

URBAN

RENAISSANCE

TOWN OF ADDISON ANNUAL BUDGET BOOK 2008-2009

Addison!

*Giovanni Bellini
Pala di St Giobbe - 1487
Tavola*





HOW TO READ THIS DOCUMENT

WELCOME!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2008 and ending September 30, 2009. This document has been specially prepared to help you, the reader, learn of the issues affecting the Addison community. Many people believe a city budget is only a financial plan. Although you can learn much of the Town's finances from these pages, the 2008-09 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the Town is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed verbally and graphically.

BUDGET FORMAT

The document is divided into four major sections: Introductory, Financial/Operational, Town Chronicle, and Appendices. The Introductory section contains the City Manager's letter which is addressed to the Town Council and explains the major policies and issues which affected development of the 2009 fiscal year Town budget. The section also contains a statement of the Town's goals, a synopsis of the Addison 2030 Vision Project, the press release that accompanied the ordinance adopting the budget, the Town's organization and staffing charts, and the summary of all financial statements. Liberal use is made in this section of footnotes, which direct the reader to sections of the document that more fully describe programs or projects.

The Financial/Operational section describes various aspects of the Town's organization. This information is grouped first by fund and then by department. Like many local governments, the Town uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to keep track of the use of the Hotel/Motel Occupancy tax. Most people are particularly interested in the General Fund which is comprised of most of the Town's operations like Police, Fire, and Parks. Financial

statements, including the adopted 2008-09 budget, are presented for every fund. The statements show the fund's financial condition over a number of years. Like the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts from the previous fiscal year, for this document, the 2006-07 fiscal year. The ending balance of the actual year becomes the beginning balance of the current fiscal year, 2007-08. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the current year. The estimated ending fund balance of the current fiscal year then becomes the beginning balance for the projected 2008-09 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the Town's organization. Each department is presented with its mission statement, a listing of the unit's accomplishments for the previous fiscal year and operational objectives for the 2009 fiscal year. Selected service levels for each department are presented graphically. The funding for each department, as well as the unit's staffing are summarized, again over a number of years.

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

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



Sandro Botticelli
The Calumny of Apelles — 1490
Tempera on Wood

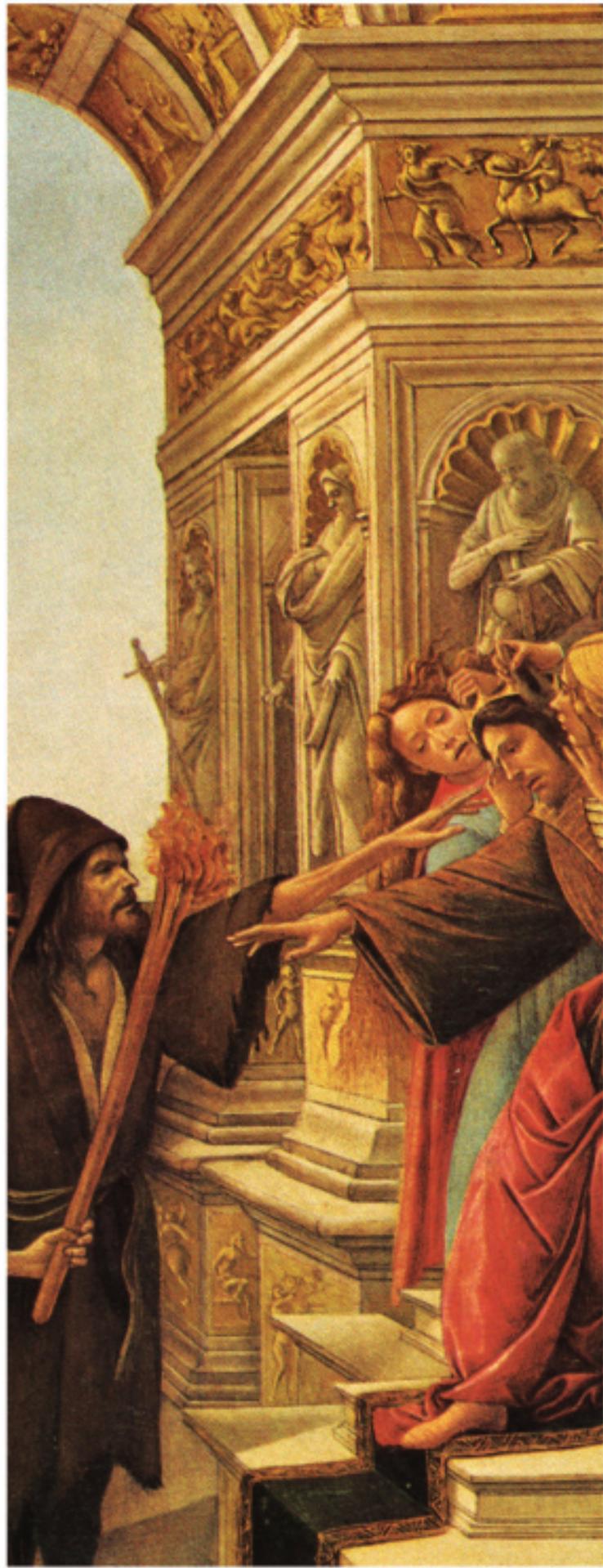




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TOWN CHRONICLE SECTION

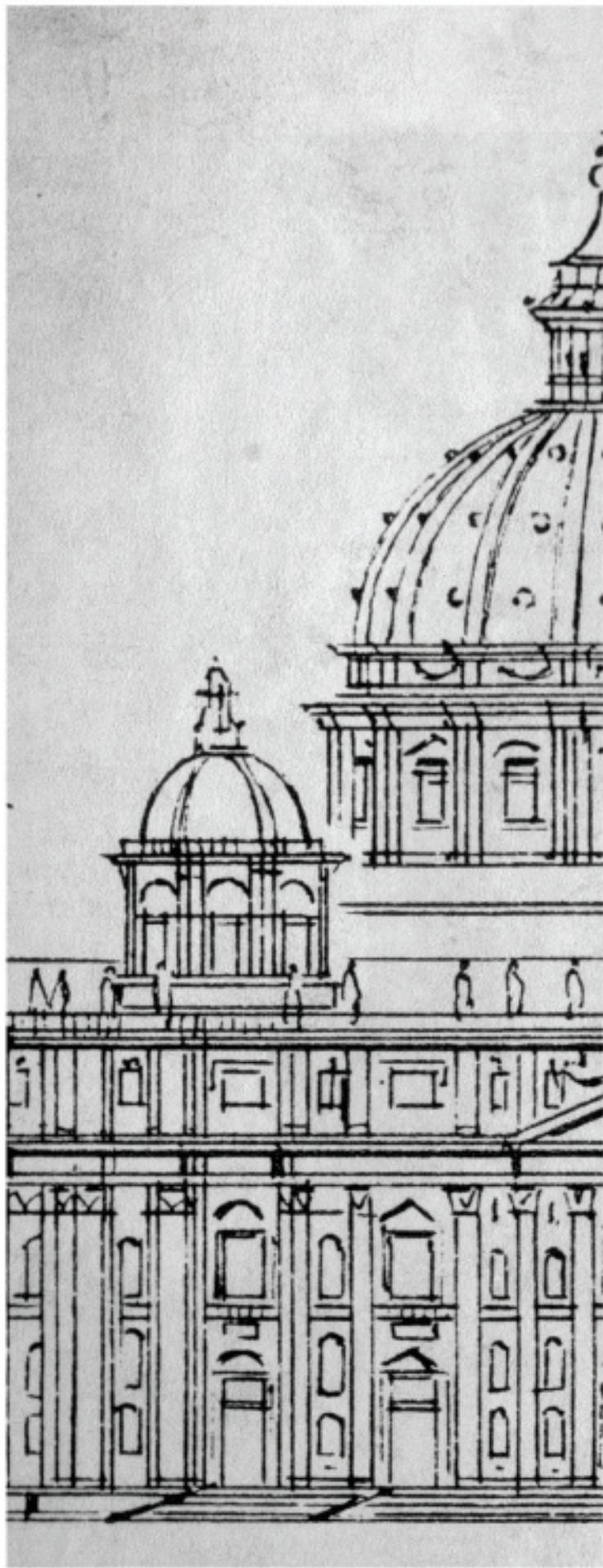
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Michelangelo
The Architecture of St Peter's Basilica - 1568
Engraving





With Council's direction, staff continues its efforts to create a healthy economic outlook by analyzing smart investments in our community, with our eyes always towards long-term financial and capital planning.

This budget publication is the product of processes used by the city council and city staff to create an environment that cultivates innovation to maintain a dynamic, progressive quality urban atmosphere in which to work, play and live.

November 17, 2008

DEAR MAYOR AND COUNCIL MEMBERS

I respectfully submit to you the Town of Addison FY09 annual budget as approved by Council on September 9, 2008. This budget year ultimately proved to be challenging for Council and staff considering the current conditions in the national economy. Everyday we listen to another news report about the troubled state of our national and world financial markets. Naturally, our citizens are concerned about the health of their local economy; as well they should be. Fortunately for the Town of Addison, we continue to thrive economically – even in this climate of financial uncertainty. With Council's direction, staff continues its efforts to create a healthy economic outlook by analyzing smart investments in our community, with our eyes always towards long-term financial and capital planning. Many thanks to Council's leadership throughout this last year, this forward focus helped us incorporate and advance the discussions on renaissance, reinvention and sustainability.

After concluding a year of solid growth in FY08, we project Addison will continue to again see moderate growth in the coming year—with an estimated 10.8% increase in property taxes; which correlates to an additional \$1,610,700 in revenue. Additionally, we are projecting very modest growth in all other taxes combined to the tune of 1.3%, or \$230,260. Regardless of the twists and turns this economy may experience, we pledge to diligently monitor this current fiscal crisis and remain prepared for whatever the future may bring. Rest assured, due to actions of this and previous councils, Addison is on solid financial ground¹ with adequate reserves to weather most any economic downturn².

1) The Town's latest debt issuance was upgraded to a rating of "AAA" by Standard & Poor's Rating Services, and a rating of "Aa2" by Moody's Investors Service, Inc.

2) Please refer to the Long-term Financial Plans in Appendix E.

Due to its fiscally conservative culture, Addison has the ability to target lucrative development opportunities while other communities might have to stand pat. In this regard, the adopted budget reflects several public investments that will continue to promote and accelerate private development in the Town. This budget contains more than \$18 million for street, park and utility improvements associated with the Vitruvian Park urban residential development³. Now, with completion of Addison Circle and the Fairfield apartment complex development, the Town will begin development of the adjacent park land. As envisioned, this new park space will provide an additional amenity to this already impressive development. This budget also contains funds to complete the Town's share of the streets serving the new Ashton-Woods town home development. In addition, there are funds set aside for continued infrastructure improvements: \$1.6 million for the design and engineering of Belt Line Road streetscape, \$500,000 for the Surveyor overhead water storage tank, and nearly \$750,000 for city-wide signalization improvements. Together, these projects will help create an "Urban Renaissance" that will protect and enhance Addison's reputation as a cosmopolitan center that will retain its vitality years into the future.

The Council's priority to implement last year's Citizen Advisory Committee recommendations was a major focus of this year's budget. Management and staff have made a dedicated effort to take those recommendations and implement key initiatives integrated with a philosophy towards a "bias for action". Included in this year's budget are: plans for the Business and Information Visitor Center, which responds to the recommendation for implementation of business retention and development strategies; also, a household hazardous waste program that reflects our efforts towards sustainability. We also intend to refurbish and revitalize the Conference and Theatre Centre with much needed roof repairs, and HVAC (heating, venting and air conditioning) and carpet replacements. Furthermore, upon recommendation of the Citizen Advisory Committee, we will explore creation of a culinary district that has been the product of many great discussions. Enhanced educational opportunities for children and adults are included in this dialogue, as we work with the Dallas Independent School District to locate an elementary school in Addison.

3) For more information related to the Vitruvian Park development, please see section 3 if the Town Chronicle.

To further our efforts at providing premiere service to the community, this year's budget also contains funding for 5.5 new positions. These include an additional part-time person for our Human Resources department, an additional dispatcher and detention officer in the Police Department, and a clerk in the Municipal Court. The budget also allows for the hiring of a landscape architect in the Parks Department. This new position will enable us to enhance our efforts at beautifying the community – continuing our efforts to put the communities “best face” forward. Finally, we anticipate the hiring of a new utility supervisor and a utility operator, with plans for the operator to help service the many beautiful fountain pumps throughout our Town and assist the Utility Department to meet the ever increasing demands on this essential public utility.⁴

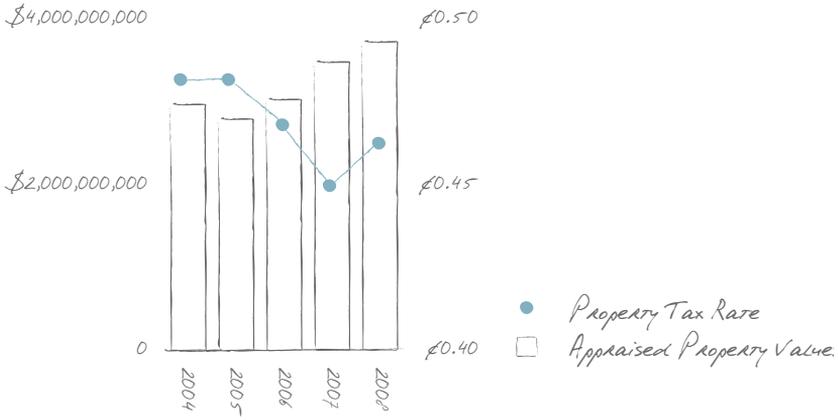
THE BUDGET IN BRIEF⁵

The 2008-09 adopted budget was developed in context of the financial policies approved by Council and which can be found in Appendix B of this document. Revenues for all funds total \$59,750,570, representing an increase of \$2 million or 3.4% compared to the FY08 budget. The increase is primarily a result of increased collections in the debt service portion of the property taxes needed to retire the debt associated with construction of the public infrastructure needed to make the Vitruvian Park development a reality. The property tax rate adopted this year increased to 45.35¢ per \$100 of appraised value, up 1.98¢ from the previous year – again, primarily due to the new debt. Overall, this rate will generate \$16,509,800 in total property taxes, which is up 10.8% or \$1,610,700 over last year. The total appraised value for 2008, for all properties in Addison grew to more than \$3.7 billion this year, a significant seven percent increase over certified 2007 values. With the new tax rate, we will continue to provide the same high level of service our citizens have come to enjoy, while also investing in our community's future.

This budget appropriates a total of \$81,135,650 or 28.2% more than the FY08 budget. As previously discussed, the increase is attributed to a greatly expanded scope of projects related to the Vitruvian Park development. In accordance with our financial policy of maintaining a compensation plan that will attract and

4) For a complete breakdown of all employees by department, refer to the Staffing Chart presented later in this document.

5) A more complete summary of the budget can be found in the press release following this letter.



retain high-quality employees, the budget also includes a 3% merit based pay increase for all employees. Additionally, this budget sets aside a half million dollars to address issues related to our contribution rate to the employees’ retirement program.

SUMMARY

All of the above mentioned efforts further Addison’s “Next Great Ideas” and ties cohesively with the Project Vision 2030 discussed later in this document. Although another challenging year awaits us, with a somewhat uncertain economic future, we continue to believe our highly dedicated and motivated staff is ready to handle whatever comes their way. I believe this budget will enable us to continue the “Addison Way” by providing the highest level of service for our citizens, while still remaining fiscally conservative with our use of public dollars. As you well know, none of this is possible without the tremendous efforts of our staff day in, and day out. So, I would like to take this time to thank the Town’s management staff for their direction and diligent work ethic throughout this entire process. As usual, they never cease to amaze me! Finally, I truly appreciate Council’s continued support, leadership and vision, and look forward to making this the best year ever.

Respectfully,

Ron Whitehead

I believe this budget will enable us to continue the “Addison Way” by providing the highest level of service for our citizens, while still remaining fiscally conservative with our use of public dollars.



Piero di Cosimo
Portrait of Simonetta Vespucci - 1480
Oil on Panel





PRESS RELEASE

The following is a summary of the 2008-2009 fiscal year annual budget of the Town of Addison adopted by the City Council at its September 9, 2008 meeting.

1. Budget appropriates \$81.1 million.

- Appropriations represent an increase of \$17.8 million or 28.2% more than the FY 2008 budget.
- The increase is attributed to a greatly expanded scope of projects related to the Vitruvian Park urban residential development.

2. Revenues total \$59.8 million.

- Amount is \$2.0 million more than FY 2008 budget or 3.4%.
- Increase in property tax revenue of \$1,610,700 or 10.8%.
- Non-property taxes (sales, alcoholic beverage, and hotel occupancy) are expected to increase by \$230,260 or 1.3%.
- The budget reflects an 11% increase in water and sewer rates and a 20% increase in rental rates at the Addison Conference Centre.

3. Property tax rate is proposed to increase to 45.35¢ per \$100 appraised value, up 1.98¢ from the previous year.

4. Appraised values for 2008 total \$3.7 billion.

- This amount represents an increase of 7.0% from the 2007 certified values.
- The city property taxes paid by the average homeowner in Addison will increase \$47.00 to \$1,066.00.

5. Total staffing (all funds) is at 268.4 FTEs (full-time equivalents), a net increase of 5.5 FTEs in workforce. Additions to staffing include:

- Addition of a clerk in municipal court (added during the 2008 fiscal year).
- An additional part-time (.5 FTE) volunteer coordinator in the Human Resources department.
- An additional dispatcher and detention officer in the department.
- Addition of a landscape architect in the Parks department.
- An additional utility operator to service utility and fountain pumps.



- A utilities supervisor for the Utility department.
- Deletion of the assistant public works position in the Utility Department

6. The budget includes a pay increase for employees of 3% effective October 1, 2008.

7. The budget envisions over \$22.2 million being spent on capital projects that include:

- Street, park, and utility improvements associated with Vitruvian Park \$18,021,000.
- Town's share of streets serving the Ashton-Woods development (\$500,000).
- City-Wide signalization \$743,000.
- Design and engineering of Belt Line Road Streetscape \$1,600,000.
- Development of a park adjacent to the Fairfield residential development \$941,340.
- Design and engineering of the Surveyor overhead water storage tank \$500,000.

Note: Project amounts reflect anticipated expenditures for the year. Total project budgets are greater than the amounts shown.

MUNICIPAL TAX RATE COMPARISON – FY 2008-09 TAX RATE*

	20.0¢	50.0¢	80.0¢
Dallas			74.79¢
DeSoto			69.973¢
Garland			69.96¢
Duncanville			69.6¢
Grand Prairie			66.9998¢
Coppell			64.146¢
Cedar Hill			64.14¢
Mesquite			64.0¢
Seagoville			63.5¢
Carrollton			61.7875¢
Richardson			57.516¢
Irving			54.06¢
Farmers Branch			49.45¢
Plano			47.35¢
ADDISON			45.35¢
Sunnyvale			37.7962¢
University Park			26.548¢
Highland Park			22.0¢

* Tax rate is expressed as cents per \$100 of valuation



COMPARATIVE TAX LEVIES

For an Average Addison
Single-Family Residence

	2008	2009
Dallas County		
Market Value	\$293,703	\$293,825
Homestead Exemptions	20%	20%
Taxable Value	\$234,962	\$235,060
Tax Rate/\$100	0.56721	0.57643
Tax Levy	\$1,332.73	\$1,354.96
Dallas ISD		
Market Value	\$293,703	\$293,825
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$249,333	\$249,443
Tax Rate/\$100	1.19964	1.18340
Tax Levy	\$2,991.10	\$2,951.90
Town of Addison		
Market Value	\$293,703	\$293,825
Homestead Exemptions	20%	20%
Taxable Value	\$234,962	\$235,060
Tax Rate/\$100	0.4337	0.4535
Tax Levy	\$1,019.03	\$1,066.00
TOTAL TAX LEVY	\$5,342.86	\$5,372.86

PROPERTY TAX RATE CALCULATION AND DISTRIBUTION

2008 CERTIFIED TAX ROLL & LEVY

Assessed Valuation (100%)	\$3,724,826,923
Rate Per \$100	<u>\$0.4535</u>
Total Tax Levy	\$16,892,090
Percent of Current Collection	<u>97.50%</u>
Estimated Current Tax Collections	<u>\$16,469,800</u>

Summary of Tax Collections

Current Tax	\$16,469,800
Delinquent Tax	5,000
Penalty and Interest	<u>35,000</u>
TOTAL 2008-09 TAX COLLECTIONS	<u>\$16,509,800</u>

DISTRIBUTION OF TAX RATE

	Tax Rate	% of Total	Amount
General Fund:			
Current Tax			\$10,270,470
Delinquent Tax			3,120
Penalty and Interest			21,830
Total General Fund	<u>\$0.2828</u>	<u>62.36%</u>	<u>10,295,420</u>
Debt Service Fund:			
Current Tax			6,199,330
Delinquent Tax			1,880
Penalty and Interest			13,170
Total Debt Service Fund	<u>\$0.1707</u>	<u>37.64%</u>	<u>6,214,380</u>
TOTAL DISTRIBUTION	<u>\$0.4535</u>	<u>100.00%</u>	<u>\$16,509,800</u>

FUND OVERVIEW

TOTAL BUDGET - ALL FUNDS **\$81,135,650**

Governmental Funds		
General Fund		\$ 28,981,820
Special Revenue		
Hotel Fund		\$ 7,033,610
Public Safety Fund		\$ 25,000
Municipal Court Fund		\$ 119,500
Arbor Fund		\$ 30,000
Debt Service		
General Obligation Debt Service		\$ 6,378,130
Hotel Occupancy Debt Service		\$ 718,790
Capital Projects		
Street Capital Project Fund		\$ 1,243,000
Parks Capital Project Fund		\$ 941,340
Other Capital Project Funds		\$ 18,115,000
Proprietary Funds		
Enterprise Funds		
Airport Fund		\$ 3,998,910
Utility Fund		\$ 11,781,100
Internal Service Funds		
Information Technology Replacement Fund		\$ 1,435,450
Capital Equipment Replacement Fund		\$ 334,000

Note: Descriptions of each fund are included in the individual fund pages.

STAFF ORGANIZATIONAL CHART

Addison Citizens

Mayor & City Council

- Planning & Zoning Board
- City Secretary
- City Attorney
- City Judges
- Other Boards & Commissions

City Manager

Assistant City Manager

- Public Works
 - Streets / Utilities
- Development Services
 - Environmental Services
 - Building Inspection
- General Services
 - Airport
- Special Events

Deputy City Manager

- General Government
 - Financial & Strategic Services
 - Human Resources
 - Information Technology
- Public Safety
 - Police / Fire
 - Emergency Communications

Assistant City Manager

- Municipal Court
- Parks & Recreation
- Visitor Services
 - Conference Centre
 - Theatre

STAFFING

	2005	2006	2007	2008	2009	08-09
GENERAL FUND						
City Manager	10.0	10.0	8.5	8.5	8.5	-
Financial & Strategic Services	12.0	11.0	10.0	10.0	10.0	-
General Services	9.0	9.0	9.0	10.0	10.0	-
Municipal Court	4.7	4.7	4.7	4.7	5.7	1.0
Human Resources	4.7	4.7	4.7	4.7	5.2	0.5
Information Technology	6.0	6.0	6.0	6.0	6.0	-
Police	83.8	81.8	68.3	69.3	70.3	2.0
Emergency Communications	-	-	12.5	12.5	13.5	-
Fire	55.0	55.0	55.0	55.0	55.0	-
Development Services	6.0	6.0	7.0	7.0	7.0	-
Streets	6.0	6.0	7.0	7.0	7.0	-
Parks	20.0	20.0	20.0	20.0	21.0	1.0
Recreation	17.9	17.2	15.2	15.2	15.2	-
TOTAL GENERAL FUND	235.1	231.4	227.9	229.9	234.4	4.5
Hotel Fund	13.5	14.5	14.0	14.0	14.0	-
Airport Fund	2.0	2.0	2.0	2.0	2.0	-
Utilities	18.0	18.0	17.0	17.0	18.0	1.0
TOTAL ALL FUNDS	268.6	265.9	260.9	262.9	268.4	5.5

All positions are shown as full-time equivalent (FTE)

FUND SUMMARIES

COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

All Funds Subject to Appropriation (Expressed in \$000's)*
 City Council Adopted 2008/2009 Annual Budget
 With Comparisons to 2007/2008 Budget and 2006/2007 Actual

	Special Revenue Funds			Debt Service Funds	
	General Fund	Hotel	Combined Other	General	Occupancy Tax Revenue
BEGINNING BALANCES	\$11,817	\$5,693	\$411	\$1,545	\$909
REVENUES:					
Ad valorem tax	10,295	-	-	6,214	-
Non-property taxes	12,130	5,200	-	-	-
Franchise fees	2,560	-	-	-	-
Licenses and permits	659	-	-	-	-
Intergovernmental	-	-	-	-	-
Service fees	1,285	1,475	-	-	-
Fines and penalties	1,300	-	47	-	-
Rental income	157	730	-	-	-
Interest & other income	607	275	61	70	40
TOTAL REVENUES	28,991	7,680	108	6,284	40
Transfers from other funds	-	-	-	-	700
TOTAL AVAILABLE RESOURCES	40,807	13,373	518	7,830	1,649
EXPENDITURES:					
General Government	6,846	-	120	-	-
Public Safety	14,659	-	25	-	-
Urban Development	975	-	-	-	-
Streets	2,308	-	-	-	-
Parks & Recreation	4,194	-	30	-	-
Tourism	-	7,034	-	-	-
Aviation	-	-	-	-	-
Utilities	-	-	-	-	-
Debt service	-	-	-	6,378	719
Capital projects	-	-	-	-	-
TOTAL EXPENDITURES	29,982	7,034	175	6,378	719
Transfers to other funds	-	700	-	-	-
ENDING FUND BALANCES	\$11,826	\$5,640	\$344	\$1,452	\$930

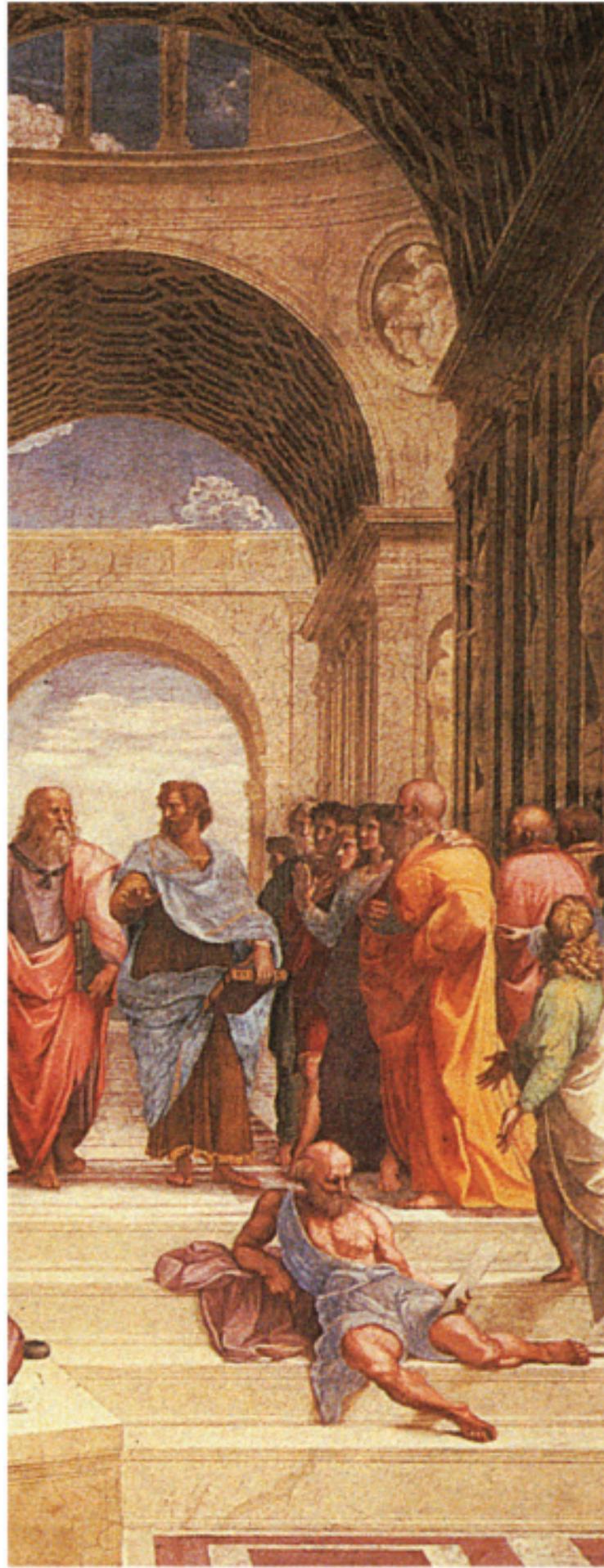
*Totals may not exactly match due to rounding



Total Revenues	\$59,751
Decrease in Fund Balance	<u>21,385</u>
Total Appropriable Funds	<u>\$81,136</u>
 Total Appropriations	 <u>\$81,136</u>

Capital Project Funds			Proprietary Funds			Total All Funds		
Streets	Parks	Combined Bonds	Airport	Utility	Combined Replacement	Budget 2008-09	Budget 2007-08	Actual 2006-07
\$2,364	\$921	\$29,681	\$1,033	\$8,964	\$6,446	\$69,785	\$35,049	\$33,926
-	-	-	-	-	-	16,510	14,899	13,630
-	-	-	-	-	-	17,330	17,099	16,719
-	-	-	-	-	-	2,560	2,590	2,616
-	-	-	-	-	-	659	558	743
600	-	-	50	-	-	650	1,022	1,085
-	-	-	837	9,552	938	14,086	14,721	13,614
-	-	-	-	60	-	1,407	1,243	1,368
-	-	-	3,240	-	-	4,127	3,763	3,919
100	20	605	80	351	215	2,423	1,897	2,697
700	20	605	4,207	9,963	1,153	59,751	57,792	55,491
-	-	-	-	-	-	700	700	707
3,064	941	30,286	5,240	18,927	7,599	130,235	93,541	90,574
-	-	-	-	-	1,150	8,116	7,090	6,102
-	-	-	-	-	536	15,220	15,083	13,950
-	-	-	-	-	-	975	994	771
-	-	-	-	-	40	2,348	2,115	1,477
-	-	-	-	-	43	4,267	4,511	3,641
-	-	-	-	-	-	7,034	6,763	6,041
-	-	-	3,409	-	-	3,409	3,394	3,539
-	-	-	-	7,047	-	7,047	7,041	6,757
-	-	-	390	2,987	-	10,474	8,446	8,423
1,243	941	18,115	200	1,748	-	22,247	7,852	2,006
1,243	941	18,115	3,999	11,781	1,769	81,136	63,289	52,671
-	-	-	-	-	-	700	700	707
\$1,821	\$-	\$12,171	\$1,241	\$7,146	\$5,830	\$48,399	\$29,552	\$37,196

Raphael
The School of Athens — 1510
Fresco





PROJECT 2030 VISION

The Goals for Addison and the 2030 Vision Project represent general guidelines for directing the administration and development of the Town of Addison. The goals and vision are reviewed annually by the Council and were updated this year to add a goal related to sustainable development and operations.

INTRODUCTION

The Addison 2030 Vision Project serves as a guiding tool for future Addison Town Councils to use as they perform their decision making responsibilities. The 2030 Vision also lists visions for specific areas including public safety, transportation, infrastructure, Addison Airport, business development, Addison as a destination, special events, residential and community development, parks and recreation and education.

The following synopsis highlights the major tenets of the vision. The bulleted statements are intended to represent the Council's recommended vision for Addison in the year 2030.

To effectively meet the challenges of the next century, Addison should...

- Pursue the expansion of DART rail to Addison by pursuing transit-oriented zoning changes now in anticipation of DART expansion.
- Redesign Belt Line Road through an infusion of reinvention and creativity along with design and infrastructure capital to maintain and enhance its reputation as an exciting place to be.
- Make investments now to position Addison for the future.
- Recommit Addison to the promotion and installation of design aesthetics in all public spaces to include landscaping and public art.
- Cultivate Addison's brand assets needed to ensure visitors and residents of all sectors have a clear appreciation for Addison as an exciting, culturally forward and diverse in entertainment offerings where special events occur on a regular basis.

- Reinforce the Town’s “business friendly” image and continually look for ways to make it easier to locate and do business in Addison.
- Provide high quality services. From recruitment and hiring of dedicated municipal employees with an intense understanding of customer service, responsiveness and fiscal responsibility; excellence in customer service is essential to Addison’s success.
- Consciously plan and explore ways to connect “nodes” in the community. These nodes of connectivity focus on all types of issues to include parks, pedestrian mobility, vehicular mobility, commercial development and transportation nodes.
- Pursue alliances with learning institutions to provide adult education that builds on Addison’s attributes and industries that already exist here.
- Encourage a wide variety of residential products to foster a cross-section of residents in the community.
- Pursue a strategic vision and development plan for Addison Airport. This new strategic vision for the Airport should be devised with a “self-funding” revenue philosophy.
- Direct developers to propose more high quality, high density developments that move to a more urban feel.

The goals for Addison drive the development of the town's budget. Each year the City Council reviews the goals to determine if they need to be changed to respond to community needs

GOALS FOR ADDISON

Town of Addison Mission

The Town of Addison will maintain a dynamic progressive quality atmosphere in which to work, play and live with an emphasis on balanced growth.

The goals for Addison drive the development of the town's budget. Each year the City Council reviews the goals to determine if they need to be changed to respond to community needs. For the 2008 – 09 budget, the goals remain the same as the previous year with the exception of the addition of a goal regarding sustainable practices.

Goals for Addison

1. Provide Superior Public Safety, Customer Service, Social and Health Services to the Community
 - Maintain a best model reputation in police and fire services; continually explore and develop programs to reduce crime
 - Promote proactive programs and agreements to provide public safety (i.e. neighborhood-based crime watch; cooperative inter-agency and inter-governmental approaches; high visibility and community involvement for public safety employees)
 - Support social services
 - Support strict health and code enforcement
 - Uphold commitment to environmental programs
 - Administer all functions to assure courteous, effective and efficient service to external and internal customers
 - Department operations will be structured to ensure rapid response to customer requests for service or information as well as resolution of customer complaints
 - Investments will be made in technology that will optimize customer service
 - The quality of customer service will be measured and reported

2. Conduct the Business of the Town in a Fiscally Responsible Manner
 - Retain high bond rating and financial reputation
 - Retain high financial reserves policy
 - Ensure ongoing review of all service and contract providers

- Explore new and innovative revenue sources where appropriate
- Promote and utilize Addison businesses whenever possible in making municipal purchases
- Adopt Town budgets in context of the long-term financial plan which emphasizes funding of capital projects through operating revenues instead of issuing debt
- Consider issuance of general obligation debt only to fund high priority capital projects which shall have the approval of Addison voters
- Explore regional partnerships

3. Promote Quality Transportation Services

- Continue implementation of the Transportation Master Plan
- Advocate the significance of DART rail for Addison's growth and development
- Expand Addison's street system to effectively accommodate vehicular traffic while protecting the integrity of attractive median and right-of-way landscaping
- Pursue infrastructure improvements of intra-city transportation
- Enhance pedestrian-oriented means of travel in Addison and install improved pedestrian crossing systems aimed at enhancing public safety

4. Employ High-Quality, Service-Oriented Personnel

- Foster a work force made up of friendly, professional and highly qualified employees
- Promote educational standards and reeducation opportunities
- Provide innovative and flexible compensation policies

5. Provide For A Diversified Business Climate

- Promote existing and new retail businesses in Addison
- Enhance Addison's reputation as a prime location for small, medium and start-up businesses while continuing to pursue appropriate larger businesses and corporate partners for the community
- Promote office occupancy in Addison
- Enhance open communication between local government, the business community, Town Hall and the residential sector
- Promote the significance of Addison's premier location as a key element to the Town's image and success

- Pursue economic development through the use of an innovative program of work that seeks to emphasize retention and the expansion of existing businesses
- Retain and enforce the Town's commitment to urban landscaping
- Implement programs to ensure the vitality of Addison's restaurant and hospitality community
- Instill "Addison pride" in existing businesses

6. Continue to Attract Visitors

- Enhance Addison Conference Centre's ability to host expanded events which attract visitors to Addison
- Continue to grow and create entertaining special events
- Enlist sponsors to support and enhance Addison's high-quality special events
- Promote the arts and cultural events
- Promote the creation of additional art in public places by investigating and implementing programs that encourage developers to create public art in Addison
- Promote Addison Airport as a tourism and visitor destination through special events and on-site attractions
- Continue to explore and develop innovative uses of the hotel/motel fund which enhance tourism

7. Maintain Diversified Residential Housing Opportunities

- Explore creative means of developing high-quality, high-rise single and multi-family housing opportunities
- Support high-quality, high-density mixed use developments in accordance with the Master Plan for Addison Circle
- Maintain the integrity of residential neighborhoods through the use of buffers, park systems and landscaping

8. Pursue the Finest Educational Offerings for the Community

- Continue the Town's interlocal agreement for library services with the City of Farmers Branch and the City of Dallas as well as exploring cooperative use agreements with surrounding communities
- Pursue associations with learning institutions to provide continuing education offerings to the Town's resident and business populations
- Continue to pursue enhanced primary and secondary school opportunities for Addison children

9. Provide Quality Leisure Opportunities

- Review existing and consider new recreational offerings for the residential and business communities on a regular basis to satisfy the growing needs of the community
- Maintain resident-only use of the Athletic Club
- Continue implementation of the Parks Master Plan, related facilities and addition to the plan as deemed appropriate
- Maintain the excellence of the Addison park system

10. Work to instill a “Sense of Community” in Addison’s residents

- Continue to build a sense of community through activities like candidate forums, Town Hall meetings, newsletters and the citizens academy
- Work to find new avenues to involve more residents in the civic process and to serve on boards and commissions with the hope of developing new leaders from a cross-section of the community
- Create avenues that allow residents and members of the business community to have a sense of pride living and working in Addison

11. Develop and utilize the Addison Airport as an engine to drive economic growth in the community

- Continue to upgrade and improve the Addison Airport facility and its infrastructure through the pursuit of funding from the FAA, Texas Department of Transportation-Aviation Division and profits resulting from the superior management of the facility with the overall goal of making and retaining Addison Airport as the BEST general aviation airport in the region and the country
- Continue to operate the Airport in a manner that allows it to be self-sufficient

12. Expand the leadership role of the entire Council by active participation in community groups and professional development

- Council members will actively represent the Town of Addison and participate in community groups, inter-governmental agencies, and professional associations that support the Town’s goals; demonstrate the Town’s commitment to social and environmental support; and advance Addison’s influence at the local, state, and national levels

- Council members will utilize professional development opportunities provided by the Texas Municipal League, National League of Cities, and other professional groups

13. *Take actions to make Addison a leader in sustainable development and operations that protect and enhance the Town's quality of life.**

- Evaluate city operations to identify areas where resources can be conserved in the provision of public services without significantly affecting the quality of services. Actions may include limiting use of water to irrigate landscaping, conserving electricity by employing energy-efficient lighting and equipment, reduce fuel consumption by redesigning fleet operations, and reducing purchase of office supplies by incorporating "paperless" document processing.
- Where financially and operationally practical, purchase supplies for city services that are comprised of recyclable materials and/or will minimally impact the environment with their use (e.g. "green" cleaning supplies).
- Actively recycle materials to divert items from landfills and will facilitate recycling by the Town's residents, businesses, and visitors.
- Encourage developers to adopt "green" building standards for new buildings or refurbishment of existing facilities. Town building inspection employees will become knowledgeable of different sustainability programs such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program, and the U.S. Environmental Protection Agency's Energy Star program.

* Department initiatives dealing with sustainability are printed in italics.

TOWN OF ADDISON GOALS MATRIX

The Town's goals are presented here in a matrix format. When the mission of a department corresponds with a Town goal, it is highlighted in blue on the matrix.

	1) Superior Customer Service	2) Fiscally Responsible	3) Quality Transportation Services	4) High Quality Personnel	5) Diversified Business Climate	6) Attract Visitors	7) Diversified Residential Housing	8) Finest Educational Offerings	9) Quality Leisure	10) Sense of Community	11) Upgrade & Improve Addison Airport	12) Council Leadership	13) Sustainability
City Manager's Office	■	■	■	■	■	■	■	■	■	■	■	■	■
Financial & Strategic Services	■	■	■	■	■	■	■	■	■	■	■	■	■
General Services	■	■	■	■	■	■	■	■	■	■	■	■	■
Municipal Court	■	■	■	■	■	■	■	■	■	■	■	■	■
Human Resources	■	■	■	■	■	■	■	■	■	■	■	■	■
Information Technology	■	■	■	■	■	■	■	■	■	■	■	■	■
Police	■	■	■	■	■	■	■	■	■	■	■	■	■
Fire	■	■	■	■	■	■	■	■	■	■	■	■	■
Development Services	■	■	■	■	■	■	■	■	■	■	■	■	■
Streets	■	■	■	■	■	■	■	■	■	■	■	■	■
Parks	■	■	■	■	■	■	■	■	■	■	■	■	■
Recreation	■	■	■	■	■	■	■	■	■	■	■	■	■
Visitor Services	■	■	■	■	■	■	■	■	■	■	■	■	■
Conference Centre	■	■	■	■	■	■	■	■	■	■	■	■	■
Special Events	■	■	■	■	■	■	■	■	■	■	■	■	■
Airport	■	■	■	■	■	■	■	■	■	■	■	■	■
Public Works	■	■	■	■	■	■	■	■	■	■	■	■	■

Giorgione
The Tempest - 1508
Oil on Canvas





GENERAL FUND

FUND DESCRIPTION

The 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 concluding and new fiscal years. Operational accomplishments and goals are reported in the department narratives.

Concluding Fiscal Year Financial Performance

Revenues are estimated at slightly above the FY 2007-08 budget and 4.1% more than actually received during the 2006-07 fiscal year. Building and construction permits are anticipated to be \$188,900 higher than budgeted due to the Vitruvian Park Development. Court fines are also anticipated to be \$20,000 higher than budgeted. However, declines in several franchise fees have offset these gains.

Expenditures are expected to be \$1,720,220 or 5.9% less than the adopted budget. Of the fifteen operating departments, all but one are expected to be within their original individual budgets. Council properly recognized all excess expenditures with budget amendments in July 2008. The differences estimated for revenues and expenditures, combined with a higher beginning fund balance, contributed to an estimated ending fund balance of \$11,816,630, which is \$3,624,390 higher than originally budgeted.

2008 / 2009 BUDGET

Revenues¹

Revenues are projected to total \$28,990,820, which represents a 2.5% increase compared to the previous year's budget. Most of the increase can be attributed to increases in ad valorem taxes, sales tax revenue and court fines. Despite a decrease in the tax rate levied for General fund purposes from 29.90¢ to 28.28¢ increased appraised property values are expected to generate an additional \$23,730 in revenue for the General fund. In addition, FY 2008-09 sales tax revenue is budgeted at \$11,124,500, \$391,600 or 3.6% higher than the sales tax budget for FY 2007-08. Building and construction permits are expected to generate \$500,000 in revenue for FY 2008-09.

Expenditures

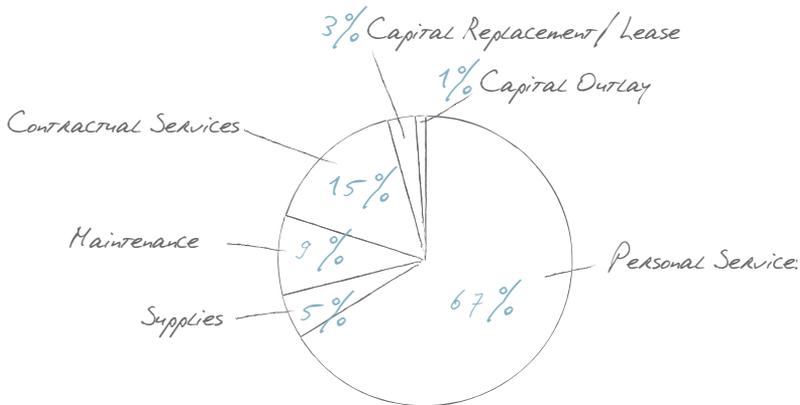
Total fund expenditures for the 2009 fiscal year have been appropriated at \$28,981,820, only \$5,450, less than the 2007-08 budget. To provide Addison employees with a competitive compensation package, the Council approved a pay increase of 3% of salaries effective October 1, 2008. The combined cost of this adjustment to the Town's compensation plan is \$451,000 for FY 2008-09.² Staffing for FY 2008-09 is budgeted at 234.4 FTE (full-time equivalent) positions, which is 4.5 FTEs more than the previous year.³ This increase in staffing is the result of adding a clerk in Municipal Court, a part time volunteer coordinator in Human Resources, an additional dispatcher and detention officer in the Police Department, and a landscape architect in the Parks Department.

1) For a more extensive discussion of major revenue sources, please refer to Appendix D.

2) For more information pertaining to the Town's pay plan, please refer to Appendix C.

3) Please refer to the Town's organization staffing chart on page 9 for a breakdown of all positions by department.

GENERAL FUND OPERATING EXPENDITURES



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.

BY MAJOR COST CATEGORY

Category	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$17,249,874	\$18,777,830	\$17,261,230	\$19,288,690
Supplies	1,065,067	1,181,210	1,245,050	1,350,970
Maintenance	1,662,846	3,606,460	3,425,640	2,714,130
Contractual Services	3,547,355	4,328,650	4,186,800	4,594,200
Capital Replacement/Lease	1,046,401	1,078,120	1,061,310	861,730
Capital Outlay	196,261	15,000	87,020	172,100
TOTAL FUND BUDGET	\$24,767,804	\$28,987,270	\$27,267,050	\$28,981,820

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$8,175,180	\$10,394,270	\$10,684,170	\$11,816,630
REVENUES:				
Ad Valorem taxes	9,136,052	10,271,690	10,150,900	10,295,420
Non-property taxes	11,515,956	11,699,300	11,770,000	12,129,560
Franchise fees	2,615,504	2,590,000	2,482,440	2,559,680
Licenses & permits	743,201	557,900	742,650	658,560
Service fees	1,229,291	1,266,850	1,299,520	1,284,600
Fines & forfeitures	1,181,508	1,143,000	1,163,000	1,300,000
Interest earnings	568,276	561,000	575,000	552,500
Rental income	147,363	146,500	156,000	156,500
Other	139,638	49,000	60,000	54,000
TOTAL REVENUES	27,276,789	28,285,240	28,399,510	28,990,820
TOTAL RESOURCES AVAILABLE	35,451,969	38,679,510	39,083,680	40,807,450
EXPENDITURES:				
General Government:				
City Manager	1,190,325	1,379,920	1,367,990	1,504,200
Financial & Strategic Services	873,890	1,032,450	848,030	1,052,050
General Services	766,139	931,620	916,150	880,370
Municipal Court	425,008	457,320	435,500	520,570
Human Resources	399,152	450,730	356,000	572,960
Information Technology	1,048,921	1,573,200	1,355,290	1,272,440
Combined Services	698,828	912,550	863,760	794,020
Council Projects	296,943	284,380	294,150	249,340
Public Safety:				
Police	6,601,016	7,435,230	7,002,360	7,392,850
Emergency Communications	956,932	1,057,820	965,200	1,150,000
Fire	5,701,089	6,138,000	5,809,510	6,115,870
Development Services	770,557	937,680	901,640	975,160
Streets	1,476,582	2,089,910	2,017,330	2,308,180
Parks and Recreation:				
Parks	2,297,895	2,637,690	2,516,130	2,766,050
Recreation	1,264,527	1,668,770	1,618,010	1,427,760
TOTAL EXPENDITURES	24,767,804	28,987,270	27,267,050	28,981,820
OTHER FINANCING SOURCES (USES):				
Parking lot long-term lease	-	(1,500,000)	-	-
ENDING FUND BALANCE	\$10,684,165	\$8,192,240	\$11,816,630	\$11,825,630

STATEMENT OF REVENUES BY SOURCE

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Ad Valorem taxes:				
Current taxes	\$9,173,157	\$10,244,110	\$10,099,400	\$10,270,470
Delinquent taxes	(91,991)	3,450	5,500	3,120
Penalty & interest	54,886	24,130	46,000	21,830
Non-property taxes:				
Sales tax	10,508,257	10,732,900	10,800,000	11,124,500
Alcoholic beverage tax	1,007,699	966,400	970,000	1,005,060
Franchise fees:				
Electric franchise	1,599,517	1,600,000	1,500,000	1,550,000
Gas franchise	228,325	225,000	241,340	301,680
Telecommunication access fees	657,617	631,800	600,000	575,000
Cable franchise	113,717	110,700	125,500	125,000
Street rental fees	6,883	7,500	7,000	7,000
Wireless network fees	9,445	15,000	8,600	1,000
Licenses and permits:				
Business licenses & permits	169,967	146,800	142,650	158,560
Building and construction permits	573,234	411,100	600,000	500,000
Service fees:				
General government	1,152	600	460	600
Public safety	663,562	724,700	723,100	713,000
Urban development	5,685	4,600	7,210	5,000
Streets and sanitation	318,731	296,900	317,200	310,250
Recreation	85,149	58,400	69,900	74,100
Interfund	165,012	181,650	181,650	181,650
Court fines & forfeitures	1,181,508	1,143,000	1,163,000	1,300,000
Interest earnings	568,276	561,000	575,000	552,500
Rental income	147,363	146,500	156,000	156,500
Other	139,638	49,000	60,000	54,000
TOTAL REVENUES	\$27,286,789	\$28,285,240	\$28,399,510	\$28,990,820

CITY MANAGER

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Continued to facilitate the implementation of the Citizen Advisory Committee recommendations.
- Facilitated and negotiated a successful \$1 billion urban infill housing development near Brookhaven Club.
- Completed the Addison Road Widening project.
- Initiated a thorough feasibility analysis for a new Theatre Hall and Aviation Museum.
- Initiated the Strategic Operations Review for a number of Town Departments.
- Received upgraded bond ratings from S&P Rating Group (AAA) and Moody's Investor Services (Aa2).
- Started the recruitment process for the 2008 Citizen Academy Program.
- Initiated a thorough review of the Addison Brand.

Objectives for FY2009

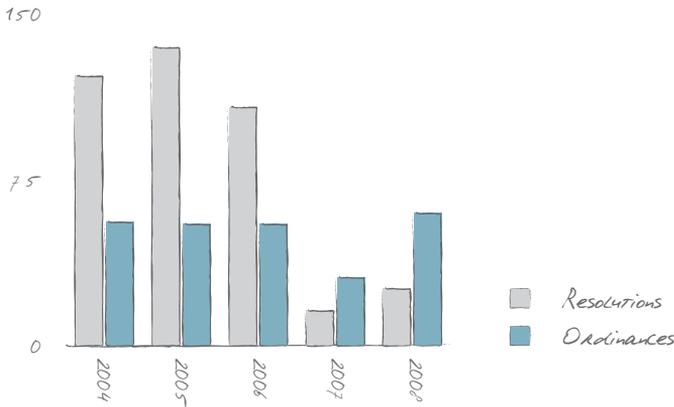
- Monitor and provide oversight of the Vitruvian Park Development.
- Monitor and provide oversight of mixed use/multi-family housing projects in Addison Circle and Belt Line Road.
- *Implement a Town-wide Sustainability Philosophy.*
- Continue to provide guidance regarding the recommendation from the Citizen Advisory Committees.
- Complete a comprehensive branding study for the Town of Addison.
- Provide oversight of a Charter Review Process.

Major Budget Items - FY2009

Expanded Levels of Service:

- Consultant Studies (\$100,000).
- Replace or Re-Upholster Conference Room (\$5,500).
- Replace window shutters (\$15,000).
- Fire alarm system upgrade (\$50,000).

ORDINANCES PASSED & RESOLUTIONS WRITTEN



A change was instituted regarding when ordinances and resolutions are required which resulted in a drop in activity in FY07.

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$901,800	\$961,630	\$907,570	\$1,008,530
Supplies	26,148	21,350	34,670	30,350
Maintenance	32,927	119,520	129,160	40,590
Contractual Services	214,650	262,140	274,950	359,450
Capital Replacement/Lease	14,800	15,280	15,280	15,280
Capital Outlay	-	-	\$6,360	50,000
TOTAL DEPARTMENT BUDGET	\$1,190,325	\$1,379,920	\$1,367,990	\$1,504,200

	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING					
City Manager	N/C	1.0	1.0	1.0	1.0
Deputy City Manager	34	1.0	1.0	1.0	1.0
Assistant City Manager	32	1.0	2.0	2.0	2.0
Director-Development Services *	31	1.0	0.0	0.0	0.0
Assistant to the City Manager **	27	1.0	0.0	0.0	0.0
Secretary-Executive	11	1.0	1.0	1.0	1.0
Secretary-Administrative	9	1.0	2.0	2.0	2.0
Secretary-Department	8	1.0	0.0	0.0	0.0
Receptionist ***	6	1.0	0.5	0.5	0.5
Intern	1	1.0	1.0	1.0	1.0
TOTAL		10.0	10.0	8.5	8.5

*Position transferred to Development Services in FY07

**Position was replaced by a new Assistant City Manager position in FY07

***A portion of this FTE was been moved to the Hotel Fund in FY07

FINANCIAL AND STRATEGIC SERVICES

DEPARTMENT MISSION

To optimally manage the Town's resources through its financial services and strategic services divisions. The Director of Financial & Strategic Services is charged with satisfying this mission by providing general supervision to all Town divisions. The department develops the Town's comprehensive annual financial report, administers the Town's risk management and treasury functions, and assists the City Manager with development of the Town's annual budget.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Restructured department to facilitate succession planning by creating a chief financial officer.
- Completed strategic review of the Special Events and Utilities Departments.
- Performed an internal audit of the Town's procurement card program that revealed the program was working as intended.
- Evaluated and developed improvements for the online utility payment portal.
- Coordinated the sale of \$34.5 million in certificates of obligation for the Vitruvian Park infrastructure and other capital projects. This earned an upgraded bond rating from Standard & Poor's (AAA) and Moody's (Aa2)
- Documented job procedures and successfully cross-trained all staff in the Financial Services Division.
- Reviewed and improved process for accepting new applications for utility services and managing delinquent utility accounts.
- Awarded new service contract for the investment management function.

Objectives for FY2009

- Develop a strategic plan for the department.
- Perform strategic reviews of Information Technology, Human Resources, and Visitor Services.
- Implement and monitor Town's legislative priorities before the 2009 Texas Legislative Session.
- *Supervise and coordinate Town's sustainability initiatives.*
- Monitor DART capital improvement program to ensure Addison's interests are protected and advanced.
- Identify and implement credit card payment process improvements.
- Evaluate and develop written procedures for the risk management function.

Major Budget Items - FY2009

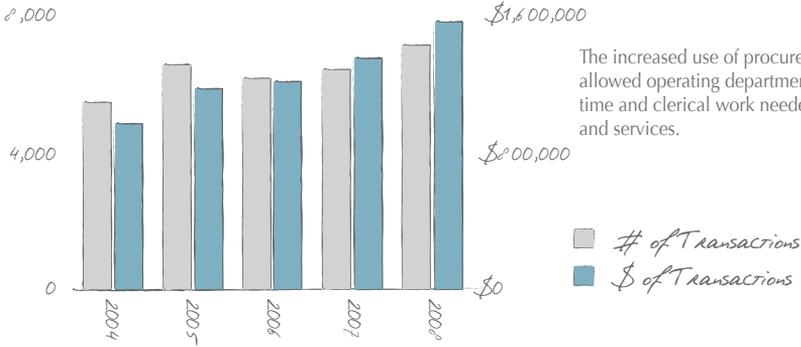
Proposed Expanded Levels of Service:

- Facility Painting (\$35,000).

Other Major Budget Items:

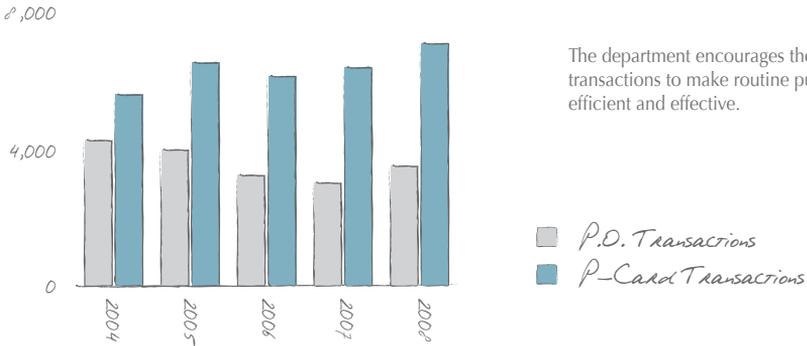
- Professional services including audit (\$21,500), payments to Dallas County Appraisal District allocation (\$72,500), county tax collection (\$7,400), cash advisory fees (\$16,500).

PROCUREMENT CARD TRANSACTIONS



The increased use of procurement cards has allowed operating departments to reduce the time and clerical work needed to acquire goods and services.

PROCUREMENT TRANSACTIONS BY CATEGORY



The department encourages the use of p-card transactions to make routine purchases more efficient and effective.

EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$584,904	\$716,380	\$500,200	\$744,950
Supplies	27,906	32,520	32,450	32,360
Maintenance	48,008	57,540	41,920	38,030
Contractual Services	190,270	209,430	256,880	220,130
Capital Replacement/Lease	15,812	16,580	16,580	16,580
Capital Outlay	6,990	-	-	-
TOTAL DEPARTMENT BUDGET	\$873,890	\$1,032,450	\$848,030	\$1,052,050

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Chief Financial Officer	31	0.0	0.0	0.0	1.0
Director-Financial & Strategic Svcs.	31	1.0	1.0	1.0	1.0
Asst. Director-Financial & Strategic Svcs.*	29	1.0	1.0	1.0	0.0
Financial Services Manager	26	1.0	1.0	1.0	1.0
Strategic Services Manager	26	1.0	1.0	1.0	1.0
Financial Services Supervisor	22	0.0	0.0	1.0	1.0
Senior Management Analyst **	22	1.0	0.0	0.0	0.0
Accountant	20	1.0	1.0	1.0	1.0
Management Analyst	20	1.0	1.0	1.0	1.0
Secretary-Department	8	1.0	1.0	0.0	0.0
Accounting Specialist	7	0.0	3.0	3.0	3.0
Billing Specialist ***	7	1.0	0.0	0.0	0.0
Collections Specialist ***	7	1.0	0.0	0.0	0.0
A/P Specialist ***	5	1.0	0.0	0.0	0.0
TOTAL		11.0	10.0	10.0	10.0

*Position was eliminated in FY09

**Position was eliminated in FY07

***These positions were replaced with the Accounting Specialist positions in FY07

GENERAL SERVICES

DEPARTMENT MISSION

To ensure all Town facilities are maintained to be an attractive and comfortable environment conducive to conducting Town business, and the city's fleet of vehicles is maintained to meet the highest standards of safety and efficiency. Department staff also manages the city's inventory of office and custodial supplies, transports mail and supplies among the eight municipal buildings, and administers hazardous material handling. The Department is the Town's liaison to Addison Airport. Costs associated with operation and maintenance of the Town of Addison Service Center are reflected in the department's budget. The Service Center houses the Parks, Streets, Development Services, Public Works, Information Technology, Special Events, Human Resources, and General Services departments.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Continued to work with the Washington Staubach airport management team to accomplish airport priorities, further enhance airport operations, and accentuate and communicate the positives of Addison Airport.
- Completed removal of fuel farm.
- Completed design phase for the RSA and Fuel Farm Service Road.
- Completed Taxiway Sierra reconstruction.
- Coordinated and supervised several Town facilities projects such as carpet replacement at town facilities, Service Center Yard Reorganization, implemented an on-line "help desk" for facilities work order requests, and upgraded the Athletic Club Fire Alarm System.
- Implemented a fleet technician productivity and efficiency tracking system.
- *Added three hybrid electric vehicles to the Town's fleet.*
- Developed specifications, purchased, and performed make-ready for 15 new fleet vehicles.

Objectives for FY2009

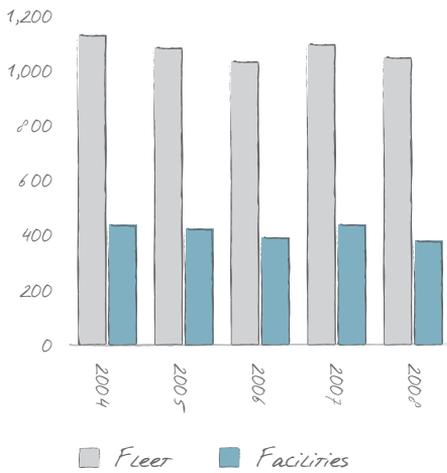
- Continue to work with the Washington Staubach team to accomplish airport priorities, further enhance airport operations, and accentuate and communicate the positives of Addison Airport.
- Begin Design phase for EMAS & Runway Overlay.
- Host the General Aviation Annual Conference.
- Coordinate and supervise all budget approved Town facilities projects.
- Continue to enhance shop operations for customer support and Service.
- Expand ASE and EVT fleet technician training.
- Develop specifications, purchase, and perform make-ready to 10 new fleet vehicles as approved.
- *Continue to expand the use and acquisition of hybrid electric vehicles.*

Major Budget Items - FY2009

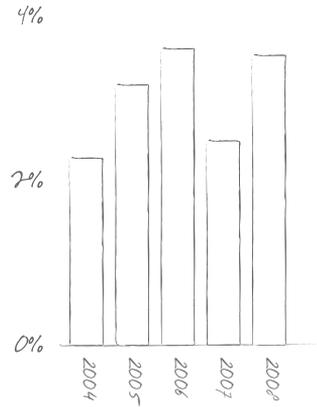
Expanded Levels of Service:

- Tire Machine (\$6,500)
- Brake Lathe (\$7,000)
- Service Center Tile Replacement (\$30,000)
- Exterior Painting at Service Center (\$20,000)
- 2nd Floor Conference Room Wall (\$5,000)

WORK ORDERS PROCESSED



FLEET DOWNTIME



	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$560,261	\$609,860	\$572,020	\$633,440
Supplies	28,597	19,250	20,960	24,250
Maintenance	85,733	206,920	206,920	101,180
Contractual Services	70,944	68,910	86,520	70,910
Capital Replacement/Lease	20,604	26,680	26,680	26,120
Capital Outlay	-	-	3,050	24,470
TOTAL DEPARTMENT BUDGET	\$766,139	\$931,620	\$916,150	\$880,370

	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING					
Director-General Services	31	1.0	1.0	1.0	1.0
Supervisor-Fleet Services	13	1.0	1.0	1.0	1.0
Supervisor-Facilities Services	11	1.0	1.0	1.0	1.0
Technician-Fleet	8	2.0	2.0	3.0	3.0
Secretary-Department	8	1.0	1.0	1.0	1.0
Clerk-Inventory	4	1.0	1.0	1.0	1.0
Mail Carrier	4	1.0	1.0	1.0	1.0
Custodian	2	1.0	1.0	1.0	1.0
TOTAL		9.0	9.0	10.0	10.0

MUNICIPAL COURT

DIVISION MISSION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Worked with the Office of Court Administration to develop procedures to increase collections.
- Implemented hand held electronic ticket writers and computer devices in squad cars.
- Evaluated all new laws passed in 2007 affecting the Court and implemented changes to court procedures.
- Updated the Addison Municipal Court Procedures pamphlet that explains the procedures for court appearances.

Objectives for FY2009

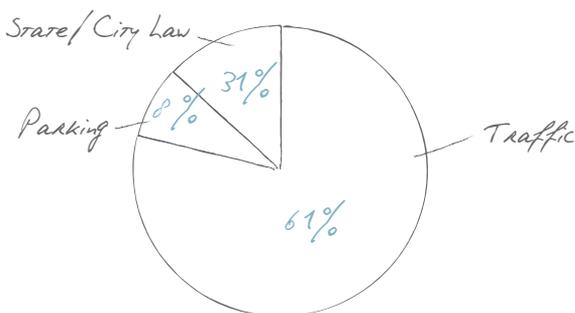
- Evaluate all new laws passed during the 2009 Texas State Legislative session to determine their impact on court procedures.
- Continue working with the Information Technology department to implement new software including an interface with the DPS-FTA Program.
- Implement an inter-local government contract with the Dallas country Tax Assessor Collector for denying automobile registration.
- Update recording system for courtroom to digital.

Major Budget Items - FY2009

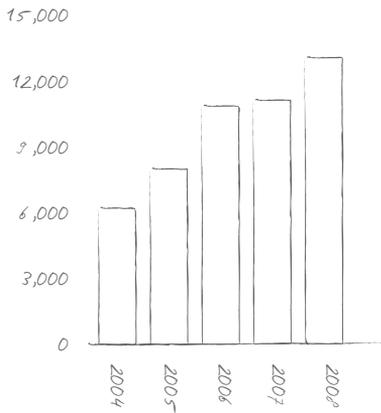
Expanded Levels of Service:

- Additional office supplies to cover violations report increase (\$6,500)

VIOLATIONS BY TYPE

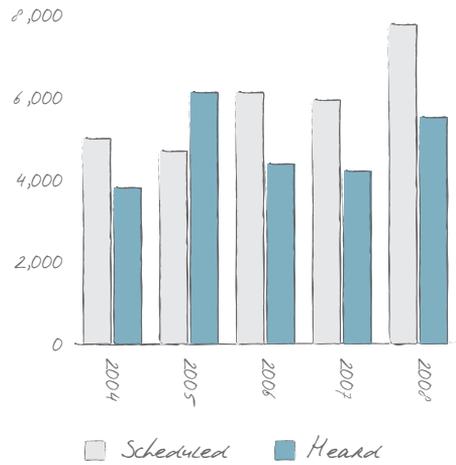


CITATIONS ISSUED



The number of citations issued in 2004 were affected by police officer vacancies.

CASES SCHEDULED & HEARD



	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$361,554	\$379,880	\$360,400	\$436,230
Supplies	11,282	10,200	14,040	18,240
Maintenance	1,003	1,900	1,200	1,900
Contractual Services	40,718	57,470	51,990	56,330
Capital Replacement/Lease	10,451	7,870	7,870	7,870
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$425,008	\$457,320	\$435,500	\$520,570

		Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING	Level				
Administrator-Court	24	1.0	1.0	1.0	1.0
Warrant Officer	P2	1.0	1.0	1.0	1.0
Clerk-Court*	7	2.0	2.0	2.0	3.0
Municipal Judge	N/C	0.7	0.7	0.7	0.7
TOTAL		4.7	4.7	4.7	5.7

* Position added as FY08 mid-year revision

HUMAN RESOURCES

DEPARTMENT MISSION

The mission of the Human Resources Department is to assist the Town of Addison in providing an environment that promotes high performance, customer service, accountability, integrity, involvement and diversity by:

- Providing resources for administering employee processing, payroll, benefits and policies.
- Properly balancing the needs of the employees with the needs of the overall organization.
- Hiring and promoting the most qualified employees.
- Retaining our valued employees by providing a competitive salary and benefits package.
- Maintaining compliance with employment laws and governmental regulations.
- Ensuring a discrimination and harassment free environment.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Completed a comprehensive review and update of the Employee Handbook.
- Developed and implemented a comprehensive in-house formal training program, which includes soft skill development and communication curriculum.
- Developed and implemented an orientation program to welcome new employees and transfer organizational culture to all new hires.
- Implemented an on-line application to allow applicants the ability to apply via the internet.
- Completed a Market Analysis of the Town's benefits and salaries to ensure a competitive structure.

Objectives for FY2009

- Enhance the volunteer program by increasing opportunities for those interested in becoming Addison Advocates.
- Provide opportunities and events for both staff and the organization's successes to be formally recognized and celebrated.
- Develop a Succession Plan model (Quality Custom Service Program) to ensure continuation of The Addison Way!
- Implement a new and more comprehensive Wellness Initiative to assist with healthy weight loss and active lifestyle.

Major Budget Items - FY2009

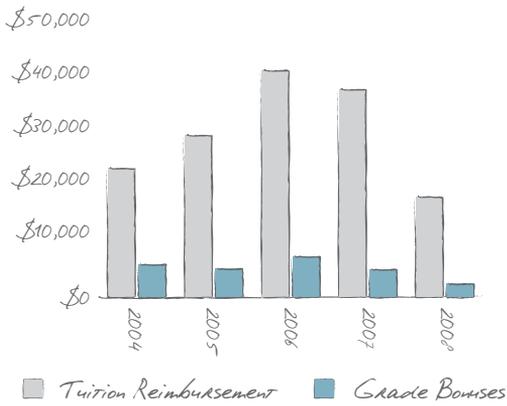
Expanded Levels of Service:

- Volunteer Coordinator (\$33,070, 0.5 FTE).

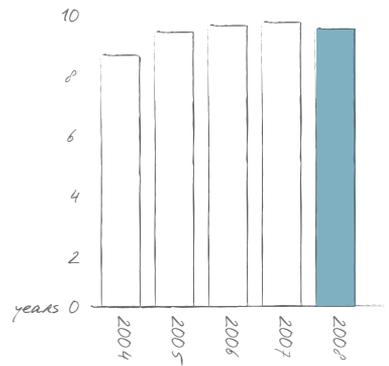
Other Major Budget Items:

- Funds for advertising vacant positions (\$21,780).

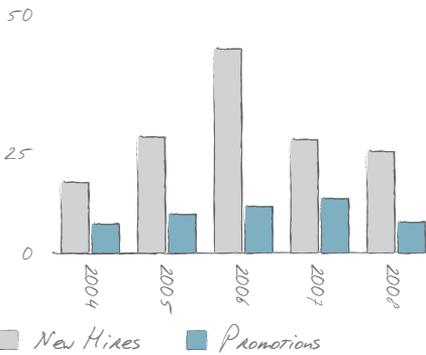
EDUCATIONAL REIMBURSEMENTS



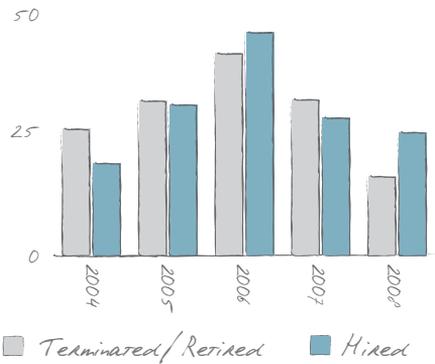
AVERAGE TENURE OF EMPLOYEES



HIRES BY TYPE



EMPLOYEES PROCESSED



	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$332,507	\$353,140	\$262,260	\$397,340
Supplies	12,009	12,800	10,960	13,200
Maintenance	-	700	100	600
Contractual Services	48,096	77,340	75,930	155,070
Capital Replacement/Lease	6,540	6,750	6,750	6,750
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$399,152	\$450,730	\$356,000	\$572,960

	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING					
Director-Human Services	31	1.0	1.0	1.0	1.0
Benefits Specialist	21	1.0	1.0	1.0	1.0
Employment Specialist	21	1.0	1.0	1.0	1.0
Volunteer Coordinator	11	0.0	0.0	0.0	0.5
Payroll Specialist	10	0.7	0.7	0.7	0.7
Secretary-Department	8	1.0	1.0	1.0	1.0
TOTAL		4.7	4.7	4.7	5.2



INFORMATION TECHNOLOGY

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Installed a video Camera Monitoring System at the Conference Centre.
- Expanded the Digital Citation System to 14 police cruisers.
- Upgraded the 9-1-1 system.
- Implemented a system of on-line forms, including job application forms, as well as service requests for utilities and police protection.
- Implemented a Customer Relationship Management System.
- Installed a wireless mesh network at Addison Circle Park.
- Migrated Texas Law Enforcement Telecommunication System.

Objectives for FY2009

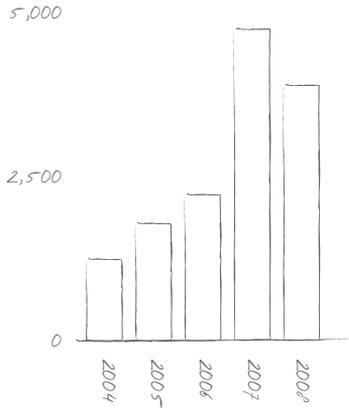
- Upgrade hardware and software for Computer Aided Dispatch system.
- Upgrade the Town's backhaul to Fiber.
- Implementation of Document Management System throughout the Town.
- Explore feasibility of wireless fixed base meter reading.
- Upgrade the Town's network infrastructure.
- Research technologies which support enforcement of the e-mail record retention policy.
- Facilitate the installation and configuration of the Advanced Traffic Management System for Public Works.
- Upgrade Public Safety's multi-tier connectivity software.
- Implement a Community Management System.
- Release a request for proposals to choose a Court package.

Major Budget Items - FY2009

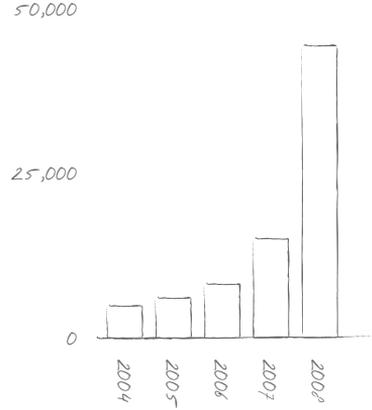
Expanded Levels of Service:

- Fiber Network (\$24,000).
- Community Management System (\$110,000).

NUMBER OF SERVICE CALLS



UNIQUE WEBSITE VISITORS



In 2007, the number of calls increased due to updating of the telecommunication network.

	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$665,013	\$695,900	\$651,030	\$724,170
Supplies	35,432	51,590	46,160	64,170
Maintenance	283,856	758,840	588,840	391,980
Contractual Services	52,968	54,950	54,040	80,200
Capital Replacement/Lease	11,652	11,920	11,920	11,920
Capital Outlay	-	-	3,300	-
TOTAL DEPARTMENT BUDGET	\$1,048,921	\$1,573,200	\$1,355,290	\$1,272,440

		Budget	Budget	Budget	Budget
STAFFING	Level	2005-06	2006-07	2007-08	2008-09
Director-Information Services	31	1.0	1.0	1.0	1.0
Network Specialist	25	5.0	5.0	5.0	5.0
TOTAL		6.0	6.0	6.0	6.0

COMBINED SERVICES

DEPARTMENT FUNCTION

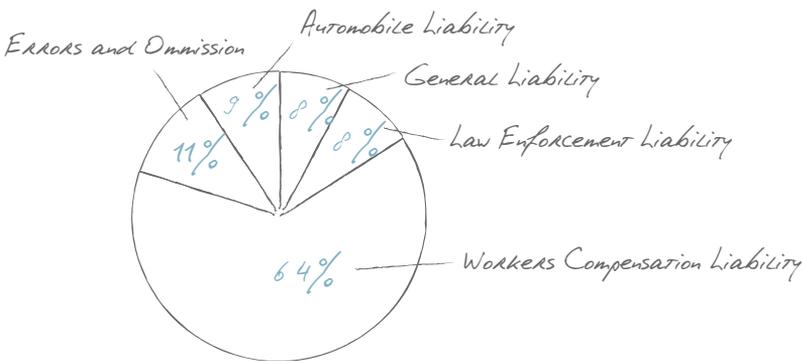
This department reflects expenditures incurred by the Town, as a single entity, in the conduct of its operations. These expenditures include the Town's membership in various state and local organizations, engineering and attorney fees, insurance premiums, and postage.

PROGRAM NARRATIVE

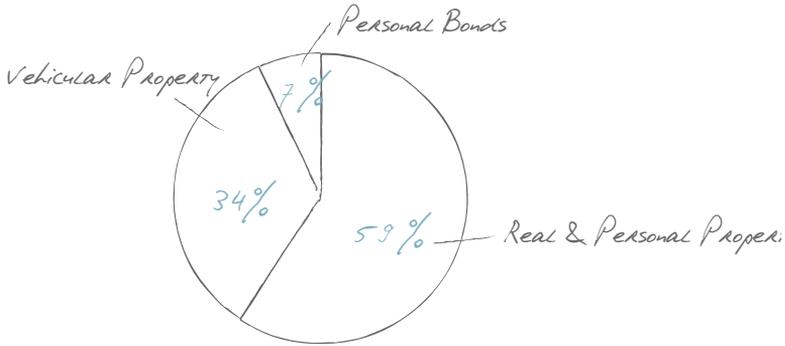
Major Budget Items - FY2009

- Legal fees (\$240,000).
- Delivery and postage for Town mailings (\$78,000).
- Includes \$126,070 for fund's share of Town-wide liability insurance.

LIABILITY INSURANCE PREMIUMS BY CATEGORY



PROPERTY INSURANCE PREMIUMS BY CATEGORY



	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$77,768	\$78,190	\$72,490	\$37,090
Supplies	85,909	118,230	145,330	118,030
Maintenance	-	-	-	-
Contractual Services	535,151	716,130	620,940	638,900
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	25,000	-
TOTAL DEPARTMENT BUDGET	\$698,828	\$912,550	\$863,760	\$794,020

CITY COUNCIL PROJECTS

DEPARTMENT FUNCTION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Action taken by the Addison Town Council during the 2007-08 fiscal year included adoption of a number of important ordinances and resolutions, such as:
 - Approved an Economic Development agreement with Authentix Inc.
 - Made a number of appointments to the Planning and Zoning Commission and Board of Zoning Adjustment.

Major Budget Items - FY2009

- Council compensation (\$25,350).
- Includes funds for the following non-profit agencies:
 - Communities in Schools Dallas, Inc. (\$40,000)
 - Metrocrest Social Services (\$25,000)
 - Senior Adult Services (\$17,000)
 - Metrocrest Chamber of Commerce (\$10,000)
 - The Family Place (\$5,000)
 - Special Care and Career Services (\$5,000)
 - Metrocrest Family Medical Clinic (\$3,000)
- Newsletters (\$48,590).

COUNCIL	NAME	PROFESSION	TERM OF OFFICE
Mayor	Joe Chow	Rest. Owner/Ins. Agency Owner	5/07 – 5/09
Mayor Pro Tempore	Roger S. Mellow	Investments	5/08 – 5/10
Deputy Mayor Pro Tempore	Dennis Kraft	Attorney	5/08 – 5/10
Councilmember	Tom Braun	General Contractor	5/08 – 5/10
Councilmember	Gergory S. Hirsch	Sales Manager	5/07 – 5/09
Councilmember	Todd Meier	President, Todd Meier Investments	5/07 – 5/09
Councilmember	Jimmy Niemann	Chief Technology Officer	5/07 – 5/09

	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$30,111	\$30,450	\$27,870	\$30,390
Supplies	46,768	35,590	45,350	15,590
Maintenance	-	-	-	-
Contractual Services	218,092	216,370	218,960	201,390
Capital Replacement/Lease	1,972	1,970	1,970	1,970
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$296,943	\$284,380	\$294,150	\$249,340

POLICE

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Raised training contact hours per employee from 15 hours per employee in 2007 to 45 hours in 2008.
- Began a mentoring program to help newly hired officers better transition into law enforcement and the Addison Culture.
- Became re-certified as State recognized Contract Training Provider, giving the Department more flexibility to provide training.
- Implemented a Hotel/Business Assistance program to provide faster response and tailored policing to unique problems at participating hotels and businesses.
- Completed a facilities assessment of the existing police building using a consulting firm to provide design and cost options for future refurbishment.

Objectives for FY2009

- Evaluate Support Services functions and employees to ensure the Department has the equipment, staffing, and training to support line operations in the future.
- Experiment with different policing models/styles to find the combinations that are more effective for higher density urban environments.
- Focus on improving the capabilities of the Crisis Negotiations Team.
- Upgrade interview room recording equipment from an analog system to a digital system.

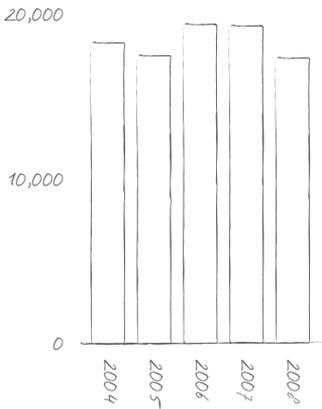
Major Budget Items - FY2009

Expanded Levels of Service:

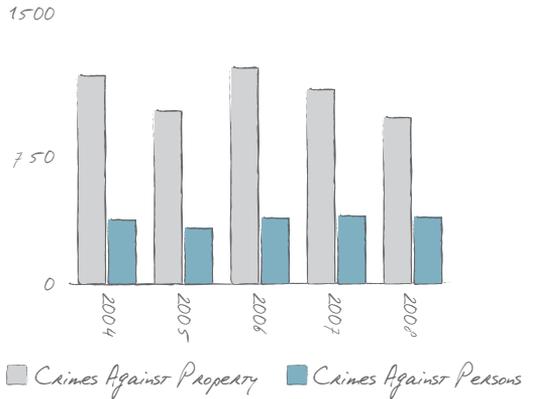
- Replace Carpeting (\$75,000).
- Interior Painting (\$60,000).
- Refurbish Locker Room (\$50,000).
- Monument Sign (\$10,000).
- Additional Full-Time Detention Officer (\$41,710, 1 FTE).
- Two Segways (\$12,830).



CALLS FOR SERVICE



PROPERTY & VIOLENT CRIME RATES



	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$5,287,246	\$6,023,280	\$5,530,970	\$5,936,470
Supplies	295,326	280,150	314,180	369,830
Maintenance	173,291	311,300	308,680	328,160
Contractual Services	361,723	361,380	371,260	361,660
Capital Replacement/Lease	483,430	459,120	459,000	373,900
Capital Outlay	-	-	18,270	22,830
TOTAL DEPARTMENT BUDGET	\$6,601,016	\$7,435,230	\$7,002,360	\$7,392,850

STAFFING	Level	Budget	Budget	Budget	Budget
		2005-06	2006-07	2007-08	2008-09
Director-Police Chief	31	1.0	1.0	1.0	1.0
Assistant Police Chief *	P6	1.0	0.0	0.0	1.0
Captain	P5	2.0	2.0	2.0	1.0
Lieutenant	P4	2.0	2.0	3.0	3.0
Sergeant	P3	6.0	6.0	6.0	6.0
Manager-Public Safety Comm.	22	1.0	1.0	1.0	1.0
Supervisor-Detention	11	1.0	1.0	1.0	1.0
Police Officer ^	P2	45.0	45.0	45.0	45.0
Supervisor-Communications **	11	1.0	0.0	0.0	0.0
Dispatcher **	D1	11.5	0.0	0.0	0.0
Police Administrative Technician	9	1.0	1.0	1.0	1.0
Jailer	7	1.0	1.0	1.0	2.0
Secretary-Department	8	1.0	1.0	1.0	1.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Public Service Officer	6	1.0	1.0	1.0	1.0
Clerk-Police Records	5	2.0	2.0	2.0	2.0
Jailer/Temporary ***		3.3	3.3	3.3	3.3
TOTAL		81.8	68.3	69.3	70.3

*Position eliminated in FY07. A Captain position was reclassified to Assistant Police Chief in FY07

** Positions reflected in the Emergency Communications budget beginning in FY07

***Includes several part-time, temporary positions equal to 3.3 FTEs

^Does not include five authorized overfill positions at Police Officer rank

EMERGENCY COMMUNICATIONS

FUNCTION

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

These expenditures were previously budgeted and recorded in the Combined Services, Police, and Fire departments. Beginning in FY 2006-07, these costs were transferred into a separate Emergency Communications budget to facilitate monitoring of these expenses.

PROGRAM NARRATIVE

Major Budget Items - FY2009

Expanded Levels of Service:

- Additional Full-Time Dispatcher (\$48,830, 1 FTE).

	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$719,736	\$773,280	\$680,800	\$842,160
Supplies	-	-	-	-
Maintenance	70,101	69,730	72,330	75,950
Contractual Services	167,095	214,810	212,070	231,890
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$956,932	\$1,057,820	\$965,200	\$1,150,000

		Budget	Budget	Budget	Budget
STAFFING	Level	2005-06	2006-07	2007-08	2008-09
Supervisor-Communications *	11	0.0	1.0	1.0	1.0
Dispatcher *	D1	0.0	11.5	11.5	12.5
TOTAL		0.0	12.5	12.5	13.5

* Positions were reflected in the Police department budget prior to the FY07 budget

FIRE

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

Accomplishments for FY2008

- Successfully implemented a council-approved overfill program to offset natural department turnover.
- Created inventory of Fire Department Dress Uniforms.
- Conducted live fire training at Collin County Community College Training Facility.

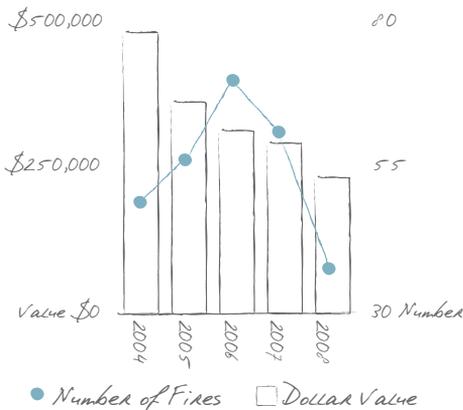
Objectives for FY2009

- Replaced emergency alerting system at both fire stations.
- Work with developers to assure installation of state-of-the-art life safety and fire protection systems are in place across the Town, including the Vitruvian Park Development.
- Continue to identify and apply for various Federal Grants, especially those related to emergency preparedness and fire protection.
- Continue to implement federal mandates pertaining to the National Incident Management System (NIMS).
- Review and update Standard Operating Procedures and Guidelines.

Major Budget Items - FY2009

- Medical & surgical supplies (\$62,000).
- Uniforms and apparel (\$67,140).
- Training (\$94,520).

NUMBER OF FIRES & CORRESPONDING PROPERTY LOSS



EMERGENCY MEDICAL SERVICES	2004-05	2005-06	2006-07	2007-08
Mutual Aid EMS Calls	111	74	86	132
Addison EMS Calls	1,440	1,368	1,497	1,407
TOTAL AVERAGE RESPONSE TIME**	4:44	4:28	4:25	4:25

FIRE

Calls for Service	970	1,063	1,111	1,045
Fire Incidents With Ignition *	55	74	35	38
TOTAL AVERAGE RESPONSE TIME**	4:44	5:13	4:35	4:59

*Calls in which a fire is in progress at time of arrival by Fire Department

**Final response time includes alarm processing time, turnout time, and time en route to the scene. For 2004-05 this time is for Fire and EMS combined.

EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$4,758,781	\$4,934,180	\$4,662,840	\$5,101,350
Supplies	225,071	294,730	271,480	299,070
Maintenance	152,387	260,470	258,030	165,640
Contractual Services	183,368	258,580	227,220	257,240
Capital Replacement/Lease	381,482	390,040	389,940	272,770
Capital Outlay	-	-	-	19,800
TOTAL DEPARTMENT BUDGET	\$5,701,089	\$6,138,000	\$5,809,510	\$6,115,870

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Director-Fire	31	1.0	1.0	1.0	1.0
Chief-Operations	F5	1.0	1.0	1.0	1.0
Chief-Prevention	F5	1.0	1.0	1.0	1.0
Chief-Emergency Medical Services & Training	F5	1.0	1.0	1.0	1.0
Fire Captain	F4	6.0	6.0	6.0	6.0
Fire Prevention Specialist	FP2	1.0	1.0	1.0	1.0
Fire Lieutenant	F3	6.0	6.0	6.0	6.0
Fire Prevention Technician	FP1	1.0	1.0	1.0	1.0
Firefighter/Paramedic FEO	F2	3.0	3.0	9.0	9.0
Firefighter/Paramedic^	F2	33.0	33.0	27.0	27.0
Secretary-Department	8	1.0	1.0	1.0	1.0
TOTAL		55.0	55.0	55.0	55.0

^Does not reflect 2 authorized overfill positions at the Firefighter/Paramedic rank.

DEVELOPMENT SERVICES

DEPARTMENT MISSION

To manage the planning, development, and growth of the Town in a manner that results in a pleasant, safe, and attractive environment, and an enhanced quality of life, for all of Addison's citizens and visitors.

To protect the public's health and welfare through the enforcement of the Town's building, signage, plumbing, and electrical codes for the construction and maintenance of safe residential and commercial structures, and the inspection of restaurants, swimming pools, apartments, and vacant lots and the control of mosquitoes with spraying programs. The staff is also required to enforce Environmental Protection Agency regulations, and monitor transportation and disposal of liquid wastes.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Assisted United Dominion Realty in creating the Vitruvian Park Development. Specific milestones included amending Brookhaven Club's Comprehensive Plan, crafting the PD zoning ordinance and sustainability guidelines, negotiating a master facilities agreement, and processing development plans and preliminary plat for the first 390 units in the district.
- Adopted 2006 International Building Codes.
- Issued 599 permits with a valuation of \$47,922,999.
- Coordinated, inspected and licensed 10 new or reoccupied/remodeled food establishments to date including Al Amir, Los Lupes, Baker Bros., Rockhouse Grill, Ounce Prime Steakhouse, Shish Mediterranean and Nestle Tollhouse.
- On pace to issue 50+ permits to private businesses hosting special outdoor events.
- Assisted Addison Airport with depredation permit application in response to aircraft bird strikes.

Objectives for FY2009

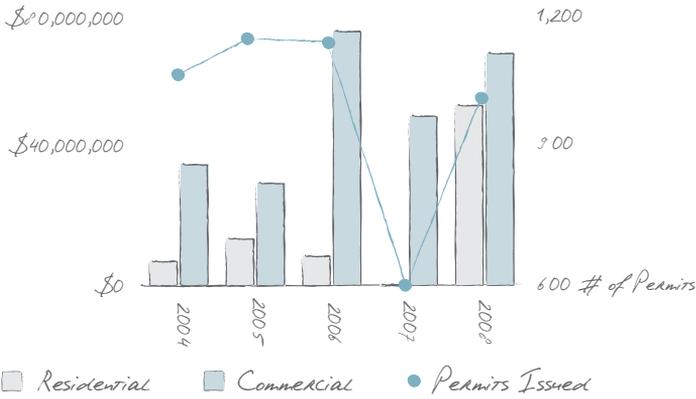
- Work more closely and innovatively with vendors and participants in Town-sponsored events to ensure food and beverage safety.
- Utilize various opportunities to stay current with emerging and ongoing public health issues including a possible flu pandemic, foodborne illnesses, West Nile virus, rabies, bioterrorism, and environmental mold.
- Provide closer oversight and control of special events at private businesses especially regarding noise.
- Continuing vigilance with the restaurant community assisting operators ensure a suitable dining experience for non-smoking clientele.

Major Budget Items - FY2009

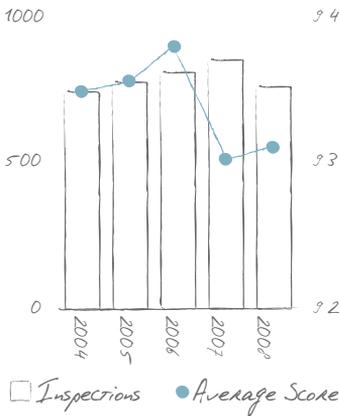
- Mowing of private property (\$10,000) recoverable through billings and tax lien assessments.
- Special Services (\$124,000) Culinary District Feasibility Study, scanning/ records archiving, contract with Dallas County Health & Human Services & contract/ consulting services.
- Rental (\$25,000) for two Town-sponsored garage sales/recycling events & rental of storage space. Includes sustainability/recycling objectives and anticipated increase in cost of tent rental.



DOLLAR VALUE OF BUILDING PERMITS ISSUED



NUMBER OF FOOD INSPECTIONS & AVERAGE SCORES



Environmental Services grades each food establishment for sanitary conditions. Any score higher than 80 is acceptable. Establishments with lower scores are given 24 hours to correct any deficiencies depending on their size and grade history. Restaurants are inspected two to six times per year.

	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$647,352	\$713,230	\$690,310	\$746,450
Supplies	19,699	18,650	17,900	22,570
Maintenance	2,314	4,000	3,300	4,000
Contractual Services	86,663	179,050	167,380	189,680
Capital Replacement/Lease	14,529	22,750	22,750	12,460
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$770,557	\$937,680	\$901,640	\$975,160

		Budget	Budget	Budget	Budget
STAFFING	Level	2005-06	2006-07	2007-08	2008-09
Director-Development Services *	31	0.0	1.0	1.0	1.0
Official-Building	28	1.0	1.0	1.0	1.0
Official-Environmental Services	28	1.0	1.0	1.0	1.0
Inspector-Building	13	2.0	2.0	2.0	2.0
Environmental Health Specialist	12	1.0	1.0	1.0	1.0
Secretary-Division	7	1.0	1.0	1.0	1.0
TOTAL		6.0	7.0	7.0	7.0

*Position transferred from City Manager's Office in FY07

STREETS DIVISION

DIVISION MISSION

The Streets Division is a sub-unit of the Public Works Department. The division has a multi-faceted mission which is comprised of the following components: 1) maintain the Town's streets at a level so that none of the estimated 150,000 vehicles which traverse the city's streets every day are delayed due to pavement failure; 2) maintain the Town's drainage system to remove storm water at the peak levels for which the system was designed; 3) ensure all traffic signalization is operated to safely and efficiently move vehicular traffic through the community; 4) collect all residential brush within two business days; 5) administer the contract with private waste haulers for the effective collection and recycling of residential waste; 6) humane enforcement of the Town's animal control and leash laws; and 7) supervise and coordinate the placement of all utility lines within Town right-of-ways to minimize the potential for disruption of utility services; 8) administer the contract with a private street sweeping company to maintain clean streets; and 9) oversee the installation, repair and maintenance of street lighting facilities citywide.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Assisted Engineering staff with private developments such as Stanford Court, Villas, the Centex Development Project, Addison Residential Fairfield Development, the Addison Road Widening Project, and the CMAQ Project.
- Contracted major pavement repairs on Midway Road, Quorum Drive, Kellway Circle, Addison Road, Sakowitz Drive, Winnwood Road, and Celestial Road.
- Managed the Oaks North Street Lighting Upgrade.
- Contracted the replacement of pavement markers on various roadways.
- Repaired numerous failed brick sidewalk pavers in Addison Circle.
- Repainted fire lanes in Addison Circle and Les Lacs.
- Repaired numerous sections of street curbs and sidewalks throughout the Town
- Provided collection of brush and bulk item services to residents, as well as contract administration for all street sweeping, garbage collection, recycling, and street lighting services.

Objectives for FY2009

- Repair failed concrete pavement on Midway Road, and Quorum Drive.
- Repair failed asphalt pavement on Keller Springs Road and Addison Road.
- Seal pavement joints and cracks on Landmark Boulevard, Kellway Circle, Westgrove Drive, Inwood Road, and Marsh Lane.
- Implement a Household Hazardous Waste program with Dallas County that will serve all Addison residents.
- *Continue upgrading traffic signals with LED indicators to reduce electric consumption.*
- Continue increased efforts to replace worn and missing pavement markings Town-wide.

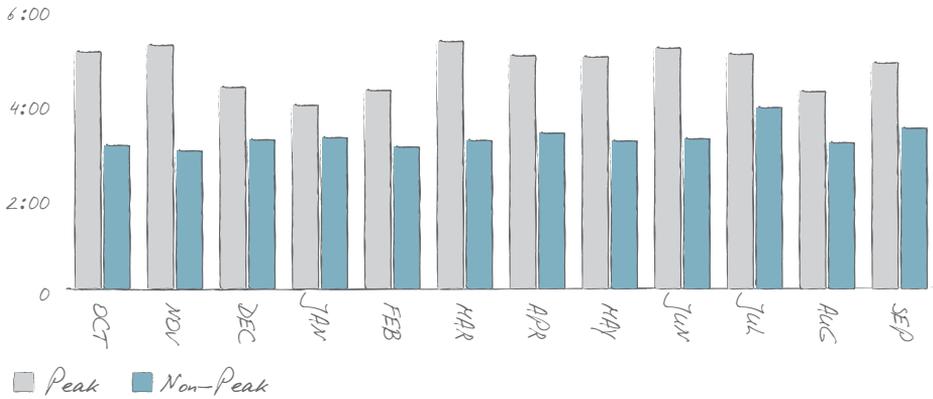
Major Budget Items - FY2009

Expanded Levels of Service:

- Midway Road Pavement Repairs (\$200,000).
- Street Joint and Crack Sealing (\$150,000).

- Keller Springs Road Repairs (\$75,000).
- Lifting and Stabilizing Concrete Repair (\$35,000).
- Addison Circle Brick Paver Repairs (\$25,000).
- Household Hazardous Waste Program (\$5,700).
- Sidewalk Repair (\$25,000).
- Quorum Drive Crosswalks (\$92,000).

AVERAGE TRAVEL TIME ON BELT LINE ROAD IN 2008 (in minutes)



Belt Line Road is Addison's heaviest traveled thoroughfare handling an average of 51,300 cars per day. To evaluate the effectiveness of traffic signalization and intersection improvements, the Streets division measures the time it takes to travel between the Town's west and east boundaries (approximately 2 miles). Peak time is lunch when Addison's restaurants are busiest.

	Actual	Budget	Estimated	Budget
EXPENDITURES	2006-07	2007-08	2007-08	2008-09
Personal Services	\$487,348	\$527,490	\$501,370	\$532,270
Supplies	26,082	21,650	27,170	38,520
Maintenance	268,487	814,900	821,600	919,430
Contractual Services	641,925	694,450	635,770	790,350
Capital Replacement/Lease	27,452	31,420	31,420	27,610
Capital Outlay	25,288	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,476,582	\$2,089,910	\$2,017,330	\$2,308,180

		Budget	Budget	Budget	Budget
STAFFING	Level	2005-06	2006-07	2007-08	2008-09
Streets Superintendent	24	1.0	1.0	1.0	1.0
Supervisor-Street Services	11	1.0	1.0	1.0	1.0
Technician-Signals/Signs	11	1.0	2.0	2.0	2.0
Senior Maintenance Worker	5	1.0	1.0	1.0	2.0
Animal Control Officer/Maintenance	8	1.0	1.0	1.0	1.0
Maintenance-II*	4	1.0	1.0	1.0	0.0
TOTAL		6.0	7.0	7.0	7.0

*Position was eliminated in FY09



PARKS

DEPARTMENT MISSION

To preserve and enhance the Town's exceptional quality of life through the landscaping of the community's public and private properties. To accomplish its mission, the department supervises the construction and meticulous maintenance of parks, boulevard medians, jogging trails, and entrances to the Town. The department is also responsible for the strict enforcement of the landscaping ordinance, which requires all commercial properties to enhance their buildings with landscaped areas.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Completed design process for the 1.58-acre future park in the Addison Circle Fairfield Development.
- Completed Texas Parks and Wildlife Department outdoor and trail grant applications for the 12.3-acre Vitruvian Park and trail extension west of Greenhill School.
- Updated the landscape regulations for private development, including a tree removal/relocation permit process.
- Completed the design process for the Asbury Circle streetscape plan and trail connection.
- Implemented test landscape lighting for the first phase of Belt Line Road re-development.
- Refurbished the existing playground structure, playground surface, and drainage in the Easement Park.
- Completed bollard replacement and site furniture and pedestrian light painting in the Addison Circle District and Les Lacs Park Trail.
- *Began implementation of converting old irrigation controllers to "smart," water saving controllers.*

Objectives for FY2009

- Complete the construction of the 1.58 future park in the Fairfield Development.
- Complete the design process for the Vitruvian Park and trail as part of the Phase One development.
- Implement a streetscape maintenance program for the Asbury Circle streetscape and trail connection.
- Continue landscape renovation in the Addison Circle District, Central Police Building, LeGrande Fountain, Town Hall, Service Center, and Easement Park.
- Complete park structure renovation, including playground surfacing and pavilion structure repairs in Les Lacs Park and Town Park.
- Replace Gazebo Roof at Winnwood Park.
- Continue to participate in the Belt Line re-development design process, and begin implementation of streetscape improvements.

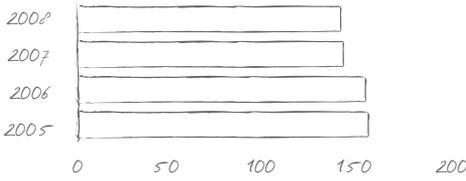
Major Budget Items - FY2009

Expanded Levels of Service:

- Landscape Architect (\$83,850).
- LeGrande Fountain Hardscape and Landscape Renovation (\$9,100).
- Addison Circle District Landscape and Hardscape Maintenance (\$61,500).
- Decomposed Granite Dog Park Surfacing (\$13,000).
- TCEQ Reduced Pressure Backflow Mandate (\$15,000).
- Park Structure Repairs (\$55,000).

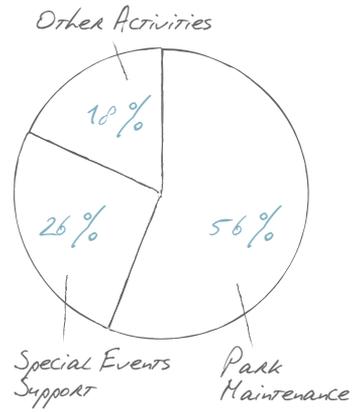


ACRES MAINTAINED



In FY05, Parks staff began maintaining the property associated with Arapaho Road Phase III. The closing of the Trinity Christian Academy facility in FY06 reduced the acreage maintained by Parks staff.

TASKS-DISTRIBUTION OF WORK HOURS



EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$1,118,518	\$1,212,460	\$1,093,580	\$1,305,120
Supplies	136,051	154,100	160,380	184,490
Maintenance	385,013	583,870	576,410	532,700
Contractual Services	453,085	618,880	617,930	637,600
Capital Replacement/Lease	41,245	53,380	53,370	51,140
Capital Outlay	163,983	15,000	14,460	55,000
TOTAL DEPARTMENT BUDGET	\$2,297,895	\$2,637,690	\$2,516,130	\$2,766,050

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Director-Parks & Recreation	31	1.0	1.0	1.0	1.0
Manager-Parks	26	1.0	1.0	1.0	1.0
Landscape Architect	26	0.0	0.0	0.0	1.0
Foreman-Parks	20	1.0	1.0	1.0	1.0
Supervisor-Parks	11	1.0	1.0	1.0	1.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Secretary-Administration	9	1.0	1.0	1.0	1.0
Senior Groundskeeper	9	2.0	2.0	2.0	2.0
Groundskeeper-III	8	1.0	2.0	2.0	2.0
Groundskeeper-II	4	2.0	2.0	2.0	2.0
Groundskeeper-I	3	7.0	6.0	6.0	6.0
TOTAL		20.0	20.0	20.0	21.0

RECREATION

DEPARTMENT MISSION

To offer and maintain for the Town's residents a wide array of recreation, health, fitness, and athletic programs at the Athletic Club. Facilities at the Club include an indoor, four-lane lap/swim pool with whirlpool, four racquetball courts, a gymnasium, aerobics room, indoor running track, one lighted outdoor tennis court, an expanded 6,500 sq. ft. weight & fitness room & outdoor leisure pool.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Successfully completed several special events including the Halloween Bash with 529 participants, Pacesetter Thanksgiving with 80 participants, and Easter Eggstravaganza with 250 participants.
- Coordinated the children's entertainment for Oktoberfest and Taste Addison and the arts/crafts for the Holiday Open House.
- Implemented recommendations of the Strategic Operations Review, Phase II.
- Installed new carpet, painted the interior, repaired the indoor pool and whirlpool, and installed new lockers.
- Replaced non-capital exercise equipment.
- Replaced 7 treadmills through the Capital Equipment Replacement Program.
- Began offering several new programs, including Boxing Personal Training, Election Pancake Breakfast, Texercise Challenge, Hip-Hop Aerobics, and others.

Objectives for FY2009

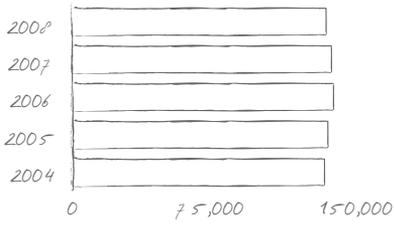
- Offer new and innovative programs for seniors, children, and adults based on local and national trends.
- Reach out to non-user citizens by website, newsletter, direct mail, and Senior Adult Services to build awareness of available programs.
- Maintain a high level of cleanliness throughout the entire facility and aquatic areas. Work closely with the locker room contract cleaning crew to make sure they are cleaning to specifications.
- Implement a building maintenance program to include: replace natatorium roof operators, repair natatorium skylight, install emergency pump shut off for hot tub, update front parking lot lights, and replace wood doors in natatorium with metal store front.
- Continue customer service training for new and seasonal Recreation staff.

Major Budget Items - FY2009

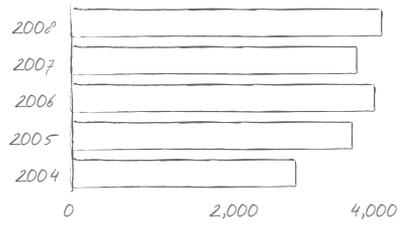
Expanded Levels of Service:

- Repair indoor pool skylight operators (\$11,100).
- Paint natatorium ceiling (\$11,000).
- Install emergency shut off for hot tub (\$3,600).
- Update front parking lot lights (\$4,500).
- Replace natatorium wood doors with metal store front (\$10,000)
- New Spin Bike class (\$22,280)

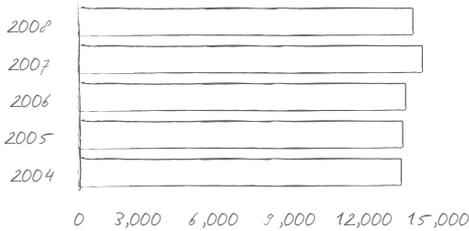
ADDISON ATHLETIC CLUB FACILITY USAGE



OUTDOOR POOL VISITS



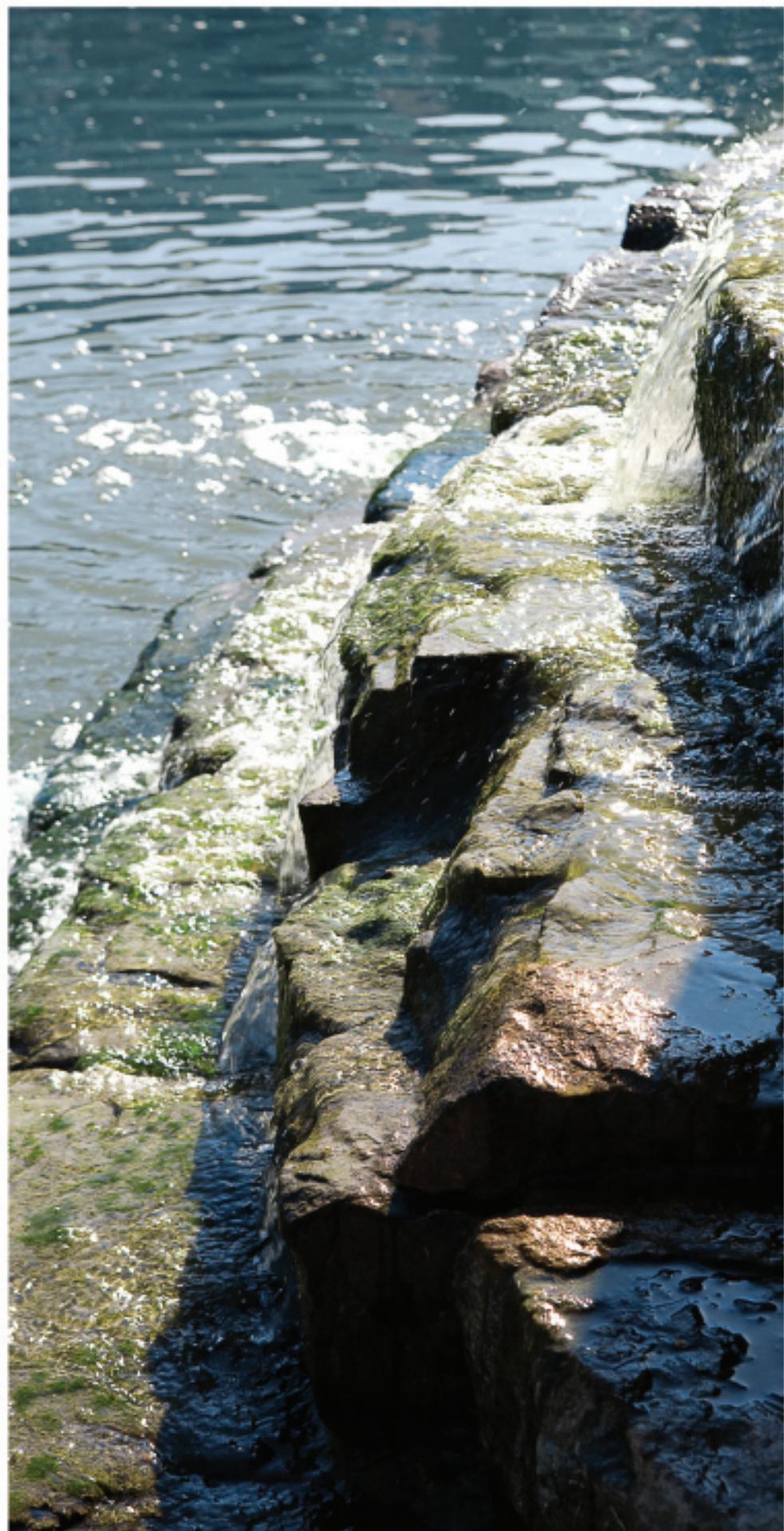
ATHLETIC CLUB PARTICIPATION IN SCHEDULED EVENTS



	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$716,975	\$768,480	\$747,520	\$812,730
Supplies	88,787	110,400	104,020	120,300
Maintenance	159,726	416,770	417,150	113,970
Contractual Services	282,607	338,760	314,960	343,400
Capital Replacement/Lease	16,432	34,360	34,360	37,360
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$1,264,527	\$1,668,770	\$1,618,010	\$1,427,760

		Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING	Level				
Manager-Recreation	27	1.0	1.0	1.0	1.0
Supervisor-Recreation *	11	2.0	1.0	1.0	1.0
Seasonal Pool Supervisor	9	0.2	0.2	0.2	0.2
Coordinator-Recreation	9	2.0	2.0	2.0	2.0
Coordinator-Fitness	9	1.0	1.0	1.0	1.0
Secretary-Division	7	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Custodian	2	2.0	2.0	2.0	2.0
Seasonal Lifeguard	2	1.6	1.6	1.6	1.6
Recreation Associate *	5	5.0	4.0	4.0	4.0
Seasonal Camp Counselor	2	0.2	0.2	0.6	0.6
Porter	2	1.0	1.0	1.0	1.0
TOTAL		17.2	15.2	15.6	15.6

* Position eliminated in FY07



HOTEL FUND

FUND DESCRIPTION

The Hotel fund accounts for the use of Hotel/Motel Occupancy tax revenue generated by the Town's twenty-two hotels (representing 3,953 rooms) and which is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

FUND NARRATIVE

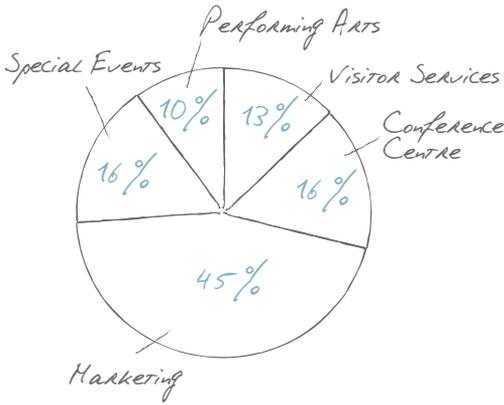
As our national economy weakens, hotel occupancy rates and revenue per available room figures have experienced a slight decline. However, staff is aware of these conditions and is working to leverage our prime location and amenities to continue to drive sustained business and leisure travel.¹ Hotel occupancy tax revenue for fiscal year 2008 is estimated to be \$300,000 below the budgeted amount of \$5.4 million. For FY 2009, hotel occupancy taxes are expected to generate approximately \$5,200,000, which is roughly equivalent to what was collected in FY 2007.

For FY 2008, total fund revenues are estimated to be \$7,425,600 compared to the budget of \$7,710,000. The decline in revenue is due to reduced hotel occupancy taxes and reduced revenue from special events. These declines are partially offset by increased income from conference center rentals and higher interest income. Expenditures were only 88% of budget due to the decision to not acquire a long-term lease on a private parking garage for special events (\$500,000), and the postponement of a lease of office space for a visitor center (\$150,000). Ending fund balance is estimated at \$5,693,370, \$668,850 more than budgeted.

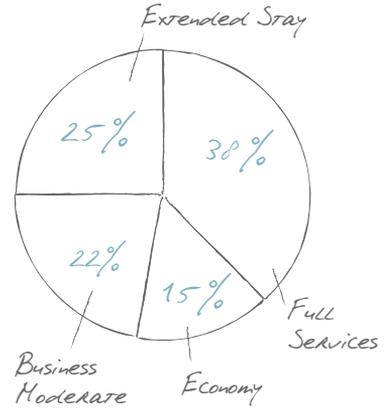
Operating expenditures for FY 2009 are budgeted at \$7,033,610 or 3% less than the FY 2008 budget. The greatest increase is in Special Events, which saw its budget grow \$150,000 to accommodate the new WorldFest Event. Ending fund balance is projected to grow to be \$5.6 million, or 80% of fund operating expenditures.

1) Please refer to Appendix D for more discussion of Hotel Occupancy Tax revenues.

EXPENDITURES BY DEPARTMENT



PERCENTAGE OF ROOMS BY HOTEL CATEGORY



STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$4,639,050	\$5,278,010	\$5,382,310	\$5,693,370
REVENUES:				
Hotel/Motel occupancy taxes	5,203,080	5,400,000	5,100,000	5,200,000
Intergovernmental	-	-	-	-
Proceeds from special events	1,419,562	1,456,000	1,420,600	1,474,600
Conference Centre rental	465,720	516,000	538,000	640,000
Theatre Centre rental	63,480	88,000	86,000	90,000
Interest earnings and other	339,045	250,000	281,000	275,000
TOTAL REVENUES	7,490,887	7,710,000	7,425,600	7,679,600
TOTAL AVAILABLE RESOURCES	12,129,937	12,988,010	12,807,910	13,372,970
EXPENDITURES:				
Visitor Services	801,919	1,103,260	879,090	1,292,700
Marketing	986,684	1,216,480	1,101,630	1,178,980
Special Events	2,726,306	2,655,940	2,661,530	2,961,750
Conference Centre	942,884	1,097,370	1,082,480	1,038,910
Performing Arts	583,124	690,440	677,800	561,270
Capital Projects	-	500,000	-	-
TOTAL EXPENDITURES	6,040,917	7,263,490	6,402,530	7,033,610
OTHER FINANCING USES:				
Transfer to debt service fund	(706,710)	(700,000)	(712,010)	(699,800)
TOTAL OTHER FINANCING USES	(706,710)	(700,000)	(712,010)	(699,800)
ENDING FUND BALANCE	\$5,382,310	\$5,024,520	\$5,693,370	\$5,639,560

VISITOR SERVICES

DEPARTMENT MISSION

The mission of the Visitor Services department is to provide quality and innovative services to increase leisure and business travel to the Town of Addison.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Generated 71,273 room nights for Addison hotels, a 2.3% increase over 2007.
- Represented Addison hotels at four trade shows to increase awareness of Addison as a meeting destination.
- Produced Addison Promotional Video that will market to Leisure and business travelers as well as companies that are considering relocation.
- Continued “Addison Direct Campaign” to companies located in and within a 5-mile radius of Addison as well as area members of Meeting Professionals International.
- Continued direct mail campaign to create awareness of Addison as a meeting destination.
- Continued hotel packages for Addison Special Events.

Objectives for FY2009

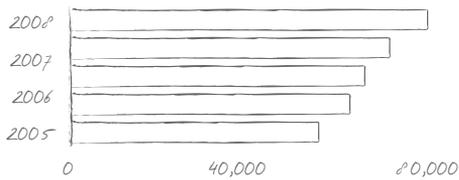
- Create a new visitor information and business development center as well as new offices for the Visitor Services Department.
- Conduct a strategic review of the Visitor Services Department.
- Streamline the Hotel Support Program.
- Generate 74,196 room nights for Addison hotels, a 4% increase over 2008.
- Represent Addison hotels at five trade shows to increase awareness of Addison as a meeting destination.
- Continue the “Addison Direct Campaign” to companies located in and within a 5-mile radius of Addison as well as area members of Meeting Professionals International.
- Further develop plan for attracting amateur sporting events to overnight in Addison hotels.
- Expand program with Hotel Resources to develop new group business leads for Addison hotels.
- Develop email marketing campaign to meeting planner database.

Major Budget Items - FY2009

Expanded Levels of Service:

- Visitor Center make ready (\$200,000)
- New Visitor Information Center (\$154,510)
- Funds for Special Event Hotel Packages (\$20,000)

HOTEL ROOM NIGHTS GENERATED BY VISITOR SERVICES DEPARTMENT



EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$305,873	\$338,790	\$331,200	\$345,260
Supplies	6,148	19,260	14,670	19,260
Maintenance	21,878	25,060	22,460	225,060
Contractual Services	463,888	565,930	506,540	698,900
Capital Replacement/Lease	4,132	4,220	4,220	4,220
Capital Outlay	-	150,000	-	-
TOTAL DEPARTMENT BUDGET	\$801,919	\$1,103,260	\$879,090	\$1,292,700

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Director-Visitor Services	31	1.0	1.0	1.0	1.0
Sales Manager	22	1.0	1.0	1.0	1.0
Department Secretary *	8	1.0	0.0	0.0	0.0
Receptionist **	6	0.0	0.5	0.5	0.5
TOTAL		3.0	2.5	2.5	2.5

*Position eliminated in FY07

**In prior years, this FTE was fully reflected in the City Manager Office

MARKETING

MISSION

The goals of Marketing is to coordinate the Town's various communication efforts to ensure that they reflect the Town's philosophy and message.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Redesigned the Town's current newsletter, Inside Addison, and increased distribution and publication from four to six times per year.
- Continued to promote the usage of the addisontexas.net website and implemented a total redesign of the addisontx.gov website.
- Continued marketing efforts to showcase Addison, including restaurants, hotels, events, and Addison Circle Park.
- Continued efforts to refine and enhance the marketing efforts of the Addison Perks program.
- Coordinated a branding study that surveyed key audiences to determine the Town's strengths, weaknesses, and identify opportunities to create a clear vision of the Addison Brand.

Objectives for FY2009

- Develop specific strategies and programs to implement the recommendations identified by the Addison Research Branding study.
- Continue to refine and enhance the marketing efforts of the Addison Perks program.
- Continue to diversify and target marketing efforts to maximize the Town's message.
- Continue marketing efforts to showcase Addison so that the message "there is always something happening in Addison" is publicized consistently and broadly, utilizing diverse mediums.

Major Budget Items

- Marketing for Special Events (\$163,000).
- Krause & Associates contract for providing creative services and marketing consulting for the Town (\$216,000).
- Ariamedia/Web Content Management contracts for providing web maintenance/design services and content management (\$50,000).
- Shiroma Southwest contract for providing marketing and public relations services for all special events and Addison Perks (\$60,000).
- Dallas Morning News Friday Guide (\$160,000)
- Addison/North Dallas Corridor Guide (\$111,750)



EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$170	\$210	\$210	\$210
Supplies	564	5,500	1,000	5,500
Maintenance	-	-	-	-
Contractual Services	985,950	1,210,770	1,100,420	1,173,270
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL BUDGET	\$986,684	\$1,216,480	\$1,101,630	\$1,178,980

SPECIAL EVENTS

DEPARTMENT MISSION

The mission of the Special Events department is to produce special events to attract tourists and enhance the Town's assets.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Exceeded revenue goal by 10%.
- Generated \$394,800 in sponsorships, up 23%.
- Added 3 new events to the calendar: Monster Movie Mash, Worldfest, and Urbanato.
- Overall attendance increased by 18%.
- Booked 2,110 room nights, up 4.5%.
- Received four industry awards for Addison events.
- *Implemented recycling program at events.*

Objectives for FY2009

- Develop WorldFest event for October 2008 and expand to include a Mariachi competition in October 2009.
- Further develop the new Urbanato event.
- Conduct strategic review of each event to assess viability and identify measures to maximize effectiveness.
- Produce five large festivals with a series of smaller events to keep Addison a popular tourist destination.
- Retain market share for the existing events.
- Develop a comprehensive Business Plan that identifies marketing/operation strategies.
- Develop strategic sponsorship relationships to generate marketing value and revenue.
- Work with the Marketing Department to develop programs that increase tourism and weekend hotel business.
- Work with Human Resources to expand the use of volunteers at events.
- Work with Information Technology to bring technology to events that will enhance patrons' experience.
- *Expand recycling/sustainable efforts at events.*

Major Budget Items - FY2009

Expanded Levels of Service

- Special Events EMS Cart (\$20,000).

EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$684,168	\$706,160	\$699,190	\$751,030
Supplies	10,795	11,000	20,240	14,450
Maintenance	152,626	181,460	166,400	181,460
Contractual Services	1,701,683	1,715,690	1,681,760	1,953,180
Capital Replacement/Lease	6,460	41,630	41,620	41,630
Capital Outlay	170,574	-	52,320	20,000
TOTAL DEPARTMENT BUDGET	\$2,726,306	\$2,655,940	\$2,661,530	\$2,961,750

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Administrator-Special Events	28	1.0	1.0	1.0	1.0
Sr. Coordinator-Special Events	13	0.0	0.0	1.0	1.0
Coordinator-Special Events	11	2.0	2.0	2.0	2.0
Intern	11	1.0	1.0	0.0	0.0
TOTAL		4.0	4.0	4.0	4.0

CONFERENCE CENTRE

DEPARTMENT MISSION

The mission of the Conference Centre/Theatre is to increase hotel room bookings by providing additional meeting facilities.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Increased Conference Centre revenues by 6.51%.
- Generated 4,700 hotel room nights at Addison hotels.
- Hosted 650 events.
- Replaced wood floor in Stone Cottage.
- Installed LCD directional signage.
- Enhanced the video camera system within the Conference Centre.
- Rented 1,900,000 square feet of space.
- Hosted 55,000 event attendees.

Objectives for FY2009

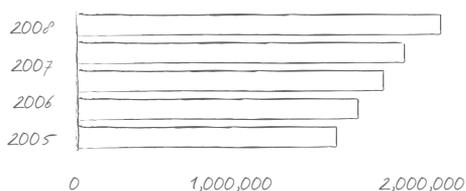
- Increase events hosted by 4%.
- Generate an increase in revenue of 4%.
- Increase Addison hotel room nights by 2%.
- Increase revenue through in-house ancillary services and rentals.
- Increase the usage of the Boardroom and Stone Cottage.
- Maintain the facilities and equipment in an attractive, safe, and updated manner to enhance the client's experience.
- Enhance the public art offerings by increasing the number of annual exhibits presented.

Major Budget Items - FY2009

Expanded Levels of Service:

- Replace Public Space Furniture (\$14,000).
- Paint Benches along Addison Circle Drive (\$15,000).
- Carpet Replacement (\$15,000).

SQUARE FOOTAGE RENTED (thousands of square feet)



EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$477,474	\$504,040	\$479,030	\$514,370
Supplies	55,400	64,620	64,590	57,800
Maintenance	179,050	189,780	192,780	181,370
Contractual Services	215,628	236,110	258,560	261,450
Capital Replacement/Lease	6,820	9,920	9,920	9,920
Capital Outlay	8,512	92,900	93,380	14,000
TOTAL DEPARTMENT BUDGET	\$942,884	\$1,097,370	\$1,098,260	\$1,038,910

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Manager-Conference Centre	26	1.0	1.0	1.0	1.0
Coordinator-Technical	13	1.0	1.0	1.0	1.0
Coordinator-Conference Centre	11	1.0	1.0	1.0	1.0
Secretary-Division	7	1.0	1.0	1.0	1.0
Houseman	4	3.5	3.5	3.5	3.5
TOTAL		7.5	7.5	7.5	7.5

PERFORMING ARTS

DEPARTMENT MISSION

The mission of the department is to provide artistic experiences for the citizens of Addison and the surrounding communities as well as to attract and promote tourism. To meet this mission the Town will provide the highest quality facilities, equipment and staff to effectively support events and performances.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Hosted 34,167 patrons.
- Hosted 252 performances.
- Subscriber base of 2,408 season ticket holders.

Objectives for FY2009

- WaterTower Theatre is planning to produce the following performances:
 - Doubt, a Parable
 - Beautiful Star
 - Violet
 - Our Town
 - Indoor/Outdoor
 - How to Succeed in Business without Really Trying
 - Out of the Loop Festival
 - This Wonderful Life
- Discover Series
 - Make Me a Song: The Music of William Finn
 - Feminine Ending
 - Based on a Totally True Story
 - The Receptionist
- Host 35,000 patrons.
- Host 250 performances.

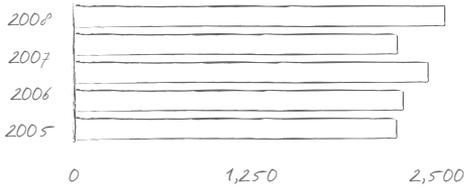
Major Budget Items

Expanded Levels of Service

- Moving light fixtures (\$17,500)
- Flagstone path (\$8,000)



NUMBER OF SEASON TICKET HOLDERS



	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
EXPENDITURES				
Personal Services	\$16,016	\$8,310	\$12,430	\$9,600
Supplies	14,587	19,990	\$20,770	25,700
Maintenance	54,546	143,910	\$139,360	69,380
Contractual Services	464,496	483,200	\$470,430	434,060
Capital Replacement/Lease	4,452	5,030	\$5,030	5,030
Capital Outlay	29,027	30,000	\$29,780	17,500
TOTAL DEPARTMENT BUDGET	\$583,124	\$690,440	\$677,800	\$561,270

OTHER SPECIAL REVENUE FUNDS

PUBLIC SAFETY FUND

FUND DESCRIPTION

Police forfeiture funds are awards of monies or property by the courts related to cases that involve the Addison Police Department

According to Chapter 59, Article 6, Paragraph (d) of the 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 funds for special response team (SRT) equipment and miscellaneous supplies (\$25,000).

MUNICIPAL COURT FUND

FUND DESCRIPTION

The court building security & technology fees represented in this fund are generated from court cost. By law, the Security fund (\$60,197) and the Technology Fund (\$95,264) plus this year's Revenue amounts can only be spent, as set forth in the law, on specified Security or Technology improvements for the Town's municipal court. This fund also includes other funds which are limited for the use of Court.

FUND NARRATIVE

For FY 2009, the budget anticipates that funds generated by the building security fee will pay a portion of the warrant officer's salary (\$8,990), courtroom security improvements (\$4,000), and training of court personnel (\$2,000). Funds generated by the court technology fee will be used for upgrading the Court's software (\$90,000), and other major tools and equipment for the Court (\$14,500).

PUBLIC SAFETY FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$101,923	\$89,420	\$74,840	\$35,300
REVENUES:				
Court awards	5,360	3,000	27,660	3,000
Interest earnings and other	6,071	4,500	2,800	2,500
TOTAL REVENUES	11,431	7,500	30,460	5,500
TOTAL AVAILABLE RESOURCES	113,354	96,920	105,300	40,800
EXPENDITURES:				
Supplies	30,807	5,000	5,000	25,000
Contractual services	7,712	15,000	15,000	-
Capital equipment	-	50,000	50,000	-
TOTAL EXPENDITURES	38,519	70,000	70,000	25,000
ENDING BALANCE	\$74,835	\$26,920	\$35,300	\$15,800

MUNICIPAL COURT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$106,552	\$145,560	\$156,140	\$191,050
REVENUES:				
Court security fees	22,768	20,000	22,000	22,000
Court technology fees	30,237	25,000	26,500	25,000
Interest earnings and other	17,946	10,000	16,400	14,000
TOTAL REVENUES	70,951	55,000	64,900	61,000
TOTAL AVAILABLE RESOURCES	177,503	200,560	221,040	252,050
EXPENDITURES:				
Personal services	8,990	8,990	8,990	9,000
Supplies	-	4,000	3,500	4,000
Maintenance	2,150	-	-	-
Contractual services	1,859	2,000	2,000	2,000
Capital outlay	8,363	8,000	15,500	104,500
TOTAL EXPENDITURES	21,362	22,990	29,990	119,500
ENDING BALANCE	\$156,141	\$177,570	\$191,050	\$132,550

ARBOR FUND

FUND DESCRIPTION

The Arbor fund is used to account for transactions related to the Addison Arbor Foundation, a Texas non-profit corporation organized to fund public beautification projects to enhance the urban forest through donations and gifts from the public, as well as, recycling revenue recovered from Addison businesses and residents.

FUND NARRATIVE

The Addison Arbor Foundation (AAF) meets annually to determine appropriate projects for Arbor fund donations. For FY09 the foundation will reorganize to operate as an independent non-profit agency similar to other non-profit agencies presently affiliated with the Town. FY09 funding has been reserved for public tree planting projects to be determined by the AAF Citizens Advisory Committee based on recommendations from the Addison Parks Department.

The Foundation will sponsor the Fifth Annual Arbor Day Event to be held in the in November 2009. The AAF will begin the 2009 membership drive by delivering membership applications to residents as part of the Town calendar delivery in December 2008.



STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$84,835	\$121,330	\$130,960	\$184,260
REVENUES:				
Recycling proceeds	32,703	25,000	43,700	30,000
Contributions	14,814	6,000	6,300	6,000
Interest earnings and other	5,212	3,500	5,800	5,300
TOTAL REVENUES	52,729	34,500	55,800	41,300
TOTAL AVAILABLE RESOURCES	137,564	155,830	186,760	225,560
EXPENDITURES:				
Maintenance & materials	6,609	30,000	2,500	30,000
Contractual services	-	-	-	-
TOTAL EXPENDITURES	6,609	30,000	2,500	30,000
ENDING BALANCE	\$130,955	\$125,830	\$184,260	\$195,560

DEBT SERVICE FUNDS

GENERAL OBLIGATION DEBT SERVICE FUND

FUND DESCRIPTION

The debt service funds, also known as interest and sinking funds, are established by ordinances authorizing the issuance of bonds and providing for the payment of bond principal and interest as they come due. In the General Obligation Debt Service fund, an ad valorem (property) tax rate and tax levy is required to be computed and levied that will be sufficient to produce the money to satisfy annual debt service requirements. General obligation bonds of the Town carry an “Aa2” rating from Moody’s Investor’s Service and a AAA from Standard & Poor’s Ratings Service.

FUND NARRATIVE

The Town issued \$34.5 Million worth of debt during the 2008 fiscal year, most of which directly supports the Vittrivian Park Development. Shown below is the Town’s debt position as of the beginning of FY 2009.

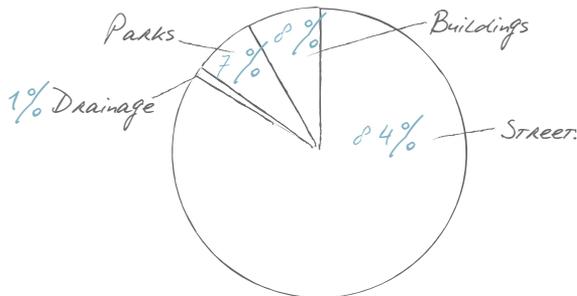
Total outstanding general obligation debt	\$86,440,000
less self-supporting debt from the Hotel, Airport & Utility Funds	- 28,167,350
NET OUTSTANDING GENERAL OBLIGATION DEBT	<u>\$58,272,650</u>

The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan¹ adopted for the General fund, the Town intends to utilize surplus operating funds to support capital projects. 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 fifteen years except under special circumstances in order to rapidly retire outstanding debt.²

The Town’s legal capacity for additional debt is very large. Rules promulgated by the Office of the Attorney General of Texas stipulate that such Office will not approve tax bonds of any city unless the city can demonstrate its ability to pay debt service requirements on all outstanding tax debt, including the issue to be approved, from a tax levy of \$1.50 per \$100 of valuation, based on 90% collection of the tax. Assuming the maximum tax rate for debt service of \$1.50 on the 2008 taxable assessed valuation of \$3,724,826,900 at 90% collection, tax revenue of \$50,285,000 would be produced. This revenue could service the debt of almost \$522 million issued as 5% 15-year serial bonds, which is more than \$464 million greater than the Town’s outstanding obligations.

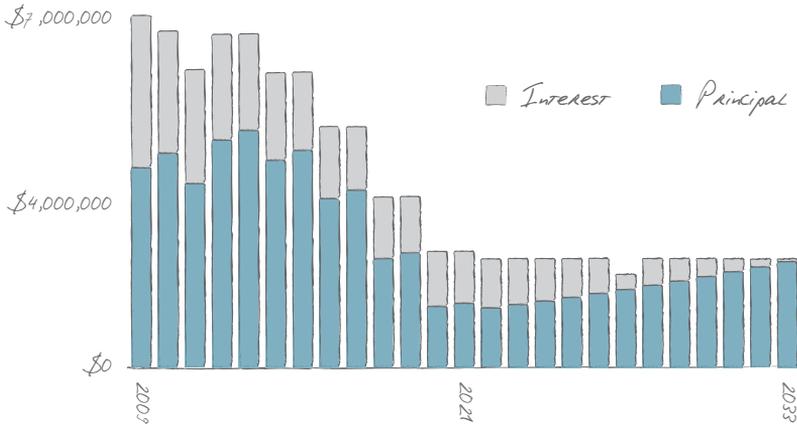
1) For more information regarding the long-term financial plan, please refer to Appendix F.
2) The Town’s financial policies can be found in Appendix B.

DISTRIBUTION OF 2008 – 09 DEBT SERVICE BY APPLICATION OF BOND PROCEEDS



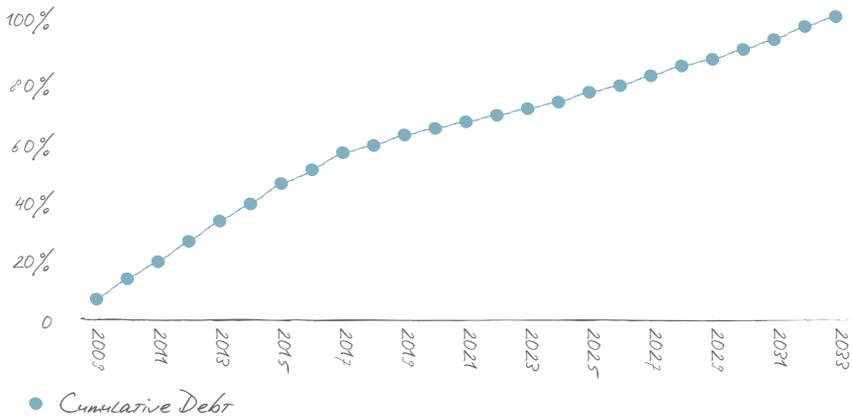
ANNUAL REQUIREMENT TO AMORTIZE GENERAL OBLIGATION DEBT

Net of Self-Supported Debt Paid by Hotel, Airport, and Utility Funds October 1, 2007 to Maturity.



% CUMULATIVE DEBT RETIRED UNTIL MATURITY

The Town's financial policies encourage the rapid retirement of debt. Within ten years the Town will have retired 93.95% of its outstanding debt.



STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$1,649,428	\$1,575,170	\$1,613,150	\$1,545,270
REVENUES:				
Ad valorem taxes	4,493,744	4,627,410	4,550,000	6,214,380
Investment earnings	126,716	75,000	100,000	70,000
TOTAL REVENUES	4,620,460	4,702,410	4,650,000	6,284,380
TOTAL AVAILABLE RESOURCES	6,269,888	6,277,580	6,263,150	7,829,650
EXPENDITURES:				
Debt service-principal	3,255,000	3,419,770	3,419,770	3,607,620
Debt service-interest	1,396,637	1,292,110	1,292,110	2,764,510
Fiscal fees	5,098	10,000	6,000	6,000
TOTAL EXPENDITURES	4,656,735	4,721,880	4,717,880	6,378,130
ENDING BALANCE	\$1,613,153	\$1,555,700	\$1,545,270	\$1,451,520

HOTEL OCCUPANCY TAX DEBT SERVICE FUND

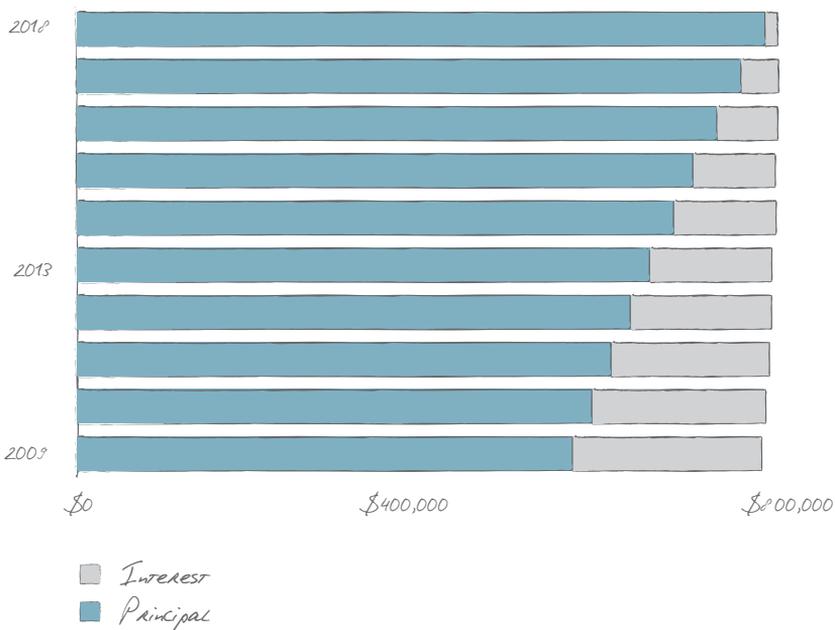
FUND DESCRIPTION

The Occupancy Tax Revenue Debt Service fund receives, as a transfer from the Hotel fund, occupancy taxes to meet the debt service requirements associated with the \$8,000,000 of certificates of obligation issued in 2003 to fund the Arts & Events District. The CO issue carries the Town's Aa2 and AAA general obligation ratings.

FUND NARRATIVE

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

ANNUAL REQUIREMENT TO AMORTIZE OCCUPANCY TAX REVENUE DEBT October 1, 2008 to Maturity



STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$810,936	\$862,940	\$864,330	\$909,330
REVENUES:				
Interest earnings	53,397	45,000	45,000	40,000
TOTAL REVENUES	53,397	45,000	45,000	40,000
TOTAL AVAILABLE RESOURCES	864,333	907,940	909,330	949,330
EXPENDITURES:				
Debt service-principal	480,000	500,000	500,000	515,000
Debt service-interest	226,712	212,010	212,010	203,790
Fiscal fees	-	-	-	-
TOTAL EXPENDITURES	706,712	712,010	712,010	718,790
OTHER FINANCING SOURCES (USES):				
Transfer from Hotel fund	706,710	700,000	712,010	699,800
TOTAL OTHER FINANCING SOURCES (USES)	706,710	700,000	712,010	699,800
ENDING BALANCE	\$864,331	\$895,930	\$909,330	\$930,340

CAPITAL PROJECT FUNDS

FUND DESCRIPTION

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

FUND NARRATIVES

Street Capital Project Fund

For fiscal year 2008, most of the expenses were associated with the Addison Road Widening Project (\$1.5 million), and the Town's contribution toward streets serving the Ashton Woods development (\$500,000).

The budget for fiscal year 2009 reflects construction related to the funding of the Town-wide signalization project (\$743,000) that will be funded primarily by funds and a TxDOT grant.

STREET CAPITAL PROJECT FUND

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$3,989,289	\$2,758,290	\$3,433,590	\$2,363,590
REVENUES:				
DART Grants	185,297	972,000	680,000	600,000
Interest earnings and other	211,936	100,000	285,000	100,000
TOTAL REVENUES	397,233	1,072,000	965,000	700,000
TOTAL AVAILABLE RESOURCES	4,386,522	3,830,290	4,398,590	3,063,590
EXPENDITURES:				
Personal services	27,304	8,000	25,000	-
Engineering and contractual services	33,926	15,000	110,000	43,000
Construction and equipment	891,704	2,514,000	1,900,000	1,200,000
TOTAL EXPENDITURES	952,934	2,537,000	2,035,000	1,243,000
ENDING BALANCE	\$3,433,588	\$1,293,290	\$2,363,590	\$1,820,590

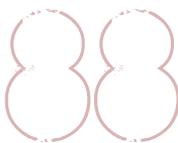


Parks Capital Project Fund

During the 2007 fiscal year, the fund received \$184,250 from developers of the Fairfield apartment project that will eventually be used to supplement city funds to build Fairfield Park. Construction of the park is scheduled for fiscal year 2009 following the completion of the apartments. Fairfield Park is the final project to be supported by this fund and the fund will be closed out upon completion of the project.

PARKS CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$640,293	\$862,540	\$891,840	\$921,340
REVENUES:				
Interest earnings and other	40,682	-	35,000	20,000
Developer contributions	184,247	-	-	-
TOTAL REVENUES	224,929	-	35,000	20,000
TOTAL AVAILABLE RESOURCES	865,222	862,540	926,840	941,340
EXPENDITURES:				
Personal services	-	1,000	500	2,000
Engineering and contractual services	-	50,000	5,000	5,000
Construction and equipment	(26,613)	-	-	934,340
TOTAL EXPENDITURES	26,613	51,000	5,500	941,340
OTHER FINANCING SOURCES (USES):	-	-	-	-
ENDING BALANCE	\$891,835	\$811,540	\$921,340	\$-



2002 Capital Project Fund

During the 2008 fiscal year, funds were applied to the Belt Line Road Streetscape project (\$110,000). For 2009, the fund will support the anticipated design of the Belt Line Road Streetscape project (\$400,000), and set aside \$1.2 million for its construction.

2004 Capital Project Fund

There was no activity in this fund during the 2008 fiscal year. The 2009 budget includes funds to for the Belt Line Road Urban Interchange (\$15,000). The fund's ending balance (\$423,730) is allocated for future design of the Belt Line Road Urban Interchange.

2006 Capital Project Fund

In prior years this fund was used for the Arapaho Road estension project, as well as some rehabilitation of Midway Road. The remaining fund balance is available to be used for other street projects.

2008 Capital Project Fund

During the 2008 fiscal year, this fund was established using monies collected from certificates of obligation in the amount of \$28,222,000. Of this amount, \$22,000,000 is intended primarily for land acquisition, design, and construction related to the first phase of Vitruvian Park Urban Development. It's remainder is intended for new streets and an improved intersection at Spring Valley Road and Brookhaven Club Drive.

Fiscal year 2009 anticipates approximately \$1.2 million in contractual services and \$15.3 million in construction costs for streets and parks.

2002 CAPITAL PROJECT FUND

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$2,148,181	\$2,052,130	\$2,051,810	\$2,016,810
REVENUES:				
Interest earnings and other	108,578	60,000	75,000	75,000
TOTAL REVENUES	108,578	60,000	75,000	75,000
TOTAL AVAILABLE RESOURCES	2,256,759	2,112,130	2,126,810	2,091,810
EXPENDITURES:				
Personal services	25,000	25,000	50,000	-
Engineering and contractual services	83,050	430,000	50,000	400,000
Construction and equipment	96,900	-	10,000	1,200,000
TOTAL EXPENDITURES	204,950	455,000	110,000	1,600,000
ENDING FUND BALANCE	\$2,051,809	\$1,657,130	\$2,016,810	\$491,810



2004 CAPITAL PROJECT FUND

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$396,767	\$408,290	\$408,730	\$423,730
REVENUES:				
Interest earnings and other	98,291	20,000	15,000	15,000
TOTAL REVENUES	98,291	20,000	15,000	15,000
TOTAL AVAILABLE RESOURCES	495,058	428,290	423,730	438,730
EXPENDITURES:				
Personal services	-	-	-	-
Engineering and contractual services	-	70,000	-	15,000
Construction and equipment	86,332	-	-	-
TOTAL EXPENDITURES	86,332	70,000	-	15,000
ENDING FUND BALANCE	\$408,726	\$358,290	\$423,730	\$423,730

2006 CAPITAL PROJECT FUND

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$378,897	\$324,900	\$328,670	\$343,670
REVENUES:				
Interest earnings and other	18,452	15,000	15,000	15,000
TOTAL REVENUES	18,452	15,000	15,000	15,000
TOTAL AVAILABLE RESOURCES	397,349	339,900	343,670	358,670
EXPENDITURES:				
Personal services	-	-	-	-
Engineering and contractual services	6,719	-	-	-
Construction and equipment	61,956	-	-	-
TOTAL EXPENDITURES	68,675	-	-	-
ENDING FUND BALANCE	\$328,674	\$339,900	\$343,670	\$358,670

2008 CAPITAL PROJECT FUND

STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
BEGINNING BALANCE	\$-	\$-	\$-	\$26,897,000
REVENUES:				
Interest earnings and other	-	-	175,000	500,000
TOTAL REVENUES	-	-	175,000	500,000
TOTAL AVAILABLE RESOURCES	-	-	175,000	27,397,000
EXPENDITURES:				
Personal services	-	-	-	50,000
Engineering and contractual services	-	-	600,000	1,200,000
Construction and equipment	-	-	-	15,250,000
Land Acquisition	-	-	900,000	-
TOTAL EXPENDITURES	-	-	1,500,000	16,500,000
OTHER FINANCIAL SOURCES				
BOND PROCEEDS	-	-	28,222,000	-
TOTAL OTHER FINANCIAL SOURCES	-	-	28,222,000	-
ENDING FUND BALANCE	\$-	\$-	\$26,897,000	\$10,897,000



Piero Perugino
Christ Handing the Keys to St. Peter - 1482
Fresco





AIRPORT FUND

FUND DESCRIPTION

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

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

The Town of Addison is contracted with Washington Staubach Addison Airport Venture (WSAAV) for operation and maintenance of the airport. Under the terms of the agreement WSAAV is responsible for collecting all operating revenue (primarily lease and rent payments and the fuel flowage fee) and remitting the amount to the Town, less operating costs and WSAAV's management fee. The management fee is approximately 20% of collected revenue.

FUND NARRATIVE

For the 2008 fiscal year, operating income is expected to total \$4,063,000 that just slightly less than budget. Fuel flowage fees were down 9% from the previous year due to high fuel costs, and rental was down 3% due to the demolition of several older hangars in advance of the hangar development. Operating expenses were about \$90,000 less than budget, leading to net income of \$691,580, just \$7,430 less than budget.

For fiscal year 2009, the budget anticipates operating revenue of \$4,127,200 and operating expenses of \$3,408,640. Net income of \$653,290 will be applied to retirement of debt associated with the new fuel farm and the enlightenment of the rehabilitation of Taxiway Romeo.¹ Working capital is projected to increase by \$208,290.

Accomplishments for FY2008

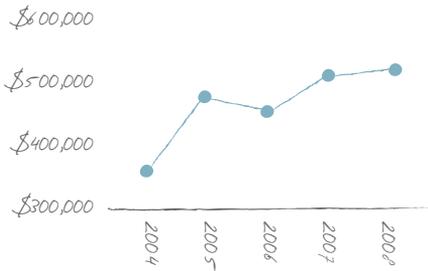
- Completed remediation of old fuel farm property.
- Completed hangar door replacement.
- Completed crack seal program.
- Completed vehicle access road repairs.
- Completed Taxiway Sierra reconstruction.
- Began MSF Executive Condo project.

Goals for FY2009

- Initiate Taxiway Romeo redevelopment.
- Continue seal coat and crack seal programs.
- Begin Airport security enhancements.
- *Implement green initiative program.*
- Repaint runway and taxiway numbers and centerlines.

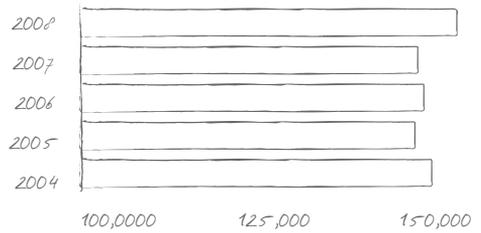
¹) For more information related to airport projects and initiatives, refer to Section 4 of the Town Chronicle section of this document.

AVERAGE VALUE OF CORPORATE AIRCRAFT



Aircraft values reflect the time the aircraft is in a city's jurisdiction.

NUMBER OF TAKEOFFS & LANDINGS



The reduced activity in 2007 is attributed to the higher price of fuel, which impacts aircrafts used for recreational or personal purposes

**AIRPORT ENTERPRISE FUND
INCOME STATEMENT**

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Operating Revenues:				
Operating grants	-	\$50,000	\$50,000	\$50,000
Fuel flowage fees	910,186	975,000	828,000	800,000
Rental	3,242,816	3,012,000	3,150,000	3,240,000
User fees	50,813	35,000	35,000	37,200
TOTAL OPERATING REVENUES	4,203,815	4,072,000	4,063,000	4,127,200
Operating expenses:				
Town - Administration	1,021,552	861,000	959,860	893,120
Grant - Maintenance	-	100,000	100,000	100,000
Operator - Operations and maintenance	1,585,502	1,488,720	1,327,360	1,484,320
Operator - Service contract	931,872	944,600	917,700	931,200
TOTAL OPERATING EXPENSES	3,538,926	3,394,320	3,304,920	3,408,640
NET OPERATING INCOME	664,829	677,860	785,080	718,560
Non-operating revenues (expenses):				
Interest earnings and other	159,745	175,000	95,000	80,000
Interest on debt, fiscal fees, and other	(168,238)	(153,670)	(161,500)	(145,270)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(8,493)	21,330	(66,500)	(65,270)
NET INCOME (EXCLUDING DEPRECIATION)	\$653,396	\$699,010	\$691,580	\$653,290

CHANGES IN WORKING CAPITAL

Net income (excluding depreciation)	\$653,396	\$699,010	\$691,580	\$653,290
Sources (uses) of working capital:				
Retirement of long-term debt	(225,000)	(235,000)	(215,000)	(245,000)
Net additions to fixed assets with grants	-	(200,000)	-	(200,000)
Other net additions to fixed assets	(719,400)	(787,500)	(1,137,500)	-
Net sources (uses) of working capital	(944,400)	(1,222,500)	(1,352,500)	(445,000)
Net increase (decrease) in working capital	(288,004)	(523,490)	(660,920)	208,290
Beginning Fund Balance	1,981,507	1,346,060	1,693,500	1,032,580
ENDING FUND BALANCE	\$1,693,500	\$822,570	\$1,032,580	\$1,240,870

	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
STAFFING				
Police Officer	2.0	2.0	2.0	2.0
TOTAL	2.0	2.0	2.0	2.0

UTILITY FUND

FUND DESCRIPTION

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

FUND NARRATIVE

Operating revenues for fiscal year 2008 are projected to be \$8,556,300, which is 13.5% less than budget and 5.5% less than received the previous year. The decline is attributed to town-wide water conservation efforts, as well as a wet spring season. Also, the demolition of almost 1,400 apartments in the Brookhaven Club area to make way for the new Vitruvian urban development, negatively affected revenue.¹ Because of reduced water sales and diminished volume of wastewater associated with these demolished apartments, operating expenses were 6.8% less than budget. The net impact of the reduced revenues and expenses was a net income of \$1,666,830 compared to budget of \$2,533,460. Working capital was inflated by the sale of \$6.3 million of certificates of obligation that will fund construction of a 1.5 million gallon overhead water storage facility and new utility lines to service the Vitrubian Park development.

The 2009 budget reflects an 11% increase in water and sewer rates that are expected to generate \$9,612,000 in operating revenues. Operating expenses are budgeted at \$7,046,710, an amount almost identical to the 2008 budget. Working capital is projected to decrease \$1.8 million due to the construction of capital projects. The Utility Fund's long-term plan anticipates a 15% increase in water and sewer rates in fiscal year 2011 to support rehabilitation of aging utility lines and debt service.²

Capital expenses scheduled for FY 2009 include:

- Replacement of utility lines in the Brookhaven Club area to serve the Vitruvian Park urban development (\$996,000).
- Design and engineering of an overhead water facility (\$500,000).
- Sliplining of deteriorated sections of sewer mains in Wright Brothers and Wiley Post streets (\$96,000).
- Purchase of replacement water meters that are equipped with technology to allow remote reading of consumption (\$125,800).

1) Please refer to Section 3 of the Town Chronicle for more information related to the Vitruvian Park urban development.

2) Please refer to Appendix F for more discussion related to the Town's long-term financial plans.

UTILITY FUND
INCOME STATEMENT

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Operating revenues:				
Water sales	\$4,249,522	\$4,726,800	\$4,292,300	\$4,885,500
Sewer charges	4,658,814	5,100,000	4,181,000	4,656,500
Tap fees	8,900	5,000	18,000	10,000
Penalties	133,522	55,000	65,000	60,000
TOTAL OPERATING REVENUES	9,050,758	9,886,800	8,556,300	9,612,000
Operating expenses:				
Water purchases	2,467,321	2,500,300	2,388,000	2,610,200
Wastewater treatment	2,168,904	1,951,200	1,731,300	1,892,200
Utility operations	2,121,025	2,589,040	2,441,110	2,544,310
TOTAL OPERATING EXPENSES	6,757,250	7,040,540	6,560,410	7,046,710
NET OPERATING INCOME	2,293,508	2,846,260	1,995,890	2,565,290
Non-Operating revenues (expenses):				
Interest earnings and other	285,309	200,000	250,000	351,000
Interest on bonded debt, fiscal charges, and other	(669,395)	(512,800)	(579,060)	(790,530)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(384,086)	(312,800)	(329,060)	(439,530)
NET INCOME (EXCLUDING DEPRECIATION)	\$1,909,422	\$2,533,460	\$1,666,830	\$2,125,760
CHANGES IN WORKING CAPITAL				
Net income (excluding depreciation)	\$1,909,422	\$2,533,460	\$1,666,830	\$2,125,760
Sources (uses) of working capital:				
Net retirement of long-term debt	(1,997,373)	(2,110,000)	(2,030,230)	(2,196,060)
Debt Insurance	-	-	6,278,000	-
Net additions to fixed assets	-	(1,751,000)	(453,000)	(1,747,800)
Net increase in other	(198,315)	-	-	-
Net sources (uses) of working capital	(2,195,688)	(3,861,000)	3,794,770	(3,943,860)
Net increase (decrease) in working capital	(286,266)	(1,327,540)	5,461,600	(1,818,100)
Beginning Fund Balance	3,789,027	3,749,610	3,502,760	8,964,360
ENDING FUND BALANCE	\$3,502,761	\$2,422,070	\$8,964,360	\$7,146,260

UTILITY DIVISION

DIVISION MISSION

The Utility Division is a sub-unit of the Public Works Department. The division's mission is to safe, uninterrupted water and wastewater services to Addison residents and businesses. The Town purchases water from the City of Dallas and delivers its sewage to treatment facilities in Dallas and to the Trinity River Authority northern region treatment plant. The department staff is responsible for maintaining over 92 miles of water distribution mains, 1,020 fire hydrants, 78 miles of sewer collection lines, and related pumping and storage facilities. Typical duties include meter reading and repairs, responding to customer service orders, cleaning sewer lines, and testing for proper operation of water meters, shut-off valves, and fire hydrants.

PROGRAM NARRATIVE

Accomplishments for FY2008

- Completed the Addison Rd. & Wright Bros. sanitary sewer line rehabilitation project.
- Replaced 54 copper water service lines at Waterview Estates & Grand Addison II.
- A total of 610 water meters were reviewed for seven key data elements including meter size, meter number, unit of measure, and user type to ensure accuracy.
- Replaced 5 three-inch and larger commercial water meters and over 200 two-inch and smaller water meters in Route 4.
- Replaced over 256 single family residential water meters as part of the Town's 12 year change out program.
- Responded to over 3,600 customer service calls.
- Pumped over 1.9 billion gallons of water and collected over 1.2 billion gallons of wastewater.

Objectives for FY2009

- Replacement of 2,200 feet of 8" water line at Greenhaven Village Shopping Center.
- Update Addison's water and wastewater GIS maps
- Establish an ordinance for a Cross Connection Control Program that will establish standards for private development to protect water quality.
- Upgrade water meter registers to electronic meter registers.
- Maintain a 4% level of unaccounted for water.

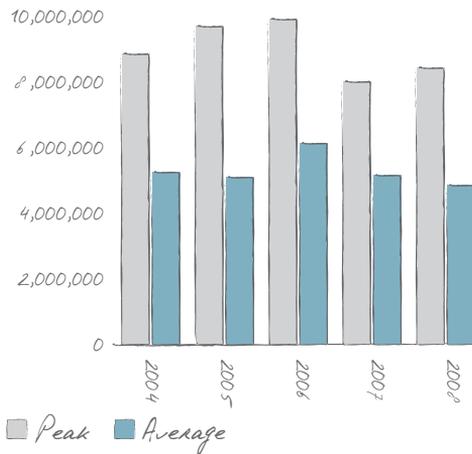
Major Budget Items - FY2009

Expanded Levels of Service:

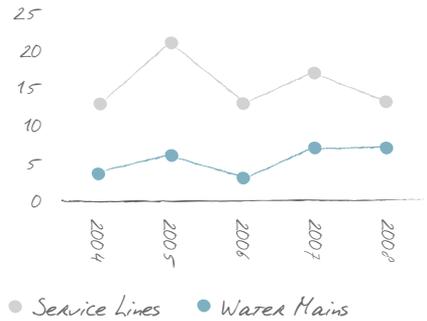
- Pump & Fountain Technician (\$49,350, 1.0 FTE).
- SCADA System Radio Upgrade (\$35,000).
- Utilities Supervisor - Line Maintenance (\$86,920, 1 FTE). Cost of position offset by deletion of assistant public works director position.
- Meter Reading Equipment Upgrade (\$100,000).



DAILY WATER USAGE



WATER LINE BREAKS



Addison purchases water from the City of Dallas. The payments to Dallas are based on total volume and peak day demand. To minimize the cost of water, the division attempts to satisfy peak demands through optimal management of the Town's elevated and ground storage facilities which have a total capacity of 9 million gallons.

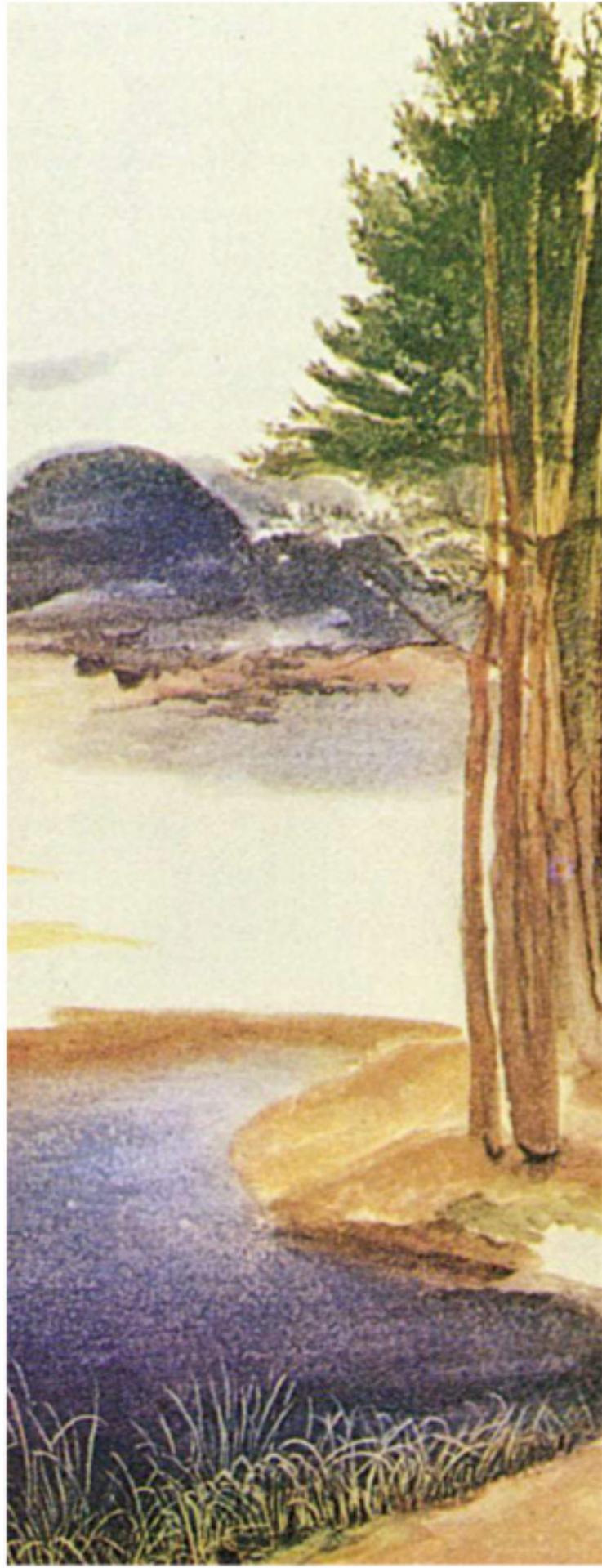
EXPENDITURES	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Personal Services	\$1,078,923	\$1,362,230	\$1,330,980	\$1,404,310
Supplies	87,730	119,070	114,900	127,540
Maintenance	237,595	485,800	375,550	312,350
Contractual Services	662,881	603,960	601,700	682,130
Capital Replacement/Lease	17,410	17,980	17,980	17,980
Capital Outlay	-	-	-	-
TOTAL DEPARTMENT BUDGET	\$2,084,539	\$2,589,040	\$2,441,110	\$2,544,310

STAFFING	Level	Budget 2005-06	Budget 2006-07	Budget 2007-08	Budget 2008-09
Director-Public Works	31	1.0	1.0	1.0	1.0
Asst. Public Works Director*	29	1.0	1.0	1.0	0.0
City Engineer	26	1.0	1.0	1.0	1.0
Project Manager **	25	1.0	0.0	0.0	0.0
Utilities Superintendent	24	1.0	1.0	1.0	1.0
Management Assistant	20	0.0	0.0	0.0	1.0
Inspector-Public Works	13	1.0	1.0	1.0	1.0
Supervisor-Utilities	13	1.0	1.0	1.0	2.0
Water Quality Specialist	12	0.0	0.0	0.0	1.0
Senior Utility Operator	11	2.0	2.0	2.0	1.0
Pump and Fountain Tech.	10	0.0	0.0	0.0	1.0
Asst. Public Works Inspector	9	1.0	1.0	1.0	1.0
Secretary-Department*	8	1.0	1.0	1.0	0.0
Utility Operator III	8	2.0	2.0	2.0	2.0
Utility Operator II	6	3.0	3.0	3.0	3.0
Utility Operator I	3	2.0	2.0	2.0	2.0
TOTAL		18.0	17.0	17.0	18.0

*Position eliminated in FY09

**Position was eliminated in FY07

Albrecht Dürer
Weiber im Walde - 1495
Aquarell





INFORMATION TECHNOLOGY FUND

FUND DESCRIPTION

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

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

FUND NARRATIVE

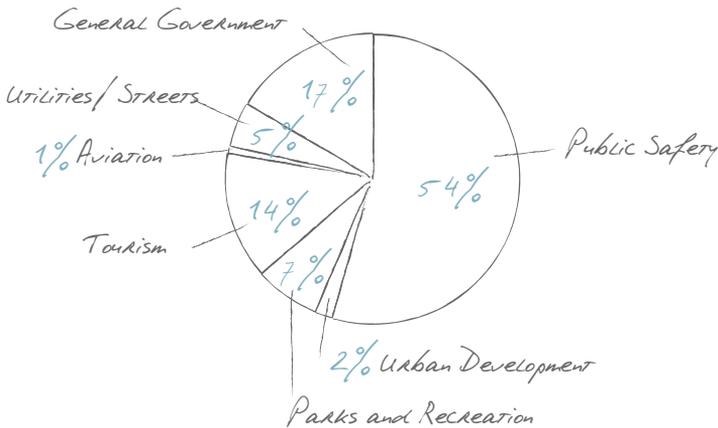
The purpose of the fund is to acquire resources over time to eventually replace all components of the Town's general government and public safety information systems.

For FY 2009, the Information Technology Replacement fund includes funding for the following:

Network Infrastructure Refreshment	\$833,450
Community Management System	\$170,000



IT REPLACEMENT FUND CONTRIBUTIONS



INFORMATION TECHNOLOGY FUND
INCOME STATEMENT

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Operating revenues:				
Department contributions	\$419,520	\$435,070	\$435,070	\$435,070
TOTAL OPERATING REVENUES	419,520	435,070	435,070	435,070
Operating expenses:				
Maintenance	148,179	-	-	-
Contractual services	1,044	2,500	2,000	2,000
TOTAL OPERATING EXPENSES	149,223	2,500	2,000	2,000
NET OPERATING INCOME	270,297	432,570	433,070	433,070
Non-Operating revenues (expenses):				
Interest earnings and other	124,121	100,000	95,000	90,000
NET NON-OPERATING REVENUES (EXPENSES)	124,121	100,000	95,000	90,000
NET INCOME (EXCLUDING DEPRECIATION)	\$394,418	\$532,570	\$528,070	\$523,070
CHANGES IN WORKING CAPITAL				
Net income (excluding depreciation)	\$394,418	\$532,570	\$528,070	\$523,070
Sources (uses) of working capital:				
Capital hardware/software:				
General government	(23,305)	-	-	(1,093,450)
Public safety	(151,949)	(100,000)	(80,220)	(340,000)
Net sources (uses) of working capital	(175,254)	(100,000)	(80,220)	(1,433,450)
Net increase (decrease) in working capital	219,164	432,570	447,850	(910,380)
Beginning Fund Balance	2,131,464	2,283,480	2,350,628	2,798,480
ENDING FUND BALANCE	\$2,350,628	\$2,716,050	\$2,798,478	\$1,888,100

CAPITAL REPLACEMENT FUND

FUND DESCRIPTION

This fund was established to accumulate sufficient resources to replace existing equipment (with values in excess of \$5,000) which have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the governmental type funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected life. When a piece of equipment has reached the end of its projected useful life, a decision is made as to whether the equipment should be replaced. If the costs of retaining the equipment (e.g. maintenance expenditures and length of down-time) do not exceed a predetermined amount, then the equipment will be kept in service. However, once the equipment has been fully amortized, the department will not continue to make payments to the fund. Interest income earned by the fund and the sale of surplus equipment will offset the impact of inflation on the replacement costs of equipment. The fund is also used to finance replacement equipment in those instances in which the cost of replacement far exceeds the original cost of the equipment. In these instances, the fund purchases equipment "on loan" to the user departments at a loan rate equivalent to the yield the fund receives on its invested cash.

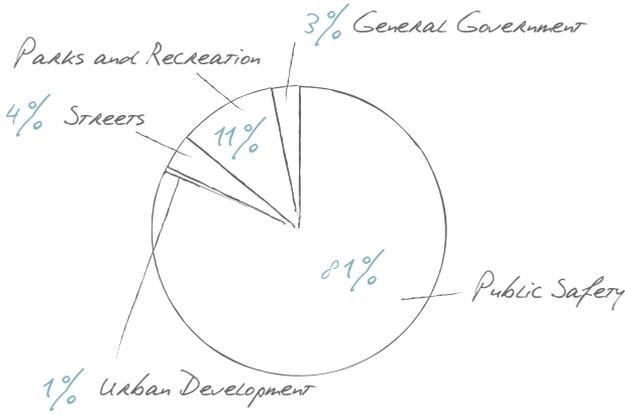
The fund's financial summary is distinguished from those of other funds in that it resembles the income statements of private corporations. In addition to the income statement, the fund summary includes a statement of changes in working capital which is defined as current assets (e.g. cash, investments,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

FUND NARRATIVE

Equipment scheduled to be replaced during FY 2008-09 includes:

Police – Four CID vehicles	\$72,000
Police – Two Patrol motorcycles	\$40,000
Streets – One dump truck	\$40,000
General Services – Two vehicles (Hybrid)	\$53,000
Recreation – Cybex Training Circuit	\$43,000

CAPITAL REPLACEMENT FUND CONTRIBUTIONS



CAPITAL REPLACEMENT FUND
INCOME STATEMENT

	Actual 2006-07	Budget 2007-08	Estimated 2007-08	Budget 2008-09
Operating revenues:				
Department contributions	\$667,816	\$720,790	\$720,790	\$502,700
TOTAL OPERATING REVENUES	667,816	720,790	720,790	502,700
Operating expenses:				
Other	1,044	2,500	1,500	2,000
TOTAL OPERATING EXPENSES	1,044	2,500	1,500	2,000
NET OPERATING INCOME	666,772	718,290	719,290	500,700
Non-Operating Revenues:				
Interest earnings and other	156,087	120,000	120,000	100,000
Proceeds from sale of assets	-	75,000	52,420	25,000
NET NON-OPERATING REVENUES	156,087	195,000	172,420	125,000
NET INCOME (EXCLUDING DEPRECIATION)	\$822,859	\$913,290	\$891,710	\$625,700

CHANGES IN WORKING CAPITAL

Net income (excluding depreciation)	\$822,859	\$913,290	\$891,710	\$625,700
Sources (uses) of working capital:				
Acquisition of capital equipment:				
General government	(207,613)	(40,000)	-	(53,000)
Development services	-	(56,000)	(25,380)	-
Public safety	(465,344)	(282,000)	(134,100)	(196,000)
Streets	-	(25,000)	(20,800)	(40,000)
Park and recreation	(72,137)	(175,000)	(44,000)	(43,000)
Net source (use) of working capital	(745,094)	(578,000)	(224,280)	(332,000)
Net increase (decrease) in working capital	77,765	335,290	667,430	293,700
Beginning Fund Balance	2,902,606	2,797,126	2,980,371	3,647,801
ENDING FUND BALANCE	\$2,980,371	\$3,132,416	\$3,647,801	\$3,941,501

Pietero Perugino
Vision of Saint Bernard — 1493
Oil on Wood





ADDISON FAST FACTS*

2008 Population: 15,300

(8% increase since 2000 Census, 0.3% increase since 2007)

2008 Assessed Value: \$3,724,826,923

Median Age: 31.6 years

Median Household Income: \$48,566

Average Household Income: \$70,808

Number of Households: 7,621

Total Employment in Addison: 45,650

Square Miles: 4.3 square miles

Developable Land Remaining: 6%

Housing Units:

Owner Occupied: 19.8%

Renter Occupied: 80.2%

Education Level: 44.6% with a Bachelor's degree or higher

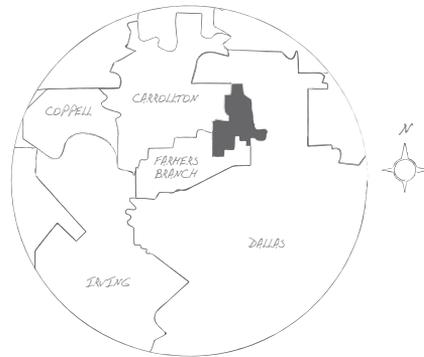
Major Employers in Addison:

- Affirmative Insurance Holdings, Inc.
- Barrett Burke Wilson & Castle
- Concentra Health Services
- Pizza Hut Corporation
- General Electric Capital Corporation
- Hotel Intercontinental
- Bank of America
- Mary Kay Cosmetics

ADDISON PLANNING SECTORS



ADDISON WITHIN THE DALLAS METROPLEX



*Sources: 2000 Census, Dallas Central Appraisal District, and North Central Texas Council of Governments

TOWN CHRONICLE

TOWN DESCRIPTION

The Town of Addison is located in the Dallas North Parkway area that has been referred to as the “platinum corridor” of the Dallas Metroplex. Besides the Town of Addison, the area encompasses the Dallas suburbs of Carrollton, Farmers Branch, and Plano. The area is home to affluent residential neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls, including the prestigious Galleria. The area commands a central location in reference to downtown Dallas, DFW airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

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

The Town’s reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 116 office or commercial buildings providing over 11.4 million square feet of office space. As of September 2008 average office occupancy was 84%, a slight over the 82% recorded last year¹. The rate compares favorably to the 81% average of the Dallas central business district office market. Most of Addison’s office buildings are designated “Class A”, due to the amenities they offer. The Town boasts 22 hotels with 3,953 rooms and 164 restaurants, or an average of 38 per square mile.

Because of its concentration of commercial and retail development, Addison is particularly susceptible to changes in the regional and national economies. Addison’s economy continues to improve, despite the nation entering an economic recession. Taxable appraised values increased for the fourth consecutive year. Property values in 2008 (upon which the 2009 fiscal year tax levy is based) rose 7% compared to the average increase in Dallas County of 6%. The amount of income generated by an office building is used by the Dallas Central Appraisal District to determine the building’s taxable value. If the national recession impacts the North Texas region, office occupancy rates will increase, leading to a potential decline in values.

1) Sources: Costal Group, and Town records

Addison's hotels cater primarily to business travelers and are also experiencing an increase in bookings. Hotel occupancy tax collected for the 2008 fiscal year is projected to be about 2% less than the previous year. According to industry sources, hotels in Addison report revenue per available room declined 3.6% for the nine months ended September 30, 2008, compared to the 2.4% decline for the Dallas/Ft. Worth Metroplex and the 2.1% increase for all of Texas.²

According to a report issued by the Federal Reserve Bank of Dallas, the regional economy is continuing to expand but at a more moderate rate than experienced last year. Through September 2008, area employment increased 1.7% compared to the 2.6% recorded in 2007. Their Texas Business Cycle Index comprised of output, employment and unemployment reflected a 1.3% increase for the Dallas metropolitan area through September 2008, while the index for all of Texas declined 6.2%. The Bank's report notes: "While Texas is still stronger than the nation, the (economic) outlook is for further weakening over the coming months... The leading index also suggests that the Texas economy will slow further in the months ahead. On a brighter note, *The Financial Times* recently ranked Texas as the state most able to cope with the credit crisis."³ The report explains the growth in Addison's economy and supports the budget's modest assumptions of revenue growth that is based on the local and regional economies.

For purposes of easily identifying the events affecting the community, the Town has been divided into six planning sectors. The remainder of this Chronicle section focuses on the attributes of each area of the Town and summarizes the issues, programs, and projects related to the sectors. Estimates for costs related to capital projects are derived from current costs of engineering, building, or operating projects of similar scope, with no adjustment for inflation.

2) Source: Trends in The Hotel Industry, September 2008, and PKF Consulting

3) Source: Regional, July/August 2008, Federal Reserve Bank of Dallas

Sector 1

Sector Description

This sector of the Town is the most topographically attractive of the community. A small creek runs to the east paralleling Belt Line Road and creates several small ponds before it reaches White Rock Creek. Running along the two creeks is a jogging trail that leads to the uniquely landscaped Celestial Park. Perhaps because of these amenities, the area contains the Oaks North, Bellbrook, and Winnwood subdivisions, three of the more affluent residential developments in the Town, if not the entire north Dallas area. The northwest section of Planning Sector 1 contains a mixture of retail and restaurant business establishments.

Capital Projects

Long-Term (37 to 60 months)

Belt Line Urban Interchange — The intersection of Belt Line Road and the Dallas Parkway is one of the busiest in the entire Dallas metropolitan area. This project will improve pedestrian access to the intersection. The current project budget is \$2,500,000. Dallas County has allocated \$1,838,000 for the project and the remainder will be funded with issuance of voter-approved bonds. The project is not expected to significantly add to the Town's operating costs.

Sector Community Issues

Stanford Court — A new residential development was recently completed at the southeast corner of Montfort Drive and Celestial Road, the former site of the Walden School. The Stanford Court development contains 19 owner-occupied town homes.

Village on the Parkway — The owners of this retail center have obtained zoning approval of a plan that calls for the redevelopment of the center with a high-rise, condominium project on the southeast corner of the center. The luxury project is planned to be 11-stories in height and contain a total of 81 condominium units. The development has been suspended pending advance sales of a high proportion of the units.

Prestonwood Town Center—This new development is an exterior mall comprising a Super Wal-Mart, Barnes & Noble Bookstore, Office Depot, Circuit City, and other retailers taking up a total of 340,000 square feet of space. The shops are built on the former Prestonwood Mall location that had been vacant for over five years. The new retail area is complemented by several hundred upscale apartment units. Although the development is not in Addison's jurisdiction, with its proximity to Addison, it is likely the stores will attract shoppers to the area that will also benefit Addison retailers.

Sector 2

Sector Description

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



Capital Projects

Immediate (1 to 12 months)

Comprehensive Traffic Signalization — The project will update the traffic signal control hardware and software at many of the Town’s signalized intersections, most of which are in Sector 2. The project will allow for remote monitoring and modification of signal timing, greatly increasing traffic flow during peak periods. The budget for the project is \$722,000, of which an estimated \$600,000 will come from federal, state, and county funds. The project is expected to be completed by the end of the 2009 fiscal year.

Intermediate (13 to 36 months)

Belt Line Road Streetscape — Belt Line Road is Addison’s “Main Street” where most of Addison’s restaurants and retail establishments reside. Although the road was designed for optimal vehicular traffic flow it is not conducive to pedestrian traffic. Included in the Town’s 2000 Bond Capital Improvement Program was \$11 million for relocating sidewalks away from the roadway, moving or burying overhead utilities and adding landscaping to make Belt Line a more pedestrian friendly street between Dallas Parkway and Addison Road. Project may also include architecturally compatible bus shelters at major stops along Belt Line Road. Conceptual design for the project is expected to be completed in FY2008, ROW acquisition in 2009 and construction beginning in 2011. Because any new landscaping along the street would replace existing landscaping, the project is not expected to materially impact operating expenditures.

Long-Term (37 to 60 months)

Railroad Quite Zones — The Cotton Belt Line carries freight through the North Dallas area. Federal law requires train engineers to blow their horns when approaching street crossings. The noise is disruptive to the residents and office workers residing in Sectors 2 and 5. The project would improve the crossings to add signal arms that would totally block automobile traffic from crossing the tracks and directional horns. The improvements would allow engineers to refrain from blowing the engine horns. The project is budgeted at \$300,000 and would be paid from DART LAP/CMS grants and surplus bond funds. The Town is in the process of obtaining state grants to further supplement the funding.

Arapaho Road / Tollway Overpass Modification — This project would expand the section of Arapaho Road that crosses over the Dallas North Tollway to accommodate a free lane for southbound traffic along Dallas Parkway (access road to the Tollway) to make a U-turn to go northbound. Project has been suspended because funding for the project (\$750,000) has yet to be identified.

Sector Community Issues

DART Rail — Located near the Addison Circle development and the planned Arts & Events District (discussed in greater detail in the Sector 5 narrative) is the DART transit center that is used by over a dozen bus routes serving



Addison and the North Central Dallas corridor. The center is adjacent to the former Cotton Belt railroad line that is now owned by DART. The line extends to the DFW International Airport and represents an opportunity for commuter rail that would serve the area. The Town contracted with a consultant to study the issue. The result of their analysis is that the rail line serves more companies and a greater employment base than all of the Dallas Central Business District. DART has included the project in its long-term 2030 capital plan. Addison staff will work to ensure the project is high on the agency's priority list and over the next few years obtains the funding needed for project design and engineering.

Addison Beverage Center/Epicurean District — When Addison began developing in the early 1980's it was the first city in the North Dallas area to allow for the sale of packaged (versus restaurant sale) alcoholic beverages. The Town's charter required that sale of these beverages had to be limited to a 1-mile section of Inwood Road. Several stores located in this area and have enjoyed tremendous success over the years. However, over the past year adjacent suburbs have had elections allowing for the sale of packaged wine and beer in their communities, which has siphoned off some of the business from Addison's retailers. In an effort to protect the viability of these stores, Addison will continue to work with the retailers to "brand" the area as the Addison Beverage Center using marketing, street signage, and special lighting in order to attract customers. This area has also been identified as a possible site for an epicurean district comprising restaurants and specialty food areas. The FY08 budget includes \$75,000 to determine the feasibility and scope of the district.

Sector 3

Sector Description

The majority of the Town's population and single-family housing is contained within the boundaries of Planning Sector 3. The sector also includes several apartment complexes. Prominent features of the sector include Fire Station #2, the Addison Athletic Club, Les Lacs Linear Park, the private Greenhill School and the Dallas Independent School District's large Loos Athletic Center.

Capital Projects

Immediate (1 to 12 months)

Marsh Lane Sewer Rehabilitation — This project consists of "sliplining" 3,000 feet of the existing 8-inch clay tile line. This line is approximately 30 years old and is a source of inflow and infiltration into the sanitary sewer system. The use of this liner will eliminate ground water from entering the sanitary sewer system and will improve the structural and flow characteristics of the line without the need of any major line construction. Project is expected to be completed by the

end of 2008, at a cost of \$155,000. The completed project is expected to save an estimated \$12,000 a year in sewer treatment charges by reducing the volume of storm water infiltration.

Brookhaven Club Water Main Replacement Program Phase I — The Brookhaven area is comprised of several apartment complexes and has some of the Town's oldest water lines. This project is the first of three phases that will replace deteriorated cast iron pipes with PVC lines. This particular project will construct approximately 1,200 linear feet of 8" water line to connect and finish a water line loop that will serve the apartment complexes as well as the adjoining Greenhaven Village shopping center. Project budget has been established at \$835,000 and was scheduled for the 2006 fiscal year. However, all phases of this project have been suspended until development plans for Vitruvian Park have been submitted and approved (see related discussion later in this sector narrative). Project is expected to save an estimated \$5,000 a year in unaccounted for water loss and repair of leaks.

Intermediate (13 to 36 months)

Elevated Storage Tank — To ensure adequate water pressure is provided all areas of the community, consulting engineers have recommended the Town build a second elevated water storage tank. The tank would have a capacity of 1.5 million gallons with an overflow elevation of 777 feet and be located at the property across Arapaho Road from the property housing the existing Surveyor ground storage tank. The 2009 budget includes \$550,000 for design an engineering of the tank. Construction costs are estimated to range between \$4.9 million and \$5 million depending on the type of structure that is built. The project is funded with the 2008 issuance of certificates of obligation. Once completed, the project would require minimal operating expenses. The tank would have to be repainted every 10 to 15 years at a cost of approximately \$30,000.

Brookhaven Club Water Main Replacement Program Replacement Phase II — Project would replace 2,200 feet of 8" cast iron water main with 12" PVC pipe. Project budget is \$640,000 to be paid from the Utility fund and is scheduled for the 2011 fiscal year. Once completed, the project is expected to save an estimated \$10,000 in annual operating expenses associated with unaccounted for water loss.

Brookhaven Club Water Main Replacement Program Replacement Phase III — This is the third and final phase of the projects upgrading the water system serving the Brookhaven area. Project will upgrade 1,600 linear feet of cast iron 8" water line to a 12" PVC waterline at a cost of \$490,000. Like Phases I & II, this project has been postponed until the Town approves development plans for new housing. Once completed, the project is expected to save an estimated \$7,000 in annual operating expenses associated with unaccounted for water loss.

Sector Community Issues

A developer, Ashton-Woods, is building Asbury Circle, a 73-home owner-occupied townhome neighborhood. Homes will range in size from 2,400 to 3,000 square feet. The plans include a pedestrian connection to the Addison Athletic Club. The Town is contributing \$1 million towards construction of the streets from the Streets Capital Project fund.

UDR Inc. is a self-administered real estate investment trust that has acquired 100 acres of the Brookhaven Club area and the related apartment complexes. Over the course of the next few years, UDR intends to demolish the aging apartments and replace them with over 5,000 new high-end apartment units. The housing would be integrated with retail uses to create an urban community similar to Addison Circle (see sector 5). To facilitate this development, the Town and UDR have entered into a Master Facilities Agreement where the Town will commit as much as \$40 million for street, drainage, park, and utility improvements. At completion, all phases of Vitruvian Park are expected to add \$1 billion to the Town's property tax base.

Sector 4

Sector Description

The distinguishing feature of this area is the Addison Airport, one of the busiest single-runway general aviation airports in the region. The airport has attracted considerable commercial activity including several hangar/office complexes. The south and western areas of the sector encompass almost all of the Addison's light industrial development. Located within Sector 4 are the Town's police station, central fire station, and service center.

Capital Projects

Accomplished

Addison Airport Fueling Facility — The project constructed fifteen above-ground fuel tanks to replace an antiquated fuel farm with underground tanks. The Town owns the tanks and leases them to fixed base operators that service aircraft. The project was completed and was funded with proceeds from the issuance of certificates of obligation. The project began fueling operations in November 2007. The new facility should net a savings in costs associated with complying with TCEQ rules and regulations and generate additional lease revenue.

Addison Road Widening Phase I — This phase of the project widened Addison Road to a 5-lane roadway to accommodate increased traffic flows. Project was completed within its \$2.5 million budget and was supported by bond proceeds and contributions from Dallas County. There will be no material operating expenses associated with the roadway for the five years following completion and because the widening will add only approximately two lane miles, there is expected to be only minimal additional long-term maintenance expenses.

Immediate (1 to 12 months)

Old Fuel Farm Remediation — With the opening of the new fueling facility, the Town will demolish the existing fuel farm and remove the underground tanks under the Texas Commission on Environmental Quality (TCEQ) guidelines in order to open up this portion of the airport to future development. Project budget has been established at \$350,000 and work should be completed by the end of the 2008 fiscal year. The project will have no immediate impact on the operating budget, although future development would bring in an undetermined amount of revenue to the Airport fund.

2007 Airport Paving Rehabilitation — The project represents the final phase of a multi-year program to rehabilitate the airport's pavement. Project is budgeted at \$770,000 and involves reconstruction of Taxiway "S". Project will save approximately \$5,000 in annual operating expenses devoted to recurring pavement repair.

Intermediate (13 to 36 months)

Runway and Taxiway Improvements — This project totally resurfaces the runway. The project would also remove the existing ditch at the northwest end of the airport from the safety area, and add an Engineered Materials Arrestor System (EMAS) at the south end of the runway. An EMAS is intended to stop aircraft that overshoot a runway when there is insufficient space for a standard runway safety area. The project will also add lighting, signage, and a Precision Approach Path Indicator (a visual navigational aid). The project is scheduled to be constructed over several years and has a budget of \$22 million with the Town supporting \$2.2 million. The project will result in minor savings to the Airport operating budget due to not having to mow and maintain the existing drainage ditch that will be replaced by the storm sewer.

Long-Term (37 to 60 months)

Airport Drainage Improvements — Areas of the airport become flooded during heavy rains. The project will improve the grade of drainage basins, replace storm sewer piping, inlets, and culverts. A master drainage study report and design for improvements must first be commissioned once operating funds are available for the report. The report will identify the project's scope and expense.

Addison Road / Keller Springs Intersection — Project would add two turn lanes on Keller Springs and replace existing traffic signals to accommodate a wider pavement section at the entrance of the Keller Springs Toll Tunnel Project. Cost is estimated to be \$250,000 and funding will be from DART LAP allocations. Project has been delayed due to problems with acquiring right-of-way and is tentatively scheduled to begin in fiscal year 2012. The project will not have a material impact to operating expenditures.

Midway Water Line Rehabilitation — Project would replace 2,000 feet of 12" cast iron pipe. Project is scheduled for fiscal year 2013 with a budget of \$610,000. Project would save approximately \$5,000 annually from water not lost through leaks.

Lindbergh/Richard Byrd Sewer Rehabilitation — This project consists of "sliplining" 2,700 feet of the existing 6-inch clay tile line. This line is approximately 30 years old and is a source of inflow and infiltration into the sanitary sewer system. The use of this liner will eliminate ground water from entering the sanitary sewer system and will improve the structural and flow characteristics of the line without the need of any major line construction. Project is scheduled to take place in fiscal year 2010 with a budget of \$108,000. The completed project is expected to save an estimated \$5,000 a year in sewer treatment charges by reducing the volume of storm water infiltration.

Suspended

Terminal Building — The building that had been used by airport administrative staff was demolished in 2004 to make way for a new private hangar. Administrative operations have been moved temporarily to a nearby office building. The project includes an approximate 7,000 square foot facility with associated ramp and parking areas. Project budget is \$800,000 with the Town contributing 50% and TxDOT paying the remaining portion. Project has been indefinitely suspended until such time as decisions are made concerning development of the south side of the airport, including possible construction of an air museum. Once completed, the Town will save \$65,000 in annual office lease payments.

Maintenance Building — Currently airport operations vehicles and equipment are stored in several hangars. Construction of a new maintenance building would allow for all equipment to be stored in one location and would free the hangars for rent to private aircraft. Total project budget is \$125,000, and, like the Terminal Building, this project has been indefinitely suspended pending decisions related to a comprehensive development on the airport's south side. Once completed, the project will allow the airport to gain several hundred dollars a month in rental income from the hangars currently used for equipment storage.

Sector Community Issues

Cavanaugh Flight Museum — Currently residing on the airport is the Cavanaugh Flight Museum, which has become a popular tourist attraction. The museum is privately owned and houses an extensive collection of vintage aircraft. The museum is limited to standard aircraft hangars that limit the museum's ability to properly showcase the aircraft. The Town is in negotiations with the museum's owner to enter into a joint venture, which may include the Town constructing a new facility specially designed for the museum.

Sector 5

Sector Description

The smallest of the planning sectors, Sector 5 contains Addison's old business district. While the area had been among the least developed in the Town, the Addison Circle development has transformed this sector into a vibrant nucleus of the Addison community. Addison Circle (Urban Community District) combines extensive park and median greenscape with upscale multi-family housing and small retail shops in the north Quorum area. The sector also includes the Town's Conference Centre and Theatre complex and the Addison Circle Park, which is used extensively for special events such as Oktoberfest and Taste Addison.

Capital Projects

Immediate (1 to 12 months)

Fairfield Park — Supporting the Fairfield development will be a park of approximately 1.53 acres with a budget of \$860,000. The park's construction is funded with surplus park capital project funds and a \$184,000 developer contribution. Annual operating and maintenance costs are estimated to total \$4,000.

Intermediate (13 to 36 months)

North Quorum Streetscape — As part of the Fairfield development (see following discussion) the Town is obligated to construct enhancements to Quorum Drive between Goodman Avenue and Airport Parkway with the addition of street parking and landscaped pedestrian walkways. The project is scheduled for construction during the 2010 fiscal year with a budget of \$393,000. The project will not have a material impact on operating expenditures.

Sector Community Issues

Addison Circle Residential Developments — The final residential segments of Addison Circle are in the process of being completed. The Fairfield Residential project is under construction and is expected to be completed by 2009. The project is located on 8.9 acres at the northwest corner Quorum Drive and Goodman Avenue and comprises 414 multi-family units in a 4-story format, similar to the existing Addison Circle development. SNK Realty will be building 262 multi-family units on 6.5 acres between Spectrum Drive and the Dallas North Tollway. In addition to the residential units, the SNK development will include ground-floor retail in the project's Spectrum Drive side.

Construction is underway on Two Addison Circle, a six-story, 210,000 square foot office building to be located on the northwest corner of Addison Circle and the Dallas Parkway. The building is being developed by OPUS West Group, and it will include a 720-space garage.



Sector 6

Sector Description

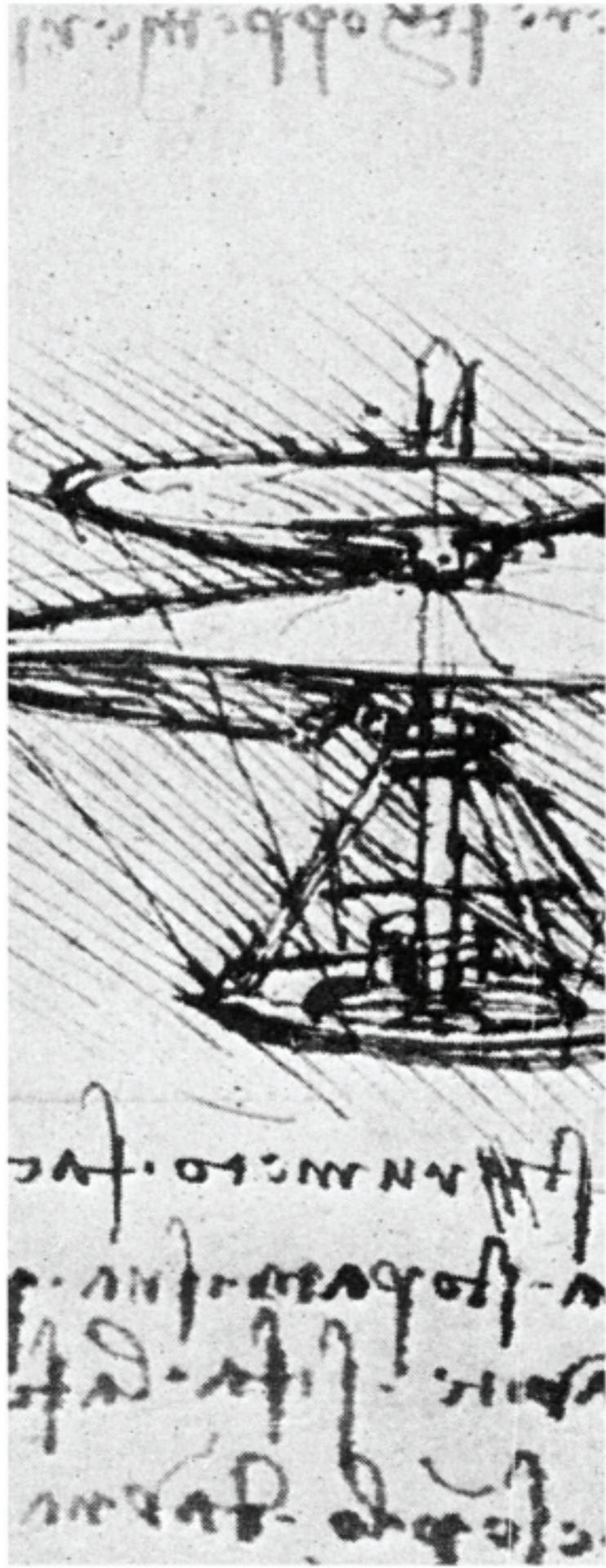
Sector 6 is distinguished from the other planning areas by the fact that it has the most footage fronting the North Dallas Tollway, making it conducive for future office development. Located in the sector is the private Trinity Christian Academy.

Capital Projects

Long-Term (37 to 60 months)

North Tollway Landscaping Phase III — The project would extend the landscaping on the west Tollway service road, from Westgrove Road, north of Sojourn Drive to the city limit line. The project will complete the landscaping along the Town's eastern edge to achieve a distinctive and aesthetically pleasing gateway into the Town. Project budget has yet to be determined and is dependent upon the project's scope. Projected funding would be surplus capital bond funds. The project budget has been established at \$500,000 and has yet to be scheduled. Once completed, maintenance of the additional landscaping would add approximately \$5,000 to annual Park department expenditures.

Leonardo da Vinci
Vire Aerea - 1488
Ink on Paper





APPENDIX A THE BUDGET PROCESS

APR
2008

1

SCHEDULES
DISTRIBUTED
TO CITY COUNCIL

- 1) City manager presents Council with budget schedule. Council reviews city goals and Project 2030 Vision to determine whether these goals should be revised.

MAY
16

2

BUDGET REQUESTS
SUBMITTED &
REVIEWED

- 2) Deadline for department budgets to be submitted to Financial & Strategic Services. Staff spends the next several weeks reviewing department budgets for presentation to the Council at work sessions conducted during August.

JUN
-
JUL

3

WORK SESSIONS
WITH CITY
MANAGER

- 3) A series of meetings are conducted by the City Manager with individual departments. The meetings focus on each department's budget requests.

JUL
25

4

CERTIFIED TAX
ROLLS RECEIVED

- 4) Certified appraisal rolls from Dallas County Appraisal District are received showing taxable values of \$3,724,826,900.

JUL
31

5

2008-09 CITY
MANAGER'S
PROPOSED BUDGET

- 5) City manager's proposed budget is filed with the city secretary and made available to the public as required by the City Charter. Budget reflects total appropriations of \$84,351,860 and a tax rate of 46.92¢.

AUG
3

6

EFFECTIVE TAX
RATE PUBLISHED

- 6) Upon receipt of the certified appraisal rolls, the Financial & Strategic Services department performs the net effective tax rate calculation as required by State law. The net effective tax rate is calculated to be 41.4582 cents with a rollback rate of 47.9335¢.

AUG

7

WORK SESSIONS
WITH COUNCIL

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

AUG
19 &
26

8

PUBLIC HEARINGS
HELD

- 8) Following the required newspaper notices, public hearings are scheduled for regularly scheduled Council meetings.

SEP
9

9

COUNCIL ADOPTS
THE 2008/2009
BUDGET

- 9) Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2008 with total appropriations of \$81,135,650 and a tax rate of 45.35¢.

DEC

10

2008/2009 BUDGET
DOCUMENT IS
PUBLISHED

- 10) Financial & Strategic Services staff works closely to develop final budget document; document is returned from printers and distributed to users.

JUN
2009

11

BUDGET IS
AMENDED

- 11) Typically in June, a work session is conducted with Council to discuss budget adjustments; budget amendments are adopted by ordinance.

APPENDIX B FINANCIAL POLICIES

INTRODUCTION

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

ANNUAL BUDGET (CHARTER REQUIREMENTS*)

- 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 Council, allowing interested citizens to express their opinions concerning items of expenditures, 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 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 Council fails to adopt the budget, the City shall continue to operate under the existing budget until such time as the 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 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 Council may amend or change the budget to provide for any additional expense.

BASIS OF ACCOUNTING AND BUDGETING

1. The Town's finances shall be accounted for in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board.
 - 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 the Governmental Accounting Standards Board 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 Director of Financial & Strategic Services (DFSS). Transfers between operating departments may occur with the approval of the City Manager and DFSS 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 DFSS shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by the Governmental Accounting Standards Board. 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 city's finances on the basis of generally accepted accounting principles (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 city 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 Comprehensive Annual Financial Report shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.
4. The DFSS shall within sixty days following the conclusion of each calendar quarter, issue a report to the Council reflecting the Town's financial condition for that quarter. The quarterly report format shall be consistent with the format of the annual budget document.

REVENUES

1. To protect the Town's financial integrity, the Town will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the Town will attempt to reduce its dependence on sales tax revenue.
2. For every annual budget, the Town shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the Town's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service fund. The operation and maintenance levy shall be accounted for in the General fund. The operation and maintenance levy will be established within the eight percent (8%) rollback rate as defined by the State of Texas Property Tax Code. Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.
3. The Town will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The Town will not provide tax abatements 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, 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. The Town will invest idle cash to obtain interest income within the constraints of the Town's annually adopted investment policy. That policy established the following five objectives: a.) conformance with all Federal regulations, State of Texas statutes and other legal requirements including the Town Charter and Town Ordinances, including this Policy, b.) preservation of capital and the protection of investment principal, c.) maintenance of sufficient liquidity to meet anticipated disbursement and cash flow, d.) diversification to avoid incurring unreasonable risks regarding securities owned, e.) attainment of a market rate of return equal to or higher than the performance measure established from time to time by the Director Financial and Strategic Services of the Town which is commensurate with the acceptable risk and liquidity objectives of this policy.

8. 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 one year. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of Town employees. Existing capital equipment associated with General fund operations will be amortized by charges to the departments using the equipment. The amortization charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The amortization charges and application of those funds will be accounted for in the Capital Replacement Fund.
9. Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
10. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the Director of Financial & Strategic Services. Projected expenditures that exceed the ceiling must be submitted as separate Budget Adjustment requests. The City Manager will recommend the adjustment requests in the recommended budget to the Council.

FUND BALANCE

1. The annual budget shall be presented to Council with each fund reflecting an ending fund balance which is no less than 25% 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% minimum.

2. Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs.
3. The Town will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Addison community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to address the future use of fund balance for operating expenditures.

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.

DEBT EXPENDITURES

1. The Town will issue debt only to fund capital projects that cannot be supported by current, annual revenues.
2. To minimize interest payments on issued debt, the Town will maintain a rapid debt retirement policy by issuing debt with maturities not exceeding fifteen (15) years. In instances when debt is issued to finance capital improvements for new development, debt maturities may be extended for up to twenty-five (25) years to minimize the impact of existing tax payers or rate payers. Retirement of debt principal will be structured to ensure constant annual debt payments.
3. The Town will attempt to maintain base bond ratings (prior to insurance) of Aa2 (Moody's Investors Service) and AAA (Standard & Poor's) on its general obligation debt.
4. When needed to minimize annual debt payments, the Town will obtain insurance for new debt issues.

CAPITAL PROJECTS 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 which 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 annual Comprehensive Annual Financial Report.

LONG-TERM FINANCIAL PLANS

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

APPENDIX C COMPENSATION PLAN

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

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

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

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

MERIT AND MARKET PAY PLAN

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

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

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

For the 2008-2009 budget year, Council approved compensation increases with every operating department receiving three percent increases of employee salaries. Council also approved a three percent adjustment to the salary ranges. These adjustments will allow the Town to continue to offer a competitive compensation package to all employees.

WAGE AND SALARY SCALE (Effective 10/01/08)

Level	Base Salary	Top Salary
1-N	20,966	31,470
2-N	22,256	33,384
3-N	23,608	35,422
4-N	25,064	37,568
5-N	26,582	39,874
6-N	28,226	42,286
7-N	29,931	44,886
8-N	31,741	47,632
9-N	33,675	50,523
10-N	35,734	53,604
11-N	37,918	56,888
12-N	40,227	60,361
13-N	42,681	64,022
20-E	41,497	62,224
21-E	44,682	67,023
22-E	48,123	72,163
23-E	51,818	77,727
24-E	55,810	83,694
25-E	60,079	90,150
26-E	64,730	97,073
27-E	69,699	104,528
28-E	75,072	112,576
29-E	80,848	121,241
30-E	87,050	130,585
31-E	93,760	140,630
32-E	100,960	151,461
33-E	108,732	163,099
34-E	117,100	175,650
Police Department		
D1	35,746	53,599
P1	44,400	
P2	46,618	68,863
P3	69,669	79,481
P4	77,554	89,753
P5	87,613	99,978
P6	90,000	103,500
Fire Department		
F1	43,471	
F2	46,113	63,932
F2a	58,776	67,593
F3	68,417	75,391
F4	73,578	81,105
F5	79,130	103,071
FP1	46,082	63,922
FP1	73,556	81,107

APPENDIX D MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$46,601,040, or 77.9% of the Town's total operating revenues (excludes interfund transfers/charges).

PROPERTY TAXES

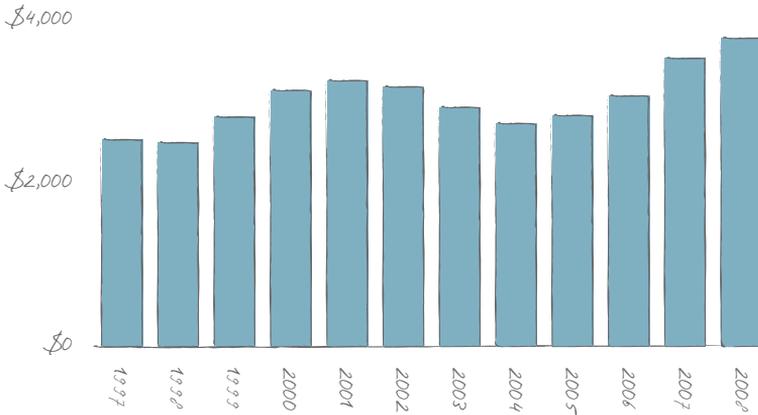
Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The Town's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by the Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2008, upon which the fiscal year 2009 levy is based, is \$ 3,724,826,923. This amount is net of approximately \$350,731,677 (representing 8.6% of appraised values) of agricultural, homestead, over-65, disabled veteran, and other exemptions. The 2008 tax roll is seven percent more than the 2007 certified roll. Over the last several years, the local economy has continued to improve. Occupancy rates for both hotels and office buildings have remained strong over the last several quarters. As such, we believe future appraisals of commercial properties should remain strong since these valuations are influenced by the income that these properties generate.

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ending September 30, 2009 is 45.35¢ per \$100 of which 28.28¢ is allocated for general government operation and maintenance and 17.07¢ is allocated for retirement of general obligation long-term debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement the Town continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. The tax rate that equates to an 8% increase above the prior year rate is known as the "rollback rate." The FY 2008 tax levy adopted by the Town is less than the calculated 47.93¢ rollback rate.

Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2008 are estimated to be 97.5% of levy and will generate \$16,469,800 in revenues. Delinquent taxes and penalties are expected to produce an additional \$40,000.

ASSESSED VALUATION OF TAXABLE PROPERTY
(As of January 1 in millions)

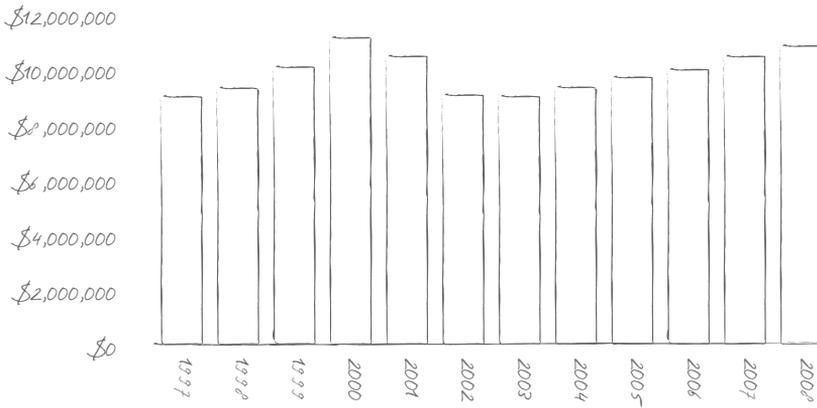


SALES TAX

The sales tax in Addison is 8.25% of goods or services sold within the Town’s boundaries. The tax is collected by businesses making the sale and is remitted to the State’s Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1% to the Town of Addison and 1% to the Dallas Area Rapid Transit mass transportation authority. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by the businesses. For the year ending September 30, 2008, the Town of Addison expects to receive \$10,800,000 in sales and use tax revenue. This amount represents a 2.7% increase over the FY 2007 collections. In addition, Dallas County experienced a 4.4% increase and the State of Texas experienced a 5.5% increase over FY 2006. The three percent increase in Town sales tax collections assumed in the 2008-09 budget is conservative and derived from the experience from the past year. Economic forecasts predict between an average 3% to 4% expansion in the State and regional economies for the next five years. For this reason, sales tax collections should surpass the budgeted assumption. Sales tax collections, however, are notoriously unpredictable and Addison’s collections can vary significantly from one month to the next.

Another sales tax levied by the state is the alcoholic beverage tax which is applied against all mixed drinks and package liquor sold in the city. The tax is

SALES TAX REVENUES



14% of sales price and, like the general sales tax, is collected by the State. The Town’s share of the dollar revenues generated by the tax is 10.7%, which is expected to produce \$1,005,060 for the 2009 fiscal year.

Although Addison has less than 16,000 residents, its concentration of hotels and restaurants makes it the eleventh highest city in Texas for alcoholic beverage sales, surpassing Lubbock with a population of 199,560 and Irving with a population of 210,150.

DISTRIBUTION OF SALES TAX REVENUE

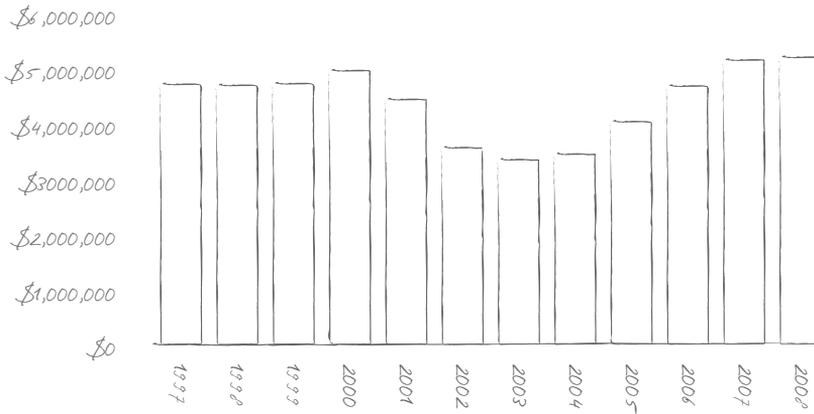
	Addison	Dallas County
Construction	14.76%	9.89%
Retail	47.45%	55%
Services	16.12%	5.41%
Wholesale	11.42%	14.82%
Transportation/Communications	0.90%	0.93%
Manufacturing & Other	9.35%	13.95%

HOTEL/MOTEL OCCUPANCY TAX

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

Hotel occupancy tax collections have increased in each of the last three fiscal years, but for the year ending September 30, 2009, the Town expects to receive \$5,200,000 in occupancy tax receipts. This decrease from the 2008 budget is attributed to the economic slow-down experienced nationwide in 2008. The Hotel fund's long-term financial plan (located in Appendix F) reflects the average revenue per room assumptions for the next five years. Addison's collection of hotel occupancy tax ranks it 13th in the State of Texas, just behind of Arlington, a city with a population of 369,150.

HOTEL OCCUPANCY TAX REVENUES



HOTEL OCCUPANCY TAX FY 2008 COLLECTIONS

Establishment	Number of Rooms	Percentage of Revenue
Full Service		
Marriott Quorum	535	19.2%
Intercontinental	532	17.7%
Crown Plaza	429	11.3%
Extended Stay		
Budget Suites	344	0.5%
Best Western	70	1.4%
Marriott Residence Inn	150	4.5%
Summerfield SuitesV	132	3.0%
Homewood Suites	128	3.5%
Springhill Suites	159	5.0%
Business Moderate		
Marriott Courtyard Quorum	176	6.3%
LaQuinta Inn	152	3.4%
Marriott Courtyard Proton	145	4.2%
Holiday Inn Express	102	3.0%
Hilton Garden Inn	96	3.7%
Holiday Inn-Arapaho	101	2.6%
Comfort Inn	86	0.9%
Economy		
Motel 6	126	1.5%
Hampton Inn	159	4.1%
Quality Inn	115	1.5%
Comfort Suites	78	1.7%
Super 8	78	0.7%
Best Value	60	0.3%
TOTAL	3,953	100%

UTILITY FEES

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

For FY 2009, the Town Council approved an adjustment in water and sewer rates in order to support increased operating expenses, debt service associated with capital projects of previous years, and future capital projects needed to maintain the Town's water and sewer systems. Under these rates, each customer will pay a minimum monthly bill depending upon how their account is classified. For example, a single-family customer will pay a minimum bill of \$9.10 for water which includes 2,000 gallons. At the other end of the scale, an industrial customer with a meter greater than 2" in size pays a minimum bill of \$169.00 with an allowance of 80,000 gallons. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exceptions to this rule are single-family residential customers who cease paying sewage fees once water consumption exceeds 8,000 gallons. The combined monthly water and sewer bill for a single-family residence which consumes 10,000 gallons is \$57.84.

The Town's rate schedule includes a conservation water rate that was first implemented in 2003. This rate applies to all customers with irrigation meters and single-family customers who consume more than 15,000 gallons in a month. The conservation rate is \$4.10 per 1,000 gallons compared to the base water rate of \$2.05 per 1,000 gallons.

Below is a distribution of customers by classification (as of 9/30/08) and the approximate percentage of contribution each classification makes to water and sewer operating revenues. For the 2008-09 budget year, the Town's Utility Fund anticipates receiving \$4,885,500 from the sale of water and \$4,656,500 from sewer fees. The total utility fees represent a 2.9% decrease over the previous year budget.

FY 2007-08 Customer Classification	WATER		SEWER	
	Number of Accounts	Percent of Revenues	Number of Accounts	Percent of Revenues
Single Family	1,679	12.1	1676	12.5
Multi-Family	125	13.4	125	31.4
Municipal/School	29	0.9	29	2.2
Irrigation	597	48.5	0	0.0
Hotel/Motel	31	6.1	30	10.7
Commercial	647	17.4	642	42.9
Fire Meter	313	1.5	0	0.0
Industrial	10	0.2	10	0.4
TOTAL	3,431	100%	2,512	100%

FRANCHISE FEES

The Town receives compensation from the electric, natural gas, cable and telecommunication providers that use the public right-of-ways, primarily streets, to conduct their business. The largest fee comes from Oncor, the electric transmission and distribution entity in Texas' deregulated electric power market. Oncor pays the Town \$0.0025441 per kilowatt hour of electricity that is distributed within Addison's jurisdiction. The fee is levied on the retail electric providers who in turn add the fee to consumer bills. The franchise fee is related to weather. The more extreme temperatures in the summer and winter seasons, the more power is sold. The Town expects to receive \$1,550,000 in the 2009 fiscal year based on an average year's temperatures.

The second largest source of revenue for franchise fees comes from the telecommunication fees collected by the competing providers from customer monthly bills. In Addison the fees are as follows:

Category 1 (Residential lines)	\$1.02
Category 2 (Non-residential or business lines)	\$2.46
Category 3 (Point-to-point or dedicated lines)	\$4.89

The Town has projected receiving \$575,000 in the 2009 budget. This is a modest decline compared to the \$600,000 that is estimated to be received in FY 2008. It is anticipated that this revenue source will continue to decline as the wireless telecommunications industry gains market share from the traditional telephone companies.

APPENDIX E LONG TERM FINANCIAL PLAN

Narrative

In accordance with the Town's financial policies, the 2008-09 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for all the Town's major operating funds: General, Hotel, Airport, and Utility. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget for fiscal year 2009 and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The plans establish funding ceilings on recurring operating expenditures. Department heads may only exceed these ceilings by presenting to the city manager and council, budget adjustment requests that provide new or expanded services to the community. Operating budgets are increased only when Council votes to approve each request.

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:

- Non-property taxes have posted modest gains the past two years averaging 2.5% annual increases. The projected years assume a 3% annual increase.
- Property tax revenue is dependent on two variables, appraised value and the tax rate. Property values this year increased 7%, the fourth consecutive year of increased valuations. The 2009 budget includes a property tax rate of 45.35¢ per \$100 appraised values. Although this rate is 1.98¢ greater than the rate associated with the 2008 budget, all of the increase was directed to the retirement of long-term debt accounted for in the General Obligation Debt Service fund. The tax rate for the General fund was reduced from last year's 29.90¢ to 28.28¢. Because of the increased taxable property values, the tax levy dedicated to the General fund will increase only 1.4% over estimated 2008 tax collections. The General fund long-term plan assumes that for fiscal years 2009-2012 property values continue to recover and increase an average 3%, plus an average \$75.5 million over each of the next four years in new construction. The plan assumes a tax rate will be levied to generate additional 6.7% revenue each year.
- All other revenues during the planning horizon are expected to increase 3% per year.



- The majority of the General fund's expenditures are associated with employee compensation; over 66% of the 2009 budget is allocated for this area. The base year reflects an increase of 5.5% over the 2008 budget due primarily to the three percent merit increase approved for the 2009 budget and a higher contribution rate for the Texas Municipal Retirement System pension plan. The increase in personal services costs is also due to the addition of four new full-time and one part-time positions. Future years project average annual increases of 5.5% with staffing remaining constant at 234.4 FTE.
- The 2009 budget reflects a 25% reduction in appropriations for maintenance projects associated with the Town's streets and facilities. The 2008 budget had included funds to address major maintenance projects that comprised items that occur only once every 7 to 10 years (e.g. interior painting and replacement of carpet). For the future, maintenance expenses are expected to increase only 4% per year for basic upkeep of facilities.
- Other expenditures are expected to increase as follows: supplies 2% per year, contractual services 3%, and capital replacement contributions remaining constant.
- For fiscal years 2010 through 2013, revenues are projected to essentially match expenditures. Fund balances above the 25% minimum established by formal financial policy, are available for non-recurring capital projects.

HOTEL FUND LONG-TERM PLAN

Addison's hotels cater to the business traveler and therefore are tied to the regional economy. Hotel occupancy tax revenues in 2008 declined an estimated 2% over the previous year. The decline is attributed to rising fuel prices that impacted business travel. The plan reflects the following assumptions:

- Hotel occupancy tax revenue is expected to increase only \$100k over estimated 2008 numbers. For the 2010-13 planning period, revenues from the tax are expected to increase an annual average 3%. The inventory of hotel rooms is assumed to remain constant at 3,953.
- Proceeds from special events are expected to increase 4% per year.
- Rental of the Addison Conference Centre and Theatre is expected to increase 2% per year.
- Operating expenditures are forecasted to increase 6% for employee compensation, 3% for supplies, 4% for maintenance and, depending upon the department, between 0% and 5% for contractual services.
- The fund also reflects an average annual debt service of around \$700,000 for retirement of certificates of obligation that were sold to finance construction of the Arts & Events District.

- The plan reflects expenditures exceeding revenue an average just over \$129,000 from fiscal year 2010 through 2013 with fund balance remaining significantly above the 25% minimum. Unlike other funds where expenditures are directly related to critical public services, much of the Hotel fund's budget is associated with marketing and the production of special events which can be reduced should hotel occupancy taxes decline in future years.

AIRPORT FUND LONG-TERM PLAN

The goal of the Airport's plan is to generate sufficient revenues to support operating expenses as well as funding capital projects to minimize issuance of debt.

- Operating revenue is expected to increase only 1.3% for the 2009 budget. For fiscal years 2010 through 2013, revenue is expected to increase only 3% per year assuming no rate increases during the planning period.
- Operating expenses are projected to increase 6% for employee compensation 3% for supplies, and 5% for maintenance. The Town has a contract with a company to operate and maintain the airport. Operator maintenance expenses are budgeted in 2009 to be almost identical to the amount budgeted the previous year.
- The plan recognizes the debt service associated with the issuance of \$4.4 million in certificates of obligation in 2005 to fund the new fuel farm.
- Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for TXDOT matching funding.
- Primarily due to funding capital projects on a pay-as-you-go basis, ending working capital (fund balance for an enterprise fund) is expected to dip below the 25% minimum balance. However, after declining to \$343,710 in the 2012 fiscal year, working capital is expected to recover to \$684,350 in 2013.

UTILITY FUND LONG-TERM PLAN

Like the Airport fund, the Utility fund's plan is to generate sufficient revenues to support operating expenses as well as funding capital projects to avoid issuance of debt until existing debt is retired in fiscal year 2013. Below are other features of the plan.

- Operating revenues are determined by the water and sewer rates as well as the volume of water sold and sewer treated. These revenues are highly influenced by weather patterns. Hot, dry summers result in high water sales, which to a certain extent, also generate higher sewer revenues. Due to a relatively wet and cool spring and summer seasons, utility revenue for 2008 is estimated to

be 13% less than budget. Because revenues need to be sufficient for covering operating expenses, debt service, and pay-as-you-go capital projects, the 2009 budget includes an 11% across-the-board increase for water and sewer rates. The long-term plan also assumes a 15% rate increase in the 2011 fiscal year. However, if sales of water surpass expectations, then the rate increase may be mitigated or postponed.

- Operating expenses, dominated by payments to other governments for the purchase of water and the treatment of sewage, are expected to increase an average 7% per year for water purchase and 5% for sewer services. These assumptions are based on historic trends of the last five years.
- From 2010 through 2013, net operating income is expected to average \$3.1 million, which is needed to retire debt principal and fund capital projects.

Capital Project Long-Term Plan

Included in this appendix is a financial statement that summarizes the Town's capital improvement program over the five year planning horizon. The statement reports the projected timing of the projects as well as source of funding.

GENERAL FUND LONG-TERM FINANCIAL PLAN

	Base Year		
	Actual 2006-2007	Estimated 2007-2008	Budget 2008-2009
BEGINNING FUND BALANCE	\$8,175,180	\$10,684,170	\$11,816,630
REVENUES:			
Ad valorem taxes	\$9,136,052	\$10,150,900	\$10,295,420
Non-property taxes	11,515,956	11,770,000	12,129,560
Franchise fees	2,615,504	2,482,440	2,559,680
Licenses and permits	743,201	742,650	658,560
Intergovernmental	-	-	-
Service fees	1,229,291	1,299,520	1,284,600
Fines and penalties	1,181,508	1,163,000	1,300,000
Interest income	568,276	575,000	552,500
Rental income	147,363	156,000	156,500
Miscellaneous	139,638	60,000	54,000
TOTAL REVENUES	27,276,789	28,399,510	28,990,820
EXPENDITURES:			
Operating:			
Personal services	17,249,874	17,261,230	19,288,690
Supplies	1,065,067	1,245,050	1,350,970
Maintenance	1,662,846	3,425,640	2,714,130
Contractual services	3,547,355	4,186,800	4,594,200
Capital replacement/lease	1,046,401	1,061,310	861,730
Capital outlay	196,261	87,020	172,100
Other uses	-	-	-
TOTAL EXPENDITURES	24,767,804	27,267,050	28,981,820
ENDING FUND BALANCE	\$10,684,165	\$11,816,630	\$11,825,630
Amount greater (less) than 25% minimum balance	4,492,214	4,999,867	4,580,175
Debt issuance variable:			
Beginning debt outstanding	\$36,724,769	\$33,469,769	\$59,549,999
Principal retired	3,255,000	3,419,770	3,607,620
Principal issued	-	29,500,000	-
Ending debt outstanding	\$33,469,769	\$59,549,999	\$55,942,379
Tax rate variables:			
Taxable values (thousands)	\$2,960,586	\$3,421,474	\$3,724,827
General fund rate	\$0.3110	\$0.2990	\$0.2828
Debt service fund rate	\$0.1530	\$0.1347	\$0.1707
TOTAL	\$0.4640	\$0.4337	\$0.4535
Staffing variable:			
Full-time equivalent positions	227.9	229.9	234.4
Average cost per FTE	\$75,691	\$75,081	\$82,290

	Year 1	Year 2	Year 3	Year 4
	Projected	Projected	Projected	Projected
	2009-2010	2010-2011	2011-2012	2012-2013
	\$11,825,630	\$11,935,050	\$11,712,180	\$11,990,800
	\$10,886,250	\$11,702,560	\$12,574,050	\$13,545,800
	12,493,400	12,868,200	13,254,200	13,651,800
	2,636,500	2,715,600	2,797,100	2,881,000
	678,300	698,600	719,600	741,200
	-	-	-	-
	1,323,100	1,362,800	1,403,700	1,445,800
	1,339,000	1,379,200	1,420,600	1,463,200
	569,100	586,200	603,800	621,900
	161,200	166,000	171,000	176,100
	55,600	57,300	59,000	60,800
	30,142,450	31,536,460	33,003,050	34,587,600
	20,349,600	21,468,800	22,649,600	23,895,300
	1,378,000	1,405,600	1,433,700	1,462,400
	2,561,700	2,999,200	2,609,200	3,148,600
	4,732,000	4,874,000	5,020,200	5,170,800
	861,730	861,730	861,730	861,730
	150,000	150,000	150,000	150,000
	-	-	-	-
	30,033,030	31,759,330	32,724,430	34,688,830
	\$11,935,050	\$11,712,180	\$11,990,800	\$11,889,570
	4,426,792	3,772,347	3,809,692	3,217,362
	\$55,942,379	\$68,108,439	\$63,498,574	\$59,183,071
	3,853,940	4,609,865	4,315,503	3,720,450
	16,020,000	-	-	-
	\$68,108,439	\$63,498,574	\$59,183,071	\$55,462,620
	\$3,843,876	\$4,024,378	\$4,223,333	\$4,443,901
	\$0.2905	\$0.2982	\$0.3054	\$0.3126
	\$0.1708	\$0.1631	\$0.1700	\$0.1569
	\$0.4613	\$0.4613	\$0.4754	\$0.4695
	234.4	234.4	234.4	234.4
	\$86,816	\$91,590	\$96,628	\$101,942

HOTEL SPECIAL REVENUE FUND LONG-TERM FINANCIAL PLAN

	Actual 2006-07	Estimated 2007-08	Budget 2008-09
BEGINNING FUND BALANCE	\$4,639,050	\$5,382,310	\$5,693,370
REVENUES:			
Hotel/Motel occupancy taxes (HOT)	5,203,080	5,100,000	5,200,000
Intergovernmental revenues	-	-	-
Proceeds from special events	1,419,562	1,420,600	1,474,600
Conference centre rental	465,720	538,000	640,000
Theatre rental	63,480	86,000	90,000
Interest and other	339,045	281,000	275,000
TOTAL REVENUES	7,490,887	7,425,600	7,679,600
EXPENDITURES:			
Visitor services	801,919	879,090	1,292,700
Marketing	986,684	1,101,630	1,178,980
Special events	2,726,306	2,661,530	2,961,750
Conference centre	942,884	1,082,480	1,038,910
Performing arts	583,124	677,800	561,270
Capital projects / expanded levels of service	-	-	-
Transfers to other funds/debt service	706,710	712,010	699,800
TOTAL EXPENDITURES	6,747,627	7,114,540	7,733,410
ENDING FUND BALANCE	\$5,382,310	\$5,693,370	\$5,639,560
Ending balance greater (less) than 25% minimum	\$3,872,081	\$4,092,738	\$3,881,158
HOTEL OCCUPANCY TAX VARIABLES			
Number of Rooms	3,953	3,953	3,953
Average Revenue per Room	\$1,316	\$1,290	\$1,315

	Year 1	Year 2	Year 3	Year 4
	Projected	Projected	Projected	Projected
	2009-10	2010-11	2011-12	2012-13
	\$5,639,560	\$5,790,700	\$5,929,010	\$6,052,070
	5,356,000	5,516,680	5,682,180	5,852,650
	-	-	-	-
	1,533,580	1,594,920	1,658,720	1,725,070
	652,800	665,860	679,180	692,760
	93,600	97,340	101,230	105,280
	283,250	291,750	300,500	309,520
	7,919,230	8,166,550	8,421,810	8,685,280
	1,137,150	1,175,510	1,215,540	1,257,330
	1,202,630	1,226,740	1,251,340	1,276,430
	3,093,280	3,230,920	3,374,960	3,525,700
	1,082,900	1,138,670	1,197,450	1,259,390
	548,130	552,700	557,460	562,430
	-	-	-	-
	704,000	703,700	702,000	700,300
	7,768,090	8,028,240	8,298,750	8,581,580
	\$5,790,700	\$5,929,010	\$6,052,070	\$6,155,770
	\$4,024,678	\$4,097,875	\$4,152,883	\$4,185,450
	3,953	3,953	3,953	3,953
	\$1,355	\$1,396	\$1,437	\$1,481

AIRPORT FUND LONG-TERM FINANCIAL PLAN

	Actual 2006-2007	Estimated 2007-2008	Budget 2008-2009
BEGINNING WORKING CAPITAL	\$1,981,507	\$1,693,500	\$1,032,580
NET INCOME			
Operating revenues:			
Operating grants	-	50,000	50,000
Fuel flowage fees	910,186	828,000	800,000
Rental	3,242,816	3,150,000	3,240,000
User fees	50,813	35,000	37,200
Total operating revenues	4,203,815	4,063,000	4,127,200
Operating expenses:			
Town - Personal Services	258,772	273,030	285,650
Town - Supplies	16,560	19,420	26,300
Town - Maintenance	123,817	131,100	30,970
Town - Contractual services	622,403	536,310	550,200
Grant - Operations & Maintenance	-	100,000	100,000
Operator - Operations & Maintenance	1,585,502	1,327,360	1,484,320
Operator - Service Contract	931,872	917,700	931,200
Total operating expenses	3,538,926	3,304,920	3,408,640
Net operating income	664,889	758,080	718,560
Non-Operating revenues (expenses):			
Interest earnings and other	159,745	95,000	80,000
Interest on debt, fiscal fees, & other	(168,238)	(161,500)	(145,270)
Net Non-Operating revenues (expenses)	(8,493)	(66,500)	(65,270)
NET INCOME (EXCLUDING DEPRECIATION)	656,396	691,580	653,290
Sources (uses) of working capital:			
Retirement of long-term debt	(225,000)	(215,000)	(245,000)
Net additions to fixed assets with grants	-	-	(200,000)
Other net additions to fixed assets	(719,400)	(1,137,500)	-
Net sources (uses) of working capital	(944,400)	(1,352,500)	(445,000)
ENDING WORKING CAPITAL	\$1,693,503	\$1,032,580	\$1,240,870
Ending WC greater (less) than 25% minimum	\$808,772	\$206,350	\$388,710

Year 1	Year 2	Year 3	Year 4
Projected	Projected	Projected	Projected
2009-2010	2010-2011	2011-2012	2012-2013
\$1,240,870	\$1,117,230	\$734,870	\$342,710
50,000	50,000	50,000	50,000
824,000	848,700	874,200	900,400
3,337,200	3,437,320	3,540,440	3,646,650
38,320	39,470	40,650	41,870
4,249,520	4,375,490	4,505,290	4,638,920
302,790	320,960	340,220	360,630
27,090	27,900	28,740	29,600
32,520	34,150	35,860	37,650
561,200	572,420	583,870	595,550
100,000	100,000	100,000	100,000
1,558,540	1,636,470	1,718,290	1,804,200
981,900	1,008,400	1,035,600	1,063,700
3,564,040	3,700,300	3,842,580	3,991,330
685,480	675,190	662,710	647,590
82,400	84,870	87,420	90,040
(136,520)	(127,420)	(117,290)	(105,990)
(54,120)	(42,550)	(29,870)	(15,950)
631,360	632,640	632,840	631,640
(255,000)	(265,000)	(275,000)	(290,000)
(500,000)	(750,000)	(750,000)	-
-	-	-	-
(755,000)	(1,015,000)	(1,025,000)	(290,000)
\$1,117,230	\$734,870	\$342,710	\$684,350
\$226,220	\$(190,205)	\$(617,935)	\$(313,483)

UTILITY FUND LONG-TERM FINANCIAL PLAN

	Actual 2006-2007	Estimated 2007-2008	Budget 2008-2009
BEGINNING WORKING CAPITAL	\$3,789,027	\$3,502,760	\$8,964,360
NET INCOME			
Operating revenues:			
Water sales	4,249,522	4,292,300	4,885,500
Sewer charges	4,658,814	4,181,000	4,656,500
Tap fees	8,900	18,000	10,000
Penalties	133,522	65,000	60,000
Total operating revenues	9,050,758	8,556,300	9,612,000
Operating expenses:			
Water purchases	2,467,321	2,388,000	2,610,200
Wastewater treatment	2,168,904	1,731,300	1,892,200
Utility operations	2,121,025	2,441,110	2,544,310
Total operating expenses	6,757,250	6,560,410	7,046,710
Net operating income	2,293,508	1,995,890	2,565,290
Non-Operating revenues (expenses):			
Interest earnings and other	285,309	250,000	351,000
Interest on bonded debt and fiscal fees	(669,395)	(579,060)	(790,530)
Net Non-Operating revenues (expenses)	(384,086)	(329,060)	(439,530)
NET INCOME (EXCLUDING DEPRECIATION)	1,909,422	1,666,830	2,125,760
Sources (uses) of working capital:			
Net retirement of long-term debt	(1,997,373)	(2,030,230)	(2,196,060)
Debt issuance	-	6,278,000	-
Net additions to fixed assets	(198,315)	(453,000)	(1,747,800)
Net sources (uses) of working capital	(2,195,688)	3,794,770	(3,943,860)
ENDING WORKING CAPITAL	\$3,502,761	\$8,964,360	\$7,146,260
Ending WC greater (less) than 25% minimum	\$1,813,449	\$7,324,258	\$5,384,583

Year 1	Year 2	Year 3	Year 4
Projected	Projected	Projected	Projected
2009-2010	2010-2011	2011-2012	2012-2013
\$7,146,260	\$1,294,590	\$2,598,500	\$1,715,480
5,032,100	5,960,565	6,139,400	6,323,600
4,796,200	5,681,115	5,851,500	6,027,000
5,000	5,000	5,000	5,000
55,000	55,000	55,000	55,000
9,888,300	11,701,680	12,050,900	12,410,600
2,792,900	2,988,400	3,197,600	3,421,400
1,986,800	2,086,100	2,190,400	2,299,900
2,646,100	2,751,900	2,862,000	2,976,500
7,425,800	7,826,400	8,250,000	8,697,800
2,462,500	3,875,280	3,800,900	3,712,800
285,900	51,800	103,900	68,600
(628,390)	(523,680)	(492,940)	(393,900)
(342,490)	(471,880)	(389,040)	(325,300)
2,120,010	3,403,400	3,411,860	3,387,500
(2,491,280)	(2,705,090)	(2,805,480)	(1,221,030)
-	1,639,000	-	-
(5,480,400)	(1,033,400)	(1,489,400)	(1,119,400)
(7,971,680)	(2,099,490)	(4,294,880)	(2,340,430)
\$1,294,590	\$2,598,500	\$1,715,480	\$2,762,550
\$(561,860)	\$641,900	\$(347,020)	\$588,100

APPENDIX F CAPITAL PROJECT FUNDING SUMMARY

	Estimated 2007-08	Budget 2008-09
Parks Capital Project Fund		
Fairfield Park	\$5,500	\$941,340
Street Capital Project Fund		
Addison Road Widening	1,485,000	-
Ashton Woods Development Streets	500,000	500,000
Railroad Improvements/Quiet Zones	-	-
TxDOT Signalization	50,000	743,000
North Quorum Streetscape	-	-
Keller Springs/Addison Road Intersection	-	-
2002 Capital Project Fund*		
Belt Line Road Streetscape	110,000	1,600,000
2004 Capital Project Fund*		
Belt Line Road Interchange	-	15,000
2006 Capital Project Fund*		
Streets to be determined	-	-
Future Capital Project Funds		
<i>Belt Line Road Streetscape</i>	-	-
<i>Belt Line Road Interchange</i>	-	-
<i>Brookhaven Club Redevelopment - Streets</i>	-	-
Airport Enterprise Fund		
Paving Rehabilitation	700,000	-
Fuel Farm (certificate of obligation proceeds)	-	-
Removal of Old Fuel Farm	350,000	-
Runway Overlay and Enhancement (local share)	-	200,000
Utility Enterprise Fund		
Water Service Line Replacement	248,000	-
Vitruvian Park Area Rehabilitation	-	996,000
Greenhaven Village Water Main	-	-
Marsh Lane Sewer Rehabilitation	155,000	-
Surveyor Elevated Storage Tank (2008 bond sale)	-	500,000
Wright Brothers/Wiley Post Sewer Rehabilitation	-	96,000
W. Lindbergh/Richard Byrd Sewer Rehabilitation	-	-
Belt Line Water Main Replacement	-	-
Midway Road Water Line Rehabilitation	-	-
Various Sewer Rehabilitation Projects	-	-
TOTAL CAPITAL PROGRAM	\$3,603,500	\$5,591,340

Detailed information regarding each project can be found in the Town Chonicle section of this document.

* Asteriked capital project funds are related to the \$48,025,000 bond package approved by voters in 2000.

Projected 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13
\$-	\$-	\$-	\$-
-	-	-	-
-	-	-	-
-	300,000	-	-
-	-	-	-
393,000	-	-	-
-	-	220,000	-
163,000	-	-	-
-	285,000	-	-
359,000	-	-	-
-	2,000,000	6,625,000	-
-	1,000,000	1,200,000	-
4,000,000	4,000,000	4,000,000	-
-	-	-	-
-	-	-	-
-	-	-	-
500,000	750,000	750,000	-
-	-	-	-
282,000	668,000	671,000	300,000
525,000	-	-	-
-	-	-	-
4,500,000	-	-	-
-	-	-	-
108,000	-	-	-
-	-	595,000	-
-	-	-	610,000
-	-	158,000	144,000
\$10,830,000	\$9,003,000	\$14,219,000	\$1,054,000

APPENDIX G GLOSSARY OF TERMS

A

Accounts Payable – A liability account reflecting amount of open accounts owing 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 owing to open accounts from private person or organizations for goods or services furnished by a government.

Accrual Accounting – Recognition of the financial effects of transactions, events and circumstances in the period(s) when they occur regardless of when the cash is received or paid.

Ad Valorem – Latin for “value of”. Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property.

Amortization – Payment of principal plus interest over a fixed period of time.

Appropriation – A legal authorization granted by a legislative body (Town 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, liability and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

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.

Budget Adjustment – A request submitted for additional funding in departmental budgets for new or existing programs or services.

C

Capital Outlays – Expenditures which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

Certificate of Obligations (CO's) – Similar to general obligation bonds except the certificates require no voter approval.

Contractual Services – The costs related to services performed for the Town by individuals, business 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 taxes 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% sales tax levied in participating cities.

Debt Service/Lease – A cost category which typically reflects the repayment of short-term (less than 5 years) debt associated with the acquisition of capital equipment. Category also includes department contribution to the Capital Replacement Fund.

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 5 years or more) due to use of the assets.

E

Encumbrances – Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Exempt – Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete their job assignments. Compensatory time-off, as partial compensation for overtime hours worked, may be allowed by the respective department head.

Expanded Level of Service – A request for additional funding for a service or program that will increase operational efficiency or significantly increase the quality or scope of a service.

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 – Federal Aviation Administration

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which government determines its financial position and the results of its operations. The Town of Addison's fiscal year begins October 1st and ends the following September 30th. The term FY 2008 denotes the fiscal year beginning October 1, 2007 and ending September 30, 2008.

FTE – Acronym for full time equivalent, a measurement of staffing. One FTE is a 40 hours per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be a ½ FTE.

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.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The difference between governmental fund assets and liabilities, also referred to as fund equity.

G

GASB – Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

General Obligation Bonds – Bonds for the payment of which the full faith and credit of the issuing government is pledged. In issuing its general obligation bonds, the Town of Addison pledges to levy whatever property tax is needed to repay the bonds for a particular year. Bonds can not be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

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).

I

ISD – Acronym for Independent School District, an independent school district is responsible for the education of children in a specific geographic region.

L

LAP – Acronym for Local Assistant Program, a grant program funded by DART for local transportation capital improvements.

LED – Acronym for Light Emitting Diode, a bulb that is used in traffic signal systems that has a longer life and is more energy efficient than other types of bulbs.

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.

Maintenance Item – A request for additional funding to maintain the upkeep of a physical property.

Modified Accrual Accounting – Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

N

Non-Exempt – Personnel eligible to receive overtime pay when overtime work has been authorized or requested by the supervisor.

O

Operating Expenditure – Expenditure on an existing item of property or equipment that is not a capital expenditure.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

P

PVC – Acronym for polyvinyl chloride, a plastic compound used for water and sewer pipes.

Personal Services – The costs associated with compensating employees for their labor.

P-Card - Acronym for procurement card. A town-issued credit card which allows employees to make small purchases in a cost effective manner.

Project 2030 – Visioning process to identify specific goals in the areas of public safety, transportation, infrastructure, aviation, business development, special events, residential and community, parks and recreation, and education to be achieved by 2030.

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 – In governmental fund type net current assets for other than expenditures refunds and residual equity transfers.

ROW – Acronym for right-of-way.

S

Slipline – 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 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. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

TCEQ – Acronym for Texas Commission on Environmental Quality. A state agency for enforcing federal and state environmental laws.

TxDOT – Acronym for Texas Department of Transportation, a state agency responsible for administering Addison Airport’s FAA Capital Grants.

W

WSAAV – Acronym for Washington Staubach Addison Airport Venture, a company that the Town has contracted to operate and maintain the airport under the direction of the Town.

Working Capital – The amount of current assets which exceeds current liabilities.

X

Xeriscape – A form of landscaping which minimizes consumption of water.

APPENDIX H ORGANIZATION CHARTS

CITY MANAGER'S DEPARTMENT



* Position shared with Visitor Services Department

FINANCIAL & STRATEGIC SERVICES



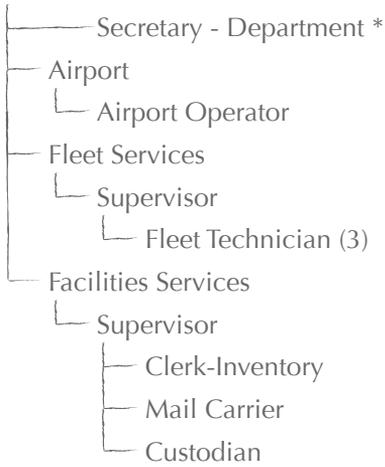
SPECIAL EVENTS DEPARTMENT



* Position shared with Parks & Recreation and City Manager's Office

GENERAL SERVICES

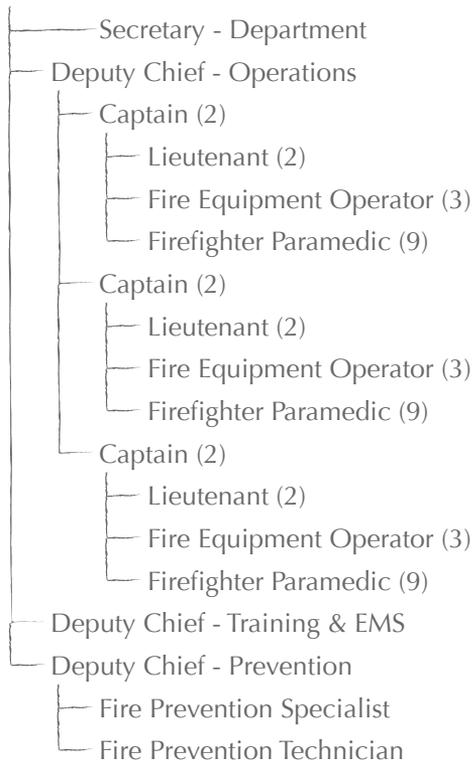
General Services Director



* Position shared with Information Technology Department

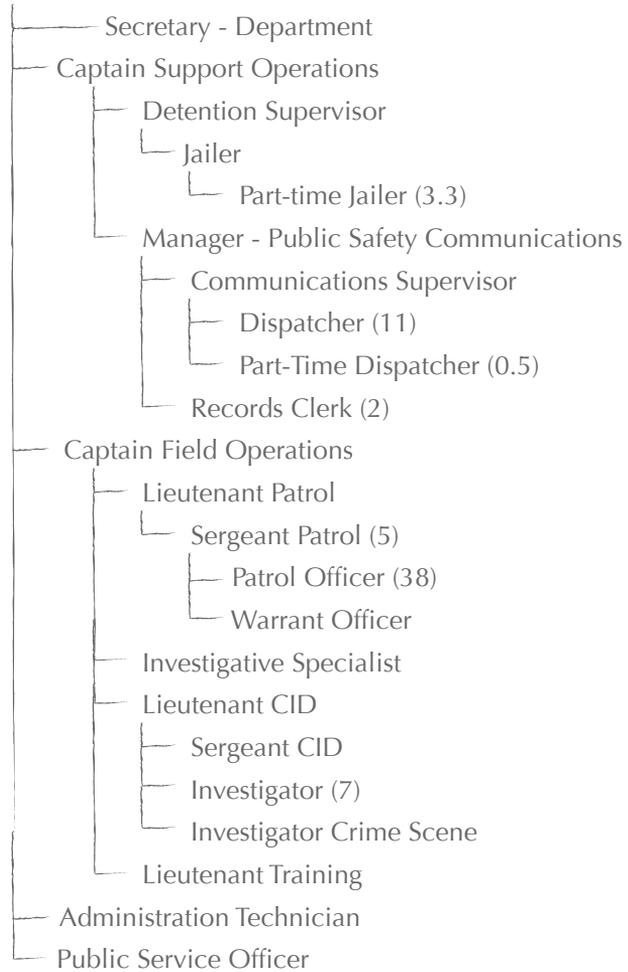
FIRE DEPARTMENT

Fire Chief



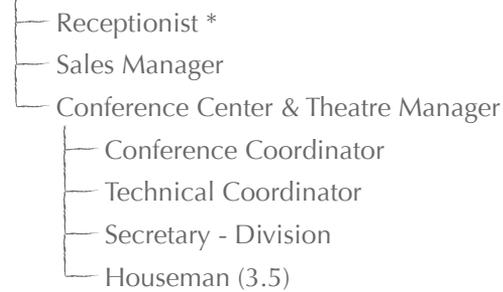
POLICE DEPARTMENT

Chief of Police



VISITOR SERVICES DEPARTMENT

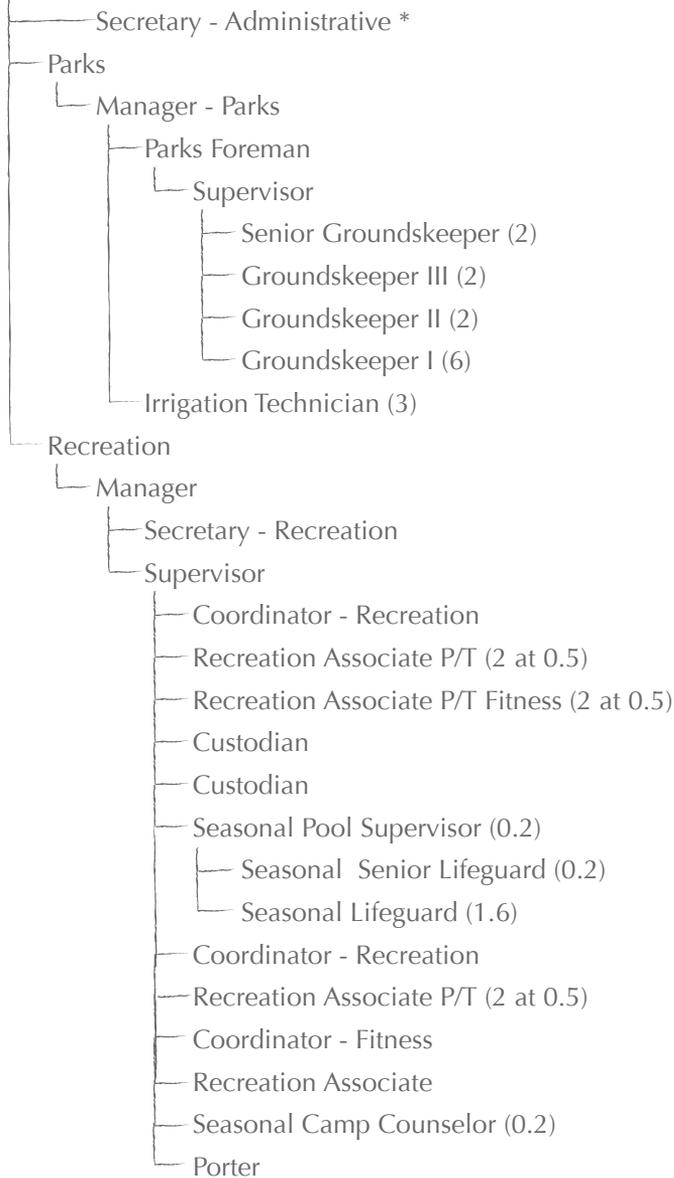
Visitor Services Director



* Position shared with City Manager's Office

PARKS & RECREATION DEPARTMENT

Parks & Recreation Director



* Position shared with Special Events & City Manager's Office

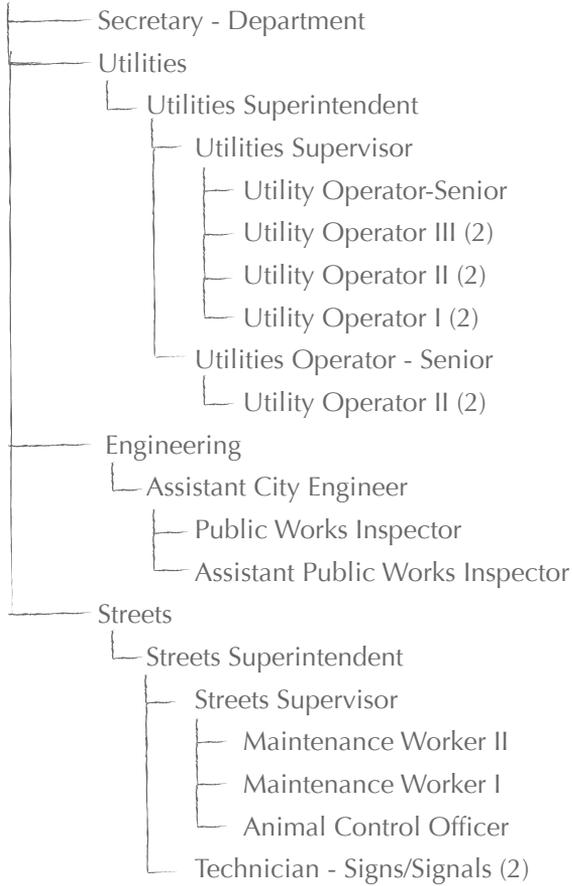
HUMAN RESOURCES

Director - Human Resources



PUBLIC WORKS DEPARTMENT

Director - Public Works (City Engineer)



DEVELOPMENT SERVICES

Director - Development Services



INFORMATION TECHNOLOGY

Director - Information Technology



* Position shared with General Services Department



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Addison
Texas**

For the Fiscal Year Beginning

October 1, 2007

Handwritten signature of Charles S. Cox in black ink.

President

Handwritten signature of Jeffrey R. Egan in black ink.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Addison, Texas, for its annual budget for the fiscal year beginning October 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The Town was also awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA for its comprehensive annual financial report (CAFR) for the fiscal year ending September 30, 2007. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

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

TOWN STAFF

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Bob Phillips, Director

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Cowles & Thompson - John Hill

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RWL & Associates - Bob Lazarus

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