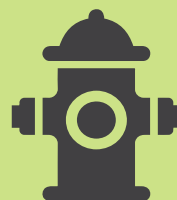
### OBJECTIVES FOR FY2018

- Facilitate completion of the asset management plan
- Complete construction of the improvements to the Surveyor Ground Storage Tank and Pump Station
- Finalize the implementation of the new work order management system

Expenditures	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Personnel Services	1,515,072	1,463,121	1,510,541	1,659,385
Supplies	129,354	155,300	137,816	142,149
Maintenance	470,078	755,536	603,603	490,803
Contractual Services	6,619,017	7,614,800	7,281,092	8,141,764
Capital Replacement/Lease	61,590	56,759	56,759	54,394
Debt Service	1,097,486	1,127,358	1,070,358	1,077,172
Capital Outlay	624,619	-	-	275,000
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$ 10,517,216</b>	<b>\$ 11,172,874</b>	<b>\$ 10,660,169</b>	<b>\$ 11,840,667</b>

Staffing	Level	Act. 15-16	Bud. 16-17	Est. 16-17	Bud. 17-18
Director - Infrastructure Operations & Services	32	1.0	1.0	1.0	0.0
Assistant Director	30	1.0	1.0	1.0	1.0
GIS Analyst	25	0.0	0.0	0.3	0.3
Streets and Stormwater Manager	23	0.3	0.3	0.3	0.3
Manager - Utilities	23	0.0	2.0	2.0	2.0
Inspector - Infrastructure	13	2.0	2.0	2.0	2.0
Supervisor - Utilities <sup>1</sup>	13	2.0	0.0	0.0	0.0
Water Quality Specialist	12	1.0	1.0	1.0	0.0
Billing Supervisor	11	0.3	0.3	0.3	0.8
Accounting Specialist II	11	0.0	0.0	0.0	0.8
Utility Operator	11	9.0	9.0	9.0	9.0
Assistant Infrastructure Inspector	9	0.0	0.0	0.0	0.0
Department Assistant	9	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>17.6</b>	<b>17.6</b>	<b>17.9</b>	<b>19.2</b>

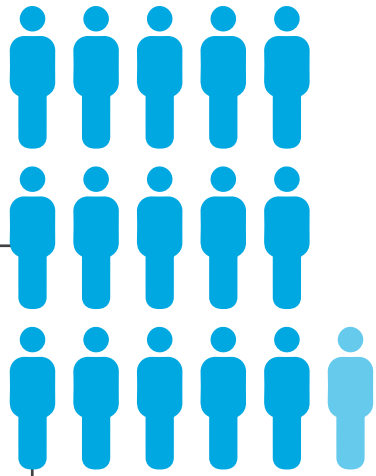
<sup>1</sup> This position was reclassified to Manager - Utilities in FY2015



An aerial photograph of a city, likely Atlanta, Georgia, showing a dense urban landscape with various buildings, roads, and green spaces. The image is partially obscured by a white vertical bar on the right side and a white rectangular box containing text. The text is in a bold, sans-serif font.

**TOWN CHRONICLE  
AND APPENDICES**

2017 POPULATION<sup>1</sup>  
**15,730**



MEDIAN<sup>2</sup>  
**AGE**

**33.2  
YRS**

AVERAGE  
HOUSEHOLD  
INCOME<sup>2</sup>  
**\$86,322**

MEDIAN HOUSEHOLD INCOME<sup>2</sup>  
**\$67,695**

# OF  
HOUSEHOLDS<sup>2</sup>  
**8,353**

HOUSING UNITS<sup>2</sup>

**21.6%** OWNER OCCUPIED

**RENT 78.4%** RENTER OCCUPIED

**VACANT 10.3%**

## ADDISON FAST FACTS

### TOP 10 EMPLOYERS IN ADDISON

- Bank of America MBNA
- Mary Kay Cosmetics, Inc.
- Mattress Giant Corporate Headquarters
- Regus Group PLC
- Expense Reduction Analysts
- Intercontinental Hotel Dallas
- Barrett Daffin Frappier Turner and Engel LLP
- National Bankruptcy Services
- Zurich American Insurance Company
- Greenhill School

\* Source: North Central Texas Council of Governments

### TOP 10 PROPERTY TAX PAYERS

- FPG Colonnade LP
- Post Properties Inc.
- Savoye 2 LLC
- 5100 Belt Line Road Investors LLC
- Real Pink Limited
- COP Spectrum Center LLC
- Fiori LLC
- Gaedeke Holdings IX LLC
- MHSS-Addison LP
- DCO Realty Inc

\*Source: Dallas County Tax Office



TOTAL EMPLOYMENT<sup>3</sup>  
**90,000**



EDUCATION LEVEL  
**53.8%**  
(BACHELOR'S DEGREE OR HIGHER)

2017 ASSESSED VALUE  
**\$4,450,533,504**

**4.3**  
SQUARE  
MILES



**5%** DEVELOPABLE LAND REMAINING

# 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, which was first settled by Peters colony residents in the 1840s, has developed rapidly over the past three decades. It is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants and the prestigious Galleria mall. Because of Addison's overwhelming commercial atmosphere, residents of Addison enjoy a unique lifestyle not common in other suburbs. Though Addison has only 15,730 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. The area commands a central location in proximity to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

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 115 office buildings providing nearly 11 million square feet of office space, and an additional 169 retail buildings representing approximately 2.5 million square feet of space. Most of Addison's office buildings are designated "Class A" due to the amenities they offer. Addison boasts 23 hotels with 4,047 rooms and over 180 restaurants, or an average of 46 per square mile. A new hotel will open in 2018 increasing local hotel rooms to over 4,100.

With its concentration of commercial and retail development, Addison is strongly influenced by the region's economic climate. Much attention is given to the occupancy rates of buildings in Addison. Addison's office occupancy rate exceeded 85% and retail occupancy exceeded 93% in 2017. The Town experienced a 3.5 percent increase in taxable property values for the 2017 certified levy compared to the 2016 certified levy. Sales tax for the 2017 fiscal year is a 9.4% increase over the estimated FY2016 year-end.

Over the past year, Texas' unemployment rate has remained steady at an average of 4.6 percent and remains lower than the U.S. rate of 4.7 percent. The Town of Addison will share in any economic recovery experienced by the region and the state. Texas employment growth strengthened to an annualized 2.0 percent in August 2017, outpacing the nation's 1.3 percent increase. The Dallas-Fort Worth (DFW) economy continues to expand at the end of fiscal year 2017 with modest job growth. Home price gains in the metroplex continued to outpace those in the U.S.



## APPENDIX A BUDGET PROCESS

### SCHEDULES DISTRIBUTED TO CITY COUNCIL

1 – MAY 2017

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

### BUDGET REQUESTS SUBMITTED AND REVIEWED

2 – MAY 26, 2017

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

### WORK SESSIONS WITH CITY MANAGER

3 – JUNE 2017

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

### PRELIMINARY BUDGET DISCUSSIONS

4 – JULY 2017

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

### CERTIFIED TAX ROLLS RECEIVED

5 – JULY 25, 2017

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$4,450,533,504.

### 2017-2018 CITY MANAGER'S PROPOSED BUDGET

6 – JULY 31, 2017

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 \$102,274,988 and a tax rate of 55.00 cents.

### PUBLISH NOTICE OF PROPOSED TAX RATE

7 – AUGUST 11, 2017

Upon receipt of the certified appraisal rolls, the Dallas County Tax Assessor/Collector performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 51.9949 cents with a rollback rate of 55.1854 cents.

### WORK SESSIONS WITH COUNCIL

8 – AUGUST 2017

Council attends two-day FY2018 Budget Retreat to discuss various aspects of the City Manager's proposed budget.

### PUBLIC HEARINGS HELD

9 – AUGUST 29 & SEPTEMBER 5, 2017

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

### COUNCIL ADOPTS THE 2017-2018 BUDGET

10 – SEPTEMBER 13, 2017

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2017 with total appropriations of \$102,274,988 and a tax rate of 55.0000 cents.

### 2016-2017 BUDGET DOCUMENT IS PUBLISHED

11 – DECEMBER 2017

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

### BUDGET IS IMPLEMENTED, MONITORED, AND AMENDED

12 – OCTOBER 2017-SEPTEMBER 2018

Throughout the fiscal year, Town staff closely monitors and tracks the budget. If an amendment becomes necessary, a work session is conducted with Council, and 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 Town staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

## ANNUAL BUDGET

Sections 1-7 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:
  - a. The City Manager's budget message shall outline the proposed financial policies for the next fiscal year with explanations of any changes from previous years in expenditures and any major changes of policy and a complete statement regarding the financial condition of the Town.
  - b. An estimate of all revenue from taxes and other sources, including the present tax structure rates and property valuations for the ensuing year.
  - c. A carefully itemized list of proposed expenses by office, department, agency, and project for the budget year, as compared to actual expenses of the last ended fiscal year, and estimated expenses for the current year compared to adopted budget.
  - d. A description of all outstanding bonded indebtedness of the Town.
  - e. A statement proposing any capital expenditure deemed necessary for undertaking during the next budget year and recommended provision for financing.

f. A list of capital projects which should be undertaken within the next five succeeding years.

g. A five-year financial plan for the General, Hotel, Airport, and Utility Funds.

- 3 The City Manager's budget should assume, for each fund, operating revenues that are equal to or exceed operating expenditures. The City Manager's budget message shall explain the reasons for any fund that reflects operating expenditures exceeding operating revenues.
- 4 At least one public hearing shall be conducted before the City Council, allowing interested citizens to express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any items of expense. The notice of hearing shall be published in the official newspaper of the Town not less than 15 days or more than 30 days following date of notice.
- 5 Following the public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least three days prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote. If the City Council fails to adopt the budget, the Town shall continue to operate under the existing budget until such time as the City Council adopts a budget for the ensuing fiscal year.
- 6 On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise, the City Council may amend or change the budget to provide for any additional expense.
- 7 The annual budget document shall be published in a format that satisfies all criteria established by the Government Finance Officers Association's Distinguished Budget Program. The final budget document shall be published no later than 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).
  - a. The accounts of the Town are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the

FISCAL  
YEAR

5YR



GASB



governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.

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

#### 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 four property tax rates: debt service, operation/maintenance, infrastructure investment and economic development. 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. The infrastructure investment will be appropriated \$0.006201 of the operation and maintenance levy to support pay-as-you-go capital projects or significant non-routine capital expenditures of not less than \$500,000.00. In addition, the economic development fund will be appropriated \$0.023716 of the operation and maintenance levy.
- 3 The Town will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The Town may consider providing tax abatements or other incentives to encourage development.
- 4 The Town will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
  - a. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
  - b. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
  - c. The Town will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).
- 5 The Town will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
- 6 The Town will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
- 7 When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

## OPERATING EXPENDITURES

- 1 Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
  - a. Operating, Recurring Expenditures
    - i. Personal Services

- ii. Supplies
- iii. Maintenance
- iv. Contractual Services
- v. Capital Replacement/Lease
- b. Operating, Non-Recurring Expenditures
  - i. Capital Equipment

- 2 The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.
- 3 The Town will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.
- 4 Personal service expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the Town shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
- 5 Supply expenditures shall be sufficient for ensuring the optimal productivity of Town employees.
- 6 Maintenance expenditures shall be sufficient for addressing the deterioration of the Town's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.
- 7 The Town will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the Town. The Town will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the Town.
- 8 Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least three years. 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 depreciated by charges to the departments using the equipment. The depreciation charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The depreciation charges and application of those funds will be accounted for in the Capital Replacement Fund.
- 9 Capital improvement is defined as an enhancement that exceeds \$25,000 and has a useful life of at least ten years.
- 10 Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service. Capital assets received by the Town as a donation must be measured at acquisition value in accordance with GASB guidelines.
- 11 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 operating fund (i.e., general fund, utility, hotel, economic development, airport, stormwater and debt service funds) 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. It is a goal of the City Council to maintain a General Fund ending fund balance of 30 percent.

- 2 The annual budget shall be presented to City Council with each special revenue fund (i.e., PEG, court technology, building security, child safety, justice administration and public safety) - not be less than 10 percent of that fund's annual revenues.
- 3 Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs.
- 4 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:
  - a. Protect or improve the community's quality of life.

- b. Protect or enhance the community's economic vitality.
- c. Support and service new development.

- 3 To minimize the issuance of debt, the Town will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

#### UTILITY CAPITAL EXPENDITURES

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

#### LONG-TERM FINANCIAL PLANS

- 1 The Town will adopt every annual budget in context of a long-term financial plan for the General Fund. Financial plans for other funds may be developed as needed.
- 2 The General Fund long-term plan will establish assumptions for revenues, expenditures and changes to fund balance over a five-year horizon. The assumptions will be evaluated each year as part of the budget development process.

#### 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 plants, water and 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):
  - a. Competitive bidding;
  - b. Competitive sealed proposals for construction services;
  - c. A design-build contract;
  - d. A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
  - e. A job order contract for the minor repair, rehabilitation, or alteration of a facility.

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.

- 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.

# 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 City Council adopted an updated Compensation Philosophy on July 11, 2017, that states:

The purpose of the merit and market pay plan is threefold: to encourage excellence in service by tying salary increases to job performance; 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 by paying employees better than the average of our comparison cities. We support an open range system in compliance with our compensation philosophy. We will annually budget for market and merit adjustments for compensation that are fair and sustainable.

## WAGE & SALARY SCALE

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 2017-2018 budget is \$800,000 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.

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
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	180,919
35-E	127,850	191,775

## 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	96,067
F5	100,901	110,248
F6	113,925	116,204

## 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

## APPENDIX D MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$60,237,571 or 81 percent of Addison's total operating revenues (excluding interfund transfers).

### PROPERTY TAXES

In Texas, property taxes are often the primary source of revenue for local governments. Local governments set tax rates and collect property taxes that are used to provide local services including schools, streets and roads, police and fire protection, and many other services.

Property taxes are levied each October 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real and business personal property located in the Town. Texas law requires property values used in determining taxes to be equal and uniform and establishes the process local officials follow in determining property values, setting tax rates and collecting taxes. Assessed values are established by the Dallas Central Appraisal District (DCAD) at 100 percent of the estimated market value and certified by the Chief Appraiser.

The assessed taxable value for the roll as of January 1, 2017, upon which the fiscal year 2018 levy is based, is \$4,450,533,504. This amount is net \$459,532,446 from homestead, over-65, disabled veteran, and other various exemptions. In new construction, Addison has experienced significant growth over last year. New construction is valued at \$38,322,550 on the 2017 certified tax roll, which is an increase of 46.7 percent over the previous year. Addison also has experienced growth in economic development but 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>

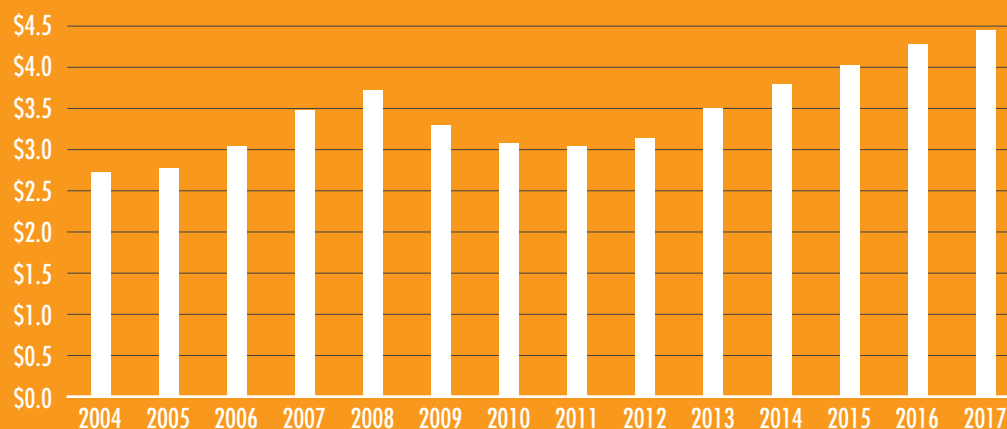
Property taxes are levied through two rates: the maintenance and operations (M&O) rate and the interest and sinking (I&S) rate, which is dedicated to debt service. If the M&O tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the Town may petition for an election to determine whether to limit the tax rate increase 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 FY2018 tax rate adopted by Addison is less than the calculated 55.1854¢ rollback rate. The tax rate for the year ending September 30, 2018 is 55.0000¢ per \$100 of valuation, of which 39.6958¢ is allocated for general government maintenance and operations and 15.3042¢ is allocated for retirement of general obligation long-term debt. Of the 39.6958¢ allocated for operations and maintenance, 2.3716¢ is committed to the Economic Development Fund and 0.6201¢ is committed to the Infrastructure Investment Fund.

Taxes are due January 31<sup>st</sup> following the October 1<sup>st</sup> levy date and are considered delinquent after January 31<sup>st</sup> of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2018 are estimated to be 96.5 percent of the levy and will generate \$23,864,145 in revenues.

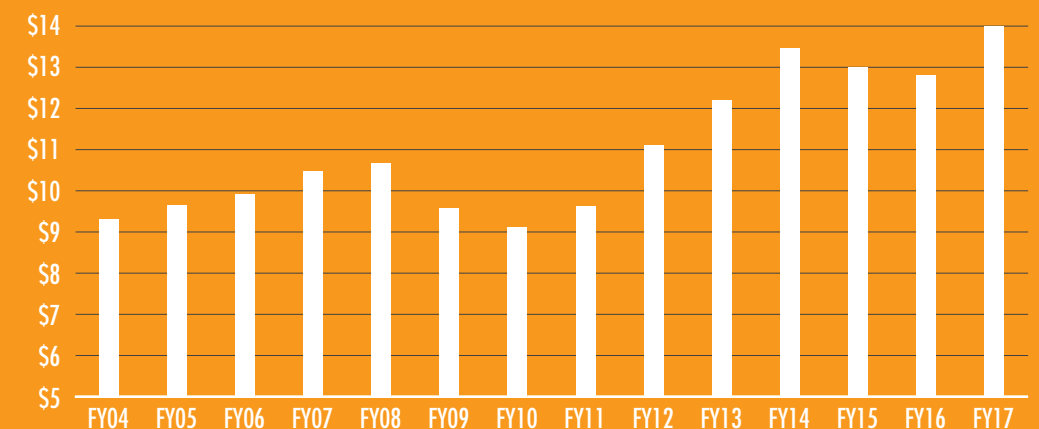
### SALES TAX

The total 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

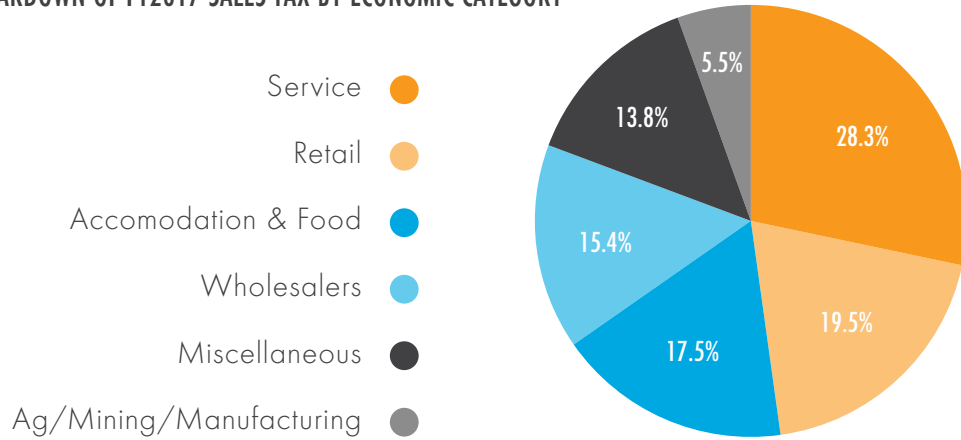
ASSESSED VALUATION OF TAXABLE PROPERTY AS OF JANUARY 1<sup>ST</sup> OF LEVY YEAR (IN BILLIONS)



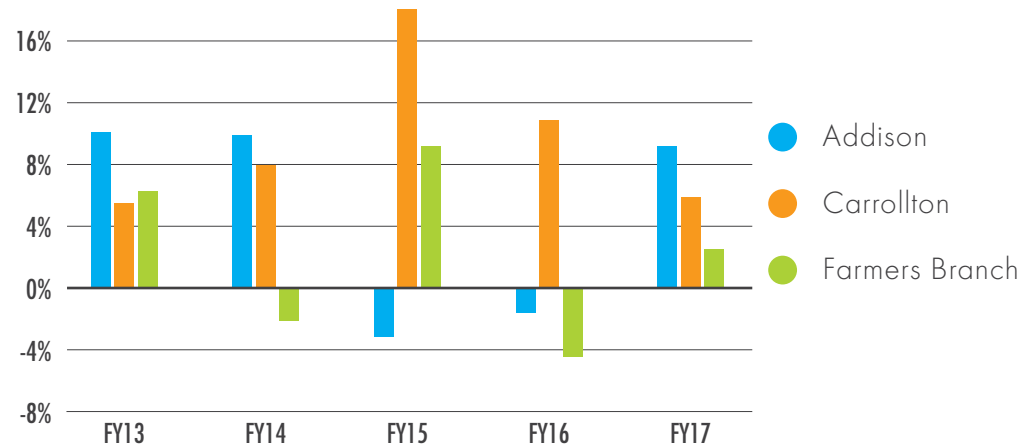
SALES TAX REVENUE (IN MILLIONS)



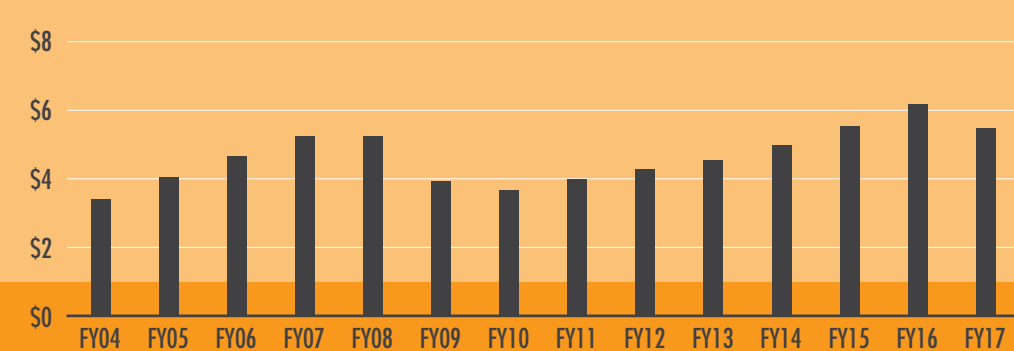
**BREAKDOWN OF FY2017 SALES TAX BY ECONOMIC CATEGORY**



**SALES TAX RECEIPTS YEAR-OVER-YEAR PERCENTAGE CHANGE**



**HOTEL OCCUPANCY TAX REVENUE (IN MILLIONS)**



monthly, or 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 Dallas Area Rapid Transit (DART). The State distributes tax proceeds to local entities within 40 days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2018, Addison expects to receive \$13,400,000 in sales and use tax revenue, the same as FY2017. The Town’s General Fund long-term plan assumes a 2 percent growth in sales tax for FY2019 through FY2022.

Cities also receive a share of the state’s taxes on alcohol from the mixed beverage gross receipts tax and the mixed beverage sales tax, an additional sales tax is levied by the State of Texas on alcoholic beverages and applied against all mixed drinks and packaged liquor sold in the Town. Mixed beverages are taxed by the state at a rate of 6.7 percent of gross receipts by the holder of the alcohol permit. The city receives a 10.7143 percent share of the 6.7 percent, which works out to roughly 0.072 percent of the total price. In addition, a tax rate of 8.25 percent is imposed on each mixed beverage sold, prepared, or served by a permittee. Instead of the holder of the permit paying this tax, the customer pays the mixed beverage sales tax. As with the mixed beverage gross receipts tax, the city receives no less than a 10.7143 share of the 8.25 percent tax. That works out roughly to 0.088 of the total price.

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 234,710 and Frisco with a population of 161,400 (NCTCOG 2017 Population Estimates). Revenues from mixed beverage gross receipts tax combined with the mixed beverage sales tax are projected at \$1,260,000 for the FY2018, the same as the estimated collection in FY2017.

**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 state collects its own hotel occupancy tax at the rate of 6 percent and plays no part in collecting or enforcing the Town’s hotel occupancy tax. The Town’s tax is 7 percent, the maximum allowed by law.

Hotel occupancy tax revenues are known as “dedicated revenues” as distinguished from general tax revenues. Dedicated revenues may only be spent on certain, statutorily-defined purposes. Under Texas law, local hotel occupancy tax can be used only to directly promote tourism and the convention and hotel industry. Proceeds should be spent on project or events that result in visitors or attendees staying overnight in the community, generating more hotel occupancy tax.

**PERCENTAGE OF FY2017 HOTEL OCCUPANCY TAX RECEIPTS BY ESTABLISHMENT**

Establishment	# of Rooms	% of Rev.
<b>Full Service</b>		
Marriott Quorum	-	18%
Hotel Intercontinental	-	16%
Crowne Plaza	-	10%
<b>Extended Stay</b>		
Budget Suites	-	0%
Hawthorne Suites	-	2%
Marriott Residence Inn	-	4%
Hyatt House	-	4%
Homewood Suites	-	4%
Home2Suites	-	2%
Springhill Suites	-	5%
<b>Business Moderate</b>		
Marriott Courtyard Quorum	-	6%
LaQuinta Inn	-	4%
Marriott Courtyard Midway	-	4%
Radisson - Addison	-	3%
Hilton Garden Inn	-	4%
Holiday Inn Express & Suites	-	2%
Best Western Plus	-	2%
<b>Economy</b>		
Motel 6	-	2%
Hampton Inn	-	4%
Red Roof Inn	-	2%
Comfort Suites	-	1%
Super 8	-	1%
America's Best Value Inn	-	0%
<b>TOTAL</b>	<b>-</b>	<b>100%</b>

In hotel occupancy tax receipts, the Town is estimating a decrease in fiscal year 2017 by approximately 4 percent, with end-of-year receipts estimated at \$5,760,000. For the year ending September 30, 2018, the Town occupancy tax is budgeted at \$5,760,000.

**FRANCHISE FEES**

Franchise fees are the rental costs paid by utilities that use the Town's rights-of-way or other town property to transmit their services. Rights of way, just like other land interests, are valuable to a city and cannot be given away to private companies free of charge. At present, electric, telecommunications, cable television and gas each have their own legal framework with regards to how the fee is calculated and assessed.

Compensation for use of rights-of-way and city land by electricity providers is based on kilowatt hours of electricity delivered within the city. The fee is calculated by taking the total franchise amount paid by Oncor, the transmission and distribution electric utility, to Addison in the prior fiscal year and dividing the amount by the number of kilowatt hours sold that same year. The Town expects to receive \$1,675,000 in electric franchise fee payments in FY2018.

Franchise fees on telecommunication are calculated by multiplying the access line fee rate by the number of end use local exchange lines within the city. The FY2018 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.

In 2005, the legislature passed Senate Bill 5, which created a new chapter of the Texas Utilities Code addressing cable television providers. The law now requires service providers to have a state-issued certificate of franchise authority administered by the state's Public Utility Commission (PUC), requires a quarterly franchise payment to each city to which it provides service and requires that the payment be equal to five percent of gross revenues. For FY2018 cable franchise fees are budgeted at \$316,400.

Other franchise fees paid to Addison include gas and street rental fees. Gas franchise fees for FY2018 are budgeted at \$217,400, and various street rental fees are budgeted at \$5,000.

**UTILITY FEES**

Addison charges fees for the provision of water and sewer services to residents and businesses located within the Town. As an enterprise fund, the revenues charged should at a minimum cover the fund's operating expenses and debt service, as well as any other policy goals defined by the City Council including funding for capital projects, capital replacement, and conservation efforts.

Annual utility rate increases include the "pass-through costs" from our water provider, Dallas Water Utilities, and our wastewater treatment provider, Trinity River Authority, respectively. As such, utility rates increased this year. 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

**UTILITY ACCOUNTS AND REVENUES BY USER TYPE**

FY15-16 Customer Classification	Water # of Accounts	Water % of Rev.	Sewer # of Accounts
Single Family	1,768	11.3%	1,774
Multi-Family	134	15.9%	134
Municipal/School	31	0.8%	31
Irrigation	648	43.4%	-
Hotel/Motel	31	7.8%	31
Commercial	642	18.7%	642
Fire Meter	359	2.0%	-
Industrial	11	0.1%	11
<b>TOTAL</b>	<b>3,624</b>	<b>100.0%</b>	<b>2,623</b>

single-family residence that consumes 10,000 gallons is \$77.91, which is an increase of 5% over the FY2017 cost of \$74.19.

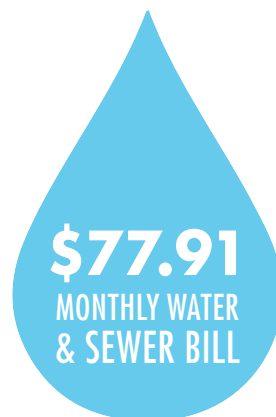
Addison's rate schedule includes a conservation water rate that was first implemented in 2003. This rate applies to all customers with irrigation meters and single-family customers who consume more than 15,000 gallons in a month. The conservation rate is \$5.00 per 1,000 gallons compared to the base water rate of \$2.94.

For the 2018 budget year, the Town's Utility Fund anticipates receiving \$6,286,823 from the sale of water and \$4,880,403 from sewer fees. Water revenues increased 4.1% and sewer revenues increased 6.3% compared to the previous year's budget.

**STORMWATER FEES**

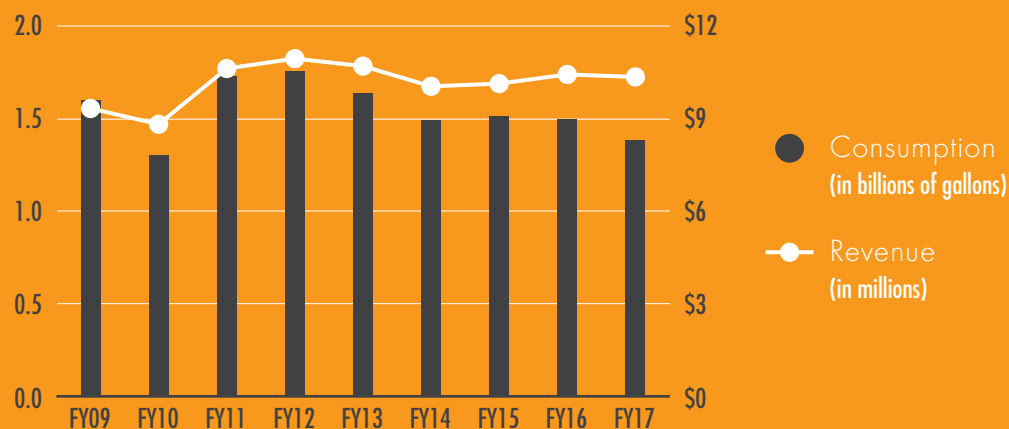
Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town's drainage infrastructure. The Town's Stormwater Fund anticipates receiving \$1,950,000 in stormwater fees.

**10K  
GALLONS**



**↑ 5%  
OVER FY2017**

**WATER CONSUMPTION AND WATER/SEWER REVENUE**



**\$1.95M  
ANTICIPATED FROM  
STORMWATER FEES**





## APPENDIX E

# LONG-TERM FINANCIAL PLANS

### NARRATIVE

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan. Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the Town's service objectives and financial challenges.

Plans have been developed for all Addison's major operating funds: General, Hotel, Airport, Utility and Stormwater. Each plan presents the fund over seven fiscal years: one previous year actuals, an estimation of the current fiscal year 2017 budget, the adopted "base year" budget for fiscal year 2018, and four projected years. Many governments, including the Town of Addison, have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

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. The Town has slightly more than 15,000 residents (2017 North Central Texas Council of Governments estimate), but because of its office buildings, hotels, restaurants, and shops, it is estimated that Addison serves a daytime population in excess of 125,000.<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 five operating funds with the planning horizon beginning with the 2018 fiscal year. The 2017-2018 budget shows a healthy balance well above the 25 percent threshold for all operating funds.

These financial controls are premised on the principle of balancing Addison's budget. 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 4.4 percent from fiscal year 2016 to the estimated 2017 total. The fiscal year 2018 budget assumes no growth in sales tax compared to the fiscal year 2017 estimated year-end. The projected years of 2019 through 2022 assume modest 2 percent annual increases.
- 2 Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2017 (used for the 2018 levy) increased 3.5 percent; this is the sixth year in a row of increased values. From fiscal year 2013 through fiscal year 2018, values have increased a cumulative 42 percent. Addison's focus on expanding economic development efforts has improved economic conditions throughout the community and has helped spur the majority of new construction and redevelopment. The tax rate for fiscal year 2018 is 55.0000 cents per \$100 assessed values, a decrease from the previous year. The tax rate and appraised values generated an additional \$1 million in revenue for the General Fund in fiscal year 2018. The General Fund long-term plan assumes property tax revenues will be flat in FY2019 and assumes 4.1 percent yearly growth from fiscal year 2020 to 2022. 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 Almost two-thirds of the General Fund's expenditures are associated with employee compensation. The 2018 fiscal year budget for personnel services is \$1,700,574 more than the estimated 2017 budget due to the addition of a Management Assistant in the Fire department and monies approved by Council for an average 4% merit increase for all eligible employees. The long-term plan assumes that Council will continue to award 3% merit increases in years 2020 through 2022.
- 5 There was no increase to the cost of healthcare for fiscal year 2018.
- 6 The General Fund makes contributions to Addison's Capital Replacement and Information Technol-



ogy 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.

- 7 All non-personnel operating expenditures for fiscal years 2019 through 2022 are adjusted for a 2.7 percent inflationary increase. If possible, when Addison experiences revenues that do not support programs, 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.

Addison’s Council has set a goal of maintaining the General Fund reserves to a level of 30 percent of the operating expenditures. In fiscal year 2017, The Town received one-time proceeds from the sale of real estate and is allowing most of those dollars to remain in fund balance. The fiscal year 2018 General Fund budget has an ending fund balance of 35.5 percent; additionally, the long-term plan assumes that fund balances will remain above 30 percent in fiscal year 2019 and fiscal year 2020.

Financial planning uses forecasts to provide insight into future financial capacity to meet service objectives and financial challenges. The long-term planning nature of the model will allow for steps to be taken to maintain the 30 percent fund balance goal in fiscal year 2021 and fiscal year 2022.



### General Fund Long-Term Financial Plan

City Council Adopted FY2018 Annual Budget

	Act. 15-16	Est. 16-17	Bud. 17-18	Yr. 1 Proj. 18-19	Yr. 2 Proj. 19-20	Yr. 3 Proj. 20-21	Yr. 4 Proj. 21-22
<b>Beginning Balance</b>	\$11,601,861	\$12,890,799	\$14,000,978	\$12,931,329	\$12,218,680	\$11,581,370	\$11,025,196
<b>REVENUES</b>							
Ad Valorem Taxes	13,476,268	14,671,104	15,724,469	15,724,469	16,370,361	17,042,735	17,742,676
Non-Property Taxes	14,043,484	14,660,000	14,660,000	14,660,000	14,953,200	15,252,264	15,557,309
Franchise Fees	3,074,519	2,836,679	2,850,300	2,850,300	2,927,258	3,006,294	3,087,464
Licenses and Permits	768,964	864,300	764,300	764,300	784,936	806,129	827,895
Service Fees	1,691,003	1,493,100	1,674,720	1,674,720	1,674,720	1,674,720	1,674,720
Fines and Penalties	554,393	500,000	500,000	500,000	505,000	510,050	515,151
Interest Income	101,510	70,000	70,000	70,000	70,000	70,000	70,000
Rental Income	231,877	175,000	175,000	175,000	178,500	182,070	185,711
Miscellaneous	214,997	3,612,743	78,000	78,000	79,460	80,949	82,468
<b>TOTAL REVENUES</b>	<b>\$34,157,015</b>	<b>\$38,882,926</b>	<b>\$36,496,789</b>	<b>\$36,496,789</b>	<b>\$37,543,435</b>	<b>\$38,625,211</b>	<b>\$39,743,394</b>
<b>EXPENDITURES</b>							
<b>OPERATING</b>							
Personnel Services	20,424,878	20,758,846	22,459,419	22,468,371	23,196,217	23,946,823	24,722,648
Supplies	1,076,165	1,282,629	1,292,730	1,288,330	1,323,115	1,358,839	1,395,528
Maintenance	2,671,951	3,404,697	3,531,293	3,562,793	3,562,793	3,562,793	3,562,793
Contractual Services	6,100,639	7,462,417	7,764,808	7,728,756	7,937,433	8,151,743	8,371,840
Capital Replacement/Lease	1,344,192	1,400,262	1,411,188	1,411,188	1,411,188	1,411,188	1,411,188
Capital Outlay	158,252	21,220	-	-	-	-	-
Fund Transfer Out	1,092,000	3,442,676	1,107,000	750,000	750,000	750,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$32,868,077</b>	<b>\$37,772,747</b>	<b>\$37,566,438</b>	<b>\$37,209,438</b>	<b>\$38,180,745</b>	<b>\$39,181,386</b>	<b>\$39,463,997</b>
<b>Ending Fund Balance</b>	\$12,890,799	\$14,000,978	\$12,931,329	\$12,218,680	\$11,581,370	\$11,025,196	\$11,304,593
<b>ENDING BALANCE AS A % OF EXPENDITURES</b>	<b>40.6%</b>	<b>40.8%</b>	<b>35.5%</b>	<b>33.5%</b>	<b>30.9%</b>	<b>28.7%</b>	<b>28.6%</b>
<b>DEBT ISSUANCE VARIABLE</b>							
Beginning Debt Outstanding	\$107,325,995	99,154,616	91,445,178	84,618,636	77,866,728	72,097,834	66,322,732
Debt Retired	8,171,379	7,709,438	6,826,542	6,751,908	5,768,894	5,775,102	5,711,860
Debt Issued	-	-	-	-	-	-	-
Ending Debt Outstanding	\$99,154,616	\$91,445,178	\$84,618,636	\$77,866,728	\$72,097,834	\$66,322,732	\$60,610,872
<b>TAX RATE VARIABLES</b>							
	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Taxable Values (thousands)	\$4,036,724	\$4,300,272	\$4,450,534	\$4,633,006	\$4,822,959	\$5,020,700	\$5,226,549
Maintenance & Operations General Fund	\$0.345750	\$0.351298	\$0.366479	\$0.374348	\$0.400470	\$0.405057	\$0.410798
Maintenance & Operations Infrastructure Investment Fund	\$0.006201	\$0.006201	\$0.006201	\$0.006201	\$0.006201	\$0.006201	\$0.006201
Maintenance & Operations Economic Development Fund	\$0.024773	\$0.023716	\$0.023716	\$0.023716	\$0.023716	\$0.023716	\$0.023716
Debt Service Fund Rate	\$0.202426	\$0.179257	\$0.153604	\$0.145735	\$0.119613	\$0.115026	\$0.109285
<b>TOTAL</b>	<b>\$0.579150</b>	<b>\$0.560472</b>	<b>\$0.550000</b>	<b>\$0.550000</b>	<b>\$0.550000</b>	<b>\$0.550000</b>	<b>\$0.550000</b>

Hotel Special Revenue Fund  
Long-Term Financial Plan  
*City Council Adopted FY2018 Annual Budget*

	Act. 15-16	Est. 16-17	Bud. 17-18	Yr. 1 Proj. 18-19	Yr. 2 Proj. 19-20	Yr. 3 Proj. 20-21	Yr. 4 Proj. 21-22
Beginning Balance	\$2,040,729	\$3,386,414	\$3,558,972	\$3,472,459	\$4,096,746	\$4,764,415	\$5,411,803
<b>REVENUES</b>							
Hotel/Motel Occupancy Taxes (HOT)	6,138,213	5,760,000	5,760,000	5,760,000	5,875,200	5,992,704	6,112,558
Proceeds from Special Events	2,740,185	2,613,000	2,354,000	2,354,000	2,405,894	2,459,189	2,513,923
Conference Centre Rental	758,676	678,000	678,000	678,000	693,960	710,239	726,844
Visit Addison! Rental	30,337	-	-	-	-	-	-
Theatre Rental	24,992	120,000	120,000	120,000	120,000	120,000	120,000
Interest and Other	(12,223)	17,000	17,000	17,000	17,000	17,000	17,000
<b>TOTAL REVENUES</b>	<b>\$9,680,180</b>	<b>\$9,188,000</b>	<b>\$8,929,000</b>	<b>\$8,929,000</b>	<b>\$9,112,054</b>	<b>\$9,299,132</b>	<b>\$9,490,325</b>
<b>EXPENDITURES</b>							
Visit Addison	331,854	-	-	-	-	-	-
Marketing	813,446	1,081,488	1,068,418	1,068,418	1,099,723	1,131,839	1,164,872
Special Events Operations	4,115,195	4,465,481	928,269	928,269	951,322	975,108	999,611
Special Events	-	-	3,485,196	3,485,196	3,588,094	3,693,538	3,801,941
Addison Theatre Centre	-	373,048	408,822	408,822	416,886	425,293	433,954
Conference Centre	1,156,760	1,280,095	1,118,361	1,118,361	1,147,397	1,177,455	1,208,426
Performing Arts	569,491	445,000	447,000	447,000	447,000	447,000	447,000
General Hotel Operations	90,625	110,830	238,647	238,647	245,963	253,511	261,284
Fund Transfer Out	1,257,124	1,259,500	1,320,800	610,000	548,000	548,000	548,000
<b>TOTAL EXPENDITURES</b>	<b>\$8,334,495</b>	<b>\$9,015,442</b>	<b>\$9,015,513</b>	<b>\$8,304,713</b>	<b>\$8,444,385</b>	<b>\$8,651,744</b>	<b>\$8,651,744</b>
Ending Fund Balance	\$3,386,414	\$3,558,972	\$3,472,459	\$4,096,746	\$4,764,415	\$5,411,803	\$6,037,040
<b>ENDING BALANCE AS A % OF EXPENDITURES</b>	<b>47.8%</b>	<b>45.9%</b>	<b>45.1%</b>	<b>53.2%</b>	<b>60.3%</b>	<b>66.8%</b>	<b>72.6%</b>

- 4 All non-personnel operating expenditures for fiscal years 2019 through 2022 are adjusted for a 2.7 percent inflationary increase.
- 5 The Fund reflects two transfers totaling \$1,320,800 in fiscal year 2018. The first transfer of \$710,800 satisfies the Hotel Fund debt service obligation. These payments reflect the retirement of certificates of obligation that were sold to finance construction and improvements in the Arts and Events District. The fiscal year 2018 payment is the final payment for this debt. The second transfer of the remaining \$610,000 contributes to Tourism department in the Economic Development Fund. This transfer is scheduled to continue throughout the forecast period.
- 6 The plan reflects revenues exceeding expenditures fiscal year 2019 through fiscal year 2022 with fund balance growing to \$6,037,040 or 72.6 percent of operating expenditures. Unlike other funds where expenditures are directly related to critical public services, hotel occupancy tax revenues are "dedicated revenues" that may only be spent on directly promoting tourism and the convention and hotel industry. These activities can be reduced should hotel occupancy taxes not grow as predicted in future years.

**HOTEL FUND LONG-TERM PLAN**

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. Currently, investors are rushing to add more hotel rooms to the North Texas landscape. Supply is expected to gain 6 percent this year, more than double last year's 2.6 percent. With so much new supply coming into the market, hotel occupancy rates are expected to take a slight dip for the next two years. The plan reflects the following assumptions:

- 1 Hotel occupancy tax revenue for the 2018 budget is expected to be flat from the estimated 2017 numbers and no growth is assumed for FY2019. For the 2020-2022 planning period, revenues from the tax are expected to increase at 2 percent. The inventory of hotel rooms increased from 3,813 rooms to 4,047 rooms with the addition of two hotels in FY2017.
- 2 All other revenues during the planning horizon are expected to increase a modest 2 percent per year.
- 3 The fiscal year 2018 budget for personnel services is \$315,299 more than the estimated 2017 budget due to increases in the special events overtime budget and monies approved by Council for an average 4% merit increase for all eligible employees. The long-term plan assumes that Council will continue to award 3% merit increases in years 2020 through 2022.



**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 and 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 from actual fiscal year 2016 to re-estimated fiscal year 2017 due to the decrease in rental income as redevelopment activities change the availability of rental property. The revenue projection from fiscal year 2018 to fiscal year 2019 is flat; for fiscal years 2020 through 2022 revenues are assumed to increase by 2 percent annually.
- 2 The budget for personnel services pays for three police officers and a portion of the Town’s GIS Analyst. The budget includes funding for an average 4% merit increase for all eligible employees. The long-term plan assumes that Council will continue to award 3% merit increases in years 2020 through 2022.
- 3 All non-personnel operating expenditures for fiscal years 2019 through 2022 are adjusted for a 2.7 percent inflationary increase.
- 4 The plan includes payment of the debt service associated with the 2013 issuance of certificates of obligation for improvements to the airport’s fuel farm and other various capital projects and the 2014 general obligation refunding bonds, which replace the portion of 2004 combination tax and revenue certificates of obligation that were supported by the Airport Fund.
- 5 The plan projects revenues exceeding expenditures fiscal year 2018 through fiscal year 2022 with fund balance growing to \$5,850,739 or 118.9 percent of operating expenditures.
- 6 Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.

**Airport Fund Long-Term  
Financial Plan**  
*City Council Adopted FY2018 Annual Budget*

	Act. 15-16	Est. 16-17	Bud. 17-18	Yr. 1 Proj. 18-19	Yr. 2 Proj. 19-20	Yr. 3 Proj. 20-21	Yr. 4 Proj. 21-22
<b>Beginning Balance</b>	\$1,390,969	\$2,407,024	\$3,200,576	\$3,495,920	\$3,786,270	\$4,144,574	\$4,960,009
<b>REVENUES</b>							
<b>Intergovernmental</b>							
Operating Grants	110,898	50,000	50,000	50,000	50,000	50,000	50,000
<b>Service Fees</b>							
Customs Fees	120,990	151,620	152,960	152,960	155,620	158,354	161,161
Fuel Flowage Fees	828,240	932,380	907,040	907,040	922,521	938,290	954,357
<b>Fines and Penalties</b>	-	-	-	-	-	-	-
<b>Rental Income</b>	4,426,111	4,355,000	4,355,000	4,355,000	4,442,100	4,530,942	4,621,561
<b>Interest and Other Income</b>	170,574	44,884	24,500	24,500	24,500	24,500	24,500
<b>TOTAL REVENUES</b>	<b>\$5,656,813</b>	<b>\$5,533,884</b>	<b>\$5,489,500</b>	<b>\$5,489,500</b>	<b>\$5,594,741</b>	<b>\$5,702,086</b>	<b>\$5,811,579</b>
<b>EXPENDITURES</b>							
<b>OPERATING</b>							
Personnel Services	328,233	357,716	423,447	423,447	437,014	451,001	465,449
Supplies	9,350	34,026	40,000	40,000	41,080	42,189	43,328
<b>Maintenance</b>							
Town Maintenance	113,270	57,845	48,000	48,000	48,000	48,000	48,000
Maintenance Contract	2,964,232	3,004,748	3,405,903	3,405,903	3,405,903	3,405,903	3,405,903
<b>Contractual Services</b>							
Town Contractual Services	185,935	236,918	263,154	263,154	263,154	263,154	263,154
Operator Contract	427,703	413,301	393,857	393,857	411,597	429,815	448,426
<b>Capital Replacement/Lease</b>	19,161	27,878	26,823	26,823	26,823	26,823	26,823
<b>Debt Service</b>	592,874	587,516	592,972	597,966	602,866	219,766	219,766
<b>Capital Outlay</b>	-	20,384	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$4,640,758</b>	<b>\$4,740,332</b>	<b>\$5,194,156</b>	<b>\$5,199,150</b>	<b>\$5,236,437</b>	<b>\$4,886,651</b>	<b>\$4,920,849</b>
<b>Ending Fund Balance</b>	\$2,407,024	\$3,200,576	\$3,495,920	\$3,786,270	\$4,144,574	\$4,960,009	\$5,850,739
<b>ENDING BALANCE AS A % OF EXPENDITURES</b>	<b>51.9%</b>	<b>67.5%</b>	<b>67.3%</b>	<b>72.8%</b>	<b>79.1%</b>	<b>101.5%</b>	<b>118.9%</b>



Utility Fund Long-Term  
Financial Plan

City Council Adopted FY2018 Annual Budget

	Act. 15-16	Est. 16-17	Bud. 17-18	Yr. 1 Proj. 18-19	Yr. 2 Proj. 19-20	Yr. 3 Proj. 20-21	Yr. 4 Proj. 21-22
<b>Beginning Balance</b>	\$7,799,733	\$8,165,448	\$7,811,879	\$6,815,038	\$6,513,234	\$5,919,527	\$5,040,732
<b>REVENUES</b>							
<b>Service Fees</b>							
Water Sales	6,056,506	6,040,000	6,286,823	6,286,825	6,286,825	6,286,825	6,286,825
Sewer Charges	4,452,519	4,590,000	4,880,403	4,880,403	4,880,403	4,880,403	4,880,403
Tap Fees & Other	25,275	7,000	7,000	7,000	7,000	7,000	7,000
Fines and Penalties	79,319	75,000	75,000	75,000	75,000	75,000	75,000
Rental Income	-	-	-	-	-	-	-
Interest and Other Income	269,312	94,600	94,600	94,600	94,900	95,206	95,518
<b>TOTAL REVENUES</b>	<b>\$10,882,931</b>	<b>\$10,806,600</b>	<b>\$11,343,826</b>	<b>\$11,343,829</b>	<b>\$11,344,129</b>	<b>\$11,344,435</b>	<b>\$11,344,747</b>
<b>EXPENDITURES</b>							
<b>Personnel Services</b>	1,515,072	1,510,541	1,659,385	1,659,385	1,713,948	1,770,261	1,828,507
<b>Supplies</b>	129,354	137,816	142,149	142,149	145,987	149,929	153,977
<b>Maintenance</b>	470,078	603,603	490,803	490,803	490,803	490,803	490,803
<b>Contractual Services</b>							
Water Purchases	3,458,701	3,700,000	3,926,500	3,926,500	4,032,516	4,141,393	4,253,211
Wastewater Treatment	2,543,156	2,590,000	2,842,330	2,842,330	2,919,073	2,997,888	3,078,831
Other Services	617,160	991,092	1,372,934	1,372,934	1,410,003	1,448,073	1,487,170
Capital Replacement/Lease	61,590	56,759	54,394	54,394	54,394	54,394	54,394
Debt Service	1,097,486	1,070,358	1,077,172	1,057,138	1,071,113	1,070,488	1,082,313
Capital Outlay	624,619	-	275,000	100,000	100,000	100,000	100,000
Fund Transfer Out	-	500,000	500,000	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$10,517,216</b>	<b>\$11,160,169</b>	<b>\$12,340,667</b>	<b>\$11,645,633</b>	<b>\$11,937,836</b>	<b>\$12,223,229</b>	<b>\$12,529,206</b>
<b>Ending Fund Balance</b>	<b>\$8,165,448</b>	<b>\$7,811,879</b>	<b>\$6,815,038</b>	<b>\$6,513,234</b>	<b>\$5,919,527</b>	<b>\$5,040,732</b>	<b>\$3,856,273</b>
<b>ENDING BALANCE AS A % OF EXPENDITURES</b>	<b>77.6%</b>	<b>73.3%</b>	<b>57.6%</b>	<b>55.9%</b>	<b>49.6%</b>	<b>41.2%</b>	<b>30.8%</b>

UTILITY FUND LONG-TERM PLAN

Addison's Utility Fund is an enterprise fund, where operations are accounted for and financed in a manner similar to private business enterprises. The goal is that Addison's water and wastewater utilities are operated so that the costs of providing the services to the public are financed through user charges.

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.

In fiscal year 2017, as part of a review of the fiscal condition of the utility fund, areas for improvement that needed to be addressed to maintain long-term sustainability were discovered. In the recent past, annual Utility Fund rate increases only included the "pass-through costs" from the water and sewer providers and did not take into account increases in other operating costs. To rectify this issue, the Town has hired a utility rate consultant to review our current rate structure and to assist us in creating a new rate model. Fortunately, the Utility Fund is in a strong position to proactively plan for the future.

The long-term plan assumes that for fiscal years 2019 through 2022 water and sewer revenues will remain flat, pending implementation of the new rate model.

Operating expenses, dominated by payments to other entities for the purchase of water and the treatment of sewage, are expected to increase by an average of 2.7 percent per year for water purchases and sewer services. These assumptions are based primarily on expected growth of water rates from wholesale suppliers.



**STORMWATER FUND LONG-TERM PLAN**

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. Features of the plan are as follows:

- 1 Operating revenue increased slightly in 2018 due to the scheduled increase of stormwater fees. For fiscal years 2019 through 2022, revenues are projected to increase each year based on Council-adopted fee schedule.
- 2 Operating expenditures for fiscal years 2019 through 2022 are adjusted for a 2.7 percent inflationary increase.
- 3 The plan projects revenues exceeding expenditures fiscal year 2018 through fiscal year 2022 with fund balance growing to \$8,206,624 or 614.4 percent of operating expenditures.

The fund balance will provide a healthy reserve and allow for the planning of debt issuances. City Council goals for the Stormwater Fund include funding for capital projects and a federally and state mandated stormwater quality management program.

**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.

Stormwater Fund  
Long-Term Financial Plan  
*City Council Adopted FY2018 Annual Budget*

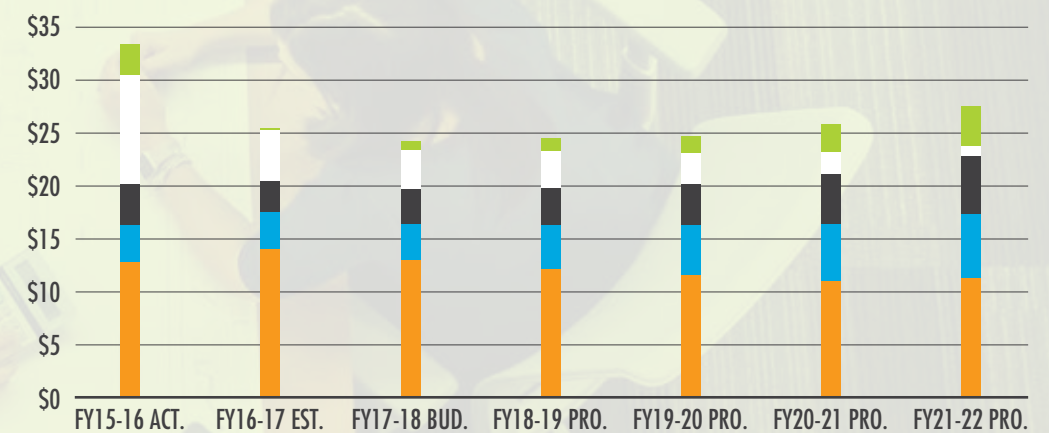
	Act. 15-16	Est. 16-17	Bud. 17-18	Yr. 1 Proj. 18-19	Yr. 2 Proj. 19-20	Yr. 3 Proj. 20-21	Yr. 4 Proj. 21-22
<b>Beginning Balance</b>	\$2,756,262	\$3,756,553	\$4,625,539	\$5,357,228	\$5,681,412	\$6,096,674	\$7,104,448
<b>REVENUES</b>							
Service Fees							
Drainage Fees	1,885,773	1,850,000	1,950,000	2,047,500	2,149,875	2,257,369	2,370,237
Fines and Penalties	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-
Interest and Other Income	92,021	67,700	67,700	67,700	67,700	67,700	67,700
<b>TOTAL REVENUES</b>	<b>\$1,977,794</b>	<b>\$1,917,700</b>	<b>\$2,017,700</b>	<b>\$2,115,200</b>	<b>\$2,217,575</b>	<b>\$2,325,069</b>	<b>\$2,437,937</b>
<b>EXPENDITURES</b>							
Personnel Services	\$74,337	\$82,611	\$158,023	\$158,023	163,261	168,668	174,263
Supplies	4,662	11,500	23,200	23,200	23,826	24,470	25,130
Maintenance	57,941	236,028	222,200	222,200	222,200	222,200	222,200
Contractual Services	294,295	174,309	341,027	341,027	350,235	359,691	369,403
Capital Replacement/Lease	-	-	-	-	-	-	-
Debt Service	546,268	544,266	541,561	546,566	542,791	542,266	544,766
Capital Outlay	-	-	-	-	-	-	-
Fund Transfer Out	-	-	-	500,000	500,000	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$977,503</b>	<b>\$1,048,714</b>	<b>\$1,286,011</b>	<b>\$1,791,016</b>	<b>\$1,802,313</b>	<b>\$1,317,295</b>	<b>\$1,335,762</b>
<b>Ending Fund Balance</b>	<b>\$3,756,553</b>	<b>\$4,625,539</b>	<b>\$5,357,228</b>	<b>\$5,681,412</b>	<b>\$6,096,674</b>	<b>\$7,104,448</b>	<b>\$8,206,624</b>
<b>ENDING BALANCE AS A % OF EXPENDITURES</b>	<b>384.3%</b>	<b>441.1%</b>	<b>416.6%</b>	<b>440.1%</b>	<b>468.1%</b>	<b>539.3%</b>	<b>614.4%</b>

ENDING BALANCE AS A % OF EXPENDITURES

FOUR MAJOR FUNDS OVER THE LONG-TERM PLANNING HORIZON

ENDING FUND BALANCE (IN MILLIONS)

- General Fund
- Hotel Fund
- Airport Fund
- Utility Fund
- Stormwater Fund



## APPENDIX F CAPITAL IMPROVEMENT PLAN

### STREETS CAPITAL PROJECTS — BOND FUNDED (TOTAL: \$9.6M)

#### MIDWAY ROAD (\$1.5M)

- 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 and replacement of traffic signal poles where they conflict with pedestrian ramps, reconstruction of the medians and sidewalks.

#### VITRUVIAN PHASE 5 & 8 (\$4.6M)

- Continue build out of the planned development at Vitruvian and the associated public infrastructure.
- Phase 5 construction will include all 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.
- Phase 8 is in design.
- Commercial development will include all the infrastructure associated with the redevelopment of the commercial area located at or near the corner of Spring Valley Road and Marsh Lane.

#### BELT LINE ROAD (\$3.4M)

- Construction of an underground duct system to house all 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.

#### BELT LINE ROAD OVERLAY DESIGN (\$100K)

- Design of the Belt Line Road asphalt overlay to include new pavement markings and ADA compliance improvements.

### PARKS CAPITAL PROJECTS — BOND FUNDED (TOTAL: \$468K)

#### PEDESTRIAN CONNECTIVITY — QUORUM (\$468K)

- 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.
- Includes improvements to Town pedestrian and bicycle trails, including neighborhood lighting landscaping, signage and the acquisition of land.

### PUBLIC SAFETY CAPITAL PROJECTS — BOND FUNDED (TOTAL: \$700K)

#### POLICE RECORDS MANAGEMENT SYSTEM (\$700K)

- New system will allow Addison Police Department to collect, store, and access critical information gathered during an incident or investigation.
- Provides analytical resources for administrative, field, and investigative staff. Users can quickly retrieve records and manage multiple involvements via a standardized interface, comprehensive database, and superior data searching capabilities.

### CAPITAL PROJECTS — UTILITY FUND (TOTAL: \$4.8M)

#### SURVEYOR GROUND STORAGE TANK REHABILITATION (\$2.25M)

- Project was identified in the 2014 evaluation and assessment of the Town's elevated and ground water storage facilities.
- Improvements to interior, exterior, and ventilation system of the Surveyor ground storage tank.
- Piping improvements to increase the water flow rate into the tank.
- Additionally, a backup generator is being added in case of a power outage.

#### CELESTIAL GROUND STORAGE TANK REHABILITATION DESIGN (\$240K)

- Project was identified in the 2014 evaluation and assessment of the Town's elevated and ground water storage facilities.
- Improvements to interior, exterior, and ventilation system of the Celestial ground storage tank.

#### UTILITY PLANT FACILITIES AND PUMPS (\$181K)

- Building improvements and maintenance projects for the Town's water facilities and potable water pumps, including Celestial Pump Station, Surveyor Pump Station, Surveyor Elevated Storage Tank, and Addison Circle Elevated Storage Tank.
- Capital projects have been identified using information from assessments that were done in 2014. These improvements are needed to extend the life of these facilities, pumps, motors, and associated equipment to ensure an adequate supply of water.

**Capital Projects Funds  
(Bond Funded)**

*City Council Adopted FY2018 Annual Budget*

	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
<b>Streets</b>						
Midway Road Construction	1,093,555	77,000	1,500,000	-	-	-
Vitruvian Phase 5	1,756,752	2,550,000	1,750,000	-	-	-
Vitruvian Phase 8	-	52,000	2,835,000	-	-	-
Belt Line Road Utility Relocation	11,358,474	3,789,000	3,400,000	-	-	-
Belt Line Road Overlay (Design)	-	-	100,000	-	-	-
<b>Parks</b>						
Park/Pedestrian Connectivity	3,101,324	52,000	-	-	-	-
Pedestrian Connectivity (Quorum)	-	-	468,000	-	-	-
<b>Public Safety</b>						
Police Record Management System	-	-	700,000	-	-	-
<b>CAPITAL PROJECTS FUNDS SUBTOTAL</b>	<b>\$17,310,105</b>	<b>\$6,520,000</b>	<b>\$10,753,000</b>	-	-	-
<b>UNFUNDED</b>						
Belt Line Road Overlay (Construction)	-	-	-	-	-	-
Pedestrian Connectivity (North and South Quorum)	-	-	447,000	-	-	-

**Utility Fund**

*City Council Adopted FY2018 Annual Budget*

	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
<b>Utility Plant - Water</b>						
Surveyor Ground Storage Tank Rehabilitation	-	65,000	2,250,000	-	-	-
Celestial Ground Storage Tank Rehabilitation	-	-	240,000	-	-	-
Utility Plant Facilities and Pumps	-	-	181,000	-	-	-
<b>Water Mains/Hydrants</b>						
Water Line Replacements	-	-	1,100,000	-	-	-
<b>Utility Plant - Sewer (Lift Station &amp; Pump Rehab/Repair)</b>						
Kellway Lift Station Rehabilitation and Repair	-	65,000	375,000	-	-	-
<b>Sanitary Sewers</b>						
Sanitary Sewer Line Replacement and Rehabilitation	-	-	627,000	-	-	-
<b>UTILITY FUND SUBTOTAL</b>	-	<b>\$130,000</b>	<b>\$4,773,000</b>	-	-	-
<b>UNFUNDED</b>						
Celestial Ground Storage Tank Rehabilitation	-	-	-	1,680,000	-	-
Kellway Lift Station Rehabilitation & Repair	-	-	-	560,000	230,000	185,000
Utility Plant Facilities and Pumps	-	-	-	207,000	128,000	129,000
Water Facilities Security Assessment	-	-	-	150,000	100,000	105,000
Water Facilities Electrical Assessment	-	-	-	150,000	250,000	263,000
Water Line Replacement	-	-	650,000	1,125,000	1,375,000	563,000
Sanitary Sewer Line Replacement and Rehabilitation	-	-	-	636,000	648,000	659,000
Equipment Storage Building	-	68,000	731,000	-	-	-
Utility Vehicle Replacement	-	-	275,000	100,000	200,000	100,000

**WATER LINE REPLACEMENT (\$1.1M)**

- Projects were identified in the 2015 Water System Evaluation.
- Projects include replacement of older water pipe infrastructure including all associated water appurtenances.
- Projects were prioritized using a comprehensive water model and based on the consequence of failure and the risk of failure.

**KELLWAY LIFT STATION REHABILITATION AND REPAIR (\$375K)**

- Projects were identified in the 2017 Kellway Lift Station Assessment and Evaluation.
- Assessment revealed that approximately \$2 million worth of improvements are needed. Projects include regulatory compliance projects, electrical improvements, bypass pumping installation, pump improvements, and communication and control systems improvements.

**SANITARY SEWER LINE REPLACEMENT AND REHABILITATION (\$627K)**

- Projects were identified in the 2017 Sanitary Sewer System Evaluation.
- Projects include replacement of older sanitary sewer infrastructure up to and including sanitary sewer lines, manholes, and cleanouts. Projects also include the installation of new manholes at specified locations to improve overall maintenance and operations.

**CAPITAL PROJECTS —  
STORMWATER FUND (TOTAL: \$2.3M)**

**STORMWATER ASSESSMENT  
BASIN IMPROVEMENTS (\$735K)**

- Design and construction of stormwater system improvements as identified in the city-wide Stormwater Drainage Assessment.
- Projects were identified by utilizing a comprehensive stormwater model and the prioritized based on the potential risk. The plan identified 85 areas of concern for future monitoring and 13 serious problem areas. This budget focuses on 13 serious problem areas only.



**LES LACS WATER WELL AND POND PIPING SYSTEM (\$93K)**

- Includes the relocation of the existing ground water well discharge from the north end to the south end of the pond, the replacement of the existing well pump and motor, the relocation of the existing well pump and motor electrical, and the installation of new masonry wall and gate for access.

**SHERLOCK BASIN IMPROVEMENTS (\$1.2M)**

- This project is the number one priority as identified in the city-wide Stormwater System Drainage Assessment.
- Design and construction of a parallel stormwater pipe system located at the corner of Sherlock Drive and Winter Park Lane.
- To address flooding issues at the intersection of Sherlock and Winter Park, the storm sewer system will be upsized to accommodate increased flows. The project will include new stormwater pipe, storm water inlets, and restoration of the areas.

**VITRUVIAN POND DREDGING DESIGN (\$300K)**

- Dredging and removal of silt located in Farmers Branch Creek as it flows through Vitruvian Park. Sediment build-up has begun to reduce the flood storage capacity in the ponds. In order to maintain the depths and the health of the pond, they will need to be dredged in FY2019 with design being done in FY2018.

**INFRASTRUCTURE INVESTMENT FUND (TOTAL: \$1.1M)**

**ADA TRANSITION PLAN (\$125K)**

- Title II of the Americans with Disabilities Act (ADA) (1990) prohibits discrimination on the basis of disability by public entities. To comply with the Act, entities with 50 or more employees must take steps to designate an ADA coordinator; to establish a grievance procedure; to develop design standards, specifications, and details; to develop a self-evaluation and transition plan; to implement a capital improvement plan for the needed improvements; and to monitor the implementation of the transition plan.
- The ADA Transition Plan was approved in the FY2017 budget to be completed in FY2018. The plan will include a self-evaluation report and a transition plan for scheduling the improvements.

**BELT LINE ROAD STREETScape (\$200K)**

- Streetscape improvements design from Marsh Lane to Dallas North Tollway to include such elements as:
  - Pedestrian-oriented improvement to 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.
- Project will encompass project phases of design and planning, land acquisition, construction, and equipment. May also include administration and testing phases.

**PUBLIC SAFETY FACILITY IMPROVEMENTS AND RANGE REHABILITATION (\$731K)**

- Facility improvements will include:
  - Bullet resistant materials for the court and records area.
  - Reconstructed pass-through exchange areas.
  - Concrete fencing around non-public areas.
  - Upgrade access control.
- Range Rehabilitation will include the replacement of the computer and mechanical control systems.

Stormwater Fund <i>City Council Adopted FY2018 Annual Budget</i>	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
Stormwater Assessment Basin Improvements	-	-	735,000	-	-	-
Les Lacs Water Well & Pond Piping System	120,325	235,000	93,000	-	-	-
Winnwood Pond	1,132,731	935,000	-	-	-	-
NW Drainage Channel Improvements	732,003	150,000	-	-	-	-
Stormwater Master Plan	245,079	465,000	-	-	-	-
Sherlock Basin Improvements	-	-	1,200,000	-	-	-
Vitruvian Pond Maintenance (Dredging)	-	-	300,000	-	-	-
<b>STORMWATER FUND SUBTOTAL</b>	<b>\$2,230,138</b>	<b>\$1,785,000</b>	<b>\$2,328,000</b>	-	-	-
<b>UNFUNDED</b>						
Stormwater Assessment Basin Improvements	-	-	1,865,000	1,720,000	1,600,000	-
Vitruvian Pond Dredging (Construction)	-	-	3,210,000	-	-	-
Midway Road Storm Water Improvements	-	-	2,750,000	2,750,000	-	-

Infrastructure Investment Fund <i>City Council Adopted FY2018 Annual Budget</i>	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
Illuminated Street Name Sign Replacement	142,985	163,000	-	-	-	-
ADA Transition Plan	-	175,000	125,000	-	-	-
Park Playground Structure and Resurface	199,394	151,000	-	-	-	-
City Wide Streets and Sidewalk Evaluation	59,476	-	-	-	-	-
Belt Line Road Streetscape	-	50,000	200,000	-	-	-
Public Safety Facility Improvements	-	-	731,000	-	-	-
<b>INFRASTRUCTURE INVESTMENT FUND SUBTOTAL</b>	<b>\$401,855</b>	<b>\$539,000</b>	<b>\$1,056,000</b>	-	-	-

Airport Fund <i>City Council Adopted FY2018 Annual Budget</i>	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
<b>Grant Eligible Projects</b>						
Bravo Taxiway Preliminary Engineerin	-	200,000	-	-	-	-
Bravo/Golf Taxiway Improvement	-	605,000	7,400,000	-	-	-
Runway 15/33 Redesignation	-	6,200	-	-	-	-
Runway 15/33 Rejuvenation	-	-	15,000	874,000	-	-
Alpha Taxiway Rejuvenation	-	-	22,000	495,000	-	-
<b>Airport Development/Redevelopment Projects (non-grant eligible)</b>						
Customs Facility Contruction	-	80,000	285,000	-	-	-
Facility Repairs and Improvements	-	-	370,000	548,200	556,200	323,400
Vehicle Replacements	-	-	287,000	-	-	-
<b>AIRPORT FUND SUBTOTAL</b>	-	<b>\$891,200</b>	<b>\$8,379,000</b>	<b>\$1,917,200</b>	<b>\$556,200</b>	<b>\$323,400</b>

<b>UNFUNDED</b>						
Customs Facility Construction	-	-	-	1,350,000	1,350,000	-
Bravo Taxiway Full-Length Extension	-	-	-	998,000	7,208,000	-
Access/Security Phase II/III	-	-	-	124,000	1,122,000	-
Taxilane Uniform Drainage Improvements	-	-	-	-	195,000	3,172,000
Romeo Taxilane Realignment (RAMP Grant)	-	-	-	-	100,000	354,000

**AIRPORT FUND (TOTAL: \$8.4M)**

**GRANT ELIGIBLE**

- Bravo/Golf Taxiway Improvement
  - Extend Taxiway B north from Taxiway F to Taxiway G; extend Taxiway G west from the Runway to Taxiway B; extend Taxiway B south to connect with south end of Runway; construct westside vehicle service road.
  - To give access to more than 4 acres of developable land on the airport westside and to improve traffic flow and safety.
  - Potential AIP Grant with Airport fund balance in excess of 25% requirement used for 10% match.

- Runway 15/33
  - Rejuvenate asphalt pavements on Runway 15/33.
  - To properly maintain the airport.
  - Potential AIP Grant with Airport fund balance in excess of 25% requirement used for 10% match.
- Alpha Taxiway Rejuvenation
  - Rejuvenate asphalt pavements on Runway 15/33.
  - To properly maintain the airport.
  - Potential AIP Grant with Airport fund balance in excess of 25% requirement used for 10% match.

**Capital Projects Summary**  
City Council Adopted FY2018 Annual Budget

	Life to Date Expend.	Re-Est. FY17 Bud.	FY18 Bud.	FY19 Bud.	FY20 Bud.	FY21 Bud.
<b>Capital Projects Funds Subtotal</b>	17,310,105	6,520,000	10,753,000	-	-	-
Airport Fund Subtotal	-	891,200	8,379,000	1,917,200	556,200	323,400
Infrastructure Investment Fund Subtotal	401,855	539,000	1,056,000	-	-	-
Utility Fund Subtotal	-	130,000	4,773,000	-	-	-
Storm Water Fund Subtotal	2,230,138	1,785,000	2,328,000	-	-	-
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$19,942,098</b>	<b>\$9,865,200</b>	<b>\$27,289,000</b>	<b>\$1,917,200</b>	<b>\$556,200</b>	<b>\$323,400</b>
<b>Self-Funded Special Projects Fund</b>						
Records Management	-	\$50,000	\$50,000	-	-	-
Unified Development Code	-	-	175,000	175,000	-	-
Economic Development Strategic Plan	-	-	100,000	-	-	-
Fire Training Center	-	110,000	167,000	167,000	-	-
Backup Generator for Fire Department	-	60,000	-	-	-	-
Compensation Pay Study	-	15,000	-	-	-	-
Certification Pay Study	-	15,000	-	-	-	-
Employee Handbook	-	-	15,000	-	-	-
Website Re-Design	-	-	100,000	-	-	-
Celestial Face Plates	-	45,000	-	-	-	-
GIS Setup for Parks	-	23,500	-	-	-	-
Dome Park Playground	-	250,000	-	-	-	-
Dog Park	-	162,000	-	-	-	-
Parks Master Plan Update	-	-	125,000	-	-	-
Addison Athletic Club Renovation	-	1,047,000	-	-	-	-
Outdoor Pool Filters	-	-	128,000	-	-	-
Ceramic Plate Bullet Proof Vests	-	15,000	-	-	-	-
Asset Management	-	250,000	157,000	-	-	-
Signal Timing Project	-	-	190,000	-	-	-
Operations Assessment	-	-	-	-	-	-
<b>TOTAL SELF-FUNDED SPECIAL PROJECTS FUND</b>	<b>-</b>	<b>\$2,042,500</b>	<b>\$1,207,000</b>	<b>\$342,000</b>	<b>-</b>	<b>-</b>

**NON-GRANT ELIGIBLE**

- Customs Facility Construction
  - As a Customs and Border Protection user fee airport, the Town is fully responsible for the cost of the construction of a Customs and Border Protection facility. Customs has notified the Town that the current facility is not in compliance. In order to remain in the program, the facility must be updated and brought into compliance.
- Facility Repairs and Improvements
  - In order to continue to lease city-owned property at market rates, systems must be repaired and improved in accordance with Best Management Practices.
- Vehicle Replacements
  - Planned vehicle and equipment replacements include a bucket truck, large and small tractors with accessories/attachments (mower decks, box blade, etc.), a zero-turn mower, and a pick-up truck.



## 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.

**ADA** – Acronym for Americans with Disabilities Act.

**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.  
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 IMPROVEMENT PROGRAM BUDGET (CIP)** – Construction projects or very large capital purchases designed to improve and maintain the value of the city’s assets, usually separate from the operating budget.

**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 do not require 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.

**DECISION PACKAGE** – A decision package represents an increase or decrease in a department's scope of service or funding levels. A decision package may be a request for additional funding submitted by a department during the budget process for new or expanding programs or services.

**DEBT SERVICE** – The City's obligation to pay the principal and interest of all bonds or other debt instruments according to a pre-determined schedule.

**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.

**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.

**ENTERPRISE FUND** – A governmental accounting fund in which the services provided are financed and operated similarly to those of private business. The rates of these services are established to insure that revenues are adequate to meet all necessary expenditures.

**EXEMPT** – Personnel not eligible to receive overtime pay and who are expected to work as 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 excess in a fund of current assets over current liabilities; sometimes called working capital in enterprise funds. A negative fund balance is often referred to as a deficit.

**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.

**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 FUND** – The fund used to account for all financial resources except those required to be accounted for in another fund. This fund includes most of the basic operating services such as fire and police protection, health services, parks and recreation, street maintenance, and general administration.

**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.

**GFOA** – Acronym for Government Finance Officers Association.

**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** – A basis of accounting in which expenditures are accrued but revenues are accounted for when they are measurable and available to pay current liabilities. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are measurable and available to pay current liabilities. This type of accounting basis is conservative and is recommended as the standard for most governmental funds.

## 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.

**NTECC** – Acronym for the North Texas Emergency Communications Center, which provides emergency communications services to the cities of Addison, Carrollton, Coppell and Farmers Branch.

## 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.

**PERSONNEL 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.

**TMRS** – Acronym for Texas Municipal Retirement System.

**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.



# DISTINGUISHED BUDGET PRESENTATION AWARD

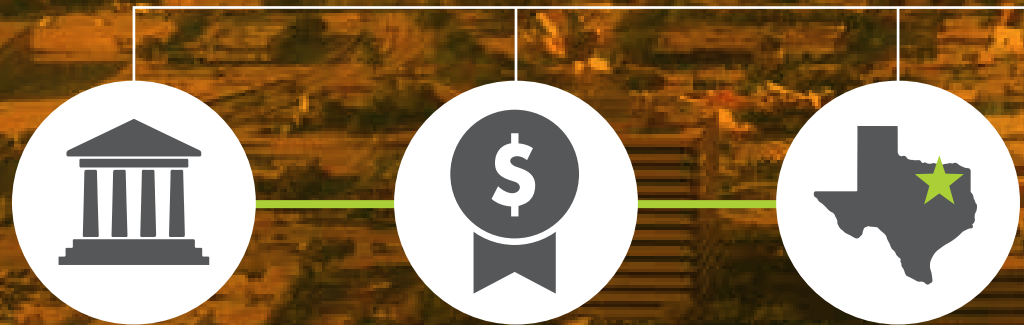
## ABOUT

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, 2016. 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, 2015. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

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





## MAYOR AND COUNCIL

### Mayor

- Joe Chow | Restaurant Owner  
– Term 05/17–05/19

### Mayor Pro Tempore

- Ivan Hughes | Retired  
– Term 05/17–05/19

### Deputy Mayor Pro Tempore

- Jim Duffy | Retired  
– Term 05/16–05/18

### Council Member

- Al Angell | Retired  
– Term 05/16–05/18

### Council Member

- Tom Braun | General Contractor  
– Term 05/17–05/19

### Council Member

- Paul Walden | Commercial Insurance Underwriting  
– Term 05/16–05/18

### Council Member

- Lori Ward | Branch Manager  
– Term 05/17–05/19

## TOWN STAFF

### Mayor's Office

- Joe Chow | 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

- Ashley Mitchell | Deputy City Manager  
– 972-450-7010

### City Manager's Office

- Hamid Khaleghipour | Executive Director of Business Performance and Innovation  
– 972-450-2868

### Economic Development

- Orlando Campos | Director  
– 972-450-7034



## TOWN STAFF & CONSULTANTS



### Finance

- Olivia Riley | Chief Financial Officer  
– 972-450-7051

### General Services & Events

- Mark Acevedo | Director  
– 972-450-2848

### Human Resources

- Passion Hayes | Director  
– 972-450-7051

### Information Technology

- Hamid Khaleghipour | Director  
– 972-450-2868

### Police

- Paul Spencer | Police Chief  
– 972-450-7168

### Fire

- David Jones | Fire Chief  
– 972-450-7203

### Infrastructure and Development Services

- Lisa Pyles | Director  
– 972-450-2878

### Parks and Recreation

- 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





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