



BUDGET BOOK 2018/2019

TOWN OF ADDISON, TEXAS

CONTINUING THE JOURNEY

ADDISON



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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, 2018 and ending September 30, 2019. 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 fiscal year 2019 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 fiscal year 2019 budget. The section also contains a statement of Addison's vision and goals, 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, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts for the fiscal year 2017. The ending balance of the actual year becomes the beginning balance of the estimated fiscal year 2018. The estimated column reflects projected amounts compared to the

amounts included in the original adopted budget for fiscal year 2018. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the fiscal year 2019 budget. 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 fiscal year 2019. Selected service levels for each department are presented graphically. Actual prior year data and estimated fiscal year 2018 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, Stormwater and Utility Funds and a capital project summary are included. Also included are the Town's financial policies, a glossary of terms, 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 2019 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, 2018 to September 30, 2019, seeks to continue the journey as we follow our roadmap for success.

The adopted budget allocates resources according to the City Council's fiscal year 2019 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) and 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 continue to experience 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 escalating, the competition for talent continues to be fierce, the question about how we will address our infrastructure needs is looming, and politicians at the state level are continuing a focused effort to interfere with local decision-making and erode 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, while at the same time planning to address the significant issues 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 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.

ONGOING BIG ISSUES

INFRASTRUCTURE PLANNING

The fiscal year 2019 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 result in the framework 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 have adopted a separate Five-Year Capital Improvement Program (CIP) Budget 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. To achieve the Council's goal of compensating Addison's employees better than the average of our comparator cities, this budget recommends \$911,000 to fund phase 2 of the compensation study which includes a 4% merit pool. Additionally, \$100,000 has been budgeted for the continuation of the certification pay program that was implemented in fiscal year 2018. It is important to note that in fiscal year 2018, individual departments identified approximately \$680,000 in savings from their departments to fund the implementation of phase 1 of the compensation study across the organization. These savings were reallocated from operational line items to salary line items (including the Town's Texas Municipal Retirement System contribution) to fund the compensation increases on an ongoing basis.

CONTINUOUS IMPROVEMENT

This budget continues to support 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 look for areas for improvement. I would like to highlight just a few of the continuous improvement efforts that are funded in the adopted budget:

- » A continued commitment to review and update 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. This was intended to begin

in fiscal year 2018, but was delayed due to several other special project committee studies;

- » Finalization of the new Parks Master Plan to prepare for the future of our parks system;
- » Implementation of our Asset Management Plan to take care of our aging infrastructure;
- » Redesign of the Town website, our digital front door;
- » A study for our Town-owned buildings to determine how to best utilize our existing spaces for Town operations;
- » An increase for street maintenance to align with the City Council's milestone that ensures Town roads are in an acceptable condition and well maintained;
- » Finalization of our effort to reprogram our traffic signals to ensure effective movement of people and vehicles throughout the community; and
- » Continued implementation and further development of our long-range financial plan.

PROPERTY VALUES

Total assessed property values for fiscal year 2019 equal \$4,725,759,169, which equates to an increase of approximately \$275 million or 6.2% over the previous year. The average taxable value for a single-family home in Addison is \$319,582, an increase of approximately \$19,671 or 6.6% from the previous year.

TAX RATE

The adopted fiscal year 2019 budget maintains the Town's existing tax rate of \$0.550000. The adopted tax rate is less than the rollback rate of \$0.553323 and greater than the effective rate of \$0.527064. The adopted tax rate allows

the Town to continue to provide quality services to our customers. Of the total tax rate, \$0.407352 is dedicated to maintenance and operations and \$0.142648 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 \$1,758 on an annual basis; an increase of \$108.19 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 \$37.5 million for fiscal year 2019, an increase of approximately 2.7% over last year. We project property tax revenues of approximately \$16.9 million, an increase of approximately 7.6% over the previous year's budgeted amount and sales tax revenues of approximately \$13.7 million, an increase of approximately 2.2% over the fiscal year 2018 budget.

General Fund operating expenditures are estimated at \$37.4 million, reflecting a 2.5% increase from the fiscal year 2018 budget. The available ending fund balance for the General Fund is projected to be approximately \$13.7 million, leaving 36.7% of operating reserves, which exceeds both the Town's policy of 25% and the City Council's goal of 30%.

The adopted budget will fund the following in the General Fund:

- » A Development Services Records Clerk to assist in improving the processing and review of fire plans – 1.0 Full-time Equivalent (FTE)
- » An overfill of the Building Inspector position in Development Services, in anticipation of transitions related to potential retirements;
- » Reclassification of an Assistant Director position in General Services to a Management Assistant;
- » Elimination of a Groundskeeper III position and reallocation of those funds to contractual services to perform Parks maintenance functions;
- » A Property and Evidence Technician in the Police Department – 1.0 FTE (civilianizing this position allows a sworn officer to focus on sworn police work);
- » A Sign and Signal Technician to create a two-member crew to handle the daily duties of the sign and signal group functions – 1.0 FTE

Additional dollars are budgeted to cover the increasing costs to maintain existing levels of service. Examples include an anticipated increase in the Town's group medical insurance premiums (we have budgeted for a 7% increase) and an increase in the Town's TMRS contribution associated with increased employee salaries, 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 2019 are expected to total \$8.9 million, approximately

the same amount as fiscal year 2018, with budgeted operational expenses of approximately \$8.2 million. The available ending fund balance for the Hotel Fund is projected to be \$2.69 million, leaving 32.8% 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 which is budgeted to remain the same.

The adopted budget will fund the following new items in the Hotel Fund:

- » \$150,000 for enhanced entertainment at Taste Addison;
- » \$100,000 for increased tourism advertising, to be included in the transfer from the Hotel Fund to the Economic Development Fund; and
- » \$785,000 for repair and modernization of the Addison Circle Fountains;
- » A Special Events Director was added during fiscal year 2018 to focus solely on Special Events – 1.0 Full-time Equivalent (FTE).

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.).

As you may recall, in 2017 as we were preparing the fiscal year 2018 budget, the

Finance Department discovered that the Utility Fund revenues were not sufficient to cover planned expenditures. In reviewing the fiscal health of the Utility Fund, the following items were identified:

- » 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.
- » The Annual Utility Fund rate increase 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, salary increases, capital replacement (i.e. vehicles, equipment, etc.), etc.
- » Debt Service payments were budgeted to come out of 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.

The Finance Department corrected the items above as part of the fiscal year 2018 budget process and the Town engaged Raftelis, a rate model consultant, to review our utility rate structure as well. The utility rate structure review helped develop an updated rate model that will fund our staffing, operational, and infrastructure investment needs in a manner that will sustainably maintain the Council’s desired level of service for our utility operations.

In January 2018, the City Council approved a utility rate policy to adopt utility rates

that fully fund a short-term staffing plan and provide a mix of cash and bond funding for capital improvement projects. The new adjustments, effective October 1, 2018, will include the following increases to water and sewer rates:

- » October 2018: 8%
- » October 2019: 6.5%
- » October 2020: 6%
- » October 2021: 2.5%
- » October 2022: 5%

Staff will review the utility rate model on an annual basis to ensure the rate adjustments are in line with the needs identified in the new rate model adopted by the City Council.

The short-term staffing plan includes seven positions to be added in the Utility Fund between fiscal year 2019 and fiscal year 2022. The budget for fiscal year 2019 proposes the addition of three of these positions:

- » A Project Manager to help manage the numerous capital improvement projects that are planned or currently in progress – 1 Full-time Equivalent (FTE) Position;
- » An Infrastructure Inspector to assist in the inspection of public and private construction projects – (1 FTE) Position; and
- » A Utility Crew Leader to enable a utility crew to take a more proactive approach to preventative maintenance – (1 FTE) Position.

The total Utility Fund revenues for fiscal year 2019 are expected to be approximately \$12.8 million, with budgeted operational expenses of \$11.7 million. The available ending fund balance for the Utility Fund is projected to be \$11.0 million. The

projected end-of-year fund balance will maintain 93.5% of operating reserves, which exceeds the Town's policy of 25%.

Notable items in the Utility Fund this year include:

- » Increases in water and sewer rates of approximately 8% or \$3.92 per month for an average residential user of 5,000 gallons of water; these rate increases were presented as part of the rate model update.
- » \$1,900,000 to fund a new sanitary sewer line to re-route sewer flows that currently enter the City of Farmers Branch sewer system in the Inwood Road area to Addison's sewer system at Midway Road. The project is budgeted from reserves in excess of 25% for fiscal year 2019.
- » \$350,000 to fund design services for capital improvement program projects.

A total of \$6.2 million in capital projects have been adopted into the Utility Fund for fiscal year 2019. These projects are funded through a combination of authorized bond funds (\$4 million) and cash from the Utility Fund (\$2.2 million). A list of projects can be found in the Capital Improvements Program budget submitted to the City Council.

STORMWATER FUND

The Stormwater Fund is supported by drainage fees added to utility bills. The projected revenues for fiscal year 2019 are \$2.2 million with budgeted operational expenditures totaling \$1.5 million. The available ending fund balance for the Stormwater Fund is projected to be \$3.1 million, leaving 205.1% of operating expenditures, which exceeds the Town's policy of 25%.

Fees for the Stormwater Fund will increase this year 5% for each customer rate class. This is in keeping with the Council-approved rate schedule instituted when the Council adopted the stormwater fee in September 2013.

Two Stormwater Operators (2 Full-time Equivalent positions or FTEs) positions have been adopted and have been added to the Stormwater Fund in fiscal year 2019. Currently, this fund has no operations staff, so when a stormwater issue arises, the operations have to be performed by staff in the Utilities or Streets divisions or contracted out. The addition of these FTEs will give the Town the ability to perform proactive maintenance of our Stormwater infrastructure according to industry Best Management Practices and in alignment with the Town's Asset Management Plan.

A total of \$4.9 million in capital projects have been adopted in the Stormwater Fund for fiscal year 2019. These projects are funded through a combination of authorized bond funds and cash from the Stormwater Fund. The most significant items include:

- » \$1,100,000 for the continuation of the construction of a parallel stormwater pipe at the intersection of Sherlock Drive and Winter Park Lane; and
- » \$3,100,000 in bond and cash funding for the Vitruvian Pond Dredging project.

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); and
- » A transfer from the Hotel Fund to cover the Tourism Department activities (\$715,000).

Operating revenues for fiscal year 2019 are estimated at \$1.86 million. These revenue sources allow for budgeted operating expenses of \$1.86 million.

The adopted budget will fund the following in new items from the Economic Development Fund:

- » \$50,000 in additional funding for corporate incentives; and
- » \$100,000 in funding for increased tourism advertising to promote Addison.

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 2019 will allow for budgeted expenses of approximately \$5.4 million. The available ending fund balance for the Airport Fund is projected to be \$1.7 million, leaving 30.8% of operating expenditures, which exceeds the Town's policy of 25%.

A Management Assistant (1 Full-time Equivalent or FTE) position was adopted and added to the Airport Fund in fiscal year 2019. This position would primarily be responsible for tracking and coordinating a variety of projects on the airport, including the implementation of the Asset Management Plan. Additionally, this position will review and update the airport ordinances and help rewrite the airport's minimum standards document.

Capital projects in the Airport Fund for fiscal year 2019 total \$7.5 million. The most significant items are:

- » \$3,500,000 to fund construction of a new airport customs facility (the remaining \$3,000,000 is scheduled to be spent in fiscal year 2020);
- » \$1,400,000 for a TxDOT Aviation Program grant match for Runway 15/33 reconstruction and Taxiway Alpha rejuvenation;
- » \$2,500,000 in general facility repairs and improvements (a description of the projects is contained in the fiscal year 2019 capital improvement budget).

INFRASTRUCTURE INVESTMENT FUND (IIF)

The Infrastructure Investment Fund (IIF) was created in fiscal year 2015 through a \$4 million transfer from General Fund reserves. The intent of this fund is to cash finance infrastructure projects. Annually, a portion of the property tax rate equal to \$0.006201 is deposited into this fund. In fiscal year 2019, \$282,600 is scheduled to be generated by the IIF portion of the tax rate.

The fiscal year 2019 budget calls for an additional \$1 million to be transferred to the IIF from our General Fund surplus over the 30% reserve level. As scheduled, 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.

In fiscal year 2018, \$731,000 was allocated from the IIF for Public Safety Facility Improvements at the Police and Courts Building. While that project commenced late in fiscal year 2018, it won't be complete until early in fiscal year 2019. The improvements included hardening the building exterior, building a fence to secure police vehicles, installing bullet-resistant glass and document pass throughs, adding access control locks to interior doors to secure restricted areas, and rehabilitation of all mechanical components for the shooting range.

CAPITAL IMPROVEMENT BUDGET

The adopted capital improvement budget for fiscal year 2019 is approximately \$26.0 million. Projects are funded by a combination of authorized bond funds and cash contributions. The capital improvement budget provides an all-funds view of the Town's planned capital improvement expenditures on public infrastructure and facilities over the next five years.

\$900,000 is budgeted to begin implementation of the Belt Line Road 1.5 beautification plan. Additional funding might be available for this project once the Belt Line Road Utility Relocation and the Belt Line Overlay projects are completed. I would recommend that the Council allocate a portion of any savings from these two projects toward implantation of the beautification efforts.

For more information related to these capital projects, please reference the fiscal year 2019 Capital Improvement Program (CIP) Budget also submitted to the City Council for consideration.

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 2019, based on Council guidance, 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 main reason for this change is the delay in the Addison Grove project. Another important reason for this change is the Council's expressed desire to reconsider how the Addison Grove Economic Development Incentive is funded. Additional discussion on this topic is planned for the end of fiscal year 2018 and early fiscal year 2019.

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 Stormwater Fund. Total transfers to this fund in fiscal year 2019 are a total of \$1 million. This fund will end fiscal year 2019 with a balance of \$3 million. It is expected that the first incentive reimbursement payment for the Addison Grove project could be paid in fiscal year 2020 or 2021; contingent on the project developer's ability to perform in accordance with the terms of the project incentive agreement.

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 previous fiscal years that flow through the General Fund's fund balance along with contributions from other funds when the project will service multiple funds. For fiscal year 2019, \$3,533,560 was adopted to be transferred from cash reserves above the 30% Council goal for General Fund balance to this fund. Major expenditures in this fund in fiscal year 2019 include:

- » \$160,000 to complete Phase 2 of the Asset Management Plan;
- » \$175,000 for the Town's final payment of the Fire Training Center Equity Buy-in (Year 3 of 3);
- » \$119,000 to replace the Fire Personal Protective Equipment (i.e. bunker gear) for the Addison Fire Department;
- » \$60,500 to update and repair the Fire Alarm Systems at both Fire Stations;
- » \$50,000 to continue addressing our records management needs;
- » \$50,000 for ADA compliance assistance and engineering support as we implement the ADA Transition Plan;
- » \$91,500 to implement year one of the ADA transition plan for Town facilities;
- » \$175,000 to fund the Town's effort to review and update our Land Development Code (Year 1 of 2);
- » \$166,560 to fund a contingency for emergency building repairs;
- » \$100,000 to fund a study of Town facilities to identify options for future use or consolidation;
- » \$30,000 for replacement bullet-resistant vests for Addison Police Officers;
- » \$286,000 to renovate the Town Hall bridge and the boardwalk and gazebo at Winwood Park;
- » \$180,000 to resurface the indoor pool at the Addison Athletic Club;
- » \$90,000 to finish the Traffic Signal Timing and Optimization project that was started in fiscal year 2018;
- » \$150,000 to aid in the development of a future bond program;
- » \$950,000 to begin funding projects as part of the implementation of the Asset Management Plan;
- » \$700,000 to increase the resources allocated in our street maintenance activities;
- » \$1,042,000 to continue with the master plan improvements to the Addison Athletic Club.

CONCLUSION

This completes the highlights of the fiscal year 2019 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 creation of this budget would not have been possible without the hard work of Chief Financial Officer Olivia Riley, Budget Manager Terri Doby, and the rest 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.

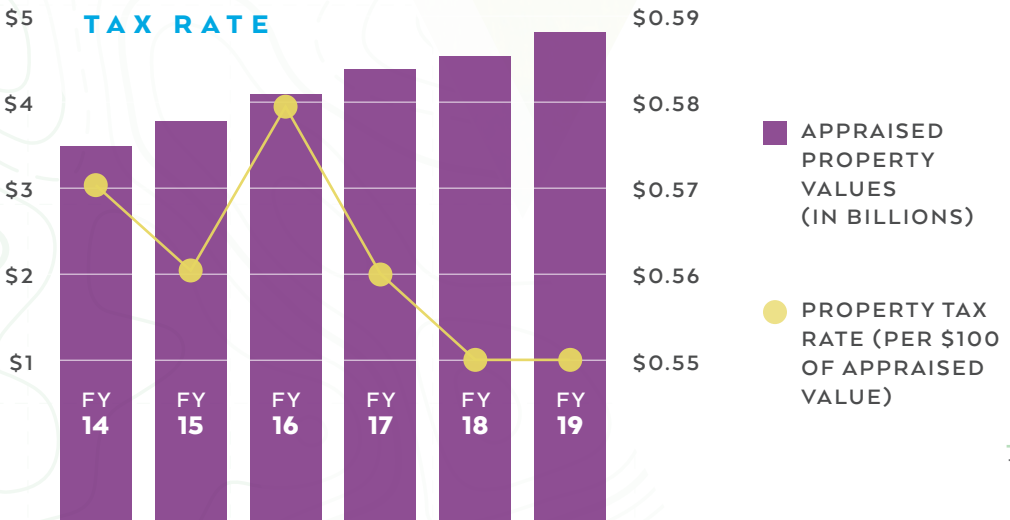
Respectfully submitted,



Wesley S. Pierson
City Manager

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
FY19	\$4,725,759,169	•	\$0.5500

APPRAISED VALUES AND TAX RATE



TOWN OF ADDISON VISION STATEMENT

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 to:

- » Be service-minded and kind;
- » Do our best to do what we can to be helpful, as we seek to serve our customers;
- » Be solution driven;
- » Be visionary, creative, and empowered to make a difference; and
- » Value employees as partners.

The staff searches out all options to try and meet expectations during each customer service interaction.

COUNCIL'S VALUES

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

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

COUNCIL'S 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.

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
- » Gold Standard in Public Safety
- » Optimize the Addison Brand

FY 2019 STRATEGIC PILLARS

ENTREPRENEURSHIP & BUSINESS HUB

- ▢ Economic development focus on attracting and retaining entrepreneurship and high-tech conferences
 - 💡 Create an Economic Development Strategic Plan
 - 💡 Continue Implementation of Tourism Marketing campaign
- ▢ Review town ordinances and regulations to modernize them and facilitate redevelopment
 - 💡 Continue the process of developing a Unified Code
- ▢ Create a specific channel to receive input from business community

GOLD STANDARD IN CUSTOMER SERVICE

- ▢ Clarify and protect the Addison Way
 - 💡 Redesign the Town's website
 - 💡 Hire a Records Clerk for Development Services

GOLD STANDARD IN FINANCIAL HEALTH


- ▢ Implement and continue development of Long Term Financial Plan
 - 💡 Develop Capital Improvement Program (CIP) to include Americans with Disabilities (ADA) Transition and Asset Management Plans
 - 💡 Develop a bond program

GOLD STANDARD IN PUBLIC SAFETY




- ▢ Maximize use of cutting edge technology to enhance Public Safety
 - 💡 Continue the security improvements for the Police/Courts building
 - 💡 Install License Plate Readers (LPRs) and Surveillance Cameras to begin a pilot project that includes specific locations
 - 💡 Implement Records Management System (RMS) for Police
 - 💡 Purchase new Fire Personal Protective Equipment to increase level of thermal, puncture, and particulate contamination protection

 **PILLAR**
 **MILESTONE**
 **INITIATIVE**







 **EXCELLENCE IN ASSET
MANAGEMENT**

-  Implement the Asset Management Plan
 -  Complete Asset Management Plan & Implement
 -  Complete Parks Master Plan Study.
 -  Complete Athletic Club Master Plan – Phase 1
 -  Conduct a Facility Consolidation Study

 **OPTIMIZE THE
ADDISON BRAND**

-  Define and promote Addison identity
 -  Continue implementation of Communications Strategy
 -  Complete the repair and modernization of the Addison Circle Fountain

 **EXCELLENCE IN
TRANSPORTATION
SYSTEMS**

-  Develop a Cotton Belt strategy.
 -  Adopt the preferred development plan around the Cotton Belt Rail Line
-  All roads in acceptable condition and well maintained
 -  Increase funding for street maintenance
 -  Hire a Sign and Signal Technician
 -  Complete traffic signal optimization

MUNICIPAL TAX RATE COMPARISON

UNIVERSITY PARK **0.2454**

GRAPEVINE **0.2893**

LEWISVILLE **0.4361**

FLOWER MOUND **0.4390**

FRISCO **0.4466**

PLANO **0.4603**

ALLEN **0.5050**

MCKINNEY **0.5252**

ADDISON **0.5500**

COPPELL **0.5695**

IRVING **0.5941**

CARROLLTON **0.5950**

FARMERS BRANCH **0.5995**

RICHARDSON **0.6252**

COMPARATIVE TAX

FOR AN AVERAGE ADDISON SINGLE-FAMILY RESIDENT

FY
18

FY
19

Dallas County

Market Value	\$392,316	\$420,916
Optional Homestead Exemption	20%	20%
Taxable Value	\$299,911	\$319,582
Tax Rate/\$100	0.253100	0.253100
Tax Levy	\$759.07	\$808.86

Dallas ISD

Market Value	\$392,316	\$420,916
Optional Homestead Exemption	10%	10%
Taxable Value	\$299,911	\$319,582
Tax Rate/\$100	1.282085	1.412035
Tax Levy	\$3,845.11	\$4,512.61

Town of Addison

Market Value	\$392,316	\$420,916
Optional Homestead Exemption	20%	20%
Taxable Value	\$299,911	\$319,582
Tax Rate/\$100	0.550000	0.550000
Tax Levy	\$1,649.51	\$1,757.70

TOTAL TAX LEVY

\$6,253.70

\$7,079.17

PROPERTY TAX DISTRIBUTION CALCULATIONS

FY2019 Adopted Budget

FY2019 CERTIFIED TAX ROLL & LEVY

Appraised Valuation (100%)	4,725,759,169
Rate Per \$100	0.5500
Total Tax Levy	\$25,991,675
Percent of Current Collection	96.50%
Estimated Current Tax Collections	\$25,081,966

SUMMARY OF TAX COLLECTIONS

Current Tax	\$25,081,966
Delinquent Tax	(48,970)
Penalty and Interest	51,123
Total FY2019 Tax Collections	\$25,084,119

	DISTRIBUTION OF TAX RATE	TAX RATE	% OF TOTAL	AMOUNT
GENERAL	Current Tax			\$16,965,736
	Delinquent Tax			(45,000)
	Penalty and Interest			30,000
	Total General Fund	\$0.3774	68.62%	16,950,736
ECON. DEV.	Current Tax			1,081,534
	Delinquent Tax			(3,200)
	Penalty and Interest			2,500
	Total Economic Development Fund	\$0.0237	4.31%	1,080,834
IIF	Current Tax			282,788
	Delinquent Tax			(770)
	Penalty and Interest			623
	Total Infrastructure Investment Fund	\$0.0062	1.13%	282,641
	TOTAL OPERATIONS & MAINTENANCE	\$0.4073	74.06%	18,314,211
DEBT SERVICE	Current Tax			6,751,908
	Delinquent Tax			-
	Penalty and Interest			18,000
	Total Debt Service Fund	\$0.1427	25.94%	6,769,908
	TOTAL DISTRIBUTION	\$0.5500	100.00%	\$25,084,119

FUND OVERVIEW

FY2019 Adopted Budget

GOVERNMENTAL FUNDS

General Fund	\$37,434,989
Special Revenue Funds	
Hotel Fund	\$8,229,381
Economic Development Fund	1,860,868
Combined Grant Funds	13,700
Combined Other Funds	98,163
Self-Funded Project Fund	2,367,415
General Debt Service Fund	6,762,208

PROPRIETARY FUNDS

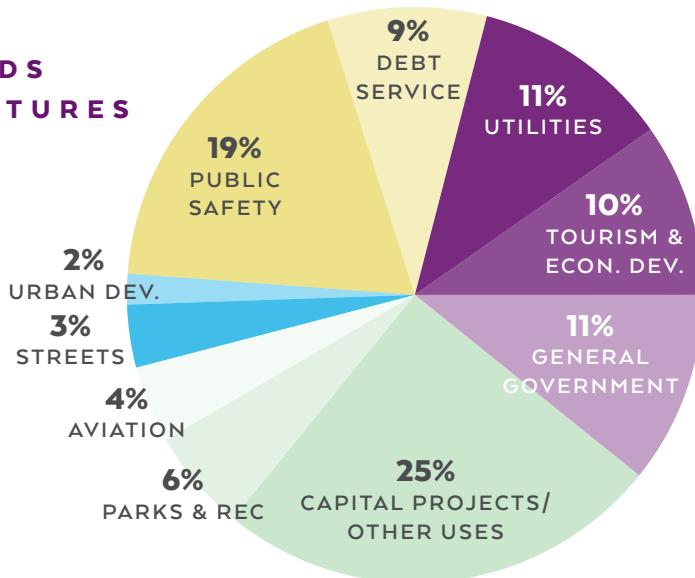
Airport Fund	\$5,386,572
Utility Fund	11,737,512
Stormwater Fund	1,517,452
Combined Replacement Funds	2,298,882

CAPITAL PROJECT FUNDS

Combined Bond Funds	\$10,222,500
Cash Reserve Funds	7,428,000
Streets Self-Fund Project Fund	900,000
Airport Capital Projects	7,453,898

TOTAL ALL FUNDS \$103,711,540

ALL FUNDS EXPENDITURES BY TYPE



STAFF ORGANIZATION

ADDISON
CITIZENS

MAYOR/CITY COUNCIL

- CITY ATTORNEY
- CITY PROSECUTOR
- CITY JUDGE
- CITY SECRETARY
- BOARDS/COMMISSIONS

CITY MANAGER

- FIRE
- POLICE
- HUMAN RESOURCES

DEPUTY CITY MANAGER

- INFRASTRUCTURE & DEVELOPMENT SERVICES
- AIRPORT
- PARKS & REC.
- ECON. DEV. & TOURISM
- VOLUNTEER SERVICES

DEPUTY CITY MANAGER

- FINANCE
- MUNICIPAL COURT
- GENERAL SERVICES
- SPECIAL EVENTS
- MARKETING & COMMUNICATION

EXECUTIVE DIRECTOR OF BUSINESS PERFORMANCE & INNOVATION

INFORMATION TECHNOLOGY

BUDGETED

DEPARTMENTAL STAFFING SUMMARY

FY2019 Adopted Budget

	20 16	20 17	20 18	20 19	DIFFERENCE 2018-2019
General Fund					
City Secretary	-	1.0	1.0	1.0	-
City Manager	7.5	5.5	5.5	5.5	-
Finance	13.0	13.0	13.0	13.0	-
General Services	5.0	4.8	4.8	5.5	0.7
Municipal Court	5.8	5.8	5.8	5.8	-
Human Resources	4.0	4.0	4.0	4.0	-
Information Technology	7.0	7.0	7.0	7.0	-
Police	79.8	71.0	71.0	72.0	1.0
Emergency Communications	14.5	-	-	-	-
Fire	55.3	56.0	57.0	57.0	-
Developmental Services	7.2	11.0	11.0	12.0	1.0
Streets	5.4	6.4	6.4	7.4	1.0
Parks	22.0	22.0	22.0	21.0	(1.0)
Recreation	15.1	15.7	15.7	15.7	-
TOTAL GENERAL FUND	241.6	223.2	224.2	226.9	2.7
Hotel Fund	14.8	16.7	16.7	17.0	0.3
Economic Dev. Fund	4.0	4.0	4.0	4.0	-
Airport Fund	3.0	3.4	3.4	4.4	1.0
Utility Fund	17.6	19.2	19.2	22.2	3.0
Stormwater Fund	1.7	2.0	2.0	4.0	2.0
TOTAL ALL FUNDS	282.7	268.5	269.5	278.5	9.0

All positions are shown as full-time equivalents (FTEs).

FUND SUMMARIES

City Council FY2019
Adopted Annual Budget
with
Comparisons to
FY2018 Estimates
and FY2017 Actual

	SPECIAL REVENUE FUNDS					COMB.
	GEN. FUND	HOTEL	ECON. DEV.	COMB. GRANTS	COMB. OTHER	DEBT SERVICE FUNDS
BEGINNING FUND BALANCES	\$17,833	\$3,533	\$1,251	\$31	\$4,029	\$893
Revenues						
Ad valorem tax	16,951	-	1,081	-	-	6,770
Non-property taxes	14,900	5,530	-	-	-	-
Franchise fees	2,575	-	-	-	60	-
Licenses & permits	799	-	-	-	-	-
Intergovernmental	-	-	-	14	-	-
Service fees	1,644	2,648	61	-	-	-
Fines & penalties	320	-	-	-	20	-
Rental income	7	700	-	-	-	-
Interest & other income	258	17	7	-	3	14
Total Revenues	37,453	8,895	1,148	14	83	6,784
Transfers from other funds	-	-	715	-	4,108	-
Total Available Resources	55,286	12,428	3,115	45	8,221	7,676
Expenditures						
Personnel services	23,726	1,830	463	-	23	-
Supplies	1,276	112	24	-	104	-
Maintenance	3,470	429	23	-	168	-
Contractual services	7,456	5,715	1,329	14	1,817	2
Capital replacement/lease	1,478	84	22	-	-	-
Debt service	-	-	-	-	-	6,760
Capital outlay	28	60	-	-	355	-
Total Operating Expenditures	37,435	8,229	1,861	14	2,466	6,762
Transfers to other funds	4,108	715	-	-	-	-
Capital improvements	-	785	-	-	2,208	-
Total Expenditures	41,543	9,729	1,861	14	4,674	6,762
ENDING FUND BALANCES	\$13,742	\$2,699	\$1,254	\$32	\$3,547	\$914

COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

All Funds Subject to Appropriation (Expressed in \$000's)*

Total Revenues	76,763
Decrease in Fund Balance	944
TOTAL APPROPRIABLE FUNDS	\$77,707

CAP. PROJ. FUNDS	PROPRIETARY FUNDS				INTERNAL SERVICE FUNDS	TOTAL ALL FUNDS		
IIF	AIRPORT	UTILITY	STORM WATER	COMB. REPLACE- MENT	18-19 BUD	17-18 EST	16-17 ACT	
\$3,914	\$4,475	\$12,491	\$5,150	\$5,150	\$58,751	\$57,992	\$49,868	
283	-	-	-	-	25,084	24,027	23,522	
-	-	-	-	-	20,430	22,691	21,217	
-	-	-	-	-	2,635	2,628	2,664	
-	-	-	-	-	799	879	1,226	
-	50	-	-	-	64	166	66	
-	1,063	12,685	2,135	1,654	21,888	20,340	20,165	
-	-	-	-	-	340	375	469	
-	4,307	-	-	-	5,013	5,042	5,148	
20	25	80	30	57	510	2,068	4,346	
303	5,444	12,764	2,165	1,711	76,763	78,216	78,823	
1,000	-	-	-	488	6,311	3,623	6,002	
5,217	9,919	25,255	7,315	7,348	141,825	139,831	134,693	
-	447	2,057	312	-	28,858	26,241	24,513	
-	40	208	42	-	1,805	1,651	1,914	
-	3,308	487	216	-	8,101	8,000	7,226	
-	657	7,746	351	8	25,094	25,171	21,019	
-	32	43	-	-	1,660	1,600	1,618	
-	902	1,057	546	-	9,265	9,751	10,507	
-	-	140	50	2,291	2,923	3,311	3,395	
-	5,387	11,738	1,517	2,299	77,707	75,725	70,191	
500	190	298	500	-	6,311	3,623	6,002	
-	2,681	2,250	2,185	-	10,109	-	-	
500	8,258	14,286	4,202	2,299	94,128	79,348	76,193	
\$4,717	\$1,661	\$10,970	\$3,112	\$5,050	\$47,697	\$60,483	\$58,500	





FINANCIAL/OPERATIONAL

GENERAL FUND

GENERAL FUND

FUND DESCRIPTION

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

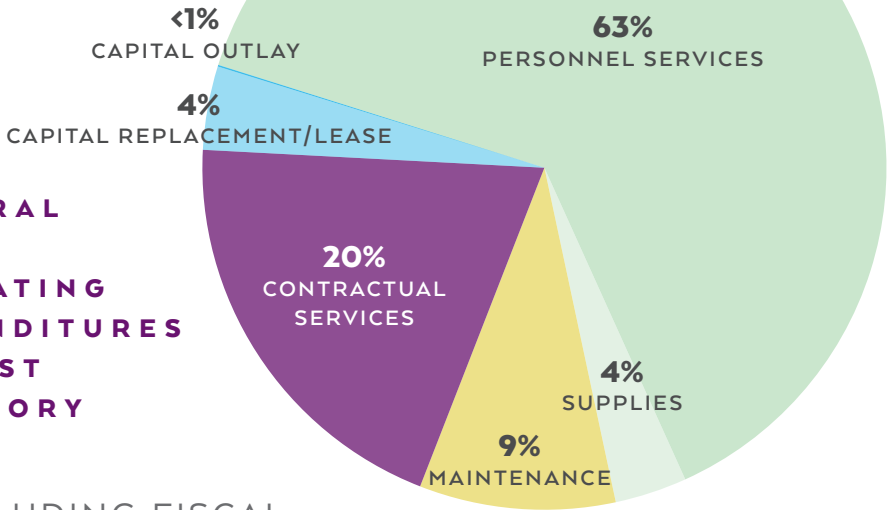
FUND NARRATIVE

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

GENERAL FUND BY MAJOR COST CATEGORY	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	20,606,203	22,459,419	22,010,403	23,726,320
Supplies	1,173,152	1,292,730	1,248,965	1,276,369
Maintenance	2,899,100	3,531,293	3,377,374	3,469,826
Contractual Services	6,486,734	7,764,807	8,465,002	7,456,130
Capital Replacement/Lease	1,399,790	1,411,188	1,411,188	1,478,344
Capital Outlay	339,228	-	44,468	28,000
TOTAL FUND BUDGET	\$32,904,207	\$36,459,437	\$36,557,400	\$37,434,989

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

**GENERAL
FUND
OPERATING
EXPENDITURES
BY COST
CATEGORY**



**CONCLUDING FISCAL
YEAR PERFORMANCE**

Revenues for FY2018 are estimated to be \$39,224,049, which represents an increase of \$2,727,260, or 7.5 percent above FY2018 budgeted revenues and is 1.5 percent below FY2017 actual revenues. The increase over budgeted FY2018 revenues is the result of an unexpected \$1.7 million increase in sales tax collections due to audits. Revenues collected from property taxes are expected to come in \$166,240 more than the budgeted amount.

Expenditures are expected to total \$36,557,440 in FY2018, which is \$97,963 more than the FY2018 budget (excluding transfers). The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$17,832,687, which is \$4,901,357 more than budgeted.

**2018-2019 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 \$0.377435 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 FY2019 to \$16,965,736. Other major tax revenues are sales taxes and alcoholic beverage taxes. Sales taxes are expected to increase from FY2018 budget of \$13.4 million to \$13.7 million in FY2019. Alcoholic beverage tax revenues for FY2019 are projected to remain essentially flat.

Total fund expenditures for the 2019 fiscal year have been appropriated at \$37,434,989 (excluding transfers) which is \$975,552 more than the FY2018 budget.

The net impact on revenues and expenditures is a projected increase in fund balance in FY2019. The ending fund balance of \$13,742,189 represents 36.7 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.¹

¹ Please refer to Appendix B for the Town’s financial policies.

**GENERAL FUND STATEMENT OF
REVENUE & EXPENDITURES**

BEGINNING BALANCE

Revenues

- Ad valorem taxes
- Non-property taxes
- Franchise fees
- Licenses and permits
- Service fees
- Fines and penalties
- Interest earnings
- Rental income
- Other

Total Revenues

Total Available Resources

Expenditures

- General Government
 - City Secretary
 - City Manager
 - Finance
 - General Services
 - Municipal Court
 - Human Resources
 - Information Technology
 - Combined Services
 - City Council
- Public Safety
 - Police
 - Emergency Communications
 - Fire
- Developmental Services
- Streets
- Parks & Recreation
 - Parks
 - Recreation

Total Expenditures

- Other Financing Sources (Uses)
- Transfer to Other Funds

ENDING FUND BALANCE

ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
\$12,890,799	\$14,000,978	\$16,368,038	\$17,832,687
14,742,517	15,724,469	15,890,709	16,950,736
15,262,324	14,660,000	17,160,751	14,900,000
2,601,529	2,850,300	2,556,319	2,575,000
1,225,373	764,300	878,845	798,800
1,802,346	1,674,720	1,696,456	1,643,770
426,144	500,000	349,000	320,000
168,959	70,000	190,369	100,000
77,330	175,000	6,600	6,600
3,517,600	78,000	495,000	158,000
39,824,122	36,496,789	39,224,049	37,452,906
52,714,921	50,497,767	55,592,087	55,285,593
130,630	200,071	196,845	180,089
1,039,259	1,122,398	1,115,598	1,148,976
1,682,924	1,772,042	2,416,509	1,820,814
788,335	720,102	704,076	742,211
631,181	652,165	652,784	737,885
625,666	677,438	652,413	696,206
1,796,615	2,028,630	2,028,630	2,100,593
866,597	1,672,261	1,436,280	1,360,626
292,823	346,924	349,734	341,507
8,410,582	9,112,630	8,762,885	9,509,734
1,340,667	1,459,046	1,459,046	1,383,152
7,176,402	7,355,247	7,549,074	7,851,079
1,158,967	1,502,265	1,442,572	1,611,844
1,942,584	2,106,357	2,104,459	2,204,253
3,307,069	3,837,739	3,815,022	3,882,652
1,713,906	1,894,122	1,871,473	1,863,368
32,904,207	36,459,437	36,557,400	37,434,989
3,442,676	1,107,000	1,202,000	4,108,415
\$16,368,038	\$12,931,330	\$17,832,687	\$13,742,189

**GENERAL FUND STATEMENT
OF REVENUES BY SOURCE**

- Ad valorem taxes
 - Current taxes
 - Delinquent taxes
 - Penalty & interest
- Non-property taxes
 - Sales tax
 - Alcoholic beverage tax
- Franchise/right-of-way use fees
 - Electric franchise
 - Gas franchise
 - Telecommunication access fees
 - Cable franchise
 - Street rental fee
- Licenses and permits
 - Business licenses & permits
 - Building & construction permits
- Service fees
 - General government
 - Public safety
 - Urban development
 - Streets & sanitation
 - Recreation
 - Interfund
- Court fines
- Interest earnings
- Rental income
- Recycling proceeds
- Other

TOTAL REVENUES

ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
14,702,022	15,753,469	15,935,677	16,965,736
(4,428)	(58,000)	(80,968)	(45,000)
44,923	29,000	36,000	30,000
14,032,616	13,400,000	15,983,636	13,700,000
1,229,708	1,260,000	1,177,115	1,200,000
1,536,852	1,675,000	1,540,000	1,600,000
203,779	217,400	229,319	200,000
545,932	636,500	475,000	475,000
314,966	316,400	300,000	300,000
-	5,000	12,000	-
200,681	137,300	124,545	194,900
1,024,692	627,000	754,300	603,900
902	500	500	100
975,121	785,200	822,142	870,000
2,950	3,000	3,000	2,850
391,126	282,200	266,994	371,000
83,337	73,300	73,300	71,300
348,910	530,520	530,520	328,520
426,144	500,000	349,000	320,000
168,959	70,000	190,369	100,000
77,330	175,000	6,600	6,600
3,258	3,000	10,755	3,000
3,514,342	75,000	484,245	155,000
\$39,824,122	\$36,496,789	\$39,224,049	\$37,452,906

CITY COUNCIL

SPECIAL PROJECTS

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » 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 10 milestones for FY2019 budget process

OBJECTIVES FOR FY2019

- » Identify initiatives that target the top 7 strategic pillars and 10 milestones
- » Seek out operation efficiencies without compromising the overall level of service provided by the Town
- » Continued contribution to the social good of charitable and educational programs

NON-PROFIT FUNDING

- » Addison Arbor Foundation (\$50,000 + up to \$15,000 match)
- » Metrocrest Chamber of Commerce (\$35,000)
- » Woven Health Clinic (\$5,000)
- » Metrocrest Social Services (\$66,000)
- » The Family Place (\$2,500)

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	28,968	29,474	29,474	29,483
Supplies	20,601	26,500	26,500	20,500
Maintenance	-	-	-	-
Contractual Services	240,359	287,570	290,380	288,260
Capital Replacement/Lease	2,895	3,380	3,380	3,264
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$292,823	\$346,924	\$349,734	\$341,507

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 FY2018

- » Conducted a Citizen Survey for residents to gather input regarding the

future of Addison

- » Successfully hired Directors for Parks and Recreation, General Services and Special Events
- » Facilitated strategic planning with City Council for the FY2019 budget process

OBJECTIVES FOR FY2019

- » Lead initiatives that correlate with the top 10 milestones identified by Council for FY2019
- » 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 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	811,511	909,562	906,661	951,447
Supplies	25,838	23,923	23,923	23,848
Maintenance	46,899	63,292	54,393	40,777
Contractual Services	136,790	111,834	116,834	113,922
Capital Replacement/Lease	18,221	13,787	13,787	18,982
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$1,039,259	\$1,122,398	\$1,115,598	\$1,148,976

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
City Manager ¹	N/C	1.0	1.0	1.0	1.0
Deputy City Manager	48	2.0	2.0	2.0	2.0
Assistant to the City Manager	33	1.0	1.0	1.0	1.0
Volunteer Coordinator	23	0.5	0.5	0.5	0.5
Administrative Assistant	22	1.0	1.0	1.0	1.0
TOTAL		5.5	5.5	5.5	5.5

¹This position is not classified in the pay plan.

CITY SECRETARY

DEPARTMENT MISSION

The mission of the City Secretary's Office is to enhance the Town of Addison's governmental processes by improving access to public information, safeguarding and enriching the municipal election and records management processes, and assisting the City Council in fulfilling its duties and responsibilities. The City Secretary serves as the historian for the Town and as a resource for citizens.

PROGRAM NARRATIVE ACCOMPLISHMENTS OF FY2018

- » Conducted May 2018 Election with Dallas County
- » Fulfilled 867 open records requests
- » Established Records Management Committee to develop a sound records management program

OBJECTIVES FOR FY2019

- » Conduct the May 2019 Election with Dallas County
- » Establish records inventory assisted by the Records Management Committee:
 - Locate, identify, and describe all records series held by the Town
 - Conduct appraisal and a needs assessment to help assemble short- and long-terms plans for managing the Towns records
- » Conduct training assisted by the Records Management Committee to begin using LaserFiche to its full potential

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	94,845	94,871	59,463	94,889
Supplies	10,898	20,700	20,700	20,700
Maintenance	-	-	-	-
Contractual Services	24,887	84,500	116,682	64,500
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$130,630	\$200,071	\$196,845	\$180,089

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
City Secretary	33	1.0	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0	1.0

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 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	49,975	270,701	32,720	7,642
Supplies	24,563	52,000	52,000	47,000
Maintenance	-	-	-	-
Contractual Services	792,059	1,349,560	1,351,560	1,305,984
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$866,597	\$1,672,261	\$1,436,280	\$1,360,626

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 Communication Center (NTECC) consolidated dispatch.

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Maintenance	33,166	45,547	45,547	26,643
Contractual Services	1,307,501	1,413,499	1,413,499	1,356,509
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,340,667	\$1,459,046	\$1,459,046	\$1,383,152

FINANCE DEPARTMENT

DEPARTMENT MISSION

To optimally manage Addison's resources through its budgeting, purchasing, management analysis and financial reporting. This encompasses treasury, investment management, risk management, accounts receivable and payable, payroll, and managing all the steps involved in debt financing. The Chief Financial Officer is charged with satisfying this mission by providing general supervision to all department functions. The department develops the Town's Comprehensive Annual Financial Report (CAFR), the Town's Annual Budget, and all transparency reporting.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Developed an internal control program and implementation plan
- » Conducted training on the Munis Contract module to allow departments to organize and track their contracts and expiration dates
- » Developed a plan and budgets for Utility, Stormwater, and Airport funds to participate in the Capital Equipment Replacement Fund starting in FY2019

OBJECTIVES FOR FY2019

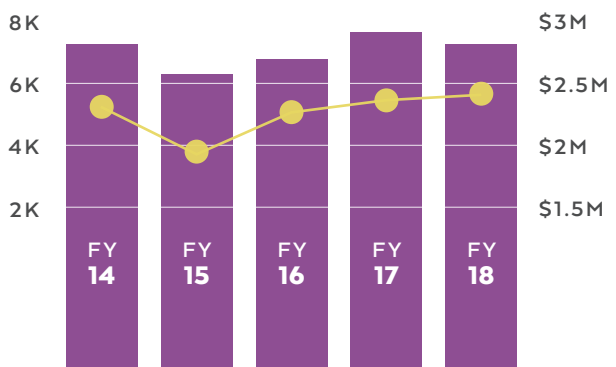
- » Obtain Contracts and Procurement Transparency Star
- » Continue development of Long Term Financial Plan
- » Implement the Utility Billing module in Munis software

AWARDS RECEIVED

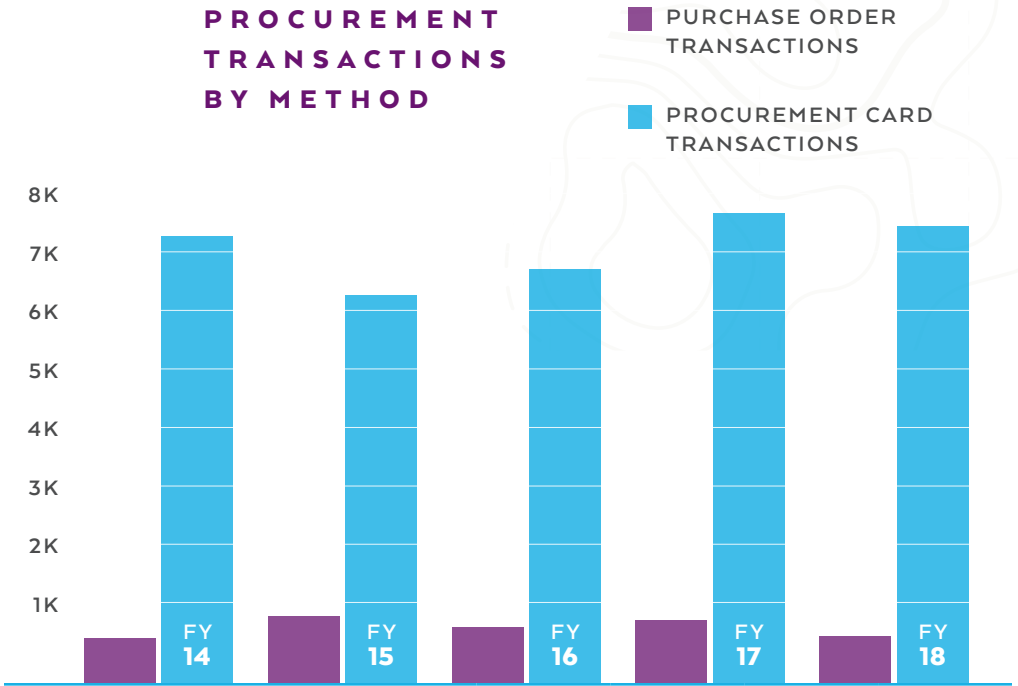
- » Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 42nd consecutive year
- » Received the Distinguished Budget Presentation Award from the GFOA for the 32nd consecutive year
- » Received the Debt Obligations Transparency Star from the Texas Comptroller

PROCUREMENT CARD TRANSACTIONS

- NUMBER OF TRANSACTIONS
- VALUE OF TRANSACTIONS (IN MILLIONS)



PROCUREMENT TRANSACTIONS BY METHOD



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	977,210	1,243,436	1,184,464	1,303,557
Supplies	37,356	30,363	30,363	27,100
Maintenance	50,930	45,724	41,724	34,624
Contractual Services	517,668	402,610	1,110,049	409,851
Capital Replacement/Lease	99,760	49,909	49,909	45,682
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,682,924	\$1,772,042	\$2,416,509	\$1,820,814

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Chief Financial Officer	45	1.0	1.0	1.0	1.0
Controller	40	1.0	1.0	1.0	1.0
Accounting Manager	37	1.0	1.0	1.0	1.0
Budget Manager	36	1.0	1.0	1.0	1.0
Purchasing Manager	34	1.0	1.0	1.0	1.0
Senior Accountant	31	2.0	2.0	2.0	2.0
Senior Budget Analyst	29	1.0	1.0	1.0	1.0
Accountant	27	1.0	1.0	1.0	1.0
Payroll Specialist	22	1.0	1.0	1.0	1.0
Accounting Specialist	21	3.0	3.0	3.0	3.0
TOTAL		13.0	13.0	13.0	13.0



FIRE DEPARTMENT

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.” We believe in the Big 4: “Do Your Job, Treat People Right, Give All-Out Effort, and Have an All-In Attitude.” Core values include: Accountability, Family and Duty.

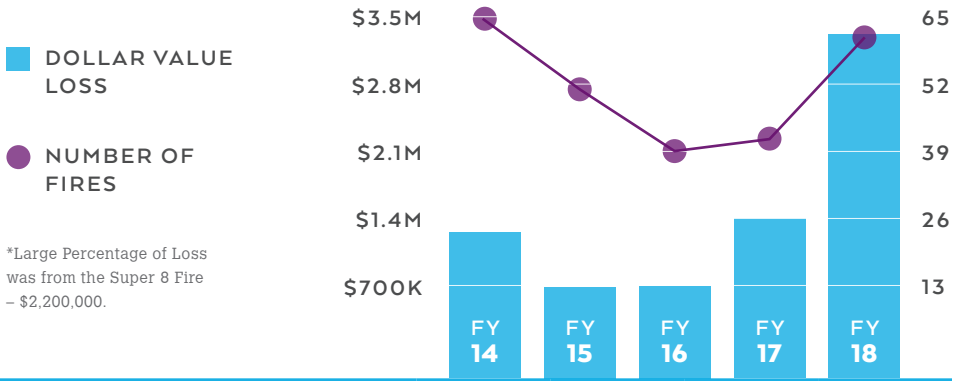
PROGRAM NARRATIVE ACCOMPLISHMENTS OF FY2018

- » Recognized as a Class 1 ISO Fire Department
- » Recruited and hired a new Fire Management Assistant; now Fire Admin Supervisor
- » Applied for and awarded grant for over \$83K from the Metrocrest Hospital Authority; funded 2 Stryker Loading Systems and Emergency Medical equipment

OBJECTIVES FOR FY2019

- » Specify and initiate lease of a new Aircraft Rescue Firefighting apparatus to replace a 2001 Oshkosh T-1500 apparatus
- » Apply for and receive recognition from Texas Best Practices through the Texas Fire Chief’s Association
- » Replace all fire personal protective equipment as part of our cancer awareness and prevention program, allowing for two full sets of gear per firefighter

NUMBER OF FIRES AND CORRESPONDING PROPERTY LOSS



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	5,979,643	6,108,475	6,356,959	6,606,571
Supplies	254,337	270,319	243,319	252,595
Maintenance	277,019	297,489	250,989	258,145
Contractual Services	295,478	316,144	334,987	357,223
Capital Replacement/Lease	364,534	362,820	362,820	376,545
Capital Outlay	5,391	-	-	-
TOTAL DEPARTMENT BUDGET	\$7,176,402	\$7,355,247	\$7,549,074	\$7,851,079

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Deputy Fire Chief	F9	1.0	1.0	1.0	1.0
Battalion Chief	F8	3.0	3.0	3.0	3.0
Fire Marshal	F7	1.0	1.0	1.0	1.0
Fire Captain	F6	3.0	3.0	3.0	3.0
Fire Lieutenant	F5	6.0	6.0	6.0	6.0
Fire Equipment Operator/ Paramedic	F4	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F3	30.0	30.0	30.0	30.0
Fire Prevention Technician	F1	1.0	1.0	1.0	1.0
Fire Chief	45	1.0	1.0	1.0	1.0
Fire Admin. Supervisor	26	0.0	0.0	1.0	1.0
Management Assistant ^{1,2}	25	0.0	1.0	0.0	0.0
Department Assistant	19	1.0	1.0	1.0	1.0
TOTAL		56.0	57.0	57.0	57.0

¹This position was added in FY2018.

²This position was reclassified to Fire Administrative Supervisor in FY2018.

GENERAL SERVICES

DEPARTMENT MISSION

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

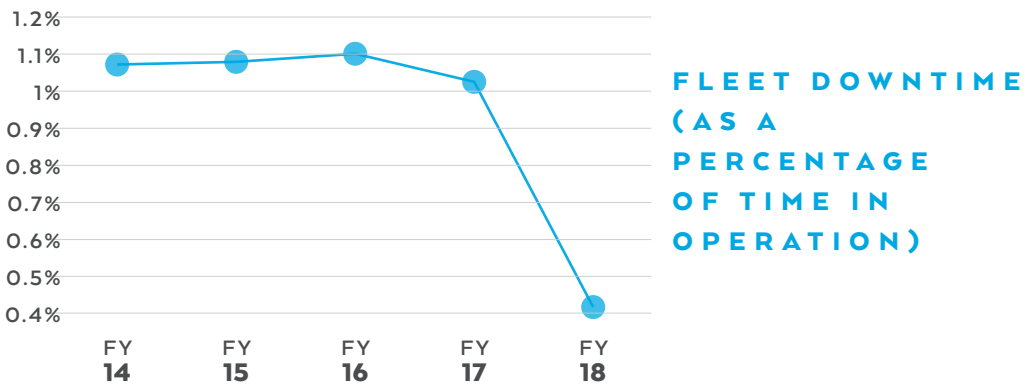
The Department's responsibility is to ensure all Addison facilities are maintained to be attractive and a comfortable environment conducive to conducting Addison business, and that Addison's fleet of vehicles is maintained to meet the highest standards of safety and efficiency. Department staff also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

PROGRAM NARRATIVE

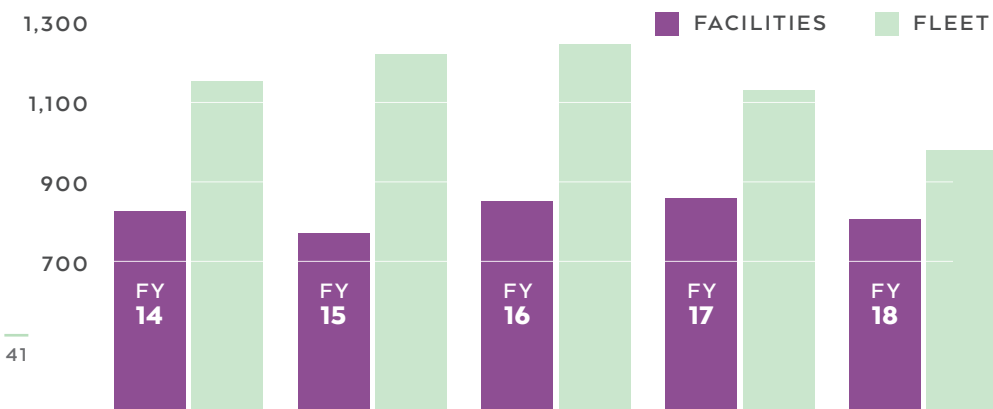
ACCOMPLISHMENTS OF FY2018

FACILITIES

- » Fire detection and fire alarm system updates to Addison Conference and Theatre Centre
- » Modernize elevators located in Service Center and Athletic Club
- » Implementation and site development of Police and Municipal Courts Security Enhancement project



WORK ORDERS PROCESSED



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	437,102	440,080	442,093	488,478
Supplies	22,515	24,673	24,673	21,398
Maintenance	158,295	130,564	116,564	91,461
Contractual Services	83,095	96,776	92,737	108,894
Capital Replacement/Lease	28,620	28,009	28,009	31,980
Capital Outlay	58,708	-	-	-
TOTAL DEPARTMENT BUDGET	\$788,335	\$720,102	\$704,076	\$742,211

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of General Services ¹	41	0.3	0.3	1.0	1.0
Assistant Director ²	38	1.0	1.0	1.0	0.0
Facilities Supervisor	27	1.0	1.0	1.0	1.0
Management Assistant	25	0.0	0.0	0.0	1.0
Facilities Specialist	20	1.0	1.0	1.0	1.0
Department Assistant	19	0.5	0.5	0.5	0.5
Facilities Assistant	17	1.0	1.0	1.0	1.0
TOTAL		4.8	4.8	5.5	5.5

¹This position was fully funded in the General Fund in FY2018.

²This position was reclassified to a Management Assistant in FY2019.

FLEET

- » Fleet averaged a 99.93% uptime
- » Awarded DFW Clean Cities 2018 Bronze Fleet Award for environmentally conscious and clean fleet
- » Develop specifications, purchase and make-ready 17 replacement vehicles and equipment to include 2 Fire Trucks (Pumper & Rescue)

OBJECTIVES FOR FY2019

FACILITIES

- » Begin Phase 1 of Americans with Disabilities Act (ADA) compliance in Town Facilities
- » Track and analyze Town facility maintenance in Asset Management System
- » Utilize Geographic Information System (GIS) to provide vendors concise project specifications

FLEET

- » Implement Fleet monitoring software to generate detailed analytics and metrics for Fleet performance
- » Analyze Fleet emissions and bolster efforts to implement energy efficient equipment in alignment with Clean Fleet initiatives
- » Maintain vehicle availability at 99%

HUMAN RESOURCES

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Led and implemented the results of the Town's classification and compensation survey
- » Led the Town's national recruitment search for the Director of Parks and Recreation
- » Coordinated and enhanced the Town's employee recognition and teambuilding program to include an Employee Family BBQ, Employee Holiday Party and Employee of the Quarter program

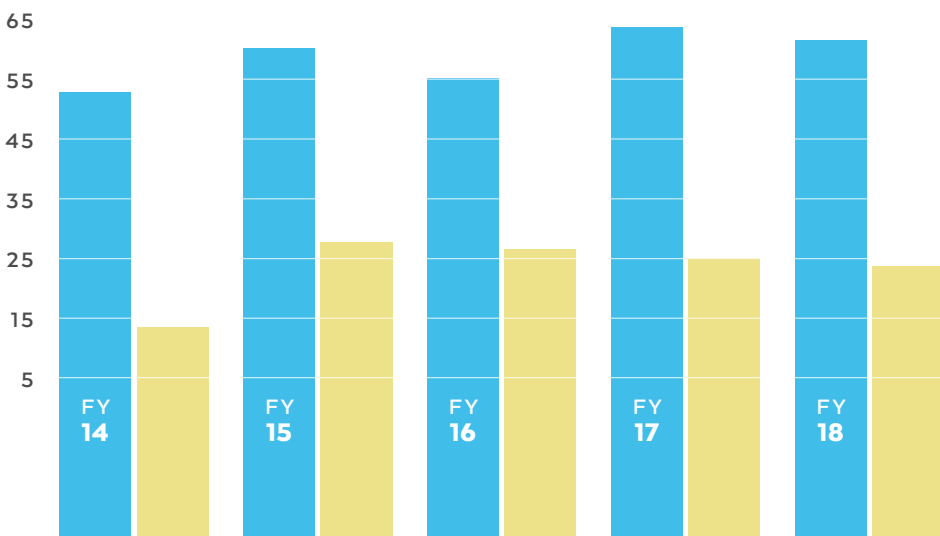
OBJECTIVES FOR FY2019

- » Enhance the Town's Wellness Efforts through programs and activities to increase greater ROI deliverables
- » Implement the second phase of the classification and compensation study
- » Enhance the Town's selection and placement process by using best practices and innovative technology solutions

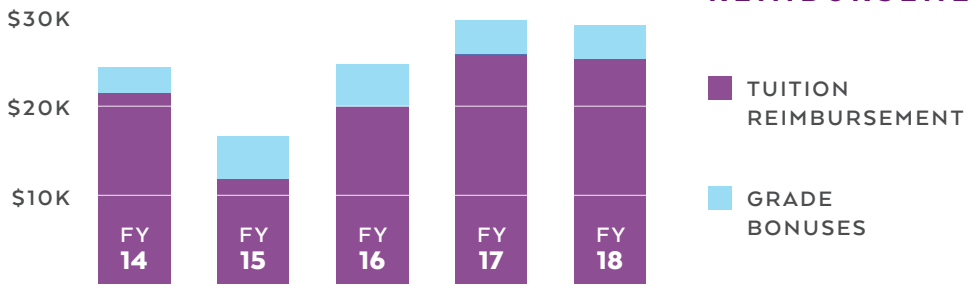
HIRES BY TYPE

■ NEW HIRES

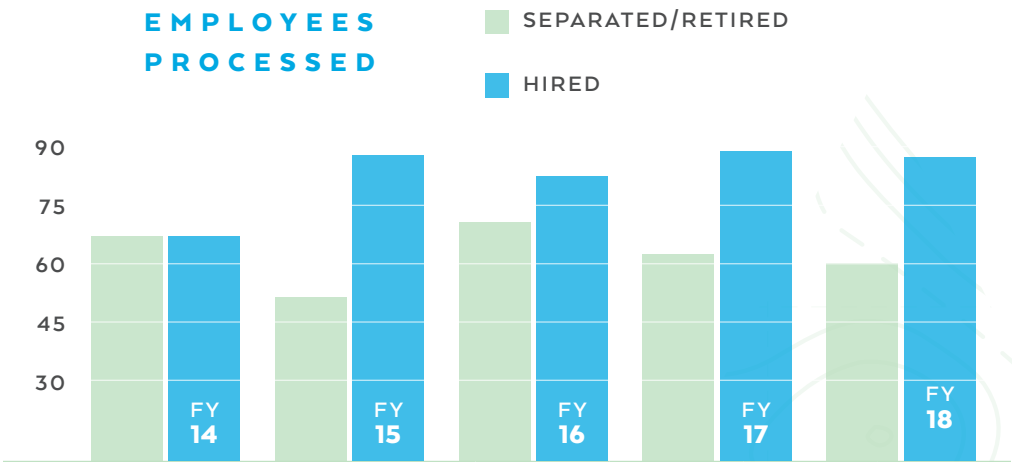
■ PROMOTIONS



TUITION REIMBURSEMENT



EMPLOYEES PROCESSED



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	421,891	453,798	442,447	485,000
Supplies	6,585	11,823	9,823	8,248
Maintenance	270	-	-	881
Contractual Services	184,272	199,973	188,299	190,233
Capital Replacement/Lease	12,648	11,844	11,844	11,844
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$625,666	\$677,438	\$652,413	\$696,206

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Human Resources	43	1.0	1.0	1.0	1.0
Human Resources Generalist	32	1.0	1.0	1.0	1.0
Human Resources Analyst	28	1.0	1.0	1.0	1.0
Human Resources Coordinator	26	1.0	1.0	1.0	1.0
TOTAL		4.0	4.0	4.0	4.0

IDS (INFRASTRUCTURE AND DEVELOPMENT SERVICES)

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

DEVELOPMENT SERVICES

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.

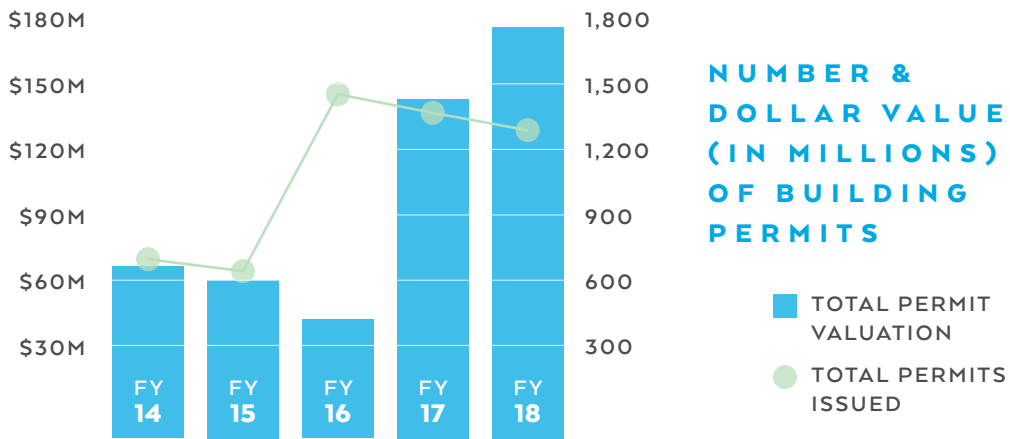
PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

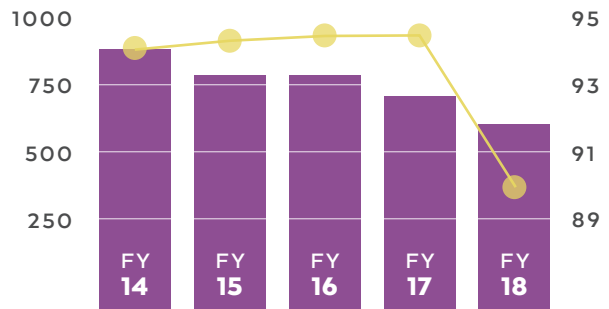
- » Initiated Special Area Study to develop a vision for the properties adjacent to Addison Circle and the Cotton Belt rail line
- » Selected a consultant and started process for reviewing and updating the Town's development regulations
- » Managed permitting and inspections for major projects including Vitruvian West, Fourteen555 Dallas Parkway, AMLI, and Addison Grove

OBJECTIVES FOR FY2019

- » Finalize Addison Circle Special Area Study and Comprehensive Plan Amendment
- » Continue process of reviewing and updating the Town's development regulations
- » Develop implementation strategy for the Master Transportation Plan



NUMBER OF FOOD INSPECTIONS & AVERAGE SCORES



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	942,226	1,107,968	1,048,275	1,213,052
Supplies	27,330	31,529	31,529	32,554
Maintenance	12,063	8,000	8,000	9,353
Contractual Services	132,745	313,759	313,759	312,545
Capital Replacement/Lease	44,233	41,009	41,009	44,340
Capital Outlay	370	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,158,967	\$1,502,265	\$1,442,572	\$1,611,844

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Assistant Director of Dev. Ser.	40	1.0	1.0	1.0	1.0
Building Official	39	1.0	1.0	1.0	1.0
Environmental Health Manager	34	1.0	1.0	1.0	1.0
Senior Planner	30	1.0	1.0	1.0	1.0
Plans Examiner	26	0.0	0.0	1.0	1.0
Combination Building Inspector ¹	24	3.0	3.0	2.0	2.0
Environmental Health Specialist	24	1.0	1.0	1.0	1.0
Code Enforcement Officer	24	1.0	1.0	1.0	1.0
Department Assistant ²	19	2.0	2.0	1.0	1.0
Permit Technician	19	0.0	0.0	1.0	1.0
Records Clerk ³	17	0.0	0.0	0.0	1.0
TOTAL		11.0	11.0	11.0	12.0

¹One position was reclassified to a Plans Examiner in FY2018.

²One position was reclassified to a Permit Technician in FY2018. ³This position was added in FY2019.

STREETS

DEPARTMENT MISSION

Streets 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 FY2018

- » Completed Pavement Assessment project in cooperation with a consultant
- » Completed the Belt Line Road Overlay project
- » Completed the Addison Road Crack Sealing project

OBJECTIVES FOR FY2019

- » Hire a new signs and signal technician
- » Complete design on the Midway Road Revitalization project
- » Complete the Traffic Signal Optimization project

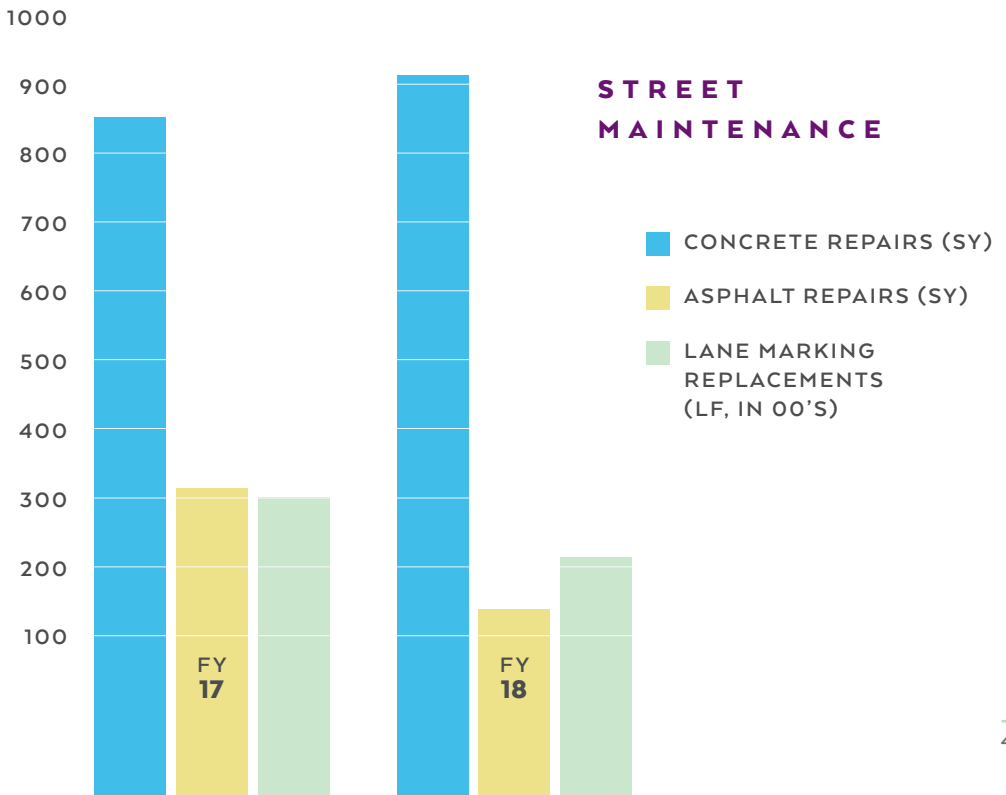
STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Streets & Stormwater Manager	34	0.4	0.4	0.4	0.4
Streets Maintenance Supervisor	26	1.0	1.0	1.0	1.0
Street Maintenance Crew Leader	23	0.0	0.0	1.0	1.0
Signs & Signals Technician ¹	22	1.0	1.0	1.0	2.0
Street Maintenance Worker ²	17	4.0	4.0	3.0	3.0
TOTAL		6.4	6.4	6.4	7.4

¹This position was added in FY2019.

²One position was reclassified to a Street Maintenance Crew Leader in FY2018.



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	382,488	438,616	451,056	544,692
Supplies	38,869	37,550	36,685	43,615
Maintenance	555,833	758,150	731,209	727,942
Contractual Services	758,639	807,559	806,559	792,879
Capital Replacement/Lease	63,727	64,482	64,482	67,125
Capital Outlay	143,028	-	14,468	28,000
TOTAL DEPARTMENT BUDGET	\$1,942,584	\$2,106,357	\$2,104,459	\$2,204,253



INFORMATION TECHNOLOGY

DEPARTMENT MISSION

The IT Department supports initiatives that utilize information technology to facilitate the Town of Addison mission of public service. The Department's focus is to provide easy access to secure, reliable, and timely data. The Department is committed to retaining quality staff, investigating new technologies, and collaborating with other departments to provide effective technical solutions.

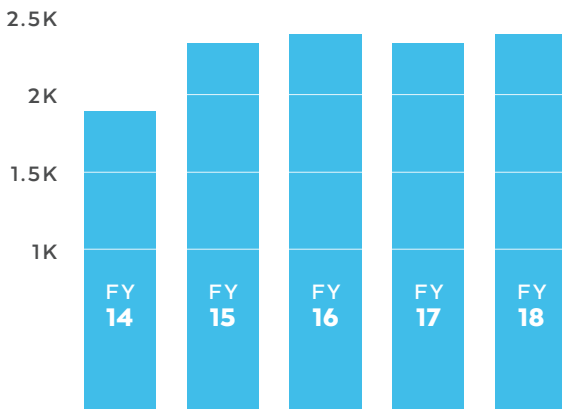
PROGRAM NARRATIVE ACHIEVEMENTS FOR FY2018

- » Replaced all iPads and Laptops
- » Upgraded Document/Record Management System
- » Continued implementation of Addison Continuous Process Improvement Program

OBJECTIVES FOR FY2019

- » 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

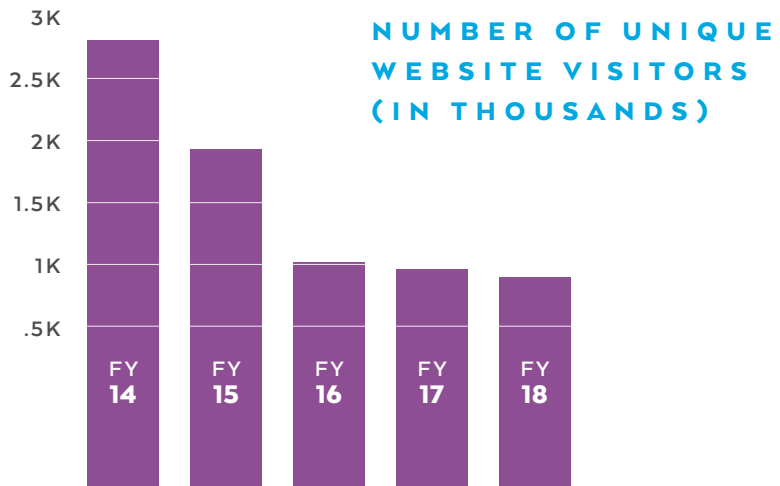
NUMBER OF SERVICE CALLS





EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	1,022,119	1,050,295	1,052,006	1,095,829
Supplies	49,357	35,963	35,963	34,994
Maintenance	534,434	736,934	735,223	812,000
Contractual Services	92,412	162,657	162,657	127,894
Capital Replacement/Lease	20,550	42,781	42,781	29,876
Capital Outlay	77,743	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,796,615	\$2,028,630	\$2,028,630	\$2,100,593

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Executive Director of Business Performance	45	1.0	1.0	1.0	1.0
Senior Software Developer	38	1.0	1.0	1.0	1.0
Network Specialist	38	5.0	5.0	5.0	5.0
TOTAL		7.0	7.0	7.0	7.0



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.

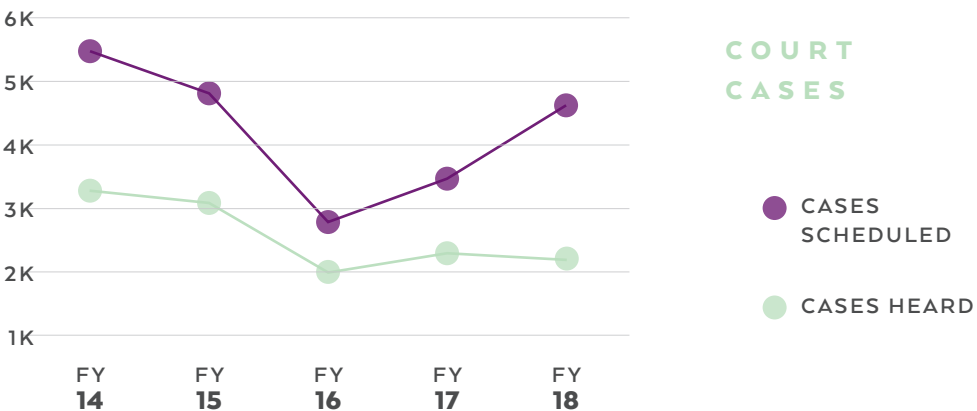
PROGRAM NARRATIVE

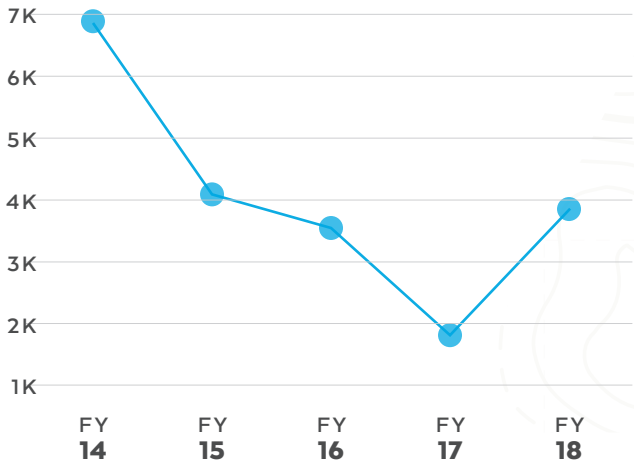
ACCOMPLISHMENTS OF FY2018

- » Complied with mandates established by the current Legislature and the Department of Justice regarding collections of fines, cost and the ability of the accused, if found guilty, to pay those fines and cost
- » All Court staff have completed qualification to become a level 1 Certified Court Clerk
- » Continued to work with Municipal Service Bureau to increase collections

OBJECTIVES FOR FY2019

- » Attend the 2019 Texas State Legislative update to determine which new laws will have an impact on the Municipal Court
- » Continue to comply with mandates established by the Legislature and the Department of Justice regarding collections of fines, cost and the ability of the accused, if found guilty, to pay those fines and cost
- » Establish E-Court, an online conferencing system, to allow video conferencing with the Judge

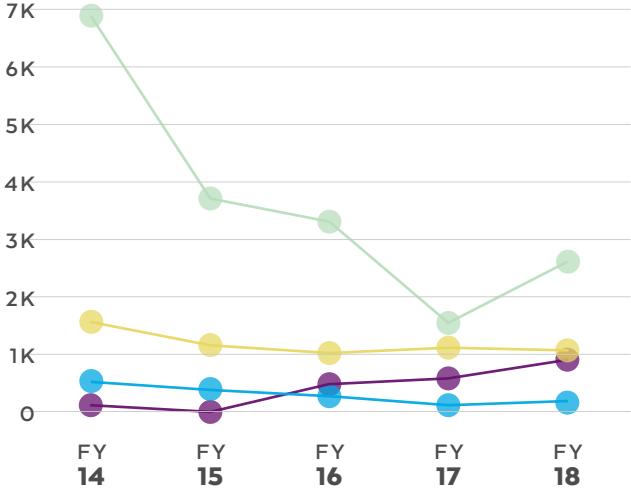




**CITATIONS
ISSUED
(DOESN'T
INCLUDE
FTA & VPTA
CHARGES)**

**VIOLATIONS
ISSUED BY TYPE**

- TRAFFIC
- PARKING
- STATE (INCLUDES FTA & VPTA CHARGES)
- CITY ORDINANCE (INCLUDES TRAFFIC ORDINANCES AS OF 02/01/16)



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	476,262	503,831	508,850	540,894
Supplies	15,480	21,199	21,199	13,500
Maintenance	34,941	-	-	52,400
Contractual Services	78,876	97,892	93,492	92,160
Capital Replacement/Lease	25,622	29,243	29,243	38,931
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$631,181	\$652,165	\$652,784	\$737,885

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Municipal Judge ¹	N/C	1.0	1.0	1.0	1.0
Municipal Court Administrator	35	1.0	1.0	1.0	1.0
Lead Deputy Court Clerk	22	1.0	1.0	1.0	1.0
Deputy Court Clerk	20	2.8	2.8	2.8	2.8
TOTAL		5.8	5.8	5.8	5.8

¹This position is not classified in the pay plan.

PARKS AND RECREATION

PARKS

DEPARTMENT MISSION

To preserve and enhance Addison's exceptional quality of life through its award-winning park and trail system by focusing on the recreational, social, economic and environmental aspects of the community's parks, trails and public open spaces.

PROGRAM NARRATIVE

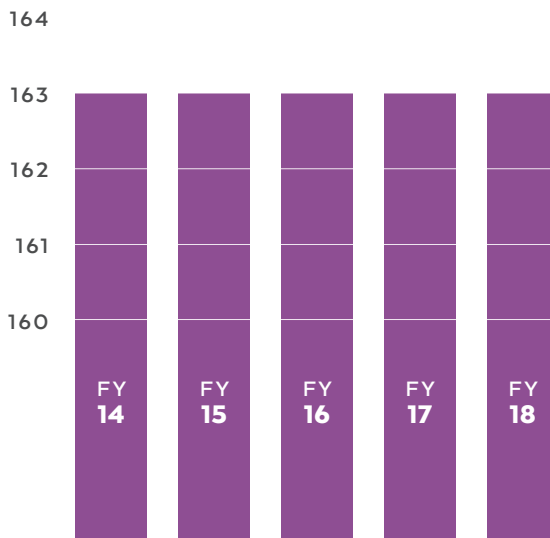
ACCOMPLISHMENTS OF FY2018

- » Replaced playground at Town Park with new equipment, play surfacing and addressed ADA issues with the parking lot
- » Installed playground at Dome Park to replace easement playground that was removed
- » Complete Beltline 1.5 design between Midway and Marsh

OBJECTIVES FOR FY2019

- » Complete the Parks Master Plan and work towards implementation
- » Replace Winnwood Bridge and Gazebo
- » Develop construction drawings for Beltline 1.5 Phase I

ACRES MAINTAINED



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	1,443,894	1,667,677	1,637,960	1,714,970
Supplies	217,499	217,871	210,871	220,616
Maintenance	699,685	883,450	867,450	971,348
Contractual Services	841,333	988,924	988,924	884,960
Capital Replacement/Lease	69,845	79,817	79,817	90,758
Capital Outlay	34,813	-	30,000	-
TOTAL DEPARTMENT BUDGET	\$3,307,069	\$3,837,739	\$3,815,022	\$3,882,652

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Parks & Recreation	43	1.0	1.0	1.0	1.0
Assistant Parks Director	38	1.0	1.0	1.0	1.0
Parks Contracts & Forestry Manager	33	1.0	1.0	1.0	1.0
Parks Superintendent	33	1.0	1.0	1.0	1.0
Parks Supervisor	25	3.0	3.0	3.0	3.0
Parks Maintenance Technician	24	1.0	1.0	1.0	1.0
Licensed Irrigator	21	3.0	3.0	3.0	3.0
Groundskeeper – III ¹	21	2.0	2.0	2.0	1.0
Department Assistant	19	1.0	1.0	1.0	1.0
Groundskeeper – II	19	2.0	2.0	2.0	2.0
Groundskeeper – I	17	6.0	6.0	6.0	6.0
TOTAL		22.0	22.0	22.0	21.0

¹This position was eliminated in FY2019.



RECREATION

DEPARTMENT MISSION

To provide diverse year-round leisure opportunities through our recreational facilities and programs for the Addison residents. The benefits of leisure services are especially designed to meet the physical, mental, cultural, and social needs of our residents, while enhancing the overall quality of life in Addison.

PROGRAM NARRATIVE

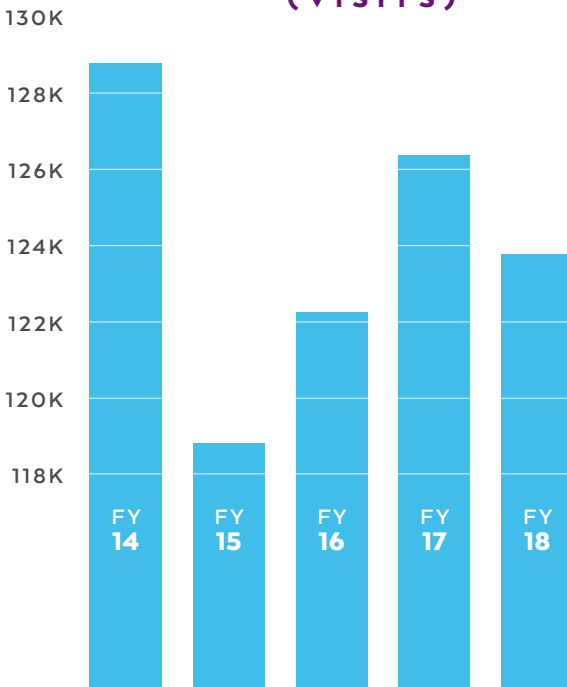
ACCOMPLISHMENTS OF FY2018

- » Completed modernization of the elevator
- » Replaced the outdoor pool filters
- » Updated and consolidated Athletic Club membership policies and ordinance

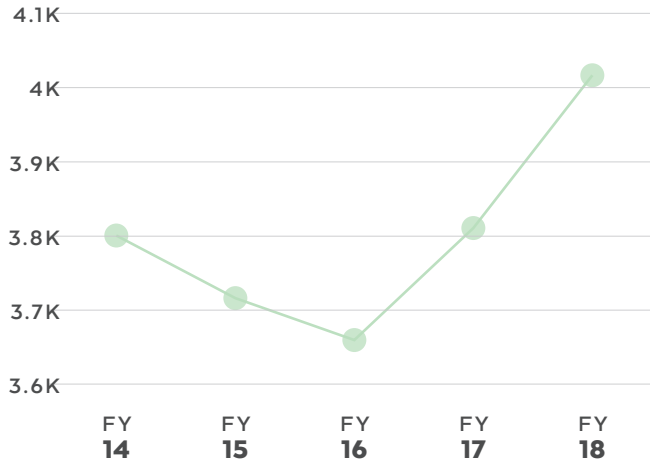
OBJECTIVES FOR FY2019

- » Re-plaster and re-grout the indoor pool
- » Complete Phase 1 of the HVAC updates
- » Replace eight treadmills and one weight circuit

ATHLETIC CLUB FACILITY USAGE (VISITS)



ACTIVE MEMBERS



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	842,771	932,646	925,689	997,472
Supplies	144,157	182,327	175,427	179,232
Maintenance	269,264	296,362	285,494	206,559
Contractual Services	400,993	424,005	426,081	418,523
Capital Replacement/Lease	56,721	58,782	58,782	61,582
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,713,906	\$1,894,122	\$1,871,473	\$1,863,368

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Assistant Director of Recreation	38	0.0	0.0	1.0	1.0
Recreation Manager ¹	N/C	1.0	1.0	0.0	0.0
Recreation Supervisor	26	2.0	2.0	2.0	2.0
Recreation Coordinator	23	2.0	2.0	2.0	2.0
Department Assistant	19	1.0	1.0	1.0	1.0
Pool Supervisor	17	0.2	0.2	0.2	0.2
Recreation Assistant	17	3.5	3.5	3.5	3.5
Childcare Assistant	17	1.0	1.0	1.0	1.0
Senior Lifeguard	15	0.2	0.2	0.2	0.2
Custodian	14	1.0	1.0	1.0	1.0
Facility Attendant	14	1.0	1.0	1.0	1.0
Camp Counselor	12	0.8	0.8	0.8	0.8
Lifeguard	10	2.0	2.0	2.0	2.0
TOTAL		15.7	15.7	15.7	15.7

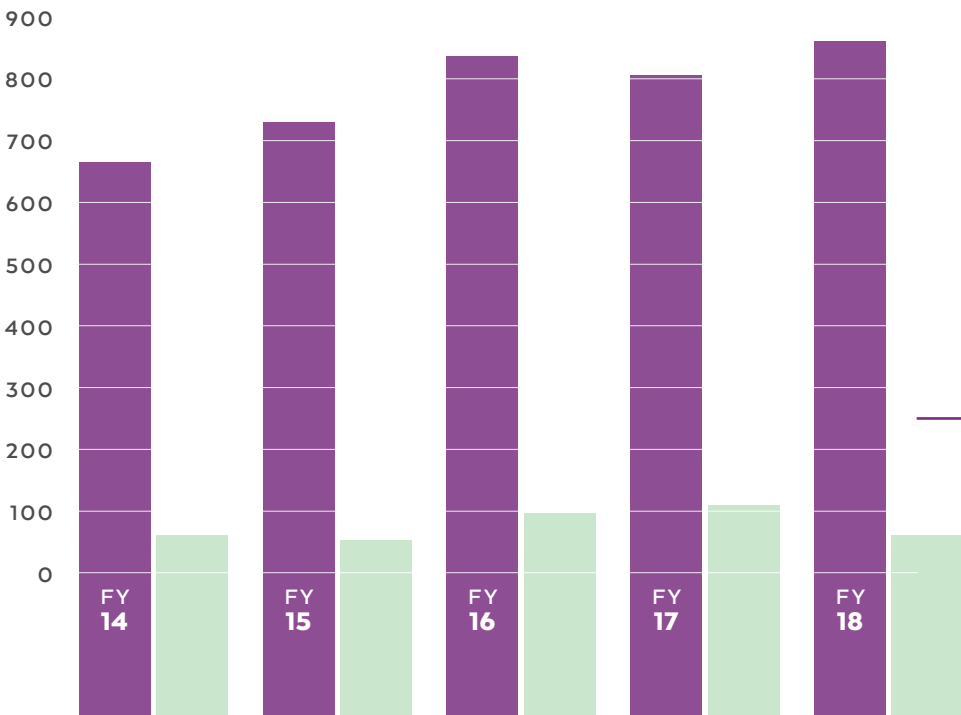
¹This position was reclassified to Assistant Director of Recreation in FY2018.

POLICE DEPARTMENT

DEPARTMENT MISSION

The Addison Police Department is dedicated to a standard of excellence in promoting and maintaining a safe and peaceful community. The police serve in a community partnership to preserve order, protect life and property, enforce laws and ordinances, and safeguard individual liberties. Also 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.

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	6,695,298	7,207,989	6,932,286	7,652,344
Supplies	277,767	305,990	305,990	330,469
Maintenance	226,301	265,781	240,781	237,693
Contractual Services	599,627	707,545	658,503	631,793
Capital Replacement/Lease	592,414	625,325	625,325	657,435
Capital Outlay	19,175	-	-	-
TOTAL DEPARTMENT BUDGET	\$8,410,582	\$9,112,630	\$8,762,885	\$9,509,734



PROGRAM NARRATIVE ACCOMPLISHMENTS OF FY2018

- » Reorganized two positions within the police department; moved sergeants position from the airport to police administration and civilianized the property room allowing the sworn position to be put back into the Criminal Investigative Section
- » Received our second reaccreditation of the Texas Police Chiefs Association Best Practices program
- » Accepted the Harris Public Safety Radio System owned jointly between the cities of Addison, Carrollton, Farmers Branch and Coppell

OBJECTIVES FOR FY2019

- » Implement a new police records management system with the City of Carrollton
- » Design and deploy 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

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
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 ¹	P3	6.0	6.0	7.0	7.0
Police Officer ²	P2	48.0	48.0	47.0	47.0
Police Services Supervisor ³	N/A	1.0	1.0	0.0	0.0
Investigative Specialist ³	N/A	1.0	1.0	0.0	0.0
Police Chief	45	1.0	1.0	1.0	1.0
Police Records Supervisor	26	1.0	1.0	1.0	1.0
Animal Control Supervisor	26	1.0	1.0	1.0	1.0
Crime Analyst	25	1.0	1.0	1.0	1.0
Animal Control Officer	20	2.0	2.0	2.0	2.0
Property & Evidence Technician ⁴	20	0.0	0.0	0.0	1.0
Department Assistant	19	1.0	1.0	3.0	3.0
Police Records Clerk	17	2.0	2.0	2.0	2.0
TOTAL		71.0	71.0	71.0	72.0

¹An additional sergeant was moved from the Airport Fund to the General Fund in FY2018.

²An additional police officer was moved to the Airport Fund from the General Fund in FY2018.

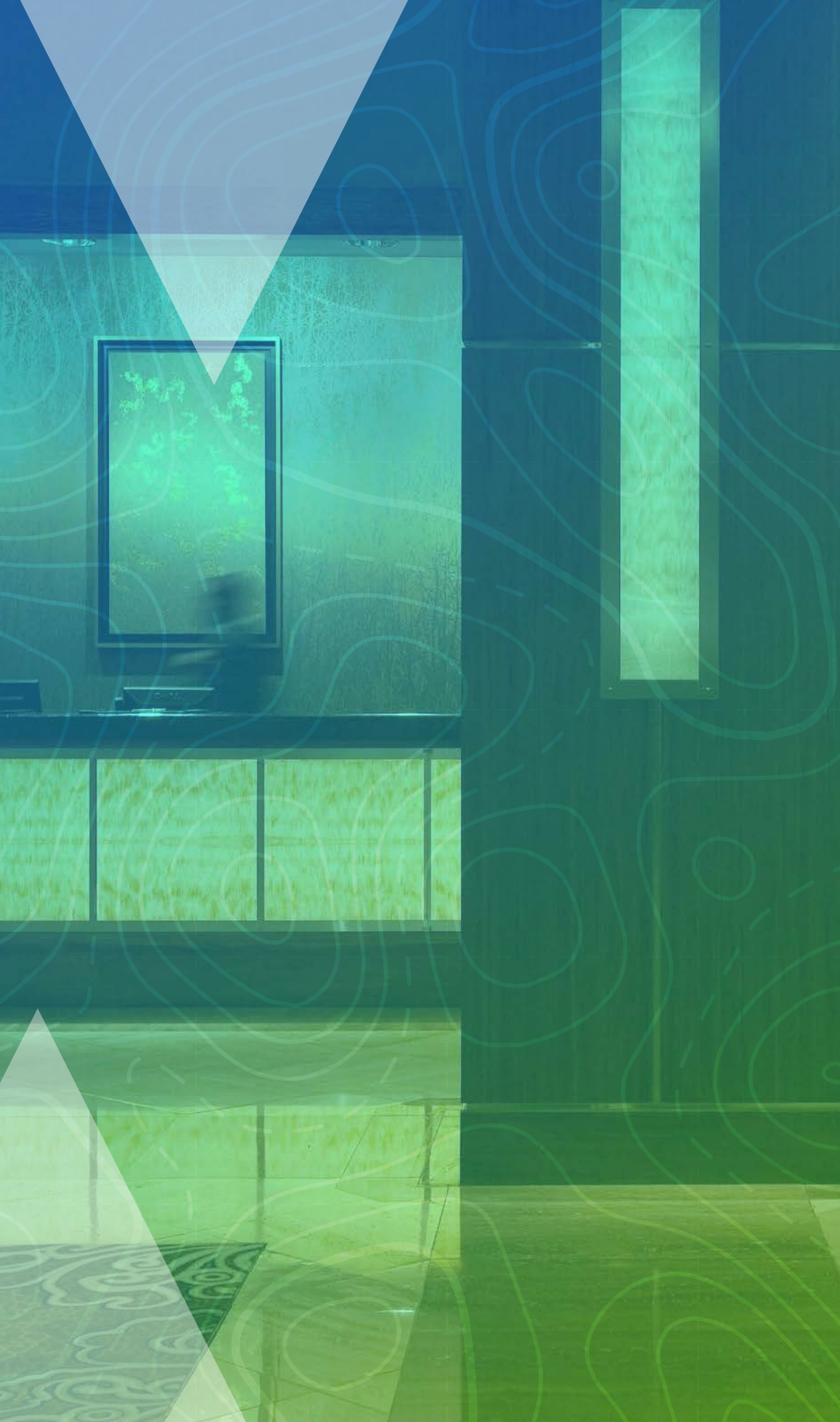
³This position was reclassified to Department Assistant in FY2018.

⁴This position was added in FY2019.

HISTORICAL UCR PROPERTY & PERSONS CRIMES

■ CRIMES AGAINST PROPERTY

■ CRIMES AGAINST PERSONS





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

At the time of budget adoption, FY2018 revenues were expected to total \$8,970,239 or \$41,239 less than the amount budgeted. The weather events during the largest special event, Oktoberfest, will result in FY2018 revenue not meeting this projection. Hotel occupancy tax receipts are expected to decrease 7.1 percent from FY2017 and are projected to be less than the original budget by \$230,000.

HOTEL FUND BY MAJOR COST CATEGORY

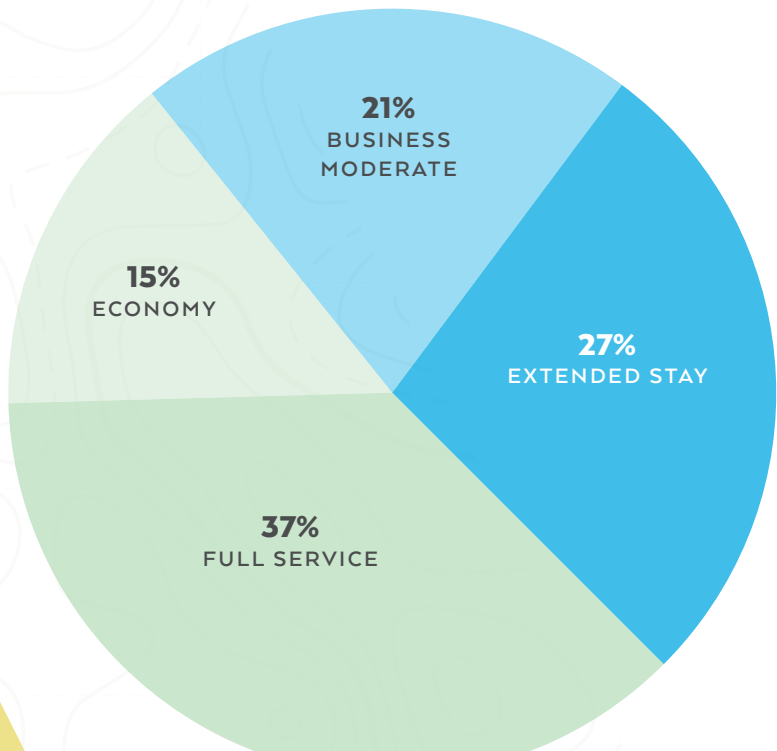
CATEGORY	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	1,486,734	1,801,825	1,628,411	1,829,575
Supplies	102,850	108,760	105,757	111,966
Maintenance	792,747	457,481	427,426	428,547
Contractual Services	5,066,966	5,206,918	5,674,122	5,715,083
Capital Replacement/Lease	110,266	89,729	89,729	84,210
Capital Outlay	35,573	30,000	30,000	60,000
TOTAL FUND BUDGET	\$7,595,136	\$7,694,713	\$7,955,445	\$8,229,381

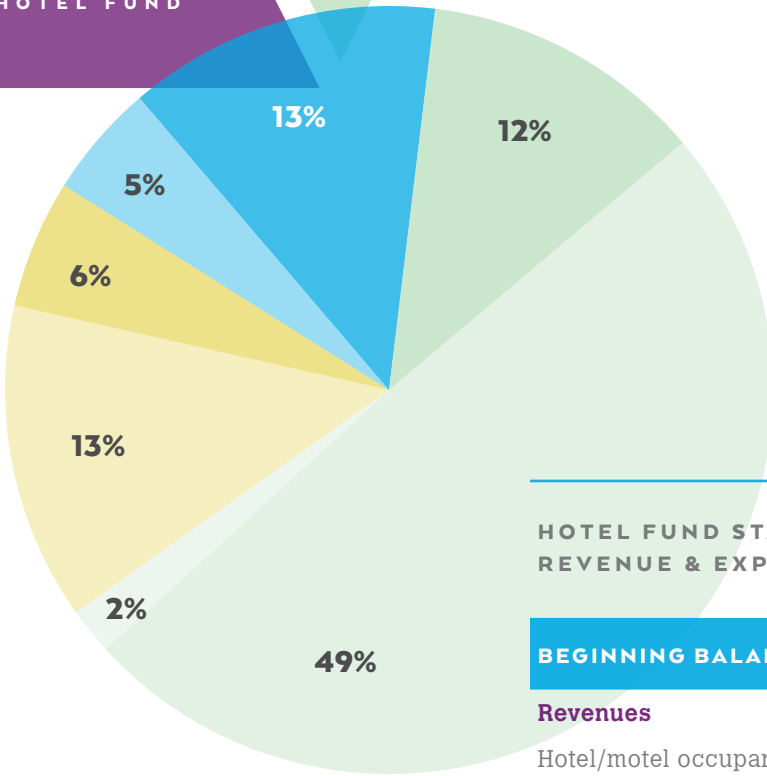
2018-2019 BUDGET NARRATIVE

The Hotel Fund budget for FY2019 anticipates hotel occupancy tax collections to remain the same as the estimated FY2018. Barring inclement weather during scheduled events, special event income is expected to generate approximately \$2.6 million. Rental income from the Conference Centre is projected at \$620,000, and the Theatre Centre rental is expected to decrease to \$80,000.

Total fund expenditures for FY2019 are budgeted at \$8,229,381, which represents a 6.9 percent increase over the FY2018 budget. The Hotel Fund budget includes a transfer of \$715,000 to the Economic Development Fund for Tourism department expenses. Fund balance for FY2019 is projected to be \$2,698,501, representing 32.8 percent of operating expenditures and exceeding the minimum balance required by the Town's financial policies.

PERCENTAGE OF ROOMS BY HOTEL CATEGORY





HOTEL FUND EXPENDITURES BY DEPARTMENT

- SPECIAL EVENTS OPERATIONS, 12%
- SPECIAL EVENTS, 49%
- GENERAL HOTEL OPERATIONS, 2%
- CONFERENCE CENTRE, 13%
- PERFORMING ARTS, 6%
- ADDISON THEATRE CENTRE, 5%
- COMMUNICATIONS & MARKETING, 13%

HOTEL FUND STATEMENT OF REVENUE & EXPENDITURES

BEGINNING BALANCE

Revenues

- Hotel/motel occupancy taxes
- Proceeds from special events
- Conference Centre rental
- Theatre Centre rental
- Interest earnings and other

Total Revenues

Total Available Resources

Expenditures

- Marketing
- Special Events Operations
- Special Events
- Addison Theatre Center
- Conference Centre
- Performing Arts
- General Hotel Operations
- Total Operational Expenditures**
- Other Financing Sources (Uses)
 - Transfer to Hotel Debt Service
 - Transfer to Economic Development
- Capital Projects (cash funded)
 - Addison Circle Fountain Repair

Total Expenditures

ENDING FUND BALANCE

	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
	\$3,386,414	\$3,558,972	\$3,839,188	\$3,533,182
	5,954,704	5,760,000	5,530,000	5,530,000
	2,617,265	2,354,000	2,730,316	2,647,700
	630,394	678,000	620,000	620,000
	70,747	120,000	60,000	80,000
	34,300	17,000	29,923	17,000
	9,307,410	8,929,000	8,970,239	8,894,700
	12,693,824	12,487,972	12,809,427	12,427,882
	964,987	1,068,418	1,068,418	1,083,888
	4,491,070	974,087	979,562	982,525
	-	3,439,378	3,874,836	4,060,994
	376,617	408,822	389,988	395,452
	1,211,294	1,118,361	1,025,982	1,100,052
	445,000	447,000	447,000	445,000
	106,168	238,647	169,659	161,470
	7,595,136	7,694,713	7,955,445	8,229,381
	711,500	710,800	710,800	-
	548,000	610,000	610,000	715,000
	-	-	-	785,000
	8,854,636	9,015,513	9,276,245	\$9,729,381
	\$3,839,188	\$3,472,459	\$3,533,182	\$2,698,501

ADDISON THEATRE CENTRE

DEPARTMENT MISSION

The mission of the Addison Theatre Centre is to enrich lives by hosting and producing exceptional performing arts. This is done in conjunction with WaterTower Theatre and other DFW arts organizations.

PROGRAM NARRATIVE

ACCOMPLISHMENTS FOR 2017

- » Replaced main stage and studio floors
- » Continued the process of replacing outdated equipment
- » Hosted over 300 performances with 10 different companies

OBJECTIVES FOR 2018

- » Continue to assist WaterTower Theatre and other DFW arts organizations with their shows and seasons
- » Explore booking new and upcoming DFW groups
- » Continue to improve the facilities and equipment

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	108,808	105,877	83,445	88,159
Supplies	25,886	27,250	27,250	33,250
Maintenance	101,794	112,031	112,031	112,115
Contractual Services	99,893	121,247	124,845	116,868
Capital Replacement/Lease	12,467	12,417	12,417	15,060
Capital Outlay	27,769	30,000	30,000	30,000
TOTAL DEPARTMENT BUDGET	\$376,617	\$408,822	\$389,988	\$395,452

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Technical Specialist	31	1.0	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0	1.0

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 managing all aspects of marketing products flowing to Addison's businesses, residents, and visitors. Using industry best practices to lead, coordinate, and manage Addison's brand, the Department provides strategic communications, public relations and marketing consulting in an effort to provide the community with timely information on Addison news and events across multiple communications channels.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Created new tourism branding and launched a new tourism-focused marketing plan
- » Implemented year two of the Strategic Communications Plan
- » Increased use of video in marketing endeavors, including numerous videos for public safety, a recruitment video for Human Resources and a how-to video for the for new Fix-It app

OBJECTIVES FOR FY2019

- » Launch a New Town website—www.AddisonTexas.net—and associated microsites
- » Expand advertising audiences and channels for new tourism advertising campaign
- » Implement year three of the Strategic Communications Plan, as well as revise and update the plan for the next three years

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	210,071	234,379	236,989	246,593
Supplies	4,169	2,723	2,420	2,748
Maintenance	16,822	11,000	10,994	1,841
Contractual Services	705,703	814,311	812,010	826,840
Capital Replacement/Lease	28,222	6,005	6,005	5,866
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$964,987	\$1,068,418	\$1,068,418	\$1,083,888

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Public Comm.	41	1.0	1.0	1.0	1.0
Marketing & Comm. Specialist	27	1.0	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0	2.0

CONFERENCE CENTER

DEPARTMENT MISSION

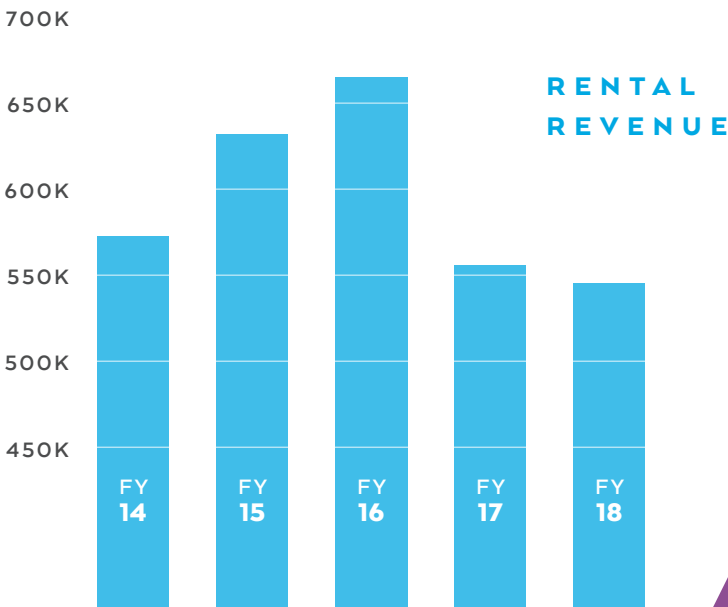
To promote the convention and tourism industry in Addison by offering exceptional service in a unique and architecturally-inspired meeting and event venue.

PROGRAM NARRATIVE ACCOMPLISHMENTS OF FY2018

- » Implementation of the Conference Centre Sales Plan
- » Developed a five-year facility update plan
- » Cross promotion and marketing between Economic Development, Tourism and Special Events
- » Increased revenue opportunity for the Conference Centre by adding “up-to-date” audio/video equipment

OBJECTIVES FOR FY2019

- » Update the Conference Centre to address depreciating facility issues
- » Professional team development through training, certifications and networking
- » Increase sales through marketing, updated audio/video equipment and growing our social media footprint



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	333,411	510,369	438,060	548,824
Supplies	47,541	47,318	45,618	45,499
Maintenance	549,932	179,028	158,208	169,753
Contractual Services	249,670	355,636	358,086	278,982
Capital Replacement/Lease	22,936	26,010	26,010	26,994
Capital Outlay	7,804	-	-	30,000
TOTAL DEPARTMENT BUDGET	\$1,211,294	\$1,118,361	\$1,025,982	\$1,100,052

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Conference Centre Supervisor	31	1.0	1.0	1.0	1.0
Conference Centre Sales Coordinator	26	1.0	1.0	1.0	1.0
Conference Centre Events Coordinator	23	1.0	1.0	1.0	1.0
Senior Conference Centre Attendant	18	1.0	1.0	1.0	1.0
Audio Visual Technician	18	1.0	1.0	1.0	1.0
Office Assistant	16	1.0	1.0	1.0	1.0
Conference Centre Attendant	15	2.5	2.5	2.5	2.5
TOTAL		8.5	8.5	8.5	8.5

GENERAL HOTEL OPERATIONS

DEPARTMENT MISSION

To verify and review that local hotels have properly remitted hotel occupancy taxes; coordinate cash management and proper internal control procedures for all Special Events, and coordinate non-profit organization grant funding from 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 local hotels have properly collected, reported, and remitted hotel occupancy taxes to Addison. Addison also holds three major events throughout the year: Taste Addison, KaboomTown, and Oktoberfest. The objective is to accurately report and reconcile all transactions related to these events, while monitoring internal controls and cash management procedures. Addison currently funds certain non-profit organizations through a grant funding agreement. The objective is to assure compliance by monitoring the funding process, policies, and grant payments to the organizations.

ACCOMPLISHMENTS FOR 2017

- » Improved financial reporting of special events through department created monitoring spreadsheets
- » Increased the number of hotel occupancy tax audits
- » Completed monthly reviews of hotel occupancy tax collections to monitor submittals and payments from hotels, resulting in additional collections

OBJECTIVES FOR 2018

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



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	72,619	96,387	99,010	103,573
Supplies	5,534	7,750	6,750	6,750
Maintenance	-	-	-	-
Contractual Services	26,515	134,510	63,899	51,147
Capital Replacement/Lease	1,500	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$106,168	\$238,647	\$169,659	\$161,470

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Accounting Supervisor	33	1.0	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0	1.0

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.

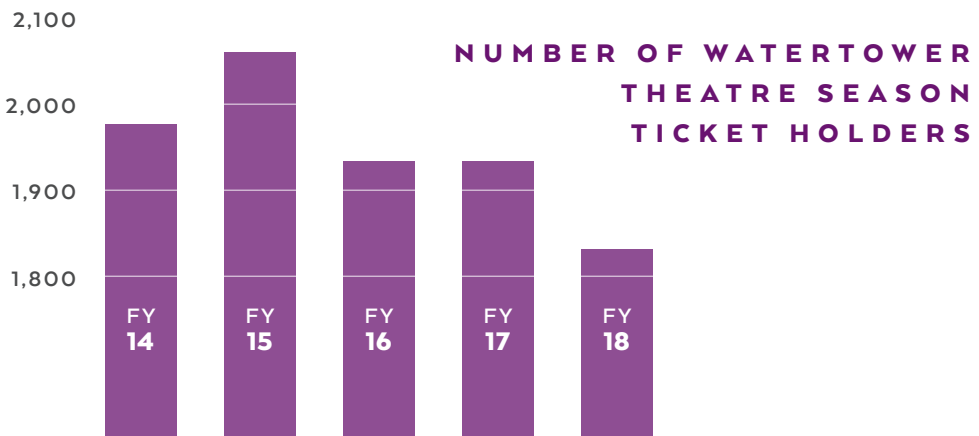
PROGRAM NARRATIVE ACCOMPLISHMENTS FOR 2018

- » Assisted WaterTower Theatre in their Artistic Director transition
- » Hosted over 18,300 patrons
- » Hosted 130 performances
- » Rented 138 production days

OBJECTIVES FOR 2019

- » Assist WaterTower Theatre during their new season

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	445,000	447,000	447,000	445,000
Capital Replacement/Lease	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$445,000	\$447,000	\$447,000	\$445,000



SPECIAL EVENTS

DEPARTMENT MISSION

To develop, produce and support quality events that promote Addison as a destination of choice, enhance the quality of life for residents and support the local business community.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Successfully completed 21 days of staff-produced events for the FY2018 season, bringing approximately 567,000 people to Addison
- » Increased event sponsorship revenue by 19% over FY2017
- » Partnered with 15 third-party events, providing an additional 30 days of event activity

OBJECTIVES FOR FY2019

- » Continue to enhance the Taste Addison attendee experience
- » Work with internal and third-party events to expand the Addison event calendar
- » Increase event sponsorship opportunities with local partners

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	-	430,066	395,661	418,819
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	-	3,009,312	3,479,175	3,642,175
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	-	\$3,439,378	\$3,874,836	\$4,060,994

SPECIAL EVENTS OPERATIONS

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	761,825	424,747	375,246	423,607
Supplies	19,720	23,719	23,719	23,719
Maintenance	124,199	155,422	146,193	144,838
Contractual Services	3,540,185	324,902	389,107	354,071
Capital Replacement/Lease	45,141	45,297	45,297	36,290
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$4,491,070	\$974,087	\$979,562	\$982,525

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Special Events ¹	41	0.7	0.7	1.0	1.0
Special Events Manager	33	1.0	1.0	1.0	1.0
Special Events Coordinator II	25	0.0	0.0	1.0	1.0
Special Events Coordinator ²	24	2.0	2.0	1.0	1.0
Department Assistant	19	0.5	0.5	0.5	0.5
TOTAL		4.2	4.2	4.5	4.5

¹This position is fully funded in the Hotel Fund in FY2018.

²One position was reclassified to Special Events Coordinator II in FY2018.

3.0M
2.5M
2.0M
1.5M
1.0M
500K

FY 14 FY 15 FY 16 FY 17 FY 18

PROCEEDS BY EVENT

- FORK & CORK
- TASTE ADDISON
- OKTOBERFEST
- KABOOM TOWN
- OTHER EVENTS

*Oktoberfest revenue was impacted by partial shutdown due to excessive rain and flooding.





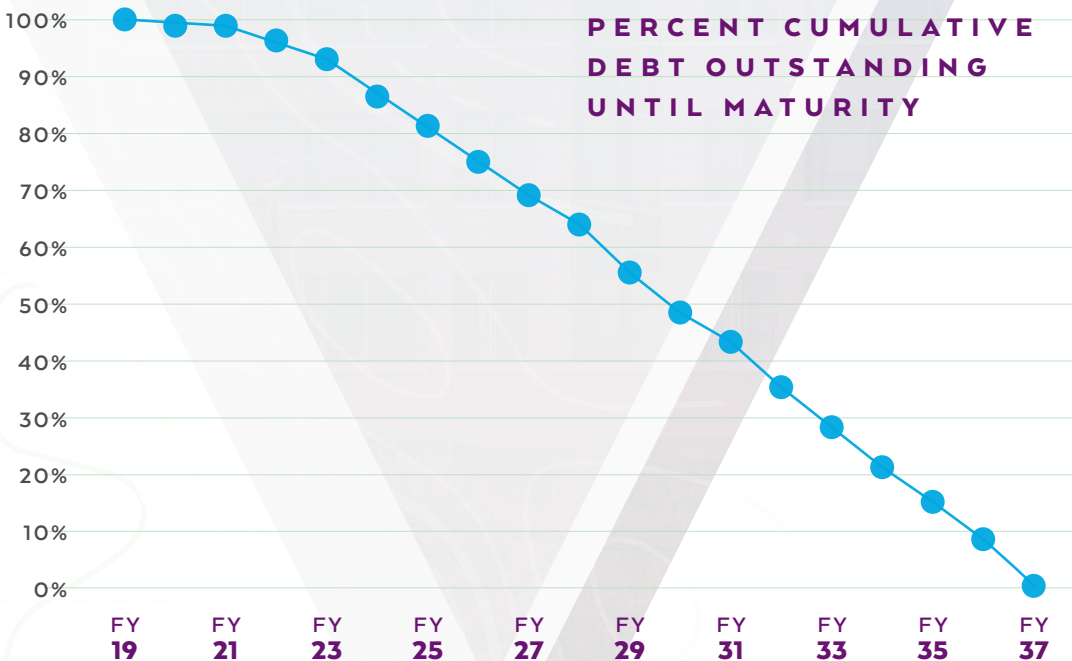
FINANCIAL/OPERATIONAL

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 "Aaa" 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 \$84,618,636. This includes general obligation refunded issues, certificates of obligation, and tax notes issued 2008 through 2016. The projected FY2019 requirements are estimated at \$6,751,908. The total amount of outstanding debt represents 1.8% of assessed value. There were no debt issuances and no debt refundings in FY2018.

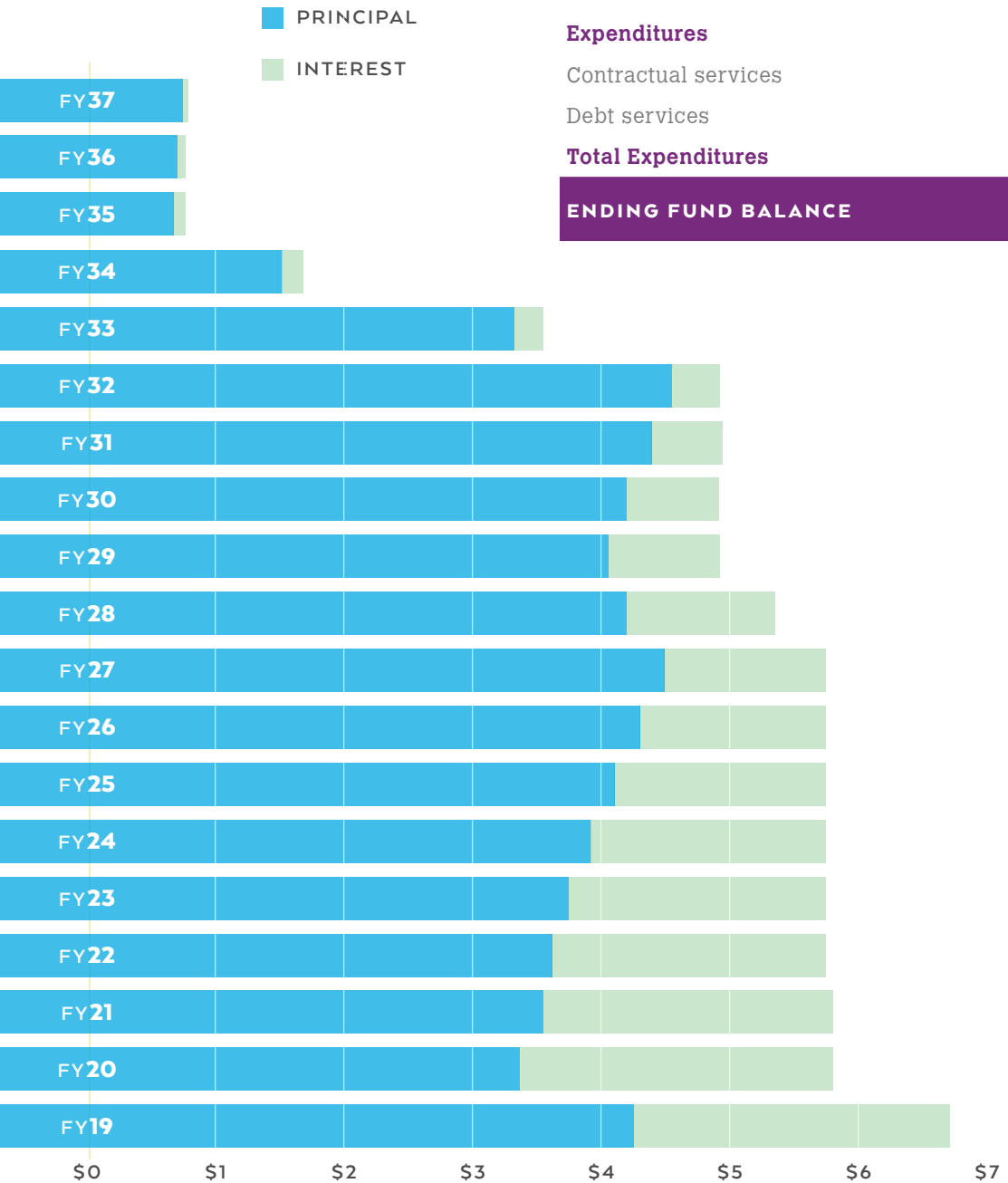
The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan adopted for the General Fund, the Town intends to utilize surplus operating funds to support capital projects¹. In those instances when debt has to be issued for projects which cannot 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 FY2019 and previous years:

TAX RATE	14-15	15-16	16-17	17-18	18-19
Debt Service	0.218100	0.202426	0.179257	0.153042	0.142648
O&M	0.343700	0.376724	0.381215	0.396958	0.407352
TOTAL	0.561800	0.579150	0.560472	0.550000	0.550000

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

**GENERAL
OBLIGATION
DEBT SERVICE
OUTSTANDING
(IN MILLIONS)**



**GENERAL OBLIGATION DEBT
SERVICE FUND STATEMENT OF
REVENUE & EXPENDITURES**

BEGINNING BALANCE

Revenues

Ad valorem taxes

Interest earnings and other

Total Revenues

Total Available Resources

Expenditures

Contractual services

Debt services

Total Expenditures

ENDING FUND BALANCE

ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
\$541,074	\$321,465	\$370,527	\$398,027
7,524,590	6,844,542	6,844,542	6,769,908
26,335	9,400	13,500	12,000
7,550,925	6,853,942	6,858,042	6,781,908
8,091,999	7,175,407	7,228,569	7,179,935
3,734	2,000	2,000	2,000
7,717,738	6,828,542	6,828,542	6,760,208
7,721,472	6,830,542	6,830,542	6,762,208
\$370,527	\$344,865	\$398,027	\$417,727

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

Final payment of this debt obligation was paid in FY2018, and the balance of the fund was returned to the Hotel Fund.

HOTEL OCCUPANCY TAX DEBT SERVICE FUND STATEMENT OF REVENUE & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$490,094	\$492,695	\$492,057	-
Revenues				
Interest earnings and other	1,663	2,600	2,600	-
Transfers from other funds	711,500	710,800	710,800	-
Total Revenues	713,163	713,400	713,400	-
Total Available Resources	1,203,257	1,206,095	1,205,457	-
Expenditures				
Debt services	711,200	710,800	710,800	-
Transfers to other funds	-	-	494,657	-
Total Expenditures	711,200	710,800	1,205,457	-
ENDING FUND BALANCE	\$492,057	\$495,295	-	-

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 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.

ECON. DEV. FUND STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$1,003,514	\$989,411	\$1,295,762	\$1,251,488
Revenues				
Ad valorem taxes	994,498	1,015,359	1,026,426	1,080,834
Service fees	60,747	67,000	54,000	60,500
Interest and other income	11,752	14,100	14,100	7,000
Total Operational Revenue	1,066,997	1,096,459	1,094,526	1,148,334
Transfers from other funds	973,000	610,000	610,000	715,000
Total Revenues	2,039,997	1,706,459	1,704,526	1,863,334
Total Available Resources	3,043,511	2,695,870	3,000,288	3,114,822
Expenditures				
Personnel services	409,191	441,302	427,188	463,125
Supplies	27,319	23,409	22,749	23,604
Maintenance	18,187	23,175	22,213	22,866
Contractual services	1,270,046	1,167,996	1,158,962	1,329,252
Capital replacement/lease	23,006	17,688	17,688	22,021
Total Operational Expenditures	1,747,749	1,673,570	1,648,800	1,860,868
Transfers to other funds	-	100,000	100,000	-
Total Expenditures	1,747,749	1,773,570	1,748,800	1,860,868
ENDING FUND BALANCE	\$1,295,762	\$922,300	\$1,251,488	\$1,253,954

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.

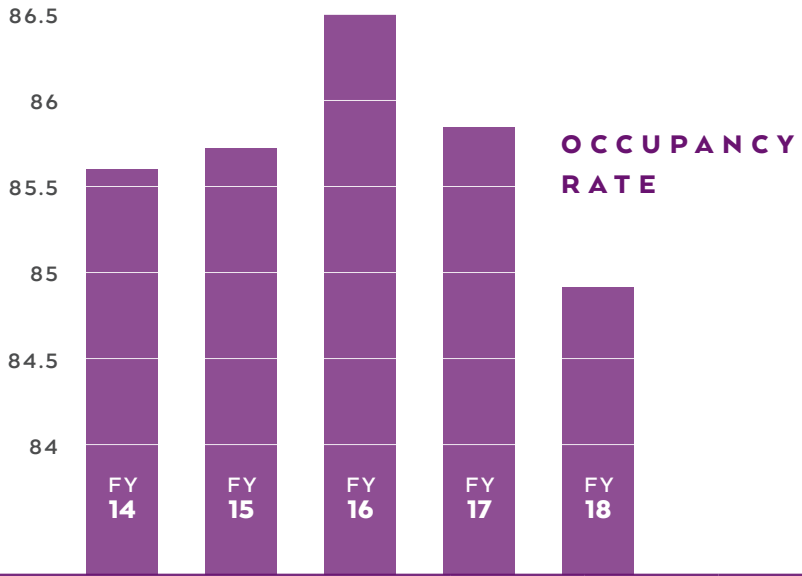
PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Launched the development of a new Economic Development Strategic Plan for the Town of Addison
- » Recognized as one of the top economic development offices in North Texas by the Dallas Business Journal
- » Participated in trade mission to Japan with Dallas Regional Chamber to strengthen relationships with Japanese companies and investors

OBJECTIVES FOR FY2019

- » Complete new short and long term economic development strategic plan for the Town
- » Focus on filling up commercial space in the community through corporate attraction and strong business retention & expansion programs
- » Strengthen the value proposition of the Addison Tree House to increase business startups in the community.



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	345,047	370,840	351,851	384,209
Supplies	22,234	18,709	18,709	18,709
Maintenance	18,187	23,175	22,213	22,866
Contractual Services	847,581	633,961	629,142	700,287
Capital Replacement/Lease	14,308	15,894	15,894	22,021
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$1,247,357	\$1,062,579	\$1,037,809	\$1,148,092

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Econ. Dev.	45	1.0	1.0	1.0	1.0
Econ. Dev. Manager	35	1.0	1.0	1.0	1.0
Department Assistant	19	1.0	1.0	1.0	1.0
TOTAL		3.0	3.0	3.0	3.0

TOURISM

DEPARTMENT MISSION

To market the Town and support programs and activities that will make Addison a destination for leisure and business travelers to increase hotel occupancy and to increase visitors to our attractions, special events and restaurants.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Programs that helped generate 33,451 room nights and \$4.7 million in room revenue with only a \$242,000 investment
- » Conducted research to identify target markets which assisted with the creation of a new brand identity and marketing campaign
- » On boarded new key hotel staff (i.e.: General Manager and/or Director of Sales) in over half of our 23 hotels

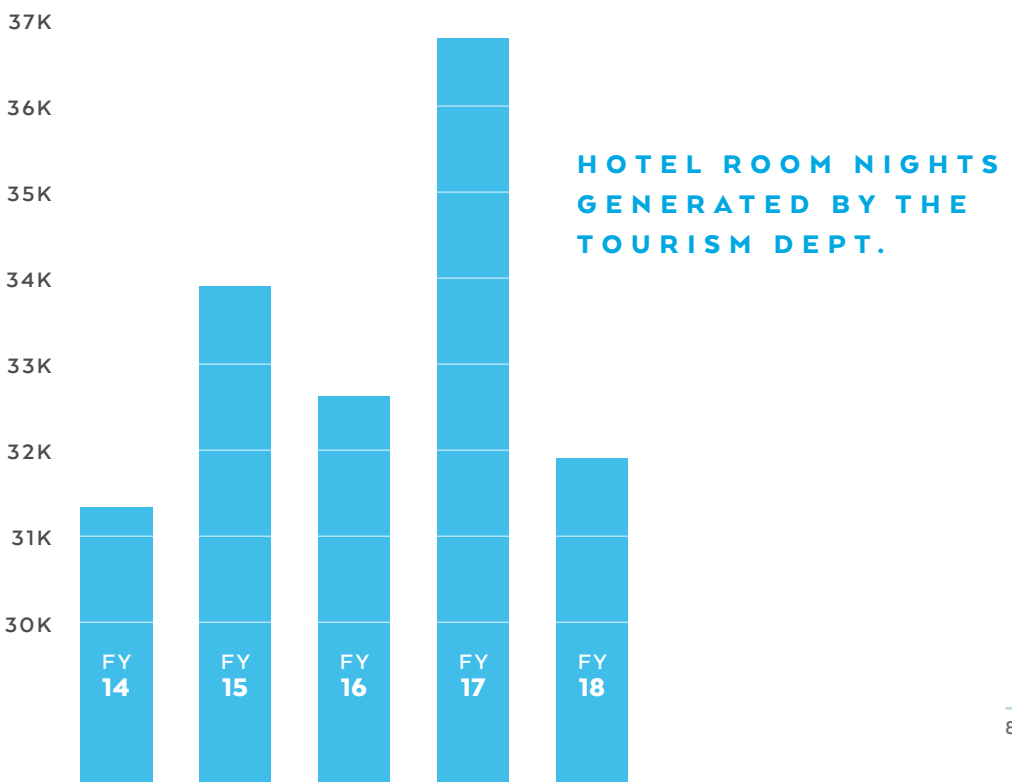
OBJECTIVES FOR FY2019

- » Expand the newly implemented marketing campaign with a focus on target markets and meeting planners
- » Increase the number of hotel room nights generated with the help of Addison programs
- » Create familiarization tours for hotel sales departments/staff to become better ambassadors of the Town

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Tourism Coordinator	28	1.0	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0	1.0



EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	64,144	70,462	75,337	78,916
Supplies	5,085	4,700	4,040	4,895
Maintenance	-	-	-	-
Contractual Services	422,465	534,035	529,820	628,965
Capital Replacement/Lease	8,698	1,794	1,794	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$500,392	\$610,991	\$610,991	\$712,776



GRANT FUNDS

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 police department travel and training that will be paid by a grant.

ADVANCED FUNDING GRANT FUND STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$30,521	\$26,952	\$31,059	\$31,059
Revenues				
Intergovernmental	15,565	34,675	115,969	14,000
Interest and other income	207	200	200	200
Total Revenues	15,772	34,875	116,169	14,200
Total Available Resources	46,293	61,827	147,228	45,259
Expenditures				
Supplies	6,475	500	500	-
Contractual services	8,759	34,375	34,375	13,700
Capital outlay	-	-	81,294	-
Total Expenditures	15,234	34,875	116,169	13,700
ENDING FUND BALANCE	\$31,059	\$26,952	\$31,059	\$31,559

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

This fund was created in FY2015 to set aside resources for a reserve for years of economic decline, to cash-fund capital projects that would have otherwise been funded by debt financing, or to fund significant non-routine

capital outlay expenditures. The FY2019 budget allocates \$0.006201 of the property tax rate to fund the IIF for future appropriations. The FY2019 beginning fund balance in the Infrastructure Investment Fund is estimated to be just over \$3.9 million.

No new projects are planned in FY2019. \$500,000 will be transferred to the Addison Grove Escrow Fund. The projected fund balance at the end of FY2019 is approximately \$4.7 million.

IIF STATEMENT OF REVENUES & EXPENDITURES

	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$3,772,028	\$4,717,429	\$5,152,349	\$3,914,024
Revenues				
Ad valorem taxes	260,037	265,675	265,675	282,641
Interest and other income	32,527	20,000	52,000	20,000
Transfers from other funds	2,020,676	-	-	1,000,000
Total Revenues	2,313,240	285,675	317,675	1,302,641
Total Available Resources	6,085,268	5,003,104	5,470,024	5,216,665
Expenditures				
Illuminated Street Name Sign Replacement	154,185	-	-	-
ADA Transition Plan	208,470	125,000	125,000	-
Park Playground Structure & Resurface	70,264	-	-	-
Belt Line Road Streetscape	-	200,000	200,000	-
Public Safety Facility Improvements	-	731,000	731,000	-
Total Expenditures	432,919	1,056,000	1,056,000	-
Transfer out to Addison Grove Escrow Fund	500,000	500,000	500,000	500,000
ENDING FUND BALANCE	\$5,152,349	\$3,447,104	\$3,914,024	\$4,716,665

OTHER

SPECIAL REVENUE FUNDS



ADDISON GROVE ESCROW FUND

FUND DESCRIPTION

The Addison Grove Escrow Fund receives transfers from other funds for future economic development incentive payments for the construction of the Addison Grove development.

FUND NARRATIVE

For FY2019, \$500,000 each will be transferred from the Infrastructure Investment Fund and the Stormwater Fund for a total of \$1 million.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$-	\$1,000,000	\$1,000,000	\$2,000,000
Revenues				
Transfers from other funds	1,000,000	1,000,000	1,000,000	1,000,000
Total Revenues	1,000,000	1,000,000	1,000,000	1,000,000
Total Available Resources	1,000,000	2,000,000	2,000,000	3,000,000
Expenditures				
Capital Improvements	-	-	-	-
Total Expenditures	-	-	-	-
ENDING FUND BALANCE	\$1,000,000	\$2,000,000	\$2,000,000	\$3,000,000

BUILDING SECURITY FUND

FUND DESCRIPTION

The building security fees 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 FY2019, budgeted expenses are for bailiffs and other costs associated with security. The available ending fund balance is projected at \$24,690, leaving 106.6% of operating expenditures.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$63,655	\$68,854	\$53,584	\$40,453
Revenues				
Fines & penalties	7,198	13,000	8,725	7,000
Interest and other income	499	400	550	400
Total Revenues	7,697	13,400	9,275	7,400
Total Available Resources	71,352	82,254	62,859	47,853
Expenditures				
Personnel services	15,967	22,406	22,406	23,163
Contractual services	1,801	-	-	-
Total Expenditures	17,768	22,406	22,406	23,163
ENDING FUND BALANCE	\$53,584	\$59,848	\$40,453	\$24,690

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. Because Addison does not have a school crossing program, the funds are used for other child safety expenses.

FUND NARRATIVE

For FY2019, the budget anticipates that fees generated in this fund will pay for expenses related to traffic safety education for children. The available ending fund balance is projected at \$63,706, leaving 319% of operating expenditures.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$98,540	\$53,959	\$86,906	\$80,306
Revenues				
Fines & penalties	3,916	8,200	4,500	2,800
Interest and other income	768	600	900	600
Total Revenues	4,684	8,800	5,400	3,400
Total Available Resources	103,224	62,759	92,306	83,706
Expenditures				
Supplies	6,884	12,000	12,000	20,000
Contractual services	9,434	-	-	-
Total Expenditures	16,318	12,000	12,000	20,000
ENDING FUND BALANCE	\$86,906	\$50,759	\$80,306	\$63,706

COURT TECHNOLOGY FUND

FUND DESCRIPTION

The court technology fees 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 FY2019, budgeted expenses are for municipal court software. The available ending fund balance is projected at \$18,367, or 73.5% of operating expenditures.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$86,147	\$84,247	\$74,667	\$33,267
Revenues				
Fines & penalties	9,595	14,000	12,000	9,500
Interest and other income	655	600	600	600
Total Revenues	10,250	14,600	12,600	10,100
Total Available Resources	96,397	98,847	87,267	43,367
Expenditures				
Supplies	14,912	54,000	54,000	25,000
Contractual services	6,818	-	-	-
Total Expenditures	21,730	54,000	54,000	25,000
ENDING FUND BALANCE	\$74,667	\$44,847	\$33,267	\$18,367

JUSTICE ADMINISTRATION FUND

FUND DESCRIPTION

This fee 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 FY2019, 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 \$8,951, leaving 179% of operating expenditures.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$30,952	\$33,462	\$21,851	\$12,951
Revenues				
Fines & penalties	1,125	2,410	500	500
Interest and other income	574	100	600	500
Total Revenues	1,699	2,510	1,100	1,000
Total Available Resources	32,651	35,972	22,951	13,951
Expenditures				
Supplies	-	2,000	2,000	4,000
Maintenance	-	8,000	8,000	1,000
Contractual services	10,800	-	-	-
Total Expenditures	10,800	10,000	10,000	5,000
ENDING FUND BALANCE	\$21,851	\$25,972	\$12,951	\$8,951



PEG FUND

FUND DESCRIPTION

Public, Educational and Governmental (PEG) fees are a cable franchise fee. The funding is to be used for any combination of television production equipment, training and government access airtime on a local cable system.

FUND NARRATIVE

No expenditures are planned for the PEG Fund in FY2019. The projected ending fund balance is \$309,625.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$327,000	\$199,050	\$191,575	\$248,625
Revenues				
Franchise fees	62,893	72,000	72,000	60,000
Interest and other income	1,550	50	50	1,000
Total Revenues	64,443	72,050	72,050	61,000
Total Available Resources	391,443	271,100	263,625	309,625
Expenditures				
Capital outlay	199,868	15,000	15,000	-
Total Expenditures	199,868	15,000	15,000	-
ENDING FUND BALANCE	\$191,575	\$256,100	\$248,625	\$309,625



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 police training equipment and a specialty vehicle (UTV) for special events.

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$28,125	\$7,663	\$46,900	\$40,100
Revenues				
Fines & penalties	20,756	-	-	-
Interest and other income	261	200	200	200
Total Revenues	21,017	200	200	200
Total Available Resources	49,142	7,863	47,100	40,300
Expenditures				
Supplies	365	7,000	7,000	25,000
Contractual services	1,877	-	-	-
Total Expenditures	2,242	7,000	7,000	25,000
ENDING FUND BALANCE	\$46,900	\$863	\$40,100	\$15,300

SELF-FUNDED PROJECT FUND

FUND DESCRIPTION

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 previous fiscal years that flow through the General Fund's fund balance along with contributions from other funds when the project will service multiple funds. Separating out recurring sources of revenue from one-time sources is considered a best practice for fiscal sustainability.

FUND NARRATIVE

For FY2019, expenditures are associated with:

- » \$160,000 to complete Phase 2 of the Asset Management Plan
- » \$175,000 for the Town's final payment of the Fire Training Center Equity Buy-in (Year 3 of 3)
- » \$119,000 to replace the Fire Personal Protective Equipment (i.e. bunker gear) for the Addison Fire Department
- » \$60,500 to update and repair the Fire Alarm Systems at both Fire Stations
- » \$50,000 to continue addressing our records management needs
- » \$50,000 for ADA compliance assistance and engineering support as we implement the ADA Transition Plan
- » \$91,500 to implement year one of the ADA transition plan for Town facilities
- » \$175,000 to fund the Town's effort to review and update our Land Development Code (Year 1 of 2)
- » \$166,560 to fund emergency building repairs
- » \$100,000 to fund a study of Town facilities to identify options for future use or consolidation
- » \$30,000 for replacement bullet-resistant vests for Addison Police Officers
- » \$286,000 to renovate the Town Hall bridge and the boardwalk and gazebo at Winnwood Park
- » \$180,000 to resurface the indoor pool at the Addison Athletic Club
- » \$90,000 to finish the Traffic Signal Timing and Optimization project that was started in fiscal year 2018
- » \$150,000 to aid in the development of a future bond program
- » \$950,000 to begin funding projects as part of the implementation of the Asset Management Plan
- » \$700,000 to increase the resources allocated in our street maintenance activities
- » \$1,042,000 to continue with the HVAC improvements to the Addison Athletic Club

STATEMENT OF REVENUES & EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$750,000	\$4,500	\$1,535,820	\$1,573,520
Revenues				
Interest and other income	42,905	-	12,000	-
Transfers from other funds	1,297,000	1,207,000	1,302,000	3,108,415
Total Revenues	1,339,905	1,207,000	1,314,000	3,108,415
Total Available Resources	2,089,905	1,211,500	2,849,820	4,681,935
Expenditures				
Supplies	-	-	-	29,855
Maintenance	53,325	-	-	166,560
Contractual services	142,758	912,000	624,300	1,816,500
Capital outlay	358,002	295,000	652,000	354,500
Total Expenditures	554,085	1,207,000	1,276,300	2,367,415
ENDING FUND BALANCE	\$1,535,820	\$4,500	\$1,573,520	\$2,314,520





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 like private business enterprises where costs of providing services to the public are financed primarily through rentals, leases, and user charges.

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Sergeant ¹	P3	1.0	1.0	0.0	0.0
Police Officer ¹	P2	2.0	2.0	3.0	3.0
GIS Analyst	31	0.4	0.4	0.4	0.4
Management Assistant ²	25	0.0	0.0	0.0	1.0
TOTAL		3.4	3.4	3.4	4.4

¹Sergeant replaced with a Police Officer in FY2018.

²Position added in FY2019.

FUND NARRATIVE

Addison contracts with private operators 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 FY2018 is projected to total \$5,518,000, a slight increase from the original budget of \$5,489,500. Operating expenses are estimated to come in \$5,481,156 or same as budgeted.

For FY2019, the budget anticipates operating revenue of \$5,443,946, a 1 percent decrease from the FY2018 budget as a result of lower rental income.

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 an 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 FY2018

- » Finalized funding plan and design for the new Customs and Border Protection facility
- » Attracted new fixed-base operator (FBO) to the airport bringing users outside the region and additional based aircraft
- » Airfield safety initiatives resulted in zero vehicle/pedestrian deviations over the past year

OBJECTIVES FOR FY2019

- » Oversee the construction and completion of the new Addison Airport Administrative offices, Customs and Border Protection facility
- » Continue to review policies, procedures and plans, while focusing on first class maintenance of the airport
- » Council goal of setting the gold standard for customer service and optimizing the Addison brand

AIRPORT FUND STATEMENT OF INCOME

BEGINNING BALANCE

Revenues

- Intergovernmental
 - Operating grants
- Services fees
 - Custom fees
 - Fuel flowage fees
- Rental income
- Interest and other income

Total Revenues

Total Available Resources

Expenditures

- Personnel Services
- Supplies
- Maintenance
- Contractual Services
- Capital Replacement/Lease
- Debt Service
- Capital Outlay
- Operator Contract – Maintenance
- Operator Contract – Other

Total Operational Expenditures

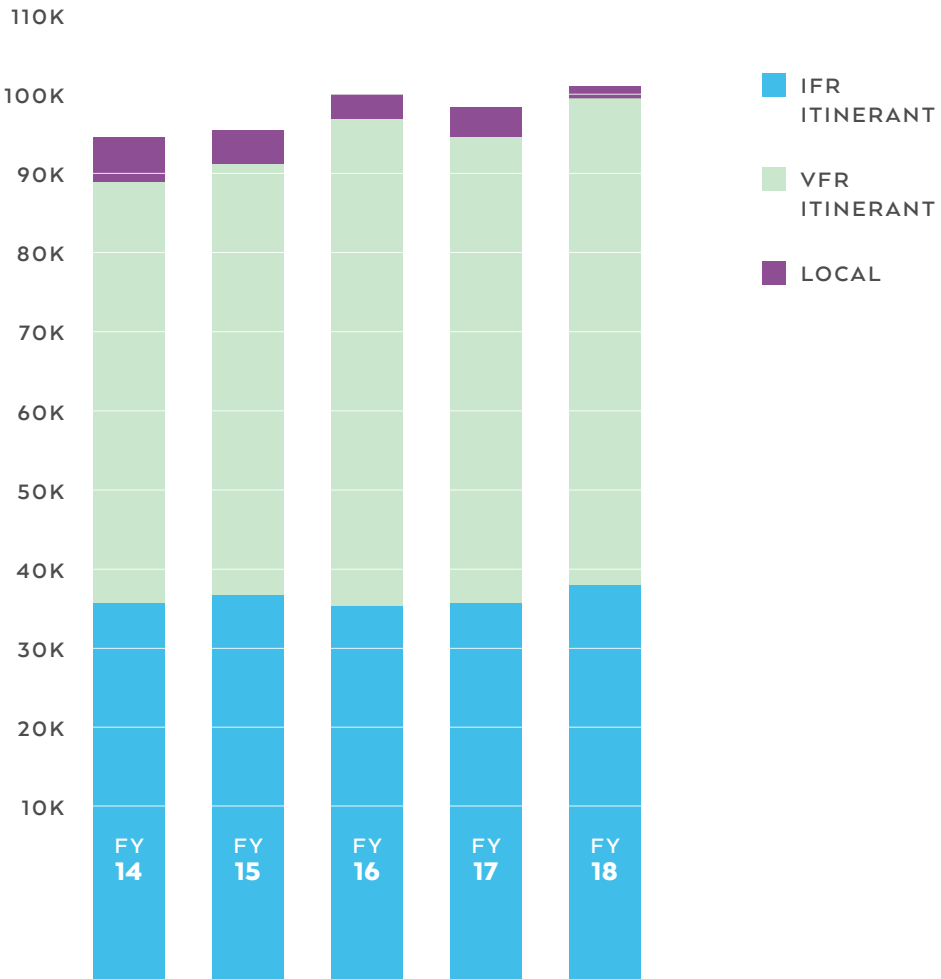
- Transfers to Capital Equipment Fund
- Capital Improvements

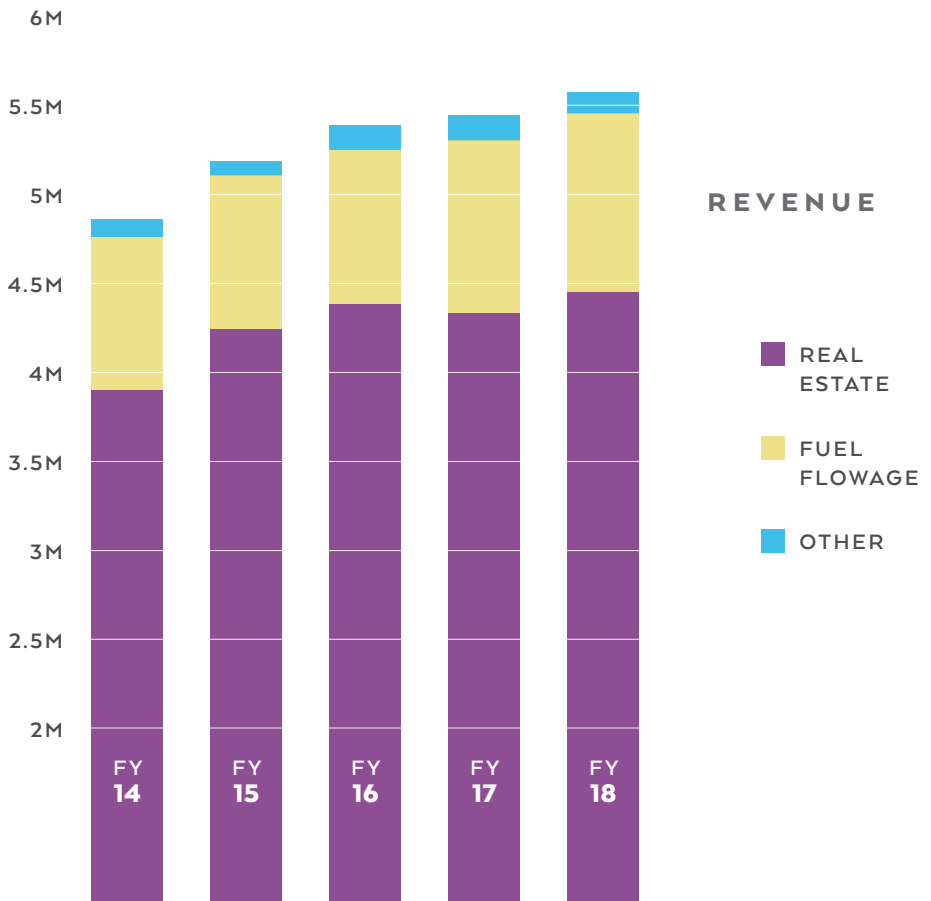
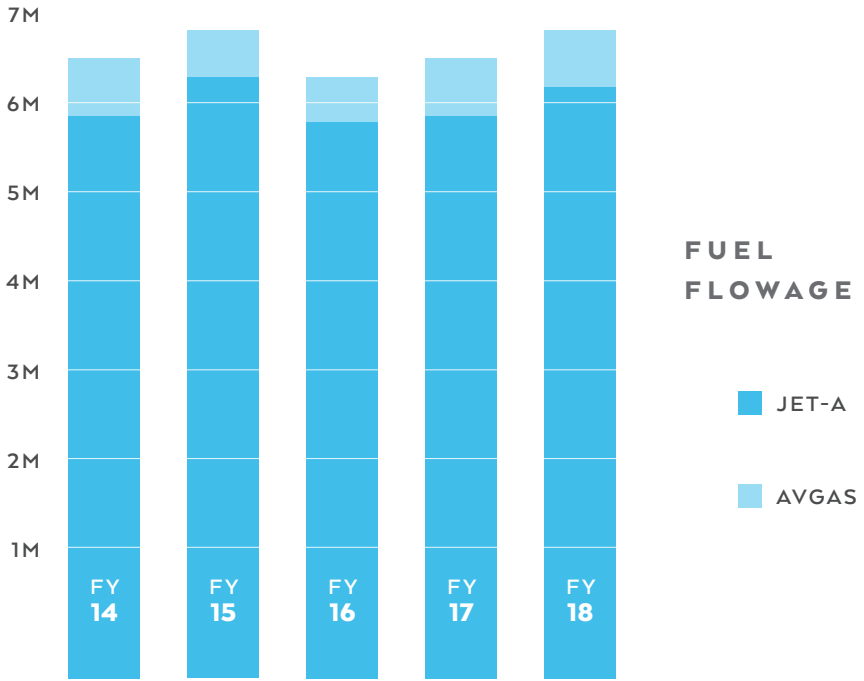
Total Expenditures

ENDING FUND BALANCE

	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
	\$4,412,840	\$3,200,576	\$5,115,094	\$4,475,490
	50,000	50,000	50,000	50,000
	131,689	152,960	152,960	145,391
	924,328	907,040	907,040	917,400
	4,369,905	4,355,000	4,355,000	4,306,655
	112,921	24,500	53,000	24,500
	5,588,843	5,489,500	5,518,000	5,443,946
	10,001,683	8,690,076	10,633,094	9,919,436
	353,000	423,447	423,447	446,673
	41,859	40,000	40,000	40,000
	152,701	48,000	48,000	53,000
	221,565	263,154	263,154	249,308
	27,878	26,823	26,823	32,292
	580,330	592,972	592,972	902,466
	201,465	287,000	287,000	-
	2,802,952	3,405,903	3,405,903	3,255,453
	429,675	393,857	393,857	407,380
	4,811,425	5,481,156	5,481,156	5,386,572
	-	-	-	190,000
	75,164	370,000	676,448	2,681,479
	4,886,589	5,851,156	6,157,604	8,258,051
	\$5,115,094	\$2,838,920	\$4,475,490	\$1,661,385

AIRPORT OPERATIONS





CAPITAL REPLACEMENT FUND

FUND DESCRIPTION

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 depreciation 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 depreciated, 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 2018 were primarily associated with the following purchases:

- » 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 Criminal Investigations Division Vehicles (\$52,000)
- » Streets – One Chipper (\$75,000)
- » Fuel Dispensers & UST Monitoring System – (\$70,000)
- » Police – Ford Interceptor Vehicle (\$84,730)
- » Police – Criminal Investigations Division Truck (\$27,135)
- » Police – Quartermaster Truck (\$27,135)
- » Police – Criminal Investigations Division Sedan (\$27,135)
- » Streets – Ford F550 Truck (\$65,340)
- » Parks – Ford F350 Crew Cab Truck (\$37,954)
- » Parks – Ford F250 Crew Cab Truck (\$35,995)

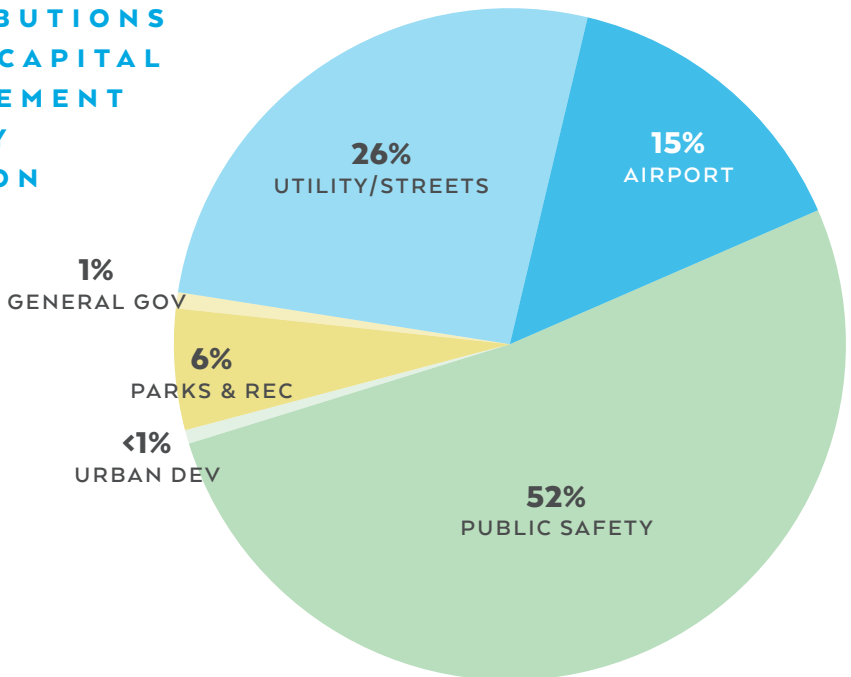
Equipment purchases included in the fiscal year 2019 budget include:

- » Fire – Ambulance (\$271,637)
- » Fire – Two Thermal Imaging Cameras (\$13,633)
- » Recreation – Life Fitness Weight Circuit (\$103,500)
- » Recreation – Eight Treadmills (\$47,688)
- » Airport – Half-Ton Truck (\$31,000)
- » Utilities – Two Ford F250 Truck (\$100,000)

**CAPITAL REPLACEMENT
FUND STATEMENT
OF INCOME**

	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$3,548,508	\$2,449,509	\$2,619,531	\$2,606,941
Revenues				
Service fees				
Department contributions	796,500	800,000	800,000	800,000
Interest and other income	102,269	50,000	262,220	50,000
Total Operational Revenue	898,769	850,000	1,062,220	850,000
Transfers from other funds	-	-	-	488,000
Total Revenues	898,769	850,000	1,062,220	1,338,000
Total Available Resources	4,447,277	3,299,509	3,681,751	3,944,941
Expenditures				
Maintenance	11,424	-	-	-
Contractual services	4,303	4,000	4,000	4,000
Capital outlay	1,812,019	1,070,810	1,070,810	872,882
Total Expenditures	1,827,746	1,074,810	1,074,810	876,882
ENDING FUND BALANCE	\$2,619,531	\$2,224,699	\$2,606,941	\$3,068,059

**CONTRIBUTIONS
TO THE CAPITAL
REPLACEMENT
FUND BY
FUNCTION**



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 depreciation 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 depreciated, 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

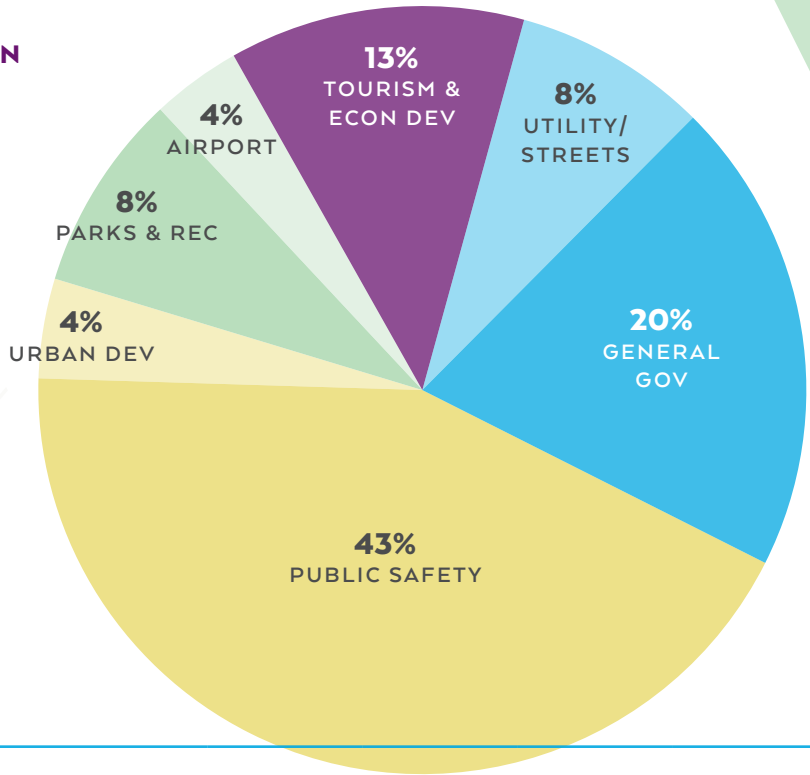
Expenses in FY2018 were:

- » 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)

Scheduled purchases through FY2019 are:

- » Enterprise Financial System (\$500,000)
- » Document/Record/Agenda Management (\$70,000)
- » Digital Citation System (\$100,000)
- » Business Intelligence Application (\$50,000)
- » Supervisory Control and Data Acquisition (SCADA) System (\$70,000)
- » In-Car Video & Body Cameras (\$103,000)
- » Police Records Management System (\$300,000)
- » Permit/Inspection Interactive Voice Response (\$75,000)
- » Outdoor Warning Sirens (\$150,000)

**CONTRIBUTIONS TO
THE INFORMATION
TECHNOLOGY
REPLACEMENT
FUND BY
FUNCTION**



**IT STATEMENT
OF INCOME**

ACT BUD EST BUD
16-17 17-18 17-18 18-19

BEGINNING BALANCE \$2,640,939 \$1,819,170 \$2,593,490 \$2,543,014

Revenues

Service fees

Department contributions 815,671 793,824 793,824 853,524

Interest and other income 6,559 7,000 14,700 7,000

Total Revenues 822,230 800,824 808,524 860,524

Total Available Resources 3,463,169 2,619,994 3,402,014 3,403,538

Expenditures

Supplies 408,664 - - -

Maintenance - - - -

Contractual services 87,285 4,000 4,000 4,000

Capital outlay 373,730 855,000 855,000 1,418,000

Total Expenditures 869,679 859,000 859,000 1,422,000

ENDING FUND BALANCE \$2,593,490 \$1,760,994 \$2,543,014 \$1,981,538

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 like 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 businesses. 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 funds 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 funds the capital improvements to Addison's drainage infrastructure including drainage relief systems, detention facilities and other improvements.

Operating revenues for FY2018 are projected to be \$1,996,000; the FY2019 budget for operating revenues is \$2,164,800. Fund balance is estimated to be \$5,149,726 at the end of FY2018. The FY2019 budget incorporates the five percent rate increase as planned in the FY2015 ordinance creating the stormwater fee.

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Streets & Stormwater Manager	34	0.3	0.3	0.3	0.3
GIS Analyst	31	0.3	0.3	0.3	0.3
Billing Supervisor	26	0.2	0.2	0.2	0.2
Management Assistant	25	1.0	1.0	1.0	1.0
Stormwater Operator ¹	22	0.0	0.0	0.0	2.0
Accounting Specialist	21	0.2	0.2	0.2	0.2
TOTAL		2.0	2.0	2.0	4.0

¹These positions were added in FY2019.

**PROGRAM NARRATIVE
ACCOMPLISHMENTS
OF FY2018**

- » Finalized the design of the Sherlock – Winter Park Drive Drainage Improvements project
- » Completed year five of the 5-year Municipal Separate Storm Sewer permit with the TCEQ
- » Completed the Inlet-Guard pilot project and began looking at permanent installation locations for these devices

OBJECTIVES FOR FY2019

- » Finish construction of the Sherlock – Winter Park Drive Drainage Improvements project
- » Finish installation of the Oaks North Drive and Montfort inlets
- » Hire stormwater operators

STORMWATER FUND STATEMENT OF INCOME	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
BEGINNING BALANCE	\$3,188,049	\$4,625,539	\$4,439,737	\$5,149,726
Revenues				
Service fees				
Drainage fees	2,034,101	1,950,000	1,950,000	2,134,800
Interest and other income	93,784	67,700	46,000	30,000
Total Revenues	2,127,885	2,017,700	1,996,000	2,164,800
Total Available Resources	5,315,934	6,643,239	6,435,737	7,314,526
Expenditures				
Personnel services	115,162	158,023	162,370	312,464
Supplies	4,449	23,200	21,797	41,597
Maintenance	123,753	222,200	222,200	216,200
Contractual services	119,890	341,027	338,083	351,083
Debt services	512,943	541,561	541,561	546,108
Capital outlay	-	-	-	50,000
Total Expenditures	876,197	1,286,011	1,286,011	1,517,452
Transfers to other funds	-	-	-	500,000
Capital improvements	-	-	-	2,185,000
Total Expenditures	876,197	1,286,011	1,286,011	4,202,452
ENDING FUND BALANCE	\$4,439,737	\$5,357,228	\$5,149,726	\$3,112,074

UTILITY FUND

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 like 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 businesses. 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 FY2018 are projected to total \$12,135,276, which is \$791 thousand more than the budget for FY2018 and \$962 thousand more than was generated in FY2017. Operating expenses in FY2018 are projected to be \$32,343 less than budgeted amounts. The anticipated ending fund balance for FY2018 totals \$12,491,072.

FY2019 budgeted operating revenues total \$12,764,172, an increase of \$1.4 million from the previous year. Operating expenses are budgeted at \$11,737,512, a decrease of \$103,155 over the prior year. Also included in the FY2019 budget is cash funding of \$2.25 million for capital projects.

WATER AUDIT



**UTILITY FUND
STATEMENT
OF INCOME**

**ACT
16-17**

**BUD
17-18**

**EST
17-18**

**BUD
18-19**

BEGINNING BALANCE \$12,578,633 \$7,811,879 \$12,664,120 \$12,491,072

Revenues

Service fees

Water sales 6,261,005 6,286,823 6,286,823 6,998,344

Sewer charges 4,595,090 4,880,403 4,880,403 5,585,953

Tap fees & other 53,375 7,000 13,450 25,275

Fines & penalties 73,283 75,000 75,000 75,000

Interest and other income 190,397 94,600 879,600 79,600

Total Revenues 11,173,150 11,343,826 12,135,276 12,764,172

Total Available Resources 23,751,783 19,155,705 24,799,396 25,255,244

Expenditures

Personnel Servies 1,526,969 1,659,385 1,566,799 2,057,126

Supplies 126,574 142,149 136,304 208,040

Maintenance 371,325 490,803 489,061 487,177

Contractual Services

Water purchase 3,444,692 3,926,500 3,926,500 3,519,797

Wastewater treatment 2,625,588 2,842,330 2,842,330 2,978,229

Other services 1,076,254 1,372,934 1,440,764 1,247,802

Capital Replacement/Lease 56,759 54,394 54,394 42,657

Debt Service 984,327 1,077,172 1,077,172 1,056,684

Capital Outlay 75,175 275,000 275,000 140,000

Total Expenditures 10,287,663 11,840,667 11,808,324 11,737,512

Transfer to Addison Grove Fund 500,000 500,000 500,000 -

Transfer to Infrastructure Investment Fund 300,000 - - -

Transfers to Capital Equip-ment Fund - - - 298,000

Capital Improvements - - - 2,250,000

Total Expenditures 11,087,663 12,340,667 12,308,324 14,285,512

ENDING FUND BALANCE \$12,664,120 \$6,815,038 \$12,491,072 \$10,969,732

UTILITY OPERATIONS

DEPARTMENT DESCRIPTION

The mission of Utility Operations is to provide high quality water and wastewater services while protecting the public health and natural environment of our community through cost effective management, operation and maintenance of our infrastructure, sustaining these essential services. Utility Operations is responsible for the maintenance and operation of all water and wastewater facilities and appurtenances. The department also reviews, manages, inspects and implements all utility-related capital projects. Utility Operations is also responsible for maintaining compliance with the various regulatory agencies such as the Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ). Finally, Utility Operations is also responsible for the Town's right-of-way permitting and plan review process.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Completed the Surveyor Ground Storage Tank and Pump Station Improvements project
- » Maintained a Superior Water status with the TCEQ with no water/wastewater related violations
- » Reviewed and approved construction plans for several major new developments, such as AMLI, Addison Grove and the new Cawley building

OBJECTIVES FOR FY2019

- » Complete the Sanitary Sewer Basin I Reroute Project
- » Complete Town-wide assessment of chlorine residuals and implement new chlorine booster station
- » Maintain Superior Water status with the TCEQ
- » Hire new project manager, infrastructure inspector and crew leader

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	1,526,969	1,659,385	1,566,799	1,926,109
Supplies	126,574	142,149	136,304	195,300
Maintenance	365,825	490,803	489,061	487,177
Contractual Services	859,667	1,372,934	1,440,764	1,156,177
Capital Replacement/Lease	56,759	54,394	54,394	42,657
Capital Outlay	10,768	275,000	275,000	140,000
TOTAL DEPARTMENT BUDGET	\$2,946,562	\$3,994,665	\$3,962,322	\$3,947,420

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Director of Infrastructure & Dev.	45	1.0	1.0	1.0	1.0
Assistant Director of Infrastructure Services	40	1.0	1.0	1.0	1.0
Project Manager ¹	36	0.0	0.0	0.0	1.0
Streets & Stormwater Manager	34	0.3	0.3	0.3	0.3
Utilities Manager	34	2.0	2.0	2.0	2.0
GIS Analyst	31	0.3	0.3	0.3	0.3
Utility Billing Supervisor ²	26	0.8	0.8	0.8	0.0
Construction Inspector ¹	24	2.0	2.0	2.0	3.0
Utility Crew Leader ¹	24	0.0	0.0	0.0	1.0
Water Quality Specialist	22	1.0	1.0	1.0	1.0
Utility Operator III	21	7.0	7.0	7.0	7.0
Accounting Specialist ²	21	0.8	0.8	0.8	0.0
Utility Operator II	19	1.0	1.0	1.0	1.0
Department Assistant	19	1.0	1.0	1.0	1.0
Utility Operator I	17	1.0	1.0	1.0	1.0
TOTAL		19.2	19.2	19.2	20.6

¹This position was added in FY2019.

²This position was moved to the new Utility Billing Department.

UTILITY BILLING

DEPARTMENT DESCRIPTION

To accurately bill Addison customers for their water and sewer usage, refuse collection, and other fees, and to ensure timely collection of payments.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2018

- » Separated out this activity into a new department, apart from Utility Operations, to allow for better tracking and budgeting for these specific costs
- » Completed water and sewer rate study to identify rates needed to cover operations
- » Documented processes and procedures for upcoming Munis implementation

OBJECTIVES FOR FY2019

- » Continue analysis of costs to ensure billed revenue covers operational costs
- » Improve efficiency in the work order initiation and completion process
- » Implement the Utility Billing module in Munis software

EXPENDITURES	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Personnel Services	-	-	-	131,017
Supplies	-	-	-	12,740
Contractual Services	-	-	-	91,625
TOTAL DEPARTMENT BUDGET	-	-	-	\$235,382

STAFFING	LEVEL	ACT 16-17	BUD 17-18	EST 17-18	BUD 18-19
Utility Billing Supervisor ¹	26	0.0	0.0	0.0	0.8
Accounting Specialist ¹	21	0.0	0.0	0.0	0.8
TOTAL		0.0	0.0	0.0	1.6

¹This position was moved from Utility Operations to the new Utility Billing Department.



BOSQUE
PARK

TOWN CHRONICLE &
APPENDICES

ADDISON FAST FACTS*

👤 2018 POPULATION **15,760¹**

💰 2018 ASSESSED VALUE **\$4,725,759,169**

👤 MEDIAN AGE **32.6 YEARS²**

💰 MEDIAN HOUSEHOLD INCOME **\$70,559³**

🏠 NUMBER OF HOUSING UNITS **9,719¹**

SINGLE FAMILY **1,794**

MULTI-FAMILY **7,925**

👤 TOTAL EMPLOYMENT IN ADDISON **66,566⁴**

🏠 SQUARE MILES **4.3**

🏠 POPULATION PER SQUARE MILE **2,981.5⁵**

👤 EDUCATION LEVEL (AGE 25 AND ABOVE) **53.8%**

BACHELOR'S DEGREE OR HIGHER

¹ 2018 North Central Texas Council of Governments Estimate. ² 2012–2016 American Community Survey, US Census.

³ 2012 American Community Survey, US Census. ⁴ NCTCOG 2014 Small Area Employment Estimate.

⁵ 2010 US Census Quick Facts.

TOP 10 EMPLOYERS IN ADDISON

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

* Source: North Central Texas Council of Governments

TOP 10 PROPERTY TAX PAYERS (FY 2018)

- » FPG Colonnade LP
- » Post Properties Inc.
- » Savoye 2 LLC
- » 5100 Belt Line Road Investors LLC
- » Mary Kay Inc.
- » COP Spectrum Center LLC
- » Fiori LLC
- » Gaedeke Holdings IX LLC
- » FSP Addison Circle LP
- » DCO Realty Inc

* Source: Dallas County Tax Office

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 was first settled by Peters colony residents in the 1840s. The area, which developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, and scores of quality restaurants. Because of Addison's overwhelming commercial atmosphere, residents of Addison enjoy a unique lifestyle not common in other suburbs. Though Addison has only 15,760 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.



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

Addison's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 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 over 4,000 rooms and over 180 restaurants, or an average of 46 per square mile.

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 80% and retail occupancy exceeded 90% in 2018. The town experienced a 6.2 percent increase in taxable property values for the 2018 certified levy compared to the 2017 certified levy. Sales tax for the 2018 fiscal year is expected to be a 17.2% increase over the FY2017 year-end.

Over the past year, Texas' unemployment rate has remained steady at an average of 4.0 percent, the same as the U.S. rate. The Town of Addison will share in any economic recovery experienced by the region and the state. Dallas-Fort Worth area employment growth rose 3.2 percent from August 2017 to August 2018, outpacing the nation's 1.7 percent increase. Among the twelve largest metropolitan areas in the country, Dallas ranked second in the number of jobs added over the year and ranked third in annual rate of job growth.

APPENDIX A: THE BUDGET PROCESS

1

SCHEDULES DISTRIBUTED TO CITY COUNCIL

City Manager presents Council with budget schedule. Council reviews goals and vision to determine whether these goals should be revised. | MAY, 2018

2

BUDGET REQUESTS SUBMITTED & REVIEWED

Deadline for department budgets to be submitted to Finance Department. Staff spends the next several weeks reviewing department budgets for presentation to the Council in August work sessions. | JUN 1, 2018

3

WORK SESSIONS WITH CITY MANAGER

A series of meetings are conducted by the City Manager's Office with individual departments to discuss each department's budget requests. | JUN, 2018

4

PRELIMINARY BUDGET DISCUSSIONS

A series of discussions are conducted by the City Manager's Office and Budget team to go over information included in the proposed budget. | JUL, 2018

5

CERTIFIED TAX ROLLS RECEIVED

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$4,725,759,169. | JUL 25, 2018

6

FY2019 CITY MANAGER'S PROPOSED BUDGET

City Manager's proposed budget is filed with the City Secretary and made available to the public as required by the City Charter. The budget reflects total appropriations of \$103,711,540 and a tax rate of 55.0000 cents. | JUL 31, 2018

7

PUBLISH NOTICE OF PROPOSED TAX RATE

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 52.7064 cents with a rollback rate of 55.3323 cents. | AUG 17, 2018

8

WORK SESSIONS WITH COUNCIL

Council attends two-day FY2019 Budget Retreat to discuss various aspects of the City Manager's proposed budget. | AUG, 2018

9

PUBLIC HEARINGS HELD

Following the required newspaper notice, public hearings on the tax rate and budget are conducted. | AUG 28 & SEP 4, 2018

10

COUNCIL ADOPTS THE FY2019 BUDGET

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2018 with total appropriations of \$103,711,540 and a tax rate of 55.0000 cents. | SEP 11, 2018

11

FY2019 BUDGET DOCUMENT IS PUBLISHED

Finance Department staff develop the final budget document. The document is returned from the printer and distributed to users. | DEC, 2018

12

BUDGET IS IMPLEMENTED, MONITORED, & AMENDED

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. | OCT - SEPT, 2018

APPENDIX B: FINANCIAL POLICIES

INTRODUCTION

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

ANNUAL BUDGET

Sections 1-7 are requirements set forth in the Town's Charter.

1. The fiscal year of the Town of Addison shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.
2. The City Manager, prior to August first of each year, shall prepare and submit to the City Secretary the annual budget covering the next fiscal year, which shall contain the following information:
 - 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 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 and capital purchases such as vehicles and equipment 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 and capital purchases 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.
5. Debt instruments will include general obligation bonds, certificates of obligation, tax notes and capital leasing arrangements.

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.
3. 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.
4. 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.

POLICE DEPT.

LEVEL	BASE \$	TOP \$
P1-N	55,734	-
P2-N	61,926	80,800
P3-N	85,700	96,456
P4-E	97,051	106,050
P5-E	110,915	121,200
P6-E	129,401	141,400

FIRE DEPT.

LEVEL	BASE \$	TOP \$
F1-N	55,734	72,721
F2-N	55,733	-
F3-N	61,927	80,799
F4-N	82,415	85,849
F5-N	87,567	96,454
F6-N	98,385	106,049
F7-E	108,401	133,320
F8-N	110,915	121,200
F9-E	129,401	141,400

WAGE AND SALARY SCALE

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 regarding 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.

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 that employees can expect to reach the top salary of their range.

Included in the FY2019 budget is \$911,000 to fund phase 2 of the compensation study and a 4% merit pool.

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 \$	TOP \$
5-N	17,435	26,150
6-N	18,306	27,458
7-N	19,221	28,831
8-N	20,182	30,272
9-N	21,191	31,787
10-N	22,250	33,376
11-N	23,363	35,044
12-N	24,532	36,797
13-N	25,757	38,636
14-N	27,046	40,568
15-N	28,398	42,596
16-N	29,817	44,726
17-N	31,308	46,962
18-N	32,874	49,311
19-N	34,518	51,777
20-N	36,244	54,365
21-N	38,056	57,084
22-N	39,959	59,937
23-N	41,956	62,935
24-N	44,054	66,082
25-N	46,257	69,385
25-E	46,257	69,385
26-N	48,570	72,854
26-E	48,570	72,854
27-E	50,998	76,497
28-E	53,548	80,322
29-E	56,226	84,339
30-E	59,037	88,555
31-E	61,989	92,983
32-E	65,088	97,632
33-E	68,343	102,514
34-E	71,760	107,640
35-E	75,348	113,022
36-E	79,115	118,673
37-E	83,071	124,606
38-E	87,225	130,837
39-E	91,586	137,379
40-E	96,165	144,247
41-E	100,973	151,460
42-E	106,022	159,033
43-E	111,323	166,984
44-E	116,889	175,334
45-E	122,734	184,100
46-E	128,870	193,305
47-E	135,314	202,971
48-E	142,079	213,119
49-E	149,183	223,775
50-E	156,642	234,964

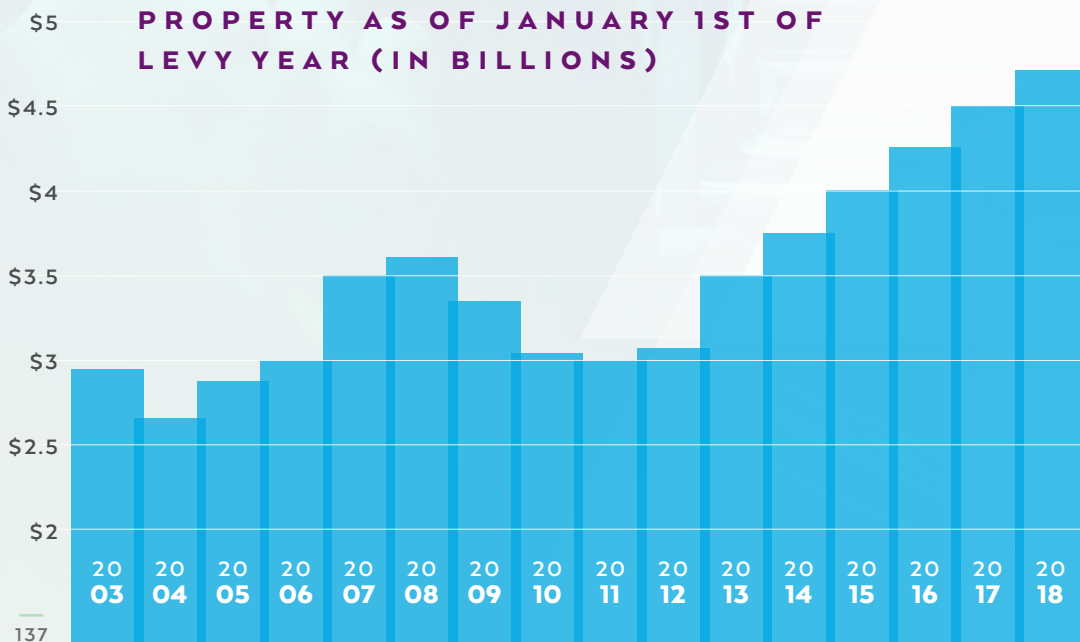
APPENDIX D: MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$62,808,216 or 82 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.

ASSESSED VALUATION OF TAXABLE PROPERTY AS OF JANUARY 1ST OF LEVY YEAR (IN BILLIONS)



Property taxes are levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. 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, 2018, upon which the FY2019 levy is based, is \$4,725,759,169. In new construction, Addison has experienced significant growth over last year. New construction is valued at \$62,877,786 on the 2018 certified tax roll, which is an increase of 64.1 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 continued growth as the nation's economy continues to stabilize.¹

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

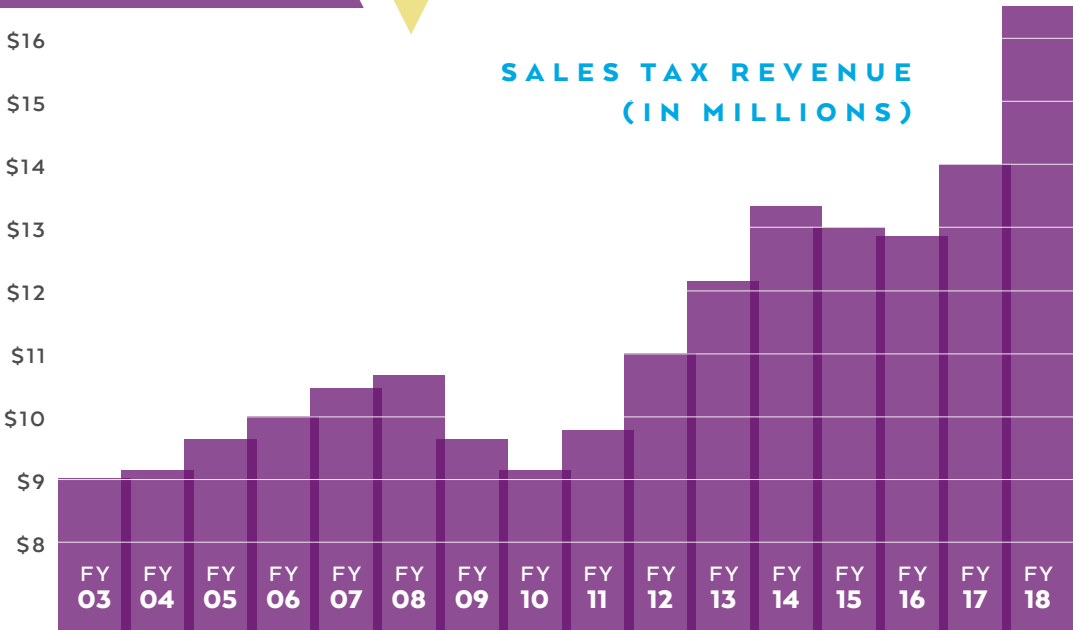
to no more than 8 percent above the tax rate of the previous year. The tax rate that equates to an 8 percent increase above the prior year rate is known as the "rollback rate". The FY2019 tax rate adopted by Addison is less than the calculated 55.3323¢ rollback rate. The tax rate for the year ending September 30, 2019 is 55.0000¢ per \$100 of valuation, of which 40.7352¢ is allocated for general government maintenance and operations and 14.2648¢ is allocated for retirement of general obligation long-term debt. Of the 40.7352¢ allocated for operations and maintenance, 2.3716¢ is committed to economic development and 0.6201¢ is committed to the Infrastructure Investment Fund.

Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2019 are estimated to be 96.5 percent of the levy and will generate \$25,081,967 in revenues.

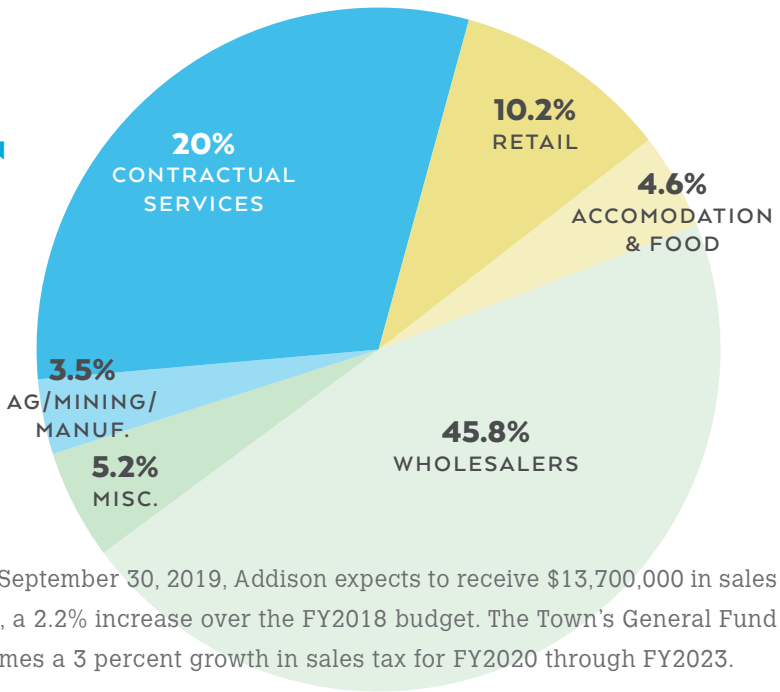
S A L E S T A X

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 monthly case and sometimes on 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.

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



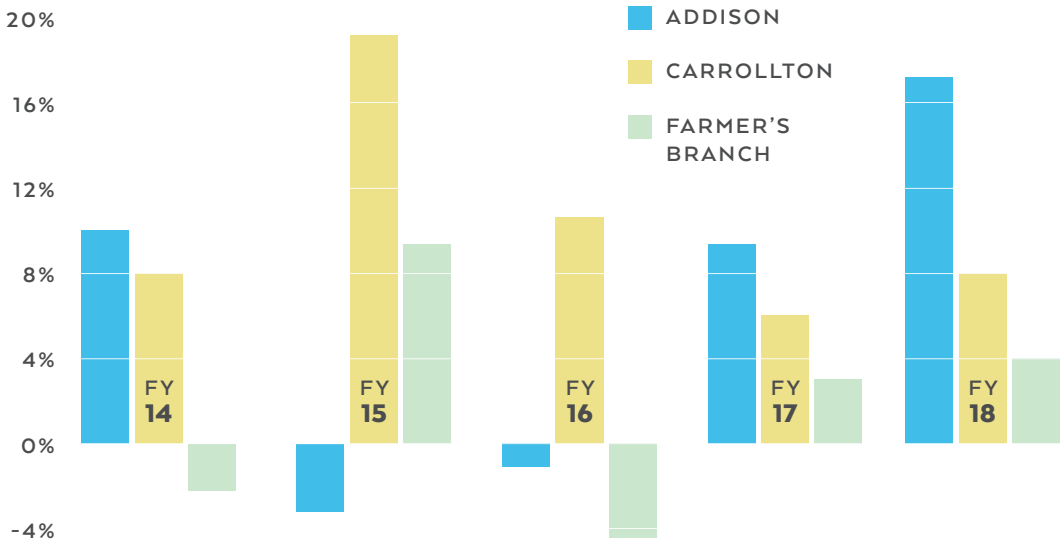
BREAKDOWN OF FY2018 SALES TAX BY ECONOMIC CATEGORY



For the year ending September 30, 2019, Addison expects to receive \$13,700,000 in sales and use tax revenue, a 2.2% increase over the FY2018 budget. The Town’s General Fund long-term plan assumes a 3 percent growth in sales tax for FY2020 through FY2023.

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.

SALES TAX RECEIPTS YEAR-OVER-YEAR PERCENTAGE CHANGE



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 2018 Population Estimates). Revenues from mixed beverage gross receipts tax combined with mixed beverage sales tax are projected at \$1,200,000 for FY2019.

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.

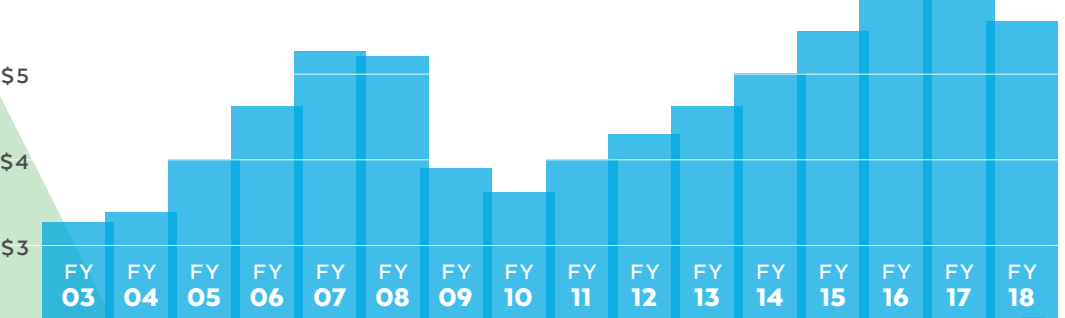
Hotel occupancy tax revenues are known as "dedicated revenues" as distinguished from general tax revenues. Dedicated revenues may only be spent on certain, statutorily-defined purposes. Under Texas law, local hotel occupancy tax can be used

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.

In hotel occupancy tax receipts, the Town is estimating a decrease in FY2018 by approximately 4 percent, with end-of-year receipts estimated at \$5,530,000. For the year ending September 30, 2019, the Town occupancy tax is budgeted at \$5,530,000, the same revenue as projected for the end of FY2018.

\$7

HOTEL OCCUPANCY TAX REVENUE (IN MILLIONS)



% OF FY2018 HOTEL OCCUPANCY TAX RECEIPTS BY ESTABLISHMENT

ESTABLISHMENT	# OF ROOMS	% OF REV
Full Service		
Marriott Quorum	547	18%
Renaissance	528	14%
Crowne Plaza	428	10%
	1,503	
Extended Stay		
Budget Suites	344	0%
Hawthorne Suites	70	1%
Marriott Res. Inn	150	4%
Hyatt House	132	4%
Homewood Stes.	120	3%
Home2Suites	132	5%
Springhill Suites	159	5%
	1,107	
Bus. Moderate		
Marriott Courtyard Quorum	176	4%
LaQuinta Inn	152	4%
Marriott Courtyard Midway	145	7%
Radisson – Midway	101	3%
Hilton Garden Inn	96	4%
Holiday Inn Express	97	1%
Best Western Plus	84	2%
	851	
Economy		
Motel 6	124	2%
Hampton Inn	158	4%
Red Roof Inn	104	2%
Quality Suites North/ Galleria	78	1%
Super 8	71	0%
America's Best Value Inn	60	1%
	595	
Total	4,056	100%

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. As electric consumption grows within the Town, so will total compensation. The Town expects to receive \$1,600,000 in electric franchise fee payments in FY2019.

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 FY2019 budget anticipates \$475,000 from telecommunication access line fees. This revenue source has seen significant decline in past years with the movement away from traditional land line telephone service.

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 FY2019 cable franchise fees are budgeted at \$300,000.

Other franchise fees paid to Addison include gas and street rental fees. Gas franchise fees for FY2019 are budgeted at \$200,000.

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.

In reviewing the fiscal health of the Utility Fund during the FY2018 budget process, staff determined the need for an updated utility rate structure. A rate model consultant was engaged, and in January 2018, the City Council approved a utility rate policy to adopt utility rates that fully fund a short-term staffing plan and provide a mix of cash

and bond funding for capital improvement projects. The new adjustments, effective October 1, 2018, will include the following increases to water and sewer rates:

- » October 2018: 8%
- » October 2019: 6.5%
- » October 2020: 6%
- » October 2021: 2.5%
- » October 2022: 5%

Staff will review the utility rate model on an annual basis to ensure the rate adjustments are in line with the needs identified in the new rate model adopted by the City Council.

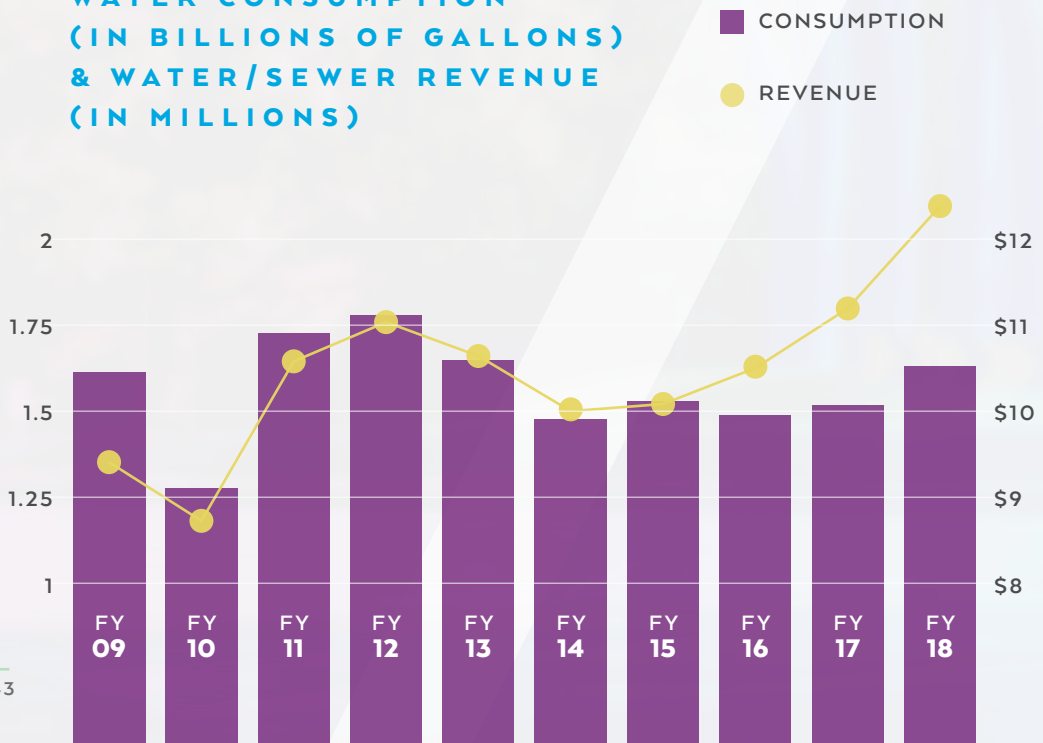
For the 2019 budget year, the Town's Utility Fund anticipates receiving \$6,998,344 from the sale of water and \$5,585,953 from sewer fees.

UTILITY ACCOUNTS & REVENUES BY USER TYPE	WATER		SEWER	
	# OF ACCTS.	%	# OF ACCTS.	%
Single Family	1,786	11%	1,782	67.8%
Multi-Family	137	14.9%	137	5.2%
Municipal/School	31	4.8%	30	1.1%
Irrigation	648	43%	-	0%
Hotel/Motel	32	6.9%	31	1.2%
Commercial	647	17.4%	636	24.2%
Fire Meter	368	1.8%	-	0%
Industrial	11	0.2%	11	0.4%
TOTAL	3,660	100%	2,627	100%

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 \$2,134,800 in stormwater fees.

**WATER CONSUMPTION
(IN BILLIONS OF GALLONS)
& WATER/SEWER REVENUE
(IN MILLIONS)**






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 of Addison's major operating funds: General, Hotel, Airport, Utility and Stormwater. Each plan presents the fund over seven FYs: one previous year actuals, an estimation of the current FY2018 budget, the adopted "base year" budget for FY2019, 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 (2018 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 125,000.¹ By establishing funding ceilings, revenue generated by an economic "boom" is added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plan is exercised in all five operating funds with the planning horizon beginning with FY2019. The FY2019 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 FY 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 12.4 percent from FY2017 actual to the estimated 2018 total. The FY2019 budget assumes a 2 percent growth in sales tax compared to the FY2018 budget. The projected years of 2020 through 2023 assume modest 3 percent annual increases.
2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2018 (used for the FY2019 levy) increased 6.2 percent; this is the sixth year in a row of increased values. From FY2013 through FY2019, values have increased a cumulative 51 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 FY2019 is 55.0000 cents per \$100 assessed values, the same as the previous year. The tax rate and appraised values will generate an additional \$1 million in revenue for the General Fund in FY2019. The General Fund long-term plan assumes property tax revenues will grow 6.7 percent FY2019 and assumes 4.1 percent yearly growth from 2020 to 2023. 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 remain flat.
4. More than two-thirds of the General Fund's expenditures are associated with employee compensation. The FY2019 budget for personnel services is \$1.7 million more than the estimated FY2018 budget due to the funding of the compensation study (which includes a 4% merit pool) and two additional full-time equivalents (FTEs). The long-term plan assumes that Council will award a 4% merit increase in 2020 and a 3% merit increases in years 2021 through 2023.

¹Please refer to the Town Chronicle, which discusses the Town's major qualities in context of urban populations.

5. The FY2019 budget assumed a 7 percent increase in the cost of healthcare. The long-term plan assumes increases of 5 percent in years 2020 through 2023.
6. The General Fund makes contributions to Addison's Capital Replacement and Information Technology Funds that essentially amortize capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment.
7. All non-personnel operating expenditures for 2020 through 2023 are adjusted for a 2.6 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 at a level of 30 percent of the operating expenditures. In FY2018, the Town received one-time proceeds from audits of sales tax collections and is allowing most of those dollars to remain in fund balance. The FY2019 General Fund budget has a projected ending fund balance of 36.7 percent; additionally, the long-term plan assumes that fund balances will remain above 30 percent 2020 through 2022. 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 FY2023.

GENERAL FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2019 Annual Budget

BEGINNING BALANCE

Revenues

- Ad valorem taxes
- Non-property taxes
- Franchise fees
- Licenses & permits
- Service fees
- Fines & penalties
- Rental income
- Interest & other income

Total Revenues

Expenditures

- Operating
 - Personnel services
 - Supplies
 - Maintenance
 - Contractual
 - Capital replacement/lease
 - Capital outlay
 - Fund transfer out

Total Expenditures

ENDING FUND BALANCE

END. BAL. AS A % OF EXPENDITURES

Debt issuance variable

- Beginning debt outstanding
 - Debt retired
 - Debt issued
- Ending debt outstanding

Tax rate variables

- Taxable values (thousands)
 - Maint. & Operations – Gen. Fund
 - Maint. & Operations – IIF
 - Maint. & Operations – Econ. Dev. Fund
- Debt service fund rate

Total

ACT 16-17	EST 17-18	BUD 18-19	YR 1 PROJ 19-20	YR 2 PROJ 20-21	YR 3 PROJ 21-22	YR 4 PROJ 22-23
\$12,890,799	\$16,368,038	\$17,832,687	\$13,742,189	\$13,721,321	\$13,126,449	\$12,719,408
14,742,517	15,890,709	16,950,736	17,646,331	18,370,449	19,124,249	19,908,958
15,262,324	17,160,751	14,900,000	15,347,000	15,807,410	16,281,632	16,770,081
2,601,529	2,556,319	2,575,000	2,641,950	2,710,641	2,781,117	2,853,426
1,225,373	878,845	798,800	819,569	840,878	862,740	885,172
1,802,346	1,696,456	1,643,770	1,721,651	1,740,332	1,759,847	1,780,235
426,144	349,000	320,000	320,000	320,000	320,000	320,000
77,330	6,600	6,600	7,049	7,528	8,040	8,587
3,686,559	685,369	258,000	204,325	211,081	218,296	226,002
\$39,824,122	\$39,224,049	\$37,452,906	\$38,707,875	\$40,008,316	\$41,355,921	\$42,752,461
20,606,203	22,010,403	23,726,320	24,702,814	25,501,749	26,327,551	27,181,170
1,173,152	1,248,965	1,276,369	1,309,555	1,343,603	1,378,537	1,414,379
2,899,100	3,377,374	3,469,826	3,560,041	3,652,603	3,747,570	3,845,007
6,486,734	8,465,002	7,456,130	7,649,989	7,848,889	8,052,960	8,262,337
1,399,790	1,411,188	1,478,344	1,478,344	1,478,344	1,478,344	1,478,344
339,228	44,468	28,000	28,000	28,000	28,000	28,000
3,442,676	1,202,000	4,108,415	-	750,000	750,000	750,000
\$36,346,883	\$37,759,400	\$41,543,404	\$38,728,743	\$40,603,188	\$41,762,962	\$42,959,237
\$16,368,038	\$17,832,687	\$13,742,189	\$13,721,321	\$13,126,449	\$12,719,408	\$12,512,632
49.7%	48.8%	36.7%	35.4%	32.9%	31.0%	29.6%
99,154,178	91,445,178	84,618,636	77,866,728	72,097,834	66,322,732	60,610,872
7,709,438	6,826,542	6,751,908	5,768,894	5,775,102	5,711,860	5,718,536
-	-	-	-	-	-	-
91,445,178	84,618,636	77,866,728	72,097,834	66,322,732	60,610,872	54,892,336
FY17	FY18	FY19	FY20	FY21	FY22	FY23
4,300,272	4,450,534	4,725,759	4,919,515	5,121,215	5,331,185	5,549,764
0.351298	0.367041	0.377435	0.401565	0.404893	0.409473	0.417042
0.006201	0.006201	0.006201	0.006201	0.006201	0.006201	0.006201
0.023716	0.023716	0.023716	0.023716	0.023716	0.023716	0.023716
0.179257	0.153042	0.142648	0.118518	0.115190	0.110610	0.103041
\$0.560472	\$0.550000	\$0.550000	\$0.550000	\$0.550000	\$0.550000	\$0.550000

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. With so much new supply coming into the market, hotel occupancy rates are expected to take a slight dip for the next year. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the FY2019 budget is expected to be flat from the estimated 2018 numbers, which is a 4 percent decline from the FY2018 budget. For the 2020 through 2023 planning period, revenues from the tax are expected to increase at 2 percent. The inventory of hotel rooms is currently 4,056 rooms.

HOTEL SPECIAL REVENUE FUND LONG-TERM FINANCIAL PLAN	ACT 16-17	EST 17-18	BUD 18-19
City Council Adopted FY2019 Annual Budget			
BEGINNING BALANCE	\$3,386,414	\$3,839,188	\$3,533,182
Revenues			
Hotel/motel occupancy taxes (HOT)	5,954,704	5,530,000	5,530,000
Proceeds from special events	2,617,265	2,730,316	2,647,700
Conference Centre rental	630,394	620,000	620,000
Theatre Rental	70,747	60,000	80,000
Interest & other	34,300	29,923	17,000
Total Revenues	\$9,307,410	\$8,970,239	\$8,894,700
Expenditures			
Marketing	964,987	1,068,418	1,083,888
Special events operations	4,491,070	979,562	982,525
Special events	-	3,874,836	4,060,994
Addison Theatre Centre	376,617	389,988	395,452
Conference Centre	1,211,294	1,025,982	1,100,052
Performing arts	445,000	447,000	445,000
General hotel operations	106,168	169,659	161,470
Fund transfer out	1,259,500	1,320,800	715,000
Capital projects (cash funded)	-	-	785,000
Total Expenditures	\$8,854,636	\$9,276,245	\$9,729,381
ENDING FUND BALANCE	\$3,839,188	\$3,533,182	\$2,698,501
END. BAL. AS A % OF EXPENDITURES	50.5%	44.4%	32.8%

2. All other revenues during the planning horizon are expected to remain flat.
3. The FY2019 budget for personnel services is approximately \$200 thousand more than the estimated FY2018 budget due to the funding of the compensation study, including a 4% merit pool. The long-term plan assumes that Council will continue to award 4% merit increase in 2020 and 3% merit increases in years 2021 through 2023.
4. All other revenues during the planning horizon are expected to remain flat.
5. The Hotel Fund will transfer \$715,000 in FY2019 to fund the Tourism department in the Economic Development Fund. This transfer is scheduled to continue throughout the forecast period.

6. The FY2019 budget includes one-time funding for renovations to Addison Circle Park. Addison Circle Park is located in the Arts and Events District.

The FY2019 Hotel Fund budget has a projected ending fund balance of 32.8 percent; this percentage is above the 25 percent required by the Town's financial policies. Additionally, the long-term plan assumes that fund balances will remain above 25 percent in 2020 and 2021. 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.

YR 1 PROJ 19-20	YR 2 PROJ 20-21	YR 3 PROJ 21-22	YR 4 PROJ 22-23
\$2,698,501	\$2,569,053	\$2,374,725	\$2,114,816
5,640,600	5,753,412	5,868,480	5,985,850
2,647,700	2,647,700	2,647,700	2,647,700
667,611	718,460	772,767	830,769
80,000	80,000	80,000	80,000
17,000	17,000	17,000	17,000
\$9,052,911	\$9,216,572	\$9,385,947	\$9,561,319
1,115,622	1,146,035	1,177,298	1,209,436
1,017,896	1,048,433	1,079,886	1,112,282
4,150,241	4,245,676	4,343,527	4,443,857
409,688	421,979	434,638	447,677
1,135,932	1,168,533	1,202,173	1,236,887
445,000	445,000	445,000	445,000
167,240	172,282	177,483	182,847
740,740	762,962	785,851	809,427
-	-	-	-
\$9,182,359	\$9,410,900	\$9,645,856	\$9,887,413
\$2,569,053	\$2,374,725	\$2,114,816	\$1,788,721
30.4%	27.5%	23.9%	19.7%

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 2017 to re-estimated 2018 due to a decrease in rental income as redevelopment activities change the availability of rental property. The revenue projection from 2020 through 2023 is expected to grow 2.2 to 2.3 percent per year.
2. The budget for personnel services pays for three Police Officers, a Management Analyst and a portion of the Town’s GIS Analyst. The budget includes funding the compensation study, which includes a 4% merit pool. The long-term plan assumes that Council will continue to award 4% merit increase in 2020 and 3% merit increases in years 2021 through 2023.
3. All non-personnel operating expenditures for 2020 through 2023 are adjusted for a 2.6 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 replaced the portion of 2004 combination tax and revenue certificates of obligation that were supported by the Airport Fund.
5. The plan projects expenditures exceeding revenues in FY2019 to fund one-time capital projects. Revenues will exceed expenditures 2020 through 2023 with fund balance growing to 62.5 percent of operating expenditures.
6. Sufficient net income is generated

AIRPORT FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2019 Annual Budget

BEGINNING BALANCE

Revenues

- Ad valorem taxes
- Non-property taxes
- Franchise fees
- Licenses & permits
- Intergovernmental
 - Operating grants
- Service fees
 - Custom fees
 - Fuel flowage fees
- Fines & penalties
- Rental income
- Interest & other income

Total Revenues

Expenditures

- Operating
 - Personnel services
 - Supplies
 - Maintenance
 - Town maintenance
 - Maintenance contract
 - Contractual services
 - Town contractual services
 - Operator contract
 - Capital replacement/lease
 - Debt service
 - Capital outlay
 - Capital projects (cash funded)

Total Expenditures

ENDING FUND BALANCE

END. BAL. AS A % OF EXPENDITURES

during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.

ACT 16-17	EST 17-18	BUD 18-19	YR 1 PROJ 19-20	YR 2 PROJ 20-21	YR 3 PROJ 21-22	YR 4 PROJ 22-23
\$4,412,840	\$5,115,094	\$4,475,490	\$1,661,385	\$1,781,681	\$2,164,696	\$2,365,002
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
50,000	50,000	50,000	100,000	100,000	100,000	100,000
131,689	152,960	145,391	145,391	145,391	145,391	145,391
924,328	907,040	917,400	938,700	960,495	982,795	1,005,614
-	-	-	-	-	-	-
4,369,905	4,355,000	4,306,655	4,494,455	4,692,667	4,901,947	5,122,994
112,921	53,000	24,500	24,500	24,500	24,500	24,500
\$5,588,843	\$5,518,000	\$5,443,946	\$5,703,046	\$5,923,053	\$6,154,633	\$6,398,499
353,000	423,447	446,673	465,097	480,221	495,857	512,023
41,859	40,000	40,000	41,040	42,107	43,202	44,325
152,701	48,000	53,000	53,000	53,000	53,000	53,000
2,802,952	3,405,903	3,255,453	3,341,473	3,429,729	3,520,280	3,613,185
221,565	263,154	249,308	249,308	249,308	249,308	249,308
429,675	393,857	407,380	424,454	441,972	459,945	478,386
27,878	26,823	32,292	32,292	32,292	32,292	32,292
580,330	592,972	902,466	603,366	220,266	220,166	219,191
201,465	287,000	190,000	190,000	190,000	190,000	190,000
75,164	676,448	2,681,479	182,720	401,143	690,277	-
\$4,886,589	\$6,157,604	\$8,258,051	\$5,582,750	\$5,540,038	\$5,954,327	\$5,391,710
\$5,115,094	\$4,475,490	\$1,661,385	\$1,781,681	\$2,164,696	\$2,365,002	\$3,371,791
106.3%	81.7%	29.8%	33%	42.1%	44.9%	62.5%

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.

UTILITY FUND LONG-TERM FINANCIAL PLAN	ACT 16-17	EST 17-18	BUD 18-19	YR 1 PROJ 19-20
City Council Adopted FY2019 Annual Budget				
BEGINNING BALANCE	\$12,578,633	\$12,664,120	\$12,491,072	\$10,969,732
Revenues				
Ad valorem taxes	-	-	-	-
Non-property taxes	-	-	-	-
Franchise fees	-	-	-	-
Licenses & permits	-	-	-	-
Intergovernmental	-	-	-	-
Service fees				
Water sales	6,261,005	6,286,823	6,998,344	7,453,236
Sewer charges	4,595,090	4,880,403	5,585,953	5,949,040
Tap fees & other	53,375	13,450	25,275	25,275
Fines & penalties	73,283	75,000	75,000	75,000
Interest & other income	190,397	879,600	79,600	79,600
Total Revenues	\$11,173,150	\$12,135,276	\$12,764,172	\$13,582,151
Expenditures				
Personnel services	1,526,969	1,566,799	2,057,126	2,180,554
Supplies	126,574	136,304	208,040	208,040
Maintenance	371,325	489,061	487,177	487,177
Contractual services				
Water purchases	3,444,692	3,926,500	3,519,797	3,709,142
Wastewater treatment	2,625,588	2,842,330	2,978,229	3,127,984
Other services	1,076,254	1,440,764	1,247,802	1,272,758
Capital replacement/lease	56,759	54,394	340,657	352,394
Debt service	984,327	1,077,172	1,056,684	1,547,894
Capital outlay	75,175	275,000	140,000	-
Capital projects (cash funded)	800,000	500,000	2,250,000	300,000
Total Expenditures	\$11,087,663	\$12,308,324	\$14,285,512	\$13,185,943
ENDING FUND BALANCE	\$12,664,120	\$12,491,072	\$10,969,732	\$11,365,940
END. BAL. AS A % OF EXPENDITURES	123.1%	105.8%	91.1%	88.2%

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.

YR 2 PROJ 20-21	YR 3 PROJ 21-22	YR 4 PROJ 22-23
\$11,365,940	\$11,874,941	\$12,171,518
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
7,900,431	8,097,941	8,502,838
6,305,982	6,463,632	6,786,813
25,275	25,275	25,275
75,000	75,000	75,000
79,600	79,600	79,600
\$14,386,288	\$14,741,448	\$15,469,526
2,267,776	2,358,487	2,452,826
208,040	208,040	208,040
487,177	487,177	487,177
3,916,708	4,152,573	4,360,201
3,284,383	3,448,602	3,621,032
1,298,213	1,324,177	1,350,661
273,394	212,394	191,394
1,841,596	1,853,421	2,182,856
-	-	-
300,000	400,000	400,000
\$13,877,287	\$14,444,871	\$15,254,187
\$11,874,941	\$12,171,518	\$12,386,857
87.5%	86.7%	83.4%

In FY2018, 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 hired a utility rate consultant to review the rate structure and to assist in creating a new rate model.

1. The FY2019 budget increases water and wastewater rates 8 percent as planned in the new utility rate model. Rates increases of 6.5 percent are planned for 2020, 6 percent in 2021, 2.5 percent in 2022 and 5 percent in 2023. The new utility rate policy adopted by City Council during FY2018 will fully fund a staffing plan and provide a mix of cash and bond funding for capital projects. The utility rate model will be reviewed on an annual basis to ensure long-term sustainability.
2. Payments to other entities for the purchase of water and the treatment of sewage are expected to increase by an average of 5 percent per year. These assumptions are based primarily on expected growth of water rates from wholesale suppliers.
3. The FY2019 budget for personnel services is almost \$500 thousand more than estimated for 2018 due to funding the compensation study (which includes a 4% merit pool) and three additional full-time equivalents (FTEs). The long-term plan assumes that Council will continue to award 4% merit increase in 2020 and 3% merit increases in years 2021 through 2023.
4. All non-personnel operating expenditures for 2020 through 2023 are adjusted for a 2.6 percent inflationary increase.

- GENERAL FUND
- HOTEL FUND
- AIRPORT FUND
- UTILITY FUND
- STORMWATER FUND

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 FY2019 due to the scheduled increase of stormwater fees. For 2020 through 2023, revenues are projected to increase each year based on Council-adopted fee schedule.
2. The FY2019 budget for personnel services is almost \$150 thousand more than the estimate for 2018 due to the addition of two additional full-time equivalents (FTEs). These two FTEs will give the Town the ability to perform proactive maintenance of stormwater infrastructure.
3. All non-personnel operating expenditures for 2020 through 2023 are adjusted for a 2.6 percent inflationary increase.
4. The plan projects expenditures exceeding revenues in 2019 and 2020 in order to fund one-time capital projects. Revenues exceed expenditures 2021 through 2023 with fund balance growing to 245 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 FY2019 Annual Budget

BEGINNING BALANCE

Revenues

- Ad valorem taxes
- Non-property taxes
- Franchise fees
- Licenses & permits
- Intergovernmental
- Service fees
 - Drainage fees
- Fines & penalties
- Rental income
- Interest & other income

Total Revenues

Expenditures

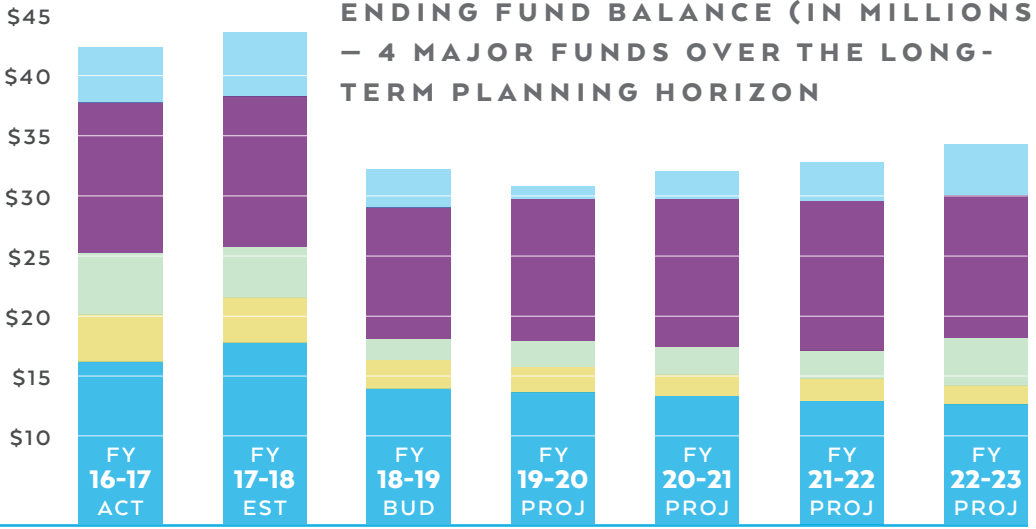
- Personnel services
- Supplies
- Maintenance
- Contractual services
- Capital replacement/lease
- Debt service
- Capital outlay
- Fund transfer out
- Capital projects (cash funded)

Total Expenditures

ENDING FUND BALANCE

END. BAL. AS A % OF EXPENDITURES

**ENDING FUND BALANCE (IN MILLIONS)
— 4 MAJOR FUNDS OVER THE LONG-
TERM PLANNING HORIZON**



ACT 16-17 EST 17-18 BUD 18-19 YR 1 PROJ 19-20 YR 2 PROJ 20-21 YR 3 PROJ 21-22 YR 4 PROJ 22-23

\$3,188,049 \$4,439,737 \$5,149,726 \$3,112,074 \$1,450,820 \$2,231,802 \$3,081,678

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
383	-	-	-	-	-	-
-	-	-	-	-	-	-
2,034,101	1,950,000	2,134,800	2,227,386	2,323,988	2,424,779	2,529,941
-	-	-	-	-	-	-
-	-	-	-	-	-	-
93,401	46,000	30,000	30,000	30,000	30,000	30,000
\$2,127,885	\$1,996,000	\$2,164,800	\$2,257,386	\$2,353,988	\$2,454,779	\$2,559,941
115,162	162,370	312,464	324,963	337,961	351,480	365,539
4,449	21,797	41,597	42,679	43,788	44,927	46,095
123,753	222,200	216,200	221,821	227,589	233,506	239,577
119,890	338,083	351,083	360,211	369,577	379,186	389,044
-	-	-	-	-	-	-
512,943	541,561	546,108	543,966	544,091	545,805	545,269
-	-	50,000	50,000	50,000	50,000	50,000
-	-	500,000	500,000	-	-	-
-	-	2,681,479	1,875,000	-	-	-
\$876,197	\$1,286,011	\$4,202,452	\$3,918,640	\$1,573,006	\$1,604,904	\$1,635,524
\$4,439,737	\$5,149,726	\$3,112,074	\$1,450,820	\$2,231,802	\$3,081,678	\$4,006,095
506.7%	400.4%	205.1%	94.0%	141.9%	192.0%	244.9%

APPENDIX F: CAPITAL PROJECTS HIGHLIGHTS

STREETS CAPITAL PROJECTS - BOND FUNDED (TOTAL: \$2.3M) VITRUVIAN PHASE 8 (\$0.7M)

- » Continue build out of the planned development at Vitruvian and the associated public infrastructure.
- » Phase 8, also called block 500A, includes water, sanitary sewer, storm sewer and streetscape improvements associated with the redevelopment of the commercial area located on the corner of southeast corner of Spring Valley Road and Marsh Lane.

MIDWAY ROAD (\$1.6M)

- » 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.
- » Reconstruction to include replacement in kind of wet utilities, compliance with Americans with Disabilities Act (ADA) requirements, traffic signal upgrades, and sidewalk, median, and lighting improvements along with inclusion of the new Master Transportation Plan standards.
- » Staff continues to meet with Dallas County staff and North Central Texas Council of Governments staff (NCTCOG) to discuss potential funding opportunities for the construction.

PARKS CAPITAL PROJECTS - BOND FUNDED (TOTAL: \$467K)

PEDESTRIAN CONNECTIVITY - QUORUM (\$467K)

- » 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.

SELF-FUNDED SPECIAL PROJECTS FUND -

CASH FUNDED (TOTAL: \$2.2M)

ADDISON ATHLETIC CLUB HVAC IMPROVEMENTS (\$1.0M)

- » Air conditioning and heating system overhaul for the Addison Athletic Club.
- » Need for improvements was identified in the Addison Athletic Club Master Plan.

ENHANCED STREET MAINTENANCE (\$700K)

- » Increase the resources allocated to street maintenance activities.

**TOWN HALL BRIDGE AND WINNWOOD PARK
GAZEBO RENOVATIONS (\$286K)**

- » The gazebo at Winnwood Park and the bridge at Town Hall are aging facilities made of wood.
- » These facilities are icons for the Addison Brand. They are often utilized for photo shoots and weddings. Improving the safety and aesthetics of these facilities will be a benefit for the Town.

**ADDISON ATHLETIC CLUB INDOOR POOL
RESURFACING (\$180K)**

- » Re-plaster the indoor pool and re-grout the tile lane lines with targets.
- » The indoor pool was last re-plastered in July 2011. Plaster surfaces usually last 7 to 10 years in a public facility.

STREETS SELF-FUNDED PROJECTS FUND -

CASH FUNDED (TOTAL: \$0.9M)

BELT LINE ROAD PHASE 1.5 (\$0.9M)

- » Enhancement phase of the Belt Line project between Marsh and Midway.
- » Includes landscaping, irrigation, signage, small amounts of paving, seating, litter receptacles and bus stops.
- » Belt Line Road is lined by local businesses, used daily by residents and is often the primary means guests use to interact with the Town.
- » Enhancement of this corridor could help improve economic vitality of local businesses, encourage and attract quality redevelopment, strengthen Addison's identity, improve walkability and identify gateways into town.

CAPITAL PROJECTS SUMMARY

City Council Adopted FY2019 Annual Budget

**TO DATE
EXP**

**EST
FY18
BUD**

**FY19
BUD**

CAPITAL PROJECTS FUNDS (BOND FUNDED)

Streets

Vitruvian Development Phase 5	4,326,912	1,750,000	-
Vitruvian Development Phase 8	88,262	2,126,250	708,750
Belt Line Road Utility Relocation	15,335,710	3,400,000	-
Belt Line Road Overlay	-	2,300,000	-
Midway Road Reconstruction	1,184,298	600,000	1,600,000

Parks

Pedestrian Connectivity (Quorum)	-	-	466,500
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Public Safety

Police Record Management System	824,417	-	700,000
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CAPITAL PROJECTS FUNDS SUBTOTAL	\$21,759,599	\$10,176,250	\$3,475,250
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**TO DATE
EXP**

**EST
FY18
BUD**

**FY19
BUD**

SELF-FUNDED SPECIAL PROJECTS FUNDS

Addison Athletic Club HVAC Improvements	-	100,000	1,042,000
Enhanced Street Maintenance	-	-	700,000
Town Hall Bridge and Winnwood Park Gazebo Renovations	-	-	286,000
Addison Athletic Club Indoor Pool Resurfacing	-	-	180,000

TOTAL SELF-FUNDED SPECIAL PROJECTS FUND	-	\$100,000	\$2,208,000
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**TO DATE
EXP**

**EST
FY18
BUD**

**FY19
BUD**

STREETS SELF-FUNDED PROJECTS FUND

Belt Line Road Phase 1.5	-	-	900,000
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TOTAL STREETS SELF-FUNDED PROJECTS FUND	-	-	\$900,000
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- » Environmental Site Assessment
 - Phase II Environmental Site Assessment investigation for the Collins Hangars.
- » Collins Hangar Demolition
 - Estimated cost for the demolition and removal of the two Collins Hangars.
- » Fuel Road Reconstruction at George Haddaway Drive
 - On-airport refueler trucks currently use Taxilane Quebec to access the fuel farm. Taxilane Quebec is to be eliminated, requiring a new route to the fuel farm for refueler trucks.
 - George Haddaway Drive is to be repurposed as the fuel farm access road. George Haddaway Drive will be reconstructed to accommodate 5,000-gallon refueler trucks, and the airfield access gate will be moved closer to Addison Road.
- » 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.
- » ADA Repairs and Improvements
 - Scheduled Americans with Disabilities Act (ADA) repairs and improvements per 2018 ADA Improvement Plan.

AIRPORT FUND

Grant Eligible Projects

- Bravo/Golf Taxiway Improvements
- Design Access & Security Improvements
- Runway 15/33 Redesignation
- Alpha Taxiway Rejuvenation

Airport Development/Redevelopment Projects (non-grant eligible)

- Bravo/Golf Taxiway Improvement
- Design Access & Security Improvements
- Runway 15/33 Redesignation
- Alpha Taxiway Rejuvenation
- Customs Facility Construction
- Airport Wayfinding Signage
- East Vehicle Service Road Realignment / Reconstruction
- Fuel Farm Exit Lane – Reconstruct and Realign
- Environmental Site Assessment
- Collins Hangar Demolition
- Fuel Road Reconstruction at George Haddaway Drive
- Facility Repairs and Improvements
- Wing Aviation Apron and Claire Chénault Driveway
- ADA Repairs and Improvements

AIRPORT FUND SUBTOTAL

**CAPITAL PROJECTS - UTILITY FUND (TOTAL: \$6.2M)
CELESTIAL GROUND STORAGE TANK
REHABILITATION DESIGN (\$240K)**

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

TO DATE EXP	EST FY18 BUD	FY19 BUD	FY20 BUD	FY21 BUD	FY22 BUD
-	-	-	-	180,000	605,000
-	-	-	111,600	1,009,800	-
-	-	807,300	-	-	-
-	-	461,520	-	-	-
-	-	-	-	20,000	60,500
-	-	-	12,400	112,200	-
-	-	89,780	-	-	-
-	-	57,740	-	-	-
75,164	565,567	3,502,599	2,922,995	-	-
-	-	-	28,000	-	-
-	-	400,000	-	-	-
-	-	115,000	-	-	-
-	-	100,000	-	-	-
-	-	620,000	-	-	-
-	-	191,000	-	-	-
-	221,000	1,076,459	60,000	136,800	586,097
-	386,000	-	-	-	-
-	69,448	31,500	82,320	132,143	43,680
\$75,164	\$1,242,015	\$7,452,898	\$3,217,315	\$1,590,943	\$1,295,277

UTILITY PLANT FACILITIES AND PUMPS (\$290K)

- » 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.

	TO DATE EXP	EST FY18 BUD	FY19 BUD
UTILITY FUND			
Utility Plant – Water			
Surveyor Ground Storage Tank Rehabilitation	151,415	2,245,706	-
Celestial Ground Storage Tank Rehabilitation	-	-	240,000
Utility Plant Facilities and Pumps	-	195,250	289,750
Water System Improvements	75,860	900,000	2,150,000
Utility Plant – Sewer			
Kellway Lift Station Rehabilitation and Repair	81,488	175,000	920,000
Sanitary Sewer Line Replacement and Rehabilitation	-	185,000	747,500
Basin I Sanitary Sewer Reroute	-	-	1,900,000
UTILITY FUND SUBTOTAL	\$308,763	\$3,700,956	\$6,247,250

WATER SYSTEM IMPROVEMENTS (\$2.2M)

- » Design, replacement or rehabilitation of potable water lines as identified in the 2015 Water System Evaluation. Also includes various water quality improvements.
- » 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 (\$920K)

- » Improvement projects for the Kellway Lift Station as determined through the 2017 Kellway Lift Station Assessment and Evaluation.
- » Projects include regulatory compliance projects, electrical improvements, bypass pumping installation, pump improvements, and communication and control systems improvements.
- » Improvements will take place over several fiscal years.

SANITARY SEWER LINE REPLACEMENT AND REHABILITATION (\$748K)

- » Sanitary sewer line rehabilitation or replacement projects as identified in the 2017 Sanitary Sewer 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.

BASIN I SANITARY SEWER REROUTE (\$1.9M)

	FY20 BUD	FY21 BUD	FY22 BUD
	-	-	-
	1,700,000	-	-
	160,000	162,500	168,750
	1,250,000	1,375,000	812,500
	230,000	185,000	-
	-	715,000	780,000
	-	-	-
	\$3,340,000	\$2,437,500	\$1,761,250

- » Design and construction on a reroute of unmetered sanitary sewer flows located in the sanitary sewer Basin I (Inwood Road area). A new sewer line will be installed to move those flows west to tie into the Midway Road area.
- » Farmers Branch has requested that Addison remedy the unmetered sanitary sewer flows that enter into Farmers Branch's system. The Town evaluated several options, and the re-route option was selected.

CAPITAL PROJECTS - STORM WATER FUND (TOTAL: \$4.9M) STORM WATER ASSESSMENT BASIN IMPROVEMENTS (\$735K)

- » Design and construction of stormwater system improvements as identified in the city-wide Storm Water Drainage Assessment.
- » Projects were identified by utilizing a comprehensive storm water model and then prioritized based on the potential risk. The plan identified 85 areas of concern for future monitoring and 13 serious problem areas.

SHERLOCK DRIVE - WINTER PARK LANE IMPROVEMENTS (\$1.1M)

- » Design and construction of a parallel stormwater pipe system located at the corner of Sherlock Drive and Winter Park Lane.
- » This project is the number one priority as identified in the 2017 city-wide Stormwater System Drainage Assessment.
- » The stormwater system in the area does not currently have sufficient capacity to convey the 1% (100 year) flood event. There have been two flooding incidents at this location, one that resulted in approximately \$40,000 in property damages to a home.

VITRUVIAN POND DREDGING (\$3.1M)

- » 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.
- » Farmers Branch Creek flows through the newly developed Vitruvian Park. Active stream sections such as this require constant maintenance to promote a healthy ecosystem. Removing this buildup of silt is paramount to restore the flood capacity of the system.

CAPITAL PROJECTS - HOTEL FUND (TOTAL: \$785K) ADDISON CIRCLE FOUNTAIN REPAIR AND MODERNIZATION (\$785K)

- » The interactive fountain is the front door to Addison Circle Park. Currently, the fountain is not operational.
- » Plans are for the modernization of the fountain equipment and addition of a filtration system that will meet requirements for a splash pad.
- » Renovation costs also include required ADA improvements at the adjacent pavilion and park sidewalk.

STORM WATER FUND

- Storm Water Assessment Basin Improvements
- Les Lacs Water Well & Pond Piping System
- Sherlock – Winter Park Drive Improvements
- Vitruvian Pond Dredging

AIRPORT FUND SUBTOTAL

HOTEL FUND

- Addison Circle Fountain Repair and Modernization

HOTEL FUND SUBTOTAL

TOTAL CAPITAL PROJECTS

INFRASTRUCTURE INVESTMENT FUND

- Illuminated Street Name Sign Replacement
- Belt Line Road Streetscape
- Public Safety Facility Improvements

IIF SUBTOTAL

TO DATE EXP	EST FY18 BUD	FY19 BUD	FY20 BUD	FY21 BUD	FY22 BUD
-	500,000	735,000	1,875,000	2,500,000	3,125,000
400,789	93,000	-	-	-	-
-	600,000	1,100,000	-	-	-
-	100,000	3,100,000	-	-	-
\$400,789	\$1,293,000	\$4,935,000	\$1,875,000	\$2,500,000	\$3,125,000

TO DATE EXP	EST FY18 BUD	FY19 BUD	FY20 BUD	FY21 BUD	FY22 BUD
-	75,400	785,000	-	-	-
-	\$75,400	\$785,000	-	-	-

\$22,544,315	\$16,587,641	\$26,003,398	\$8,432,315	\$6,528,443	\$6,181,527
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TO DATE EXP	EST FY18 BUD	FY19 BUD	FY20 BUD	FY21 BUD	FY22 BUD
297,170	-	-	-	-	-
-	200,000	-	-	-	-
-	731,000	-	-	-	-
\$297,170	\$931,000	-	-	-	-

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.

CERTIFICATES OF OBLIGATION (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-hour 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

These expenditures are ongoing costs related to running a program or system associated with daily operations.

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, inter-governmental grants, and interest income.

S**S LIPLINING**

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.



T C E Q

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

T M R S

Acronym for Texas Municipal Retirement System.

T R A

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

T X D O T

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

GFOA 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, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, 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, 2017. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Addison
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morrill

Executive Director

TOWN STAFF AND CONSULTANTS

MAYOR & COUNCIL	NAME	PROFESSION	TERM OF OFFICE
Mayor	Joe Chow	Restaurant Owner	5/17-5/19
Mayor Pro Tempore	Paul Walden	Commercial Insurance Underwriting	5/17-5/19
Deputy Mayor Pro Tempore	Tom Braun	General Contractor	5/16-5/18
Council Member	Ivan Hughes	Retired	5/17-5/19
Council Member	Guillermo Quintanilla	Mechanical Designer	5/18-5/19
Council Member	Marlin Willesen	Retired	5/18-5/19
Council Member	Lori Ward	Branch Manager	5/17-5/19

CONSULTANTS	COMPANY NAME	CONTACT
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

TOWN STAFF**NAME & TITLE****CONTACT**

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	Vacant 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
City Secretary	Irma Parker City Secretary	972-450-7017
Economic Development	Orlando Campos Director	972-450-7034
Finance	Olivia Riley Chief Financial Officer	972-450-7051
General Services	Rob Bourestom Director	972-450-2848
Human Resources	Passion Hayes Director	972-450-2819
Information Technology	Hamid Khaleghipour Director	972-450-2868
Police	Paul Spencer Police Chief	972-450-7168
Fire	David Jones Fire Chief	972-450-7203
Infrastructure & Development Services	Lisa Pyles Director	972-450-2878
Parks & Recreation	Janna Tidwell Director	972-450-2831
Communications & Marketing	Mary Rosenbleeth Director	972-450-7032
Special Events	Jasmine Lee Director	972-450-6221



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