

EXPLORING NEW DIRECTIONS

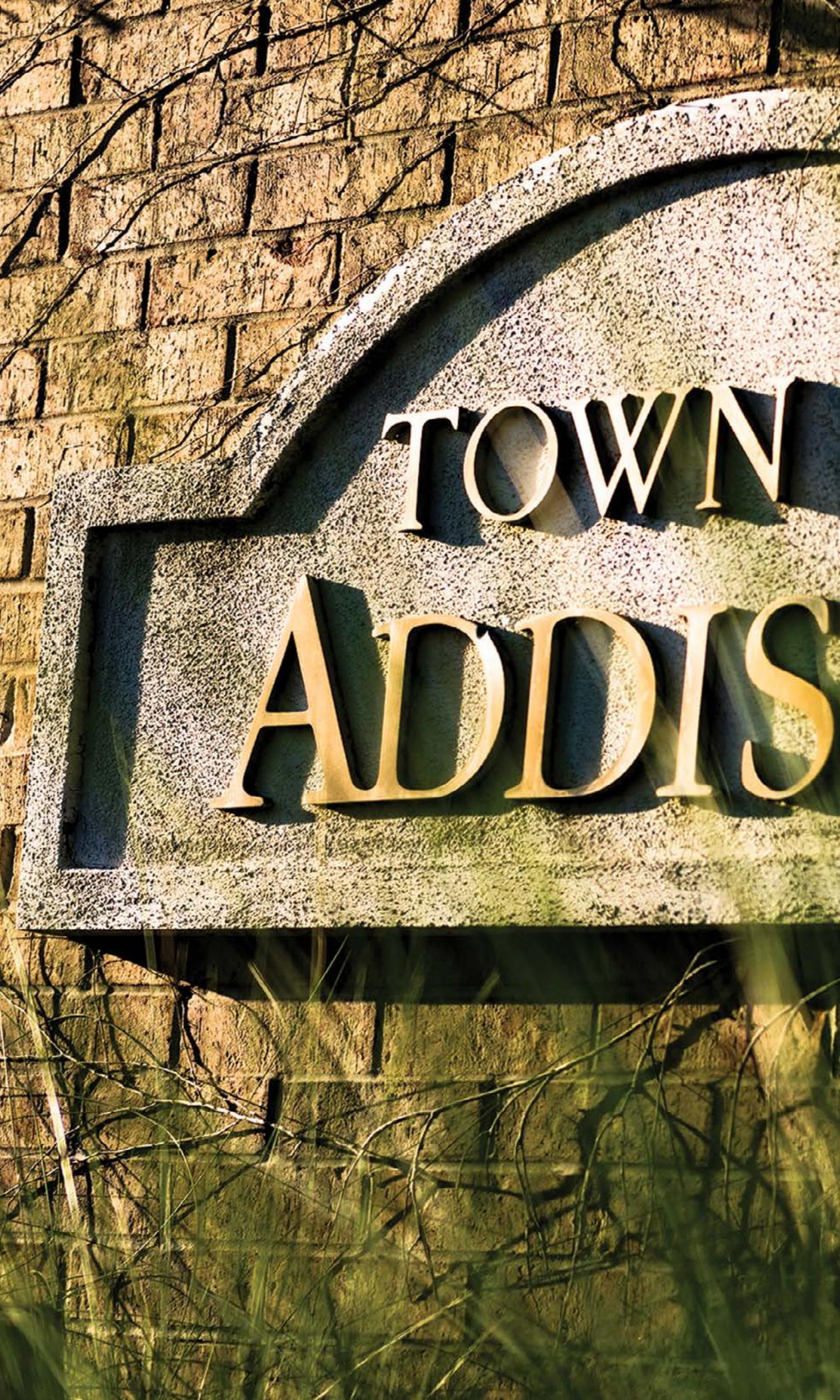


2015

2016



ADDISON

A close-up photograph of a stone archway. The arch is made of light-colored, textured stone. The words "TOWN" and "ADDIS" are mounted on the arch in large, gold-colored, serif capital letters. The letters are three-dimensional and cast shadows on the stone. The background is a wall of rough-hewn, reddish-brown stone blocks. Bare, thin branches are visible in the upper left and lower right corners of the frame.

TOWN
ADDIS

OF
ON

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How To Read This Document

Welcome!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2015 and ending September 30, 2016. This document has been specially prepared to help you, the reader, learn of the issues affecting the Addison community. Many people believe a city budget is only a financial plan. Although you can learn much of Addison's finances from these pages, the 2015-2016 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how Addison is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed written and graphically.

Budget Format

The document is divided into four major sections: Introduction, Financial/Operational, Town Chronicle, and Appendices. The Introduction section contains the City Manager's letter, which is addressed to the City Council and explains the major policies and issues which impacted the development of the FY2016 budget. The section also contains a statement of Addison's vision and goals, the press release that accompanied the ordinance adopting the budget, the Town's organization and staffing chart, and the summary of all financial statements. Liberal use is made in this section of footnotes, which direct the reader to sections of the document that more fully describe programs or projects.

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

tions like Police, Fire, and Parks. Financial statements, including the adopted 2015-2016 budget, are presented for every fund. The statements show the fund's financial condition over a number of years. Like the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts for the 2013-2014 fiscal year. The ending balance of the actual year becomes the beginning balance of the estimated 2014-2015 fiscal year. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the 2014-2015 fiscal year. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the 2015-2016 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of Addison's organization. Each department is presented with its mission statement, a listing of the department's accomplishments for the previous fiscal year, and operational objectives for the FY2016. Selected service levels for each department are presented graphically. Actual prior year data and estimated FY2015 data is used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

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

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

LETTER TO THE MAYOR AND COUNCIL

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

The Honorable Mayor and City Council,

While limited in wide-ranging new initiatives due to the unforeseen loss of a major source of sales tax revenue, this budget is our very real attempt to take a new approach in terms of the budget development process and how we do business. Since my arrival in May, I have worked with the staff to undertake an evaluation of our current practices and seek ways to preserve what has served Addison well, while at the same time, changing old practices that were due for reinvigoration. It is this spirit of **EXPLORING NEW DIRECTIONS** that serves as the basis for the City Council adopted budget.

Some of the most important points of the document revolve around the General Fund, including an improved revenue outlook from ad valorem taxes, but a significant decrease in projected sales tax revenues. The ad valorem increase resulted primarily from higher appraised values on multi-family, commercial and business personal properties, while new construction is significantly lower than in previous years. The Town experienced a 6 percent increase in taxable values on the certified tax roll as compared to the prior year. While the ad valorem value increase is excellent news, its true importance lies in the fact that it should provide the Town the ability this year to absorb much of the decrease in projected sales tax revenues. These financial trends position the Town to hold the budget as steady as possible and adjust to this decline in sales tax revenues.

Sales Tax Shortfall

The greatest challenge in General Fund is the decrease in sales tax revenues due almost exclusively to the loss of one major sales tax payer. This loss occurred when a successful local company relocated its primary sales point out of Addison and into

another city. As a result of this move, sales tax revenue collections are projected to decrease by approximately 9 percent from the FY2015 adopted budget, creating a projected reduction in annual General Fund revenue of approximately \$1.2 million. It was this single-payer unexpected sales tax revenue loss that led the City Council to make the difficult decision to exceed the roll back rate for FY 2016. In so doing, the City Council has strategically positioned the Town to advance identified major community initiatives while maintaining an exemplary level of service delivery to the residents. The City Council determined that going beyond the roll back rate was critically important to maintaining operations and ready the Town for new opportunities on the horizon

Assessed Values Up

The positive news is that assessed property values are on the rise. For the current valuation year, values are up by 6 percent, and have reached approximately \$4.04 billion for this year. This is the highest property valuation for Addison. Due to the significant increase, the rollback rate for FY2016 dropped below the FY2015 tax rate of 56.1800/\$100. During the budget deliberations, Council voted to adopt a tax rate over the rollback rate to generate additional revenue for compensation, internal service fund transfers, and the Infrastructure Investment Fund contribution. The adopted tax rate of \$57.9150/\$100, along with the rise in taxable value, is projected to bring increased revenues of nearly \$2 million.

Compensation

During the budget process, a market study began to provide market data regarding Public Safety positions and rank, Civilian positions and job families. However, \$581,377 has been set aside for merit and market adjustments. Once the data is received, it will be evaluated and adjustments will be implemented in the 2nd quarter of the fiscal year.

Hotel Fund

While the General Fund faces some budgetary challenges this year, the Hotel Fund is projected to have a stronger year by comparison. Some highlights include the removal of *Visit Addison*, operations of which are estimated to cost the Town nearly \$700,000 in FY2015. Although *Visit Addison* provided some rental revenues, the elimination of these operations is projected to create substantial savings starting in FY2017. This action, combined with a projected increase in both special events proceeds and hotel tax revenues, is expected to pull the Hotel Fund above the 25 percent fund balance threshold required by the Council's financial policies. Additionally, staff is proposing a return to the popular *Taste Addison* event format while still keeping certain elements of the Fork and Cork culinary focus. This change in event format is expected to generate approximately \$130,500 in additional event revenues.

Infrastructure Investment Fund

Seeded in FY2015 with a \$4 million transfer from General Fund reserves, this fund enables the Town to reduce its reliance on debt by dedicating resources to capital related projects. FY2016 budget appropriates \$955,000 for the continuation of approved projects in FY2015. This budget includes a contribution of \$250,000 that is supported by .0062 cents of the Town's Maintenance and Operations (M&O) tax rate.

Other capital projects in progress include the Belt Line Road utility relocation, the construction of the Vitruvian Park public infrastructure, and the Town's ongoing pedestrian connectivity initiative at Beltway/Proton.

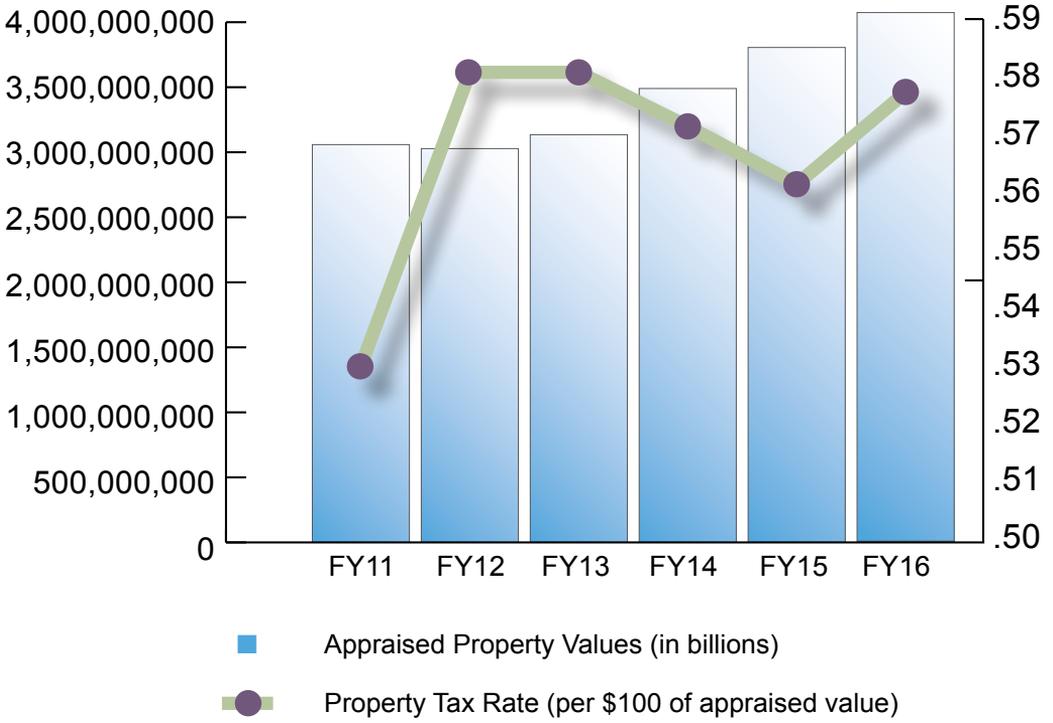
This budget is a representation of the City Council's principles of responsible financial management, while ensuring the provision of excellence in service delivery. It offers the City Council a fiscal plan that recognizes the financial challenges we are encountering this budget year, while maintaining healthy reserves - all with the goal of making Addison the best it can be. I believe the budget presented puts us on sound fiscal footing as we continue to **EXPLORE NEW DIRECTIONS** for the organization and the community.

I am honored to serve as your City Manager and I respectfully submit this budget.



Charles W. Daniels, Interim City Manager

Appraised Values and Tax Rate



“ADDISON WAY”

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

COUNCIL’S VALUES

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

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

COUNCIL’S GOALS

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

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

COUNCIL’S ROLE

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

- Providing the direction, trust, and support necessary for the City Manager to implement the operations aspects of our vision.
- Making difficult and sometimes unpopular decisions that preserve our unique culture, safeguard our assets into the

future, and effect the positive change necessary to achieve our goals.

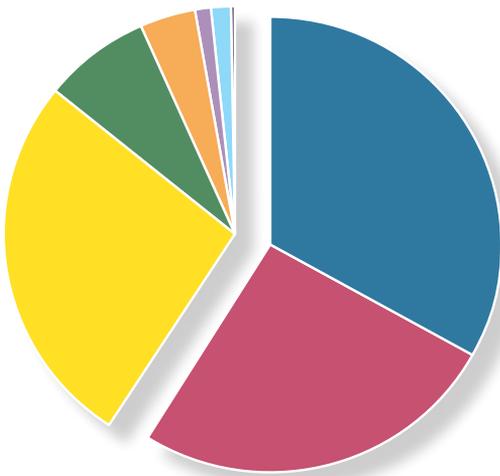
- Identifying future trends, challenges, and opportunities.
- Being a positive and resourceful representative for the Town.
- Promoting transparency in communicating with residents, businesses, and regional partners.
- Being good financial stewards and creating an environment that nurtures a strong, diverse business ecosystem.

The following is a summary of the Fiscal Year (FY) 2015 – 2016 adopted annual budget of the Town of Addison that was submitted to the City Secretary on September 8, 2015.

1. **The total budget appropriates over \$109 million, of which \$41 million is allocated to capital project expenditures.** This proposed budget maintains current service levels and associated funding sources.
2. **The property tax rate is more than last year's rate.** The adopted property tax rate of 57.9150 cents/\$100 is higher than the adopted FY2015 rate of 56.1800 cents/\$100 – approximately 1.74 cents more than last year. The adopted rate is above the effective rate of 53.4304 cents/\$100.
3. **The certified taxable property value increased by 6 percent.** The certified value for all property is approximately \$4.04 billion. At the adopted rate this generates a total property tax levy of \$23.4 million.
4. **Revenues total \$70.2 million, a net increase of \$1.95 million compared to the FY2015 budget.** Significant variations in revenue sources include:
 - Property tax revenue is projected to be up \$2.2 million from the previous year, due to a 6 percent increase over prior year's values.
 - Sales tax budget decreased by 9

percent. A successful local company relocated its primary sales point out of Addison and into another city. This resulted in an annual decrease of approximately \$1.2 million.

- Hotel occupancy taxes are up a net \$60,000 due to the expanding local economy.
5. **The average home values appreciate.** The average taxable home value for FY2016 is \$269,455 which translates into a City property tax bill of \$1,560. Last year's value was \$258,203 with a property tax bill of \$1,450. Based on these values, taxpayers could see an average annual increase of \$110 (values and amounts depend on individual taxpayer home values).
 6. **The total staffing (all funds) is at 279.6 FTE** (full-time equivalent) which is the same as last year. The budget includes \$500,000 for compensation adjustments in the General Fund. The budget also includes a 10 percent increase for healthcare costs and a 40 percent increase in worker's compensation costs for FY2016.
 7. **The budget includes several Modified Level of Service items that enhance operations and the quality of service provided to the community.** There are no items recommended within the General Fund. For FY2016 these items total \$225,000 for all funds including:



All Funds Revenues by Type

■	33.31%	Property Tax
■	25.79%	Service Fees
■	26.61%	Non-Property Taxes
■	7.50%	Rental Income
■	3.82%	Franchise Fees
■	1.29%	Fines and Penalties
■	1.17%	Licenses and Permits
■	0.07%	Intergovernmental
■	0.45%	Interest and Other Income

- Entertainment for Taste Addison (Hotel Fund) \$100,000
- Carpet Replacement for Conference Centre (Hotel Fund) \$60,000
- Lighting replacements for WaterTower Theatre (Hotel Fund) \$40,000
- World Affairs Council (Economic Development Fund) \$25,000

8. The budget includes over \$41 million being spent on capital projects. Significant items include*:

- Belt Line Road Utility Relocation..... \$16,350,110
- Vitruvian Park Public Infrastructure.....\$8,176,791
- Midway Road\$1,700,000
- Park and Pedestrian Connectivity.....\$1,338,723
- Les Lacs/Winnwood Ponds\$2,400,000

9. The budget supports the Infrastructure Investment Fund which is restricted to infrastructure projects over \$250,000 and new investment opportunities. All appropriations require Council approval. FY2016 projects will be a continuation of projects approved in FY2015:

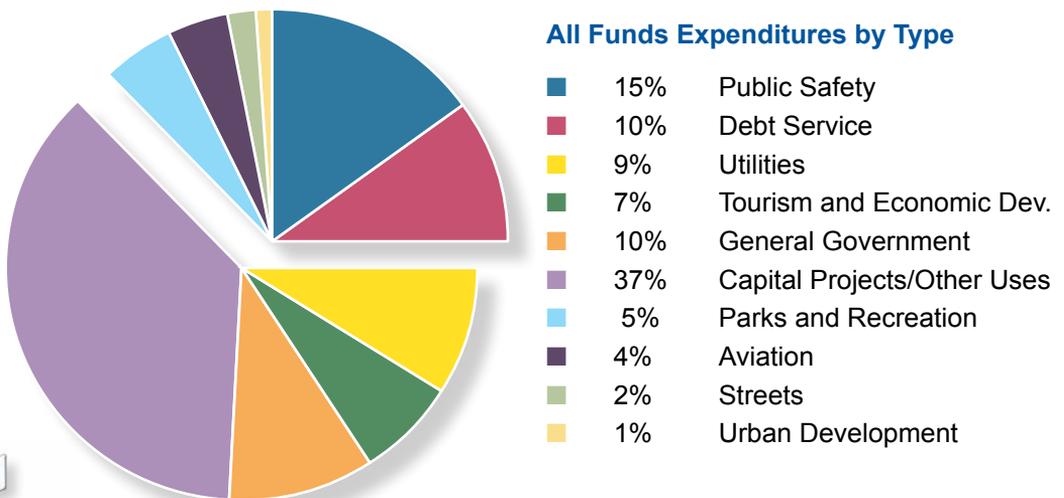
- City Wide Streets and Sidewalk Assessment and Evaluation.....\$30,000
- Addison Road Railroad Crossing Improvements\$50,000
- Illuminated Street Name Sign Replacement\$325,000
- Les Lacs and Town Park Playground Structures\$150,000
- Streets and Sidewalk Improvements\$200,000
- Airport ILS\$200,000

10. The budget includes funding for the following non-profit organizations, totaling \$606,000:

- WaterTower Theatre.....\$445,000
- Metrocrest Social Services\$61,000
- Addison Arbor Foundation.....\$47,500
- Metrocrest Chamber of Commerce.....\$35,000
- The Family Place\$12,000
- Launchability\$2,500
- Metrocrest Community Clinic.....\$3,000

11. The implementation of a joint dispatch center involving the cities of Carrollton, Farmers Branch and Coppell continues in FY2016 and is scheduled to be completed by the second quarter of FY2016. The joint dispatch transition is funded through the emergency communications department, which has a budget of \$1,318,392 this fiscal year. This department budget is projected to decrease to \$1,024,663 in FY2017 as a result of savings achieved through the joint dispatch.

(*Note: Project amounts reflect anticipated expenditures for the year; total project budgets are greater than the amounts shown.)



EXECUTIVE SUMMARY

The FY2016 budget development process began in June with the City Council priority Work Session. Major priorities were identified by the City Council that were used to frame the funding recommendations for the City Manager proposed budget that was submitted on July 31, 2015 as required by City Charter.

The greatest challenge in this year's General Fund budget is the decrease in sales tax revenues, due almost exclusively to the loss of one major sales tax payer. This loss occurred when a successful local company relocated its primary sales point out of Addison and into another city. Primarily as a result of this move, sales tax revenue is projected to decrease by approximately \$1.2 million.

At the beginning of August, discussions at the budget retreat highlighted four areas that City Council wanted to focus on during five subsequent work sessions: the Tax Rate, Infrastructure Investment Fund, Capital Equipment Replacement Fund, and Compensation.

Tax Rate

In order to build more capacity to fund the following areas, City Council adopted a tax rate of 57.9150 cents/\$100, generating \$956,540 in additional revenue. The adopted tax rate for FY2016 is 1.74 cents/\$100 higher than the adopted FY2015 tax rate of 56.1800.

Infrastructure Investment Fund

The budget supports the Infrastructure Investment Fund which is restricted to infrastructure projects over \$250,000 and new investment opportunities. All appropriations require City Council approval.

With the increased tax rate, City Council allocated \$250,440 for FY2016.

Capital Equipment Replacement Fund

This internal service fund is supported from contributions from the departments in the General Fund to replace rolling stock based on a schedule maintained by the General Services department.

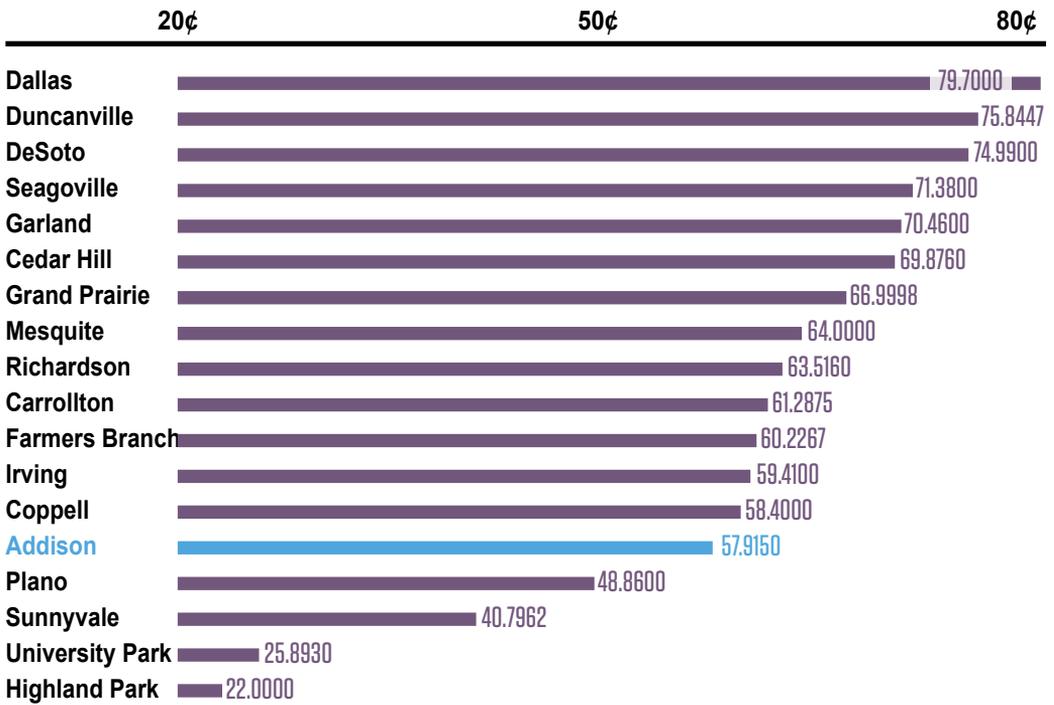
With the increased tax rate, City Council allocated approximately \$700,000 in additional funding for FY2016.

Compensation

The City Manager proposed budget included \$142,000 for a one-time lump sum payment for all full-time equivalent employees to be paid by the end of the third quarter, of which \$123,000 is allocated to the General Fund.

With the increased tax rate, City Council allocated an additional \$380,000 for General Fund compensation adjustments for FY2016. Compensation will be evaluated after the completion of the current compensation study. In addition, \$81,337 is to be allocated for all other funds.

MUNICIPAL TAX RATE COMPARISON



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



TOWN OF ADDISON
POLICE AND COURTS BUILDING

COMPARATIVE TAX

For an Average Addison Single-Family Residence

	FY2015	FY2016
Dallas County		
Market Value	\$337,243	\$351,894
Homestead Exemptions	20%	20%
Taxable Value	\$269,794	\$281,515
Tax Rate/\$100	0.664	0.663
Tax Levy	\$1,791.10	\$1,865.74

Dallas ISD		
Market Value	\$337,243	\$351,894
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$288,519	\$301,705
Tax Rate/\$100	1.282	1.282
Tax Levy	\$3,699.05	\$3,868.11

Town of Addison		
Market Value	\$337,243	\$351,894
Homestead Exemptions	20%	20%
Taxable Value	\$269,455	\$269,455
Tax Rate/\$100	0.562	0.579
Tax Levy	\$1,513.80	\$1,560.41

Total Tax Levy	\$7,003.95	\$7,294.27
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PROPERTY TAX DISTRIBUTION CALCULATIONS

City Council Adopted 2015-2016 Budget

2015 Certified Tax Roll and Levy

Appraised Valuation (100%)	\$4,036,723,767
Rate Per \$100	\$0.579150

Total Tax Levy **\$23,378,708**

Percent of Current Collection 99.88%

ESTIMATED CURRENT TAX COLLECTIONS **\$23,350,640**

Summary of Tax Collections

Current Tax	\$23,350,640
Delinquent Tax	11,300
Penalty and Interest	28,000

TOTAL 2015-2016 TAX COLLECTIONS **\$23,389,940**

Distribution of Tax Rate	Tax Rate	% of Total	Amount
General Fund			
Current Tax			\$13,940,240
Delinquent Tax			6,750
Penalty and Interest			16,720
Total General Fund	\$0.3458	59.70%	\$13,963,710
Economic Development Fund			
Current Tax			\$998,800
Delinquent Tax			480
Penalty and Interest			1,190
Total Economic Development Fund	\$0.0248	4.28%	\$1,000,470
Infrastructure Investment Fund			
Current Tax			\$250,020
Delinquent Tax			120
Penalty and Interest			300
Total Infrastructure Investment Fund	\$0.0062	1.07%	\$250,440
TOTAL OPERATIONS AND MAINTENANCE	\$0.3767	65.05%	\$15,214,620
Debt Service Fund			
Current Tax			\$8,161,580
Delinquent Tax			3,950
Penalty and Interest			9,790
Total Debt Service Fund	\$0.2024	34.95%	\$8,175,320
TOTAL DISTRIBUTION	\$0.5791	100.000%	\$23,389,940

FUND OVERVIEW

GOVERNMENTAL FUNDS

General Fund	\$33,297,564
Special Revenue Funds	
Hotel Fund	\$5,806,634
Economic Development Fund	\$1,685,707
Combined Grant Funds	\$5,200
Combined Other Funds	\$45,500
Combined Debt Service Funds	\$8,886,110
Capital Project Funds	
Infrastructure Investment Fund	\$955,000
Combined Bond Funds	\$31,534,243

PROPRIETARY FUNDS

Airport Fund	\$4,934,952
Utility Fund	\$13,695,425
Stormwater Fund	\$6,167,005
Combined Replacement Funds	\$2,804,100
Total All Funds	\$109,817,441

STAFF ORGANIZATION

ADDISON CITIZENS

Mayor and City Council

City Attorney

Municipal Court Prosecutor

City Judge

City Secretary

Boards and Commissions

City Manager

Deputy City Manager

Police

Fire

Human Resources

Assistant City Manager

Economic
Development and
Tourism

General Services
& Events

Parks

Marketing /
Communications

Conference and
Theatre Centre

Finance

Infrastructure and
Development Services

Information Technology

Recreation

Airport

Municipal Court

BUDGETED DEPARTMENTAL STAFFING SUMMARY

City Council Adopted 2015-2016 Budget

	2013	2014	2015	2016	Difference 2015-2016
General Fund					
City Manager	7.0	7.0	8.0	7.5	(0.5)
Finance	7.5	7.5	9.7	9.7	-
General Services	5.0	5.0	5.0	5.0	-
Municipal Court	5.7	5.7	5.7	5.7	-
Human Resources	4.2	4.2	3.8	3.3	(0.5)
Information Technology	7.0	7.0	7.0	7.0	-
Police	75.3	75.3	79.8	79.8	-
Emergency Communications	13.5	13.5	14.5	14.5	-
Fire	55.3	55.3	55.3	55.3	-
Development Services	7.2	7.2	7.2	7.2	-
Property Standards	-	-	2.0	2.0	-
Streets	5.0	5.0	5.4	5.4	-
Parks	21.0	21.0	21.0	22.0	1.0
Recreation	14.6	14.6	15.1	15.1	-
Total General Fund	228.3	228.3	239.5	239.5	-
Hotel Fund	16.7	17.0	14.8	14.8	-
Economic Development Fund	3.0	3.0	4.0	4.0	-
Airport Fund	3.0	3.0	3.0	3.0	-
Utility Fund	18.3	18.3	16.6	16.6	-
Stormwater Fund	1.4	1.4	1.7	1.7	-
Total All Funds	270.7	271.0	279.6	279.6	-

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 2015-16 Annual Budget

With Comparisons to 2014-15 Estimates and 2013-2014 Actual

	General Fund	Special Revenue Funds			Combined Other	Combined Debt Service Funds
		Hotel	Economic Dev.	Combined Grants		
Beginning Balances	11,202	2,315	473	26	327	1,387
Revenues						
Ad valorem tax	13,964	-	1,000	-	-	8,162
Non-property taxes	13,175	5,500	-	-	-	-
Franchise fees	2,680	-	-	-	-	-
Licenses and permits	820	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service fees	1,582	2,046	70	-	-	-
Fines and penalties	782	-	-	-	46	-
Rental income	275	752	-	-	-	-
Interest and other income	89	10	10	0	0	15
Total Revenues	33,367	8,308	1,081	0	47	8,177
Transfers from other funds	-	-	561	-	-	712
Bond Proceeds	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
Total Available Resources	44,569	10,623	2,115	26	374	10,275
Expenditures						
General government	8,089	-	-	5	-	-
Public safety	16,648	-	-	-	46	-
Urban development	1,384	-	-	-	-	-
Streets	2,060	-	-	-	-	-
Parks and recreation	5,116	-	-	-	-	-
Tourism and economic dev.	-	5,807	1,686	-	-	-
Aviation	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Debt service	-	-	-	-	-	8,886
Capital projects/other uses	-	-	-	-	-	-
Total Expenditures	33,298	5,807	1,686	5	46	8,886
Transfers to other funds	15	1,257	-	-	-	-
Ending Fund Balances	11,256	3,559	429	21	328	1,389

*Totals may not exactly match due to rounding.

Total Revenues 70,186

Decrease in Fund Balance 39,631

Total Appropriate Funds 109,817

Capital Project Funds Infrastructure Investment Fund	Combined Bonds	Airport	Proprietary Funds			Combined Replacement	Total All Funds		
			Utility	Stormwater			2015-16 Budget	2014-15 Estimated	2013-14 Actual
3,486	32,859	1,784	9,847	8,900	5,313	77,918	94,881	83,187	
250	-	-	-	-	-	23,376	21,201	19,275	
-	-	-	-	-	-	18,675	19,759	19,445	
-	-	-	-	-	-	2,680	2,627	2,819	
-	-	-	-	-	-	820	740	902	
-	-	50	-	-	-	50	112	19	
-	-	792	10,291	1,774	1,550	18,104	17,369	16,497	
-	-	-	75	-	-	903	1,031	1,067	
-	-	4,235	-	-	-	5,262	5,256	4,988	
5	54	166	(96)	5	56	315	141	592	
255	54	5,243	10,270	1,779	1,606	70,186	68,236	65,604	
-	-	-	-	-	-	1,272	5,226	12,097	
-	-	-	-	-	-	-	-	19,534	
								97	
3,741	32,913	7,026	20,117	10,679	6,919	149,377	168,343	180,520	
-	-	-	-	-	2,804	10,898	10,602	7,919	
-	-	-	-	-	-	16,693	18,447	15,876	
-	-	-	-	-	-	1,384	1,125	963	
-	-	-	-	-	-	2,060	2,038	1,727	
-	-	-	-	-	-	5,116	5,253	4,874	
-	-	-	-	-	-	7,492	7,504	7,760	
-	-	4,225	-	-	-	4,225	4,733	4,160	
-	-	-	9,177	552	-	9,730	8,823	8,919	
-	-	588	1,091	545	-	11,110	11,118	8,197	
955	31,534	122	3,427	5,070	-	41,108	15,556	13,048	
955	31,534	4,935	13,695	6,167	2,804	109,817	85,199	73,444	
-	-	-	-	-	-	1,272	5,226	12,097	
2,786	1,379	2,091	6,421	4,512	4,115	38,287	77,918	94,881	

ADDISON

WaterTower
Theatre





ADDISON FIRE DEPARTMENT
FALLEN FIREFIGHTERS MEMORIAL

IN MEMORY OF
THOSE WHO HAVE MADE
THE ULTIMATE SACRIFICE AND
RESPONDED TO THEIR LAST ALARM

STEVE WEBB
FIREFIGHTER
DOB 8-29-1952 DOD 10-7-1975

GENERAL FUND

Fund Description

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

Fund Narrative

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

Concluding Fiscal Year Performance

Revenues for FY2015 are estimated to be \$30,886,640, which represents a decrease of \$1,199,250, or 4 percent, below FY2015 budgeted revenues and is 4 percent below FY2014 revenues. Revenues collected from property taxes are expected to come in at the budgeted amount. Due to the relocation of a major tax payer, sales tax collections fell under the budgeted amount by \$1,000,000 or 7 percent. Fines and penalties dropped by 22 percent due to the staffing level of police.

Expenditures are expected to total \$31,800,023, which is \$1,108,853 less than the FY2015 budget. Two of the operating departments in the General Fund are expected to exceed their budget, but all excess spending in those departments was recognized by Council by amendments to the original budget. The differences in revenues, expenditures, and a higher beginning fund balance contributed to an estimated ending fund balance of \$11,201,712, which is \$1,475,721 more than budgeted.

2015-2016 Budget Narrative

There are four components that make up the Town's ad valorem tax rate of \$0.579150 per \$100 of appraised value: operations & maintenance, debt service, economic development and dedicated funding for the Infrastructure Investment Fund. A tax rate of \$0.345750 is levied to generate revenues to fund the operations and maintenance activities budgeted in the General Fund. The revenue generated from this portion of the tax rate will increase by 19 percent in FY2016 to \$13,963,710. In order to accommodate the Town's annual debt service requirement, a tax rate of \$0.202426 is levied to generate \$8,175,320, a decrease of \$55,240 from FY2015. A third tax rate of \$0.024773 is levied to provide dedicated revenues for economic development purposes and is reflected in the Economic Development Fund. The fourth component of the tax rate provides funding for the Infrastructure Investment Fund, a fund dedicated to funding capital projects on an as needed basis. The rate for this portion is \$0.006201. Sales and alcoholic beverage tax revenues for FY2016 are projected at \$13,175,000, an 8 percent decrease from FY2015 budget. Licenses and permits are expected to increase 10.8 percent due to new development in FY16.

Total fund expenditures for the 2016 fiscal year have been appropriated at \$33,297,564 which is \$388,688 more than the FY2015 budget. Total personal services (employee salaries and benefits) rose by \$353,053.

The net impact on revenues and expenditures is a projected \$54,551 increase in fund balance. The ending fund balance of \$11,256,263 represents 33.8 percent of operating expenditures, which is above the 25 percent minimum balance required by the Town's financial policies. The long-term financial plan for the General Fund anticipates adjusting expenditures for a 3 percent inflationary increase each year along with moderate increases in revenue¹.

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

Assuming continued strong showings in revenues and modest increases in expenditures, the Town projects a gradual increase in fund balance to a level of 40 percent of operating expenditures.²

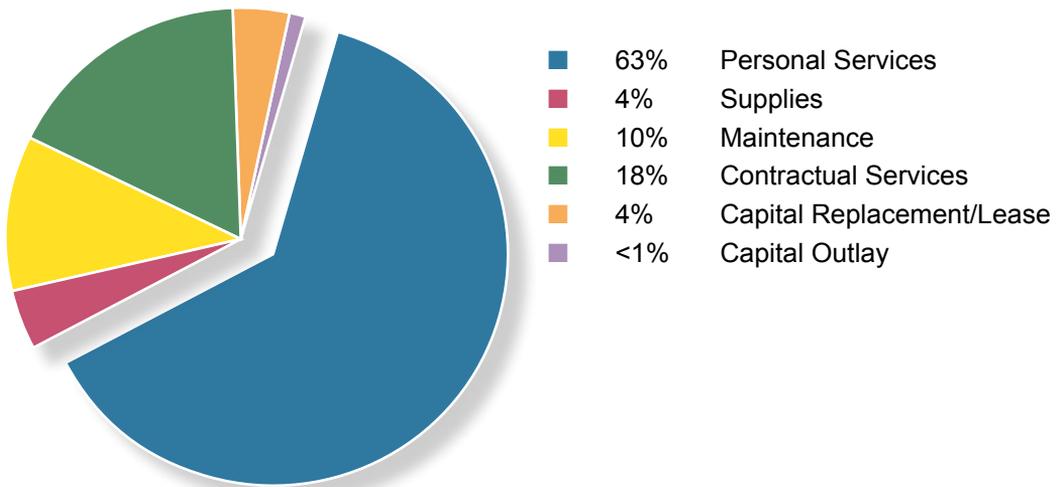
² For more information related to the General Fund long-term plan, please refer to Appendix E.

General Fund By Major Cost Category

Category	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$19,213,491	\$20,725,243	\$19,548,481	\$21,078,296
Supplies	1,238,795	1,459,543	1,520,443	1,408,563
Maintenance	2,878,281	3,095,922	3,126,831	3,253,973
Contractual Services	5,225,995	5,970,900	5,947,000	5,906,062
Capital Replacement/Lease	1,279,388	1,441,671	1,441,671	1,405,670
Capital Outlay	239,623	215,597	215,597	245,000
Total Fund Budget	\$30,075,573	\$32,908,876	\$31,800,023	\$33,297,564

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

General Fund Operating Expenditures By Major Cost Category



GENERAL FUND STATEMENT OF REVENUE AND EXPENDITURES

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$13,979,398	\$16,130,095	\$16,130,095	\$11,201,712
Revenues				
Ad valorem taxes	11,318,306	11,736,390	11,736,390	13,963,710
Non-property taxes	14,435,547	14,320,000	13,320,000	13,175,000
Franchise fees	2,818,869	2,627,000	2,627,000	2,680,000
Licenses and permits	901,645	740,000	730,750	820,200
Service fees	1,485,206	1,443,500	1,453,500	1,582,400
Fines and penalties	877,776	900,000	700,000	781,900
Interest earnings	5,933	20,000	20,000	30,000
Rental income	260,000	250,000	250,000	275,000
Other	122,982	49,000	49,000	58,905
Total Revenues	\$32,226,264	\$32,085,890	\$30,886,640	\$33,367,115
Total Resources Available	\$46,205,662	\$48,215,985	\$47,016,735	\$44,568,827
Expenditures				
General Government				
City Manager	1,082,260	1,350,180	1,315,600	1,302,565
Finance	905,409	1,150,539	1,123,839	1,231,286
General Services	696,969	727,260	705,230	666,310
Municipal Court	499,287	561,053	540,678	586,428
Human Resources	555,909	587,947	570,562	583,959
Information Technology	1,523,285	1,861,330	1,817,780	1,910,708
Combined Services	839,567	977,730	953,042	1,475,980
City Council	537,077	509,535	507,235	331,879
Public Safety				
Police	8,174,506	8,502,771	8,038,006	8,520,606
Emergency Communications	1,217,615	1,483,047	1,464,296	1,318,483
Fire	6,479,302	6,841,514	6,478,484	6,808,772
Development Services				
Property Standards	-	-	-	172,656
Streets	1,727,403	2,037,535	1,994,569	2,060,482
Parks and Recreation				
Parks	3,366,566	3,512,367	3,464,724	3,463,320
Recreation	1,507,828	1,681,038	1,634,493	1,652,493
Total Expenditures	\$ 30,075,567	\$ 32,908,876	\$ 31,800,023	\$ 33,297,564
Other Financing Sources (Uses)				
Transfer from Hotel Fund	-	-	-	-
Transfer to Other Funds	-	(4,015,000)	(4,015,000)	(15,000)
Ending Fund Balance	\$16,130,095	\$11,292,109	\$11,201,712	\$11,256,263

GENERAL FUND STATEMENT OF REVENUES BY SOURCE

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Ad valorem taxes				
Current taxes	\$11,300,197	\$11,717,010	\$11,717,010	\$13,940,240
Delinquent taxes	(5,965)	5,540	5,540	6,750
Penalty and interest	24,074	13,840	13,840	16,720
Non-property taxes				
Sales tax	13,440,938	13,500,000	12,500,000	12,305,000
Alcoholic beverage tax	994,609	820,000	820,000	870,000
Franchise/right-of-way use fees				
Electric franchise	1,581,713	1,500,000	1,500,000	1,500,000
Gas franchise	203,641	175,000	175,000	190,000
Telecommunication access fees	659,906	665,000	665,000	650,000
Cable franchise	363,609	280,000	280,000	335,000
Street rental fee	10,000	7,000	7,000	5,000
Licenses and permits				
Business licenses and permits	166,188	180,000	170,750	170,750
Building and construction permits	735,457	560,000	560,000	649,450
Service fees				
General government	1,203	500	500	500
Public safety	768,951	765,000	765,000	886,000
Urban development	3,250	3,000	3,000	3,000
Streets and sanitation	388,759	380,000	380,000	382,600
Recreation	89,013	65,000	75,000	80,300
Interfund	234,030	230,000	230,000	230,000
Court fines	877,776	900,000	700,000	781,900
Interest earnings	5,933	20,000	20,000	30,000
Rental income	260,000	250,000	250,000	275,000
Recycling proceeds	13,295	24,000	24,000	15,000
Other	109,687	25,000	25,000	43,905
Total Revenues	\$32,226,264	\$32,085,890	\$30,886,640	\$33,367,115

CITY MANAGER'S OFFICE

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Organized and facilitated the first formal Council Orientation for new Council Members
- Implemented the COSO framework for assessing risk and improving internal controls
- Created the Special Projects Manager position to assist with ongoing projects for the City Council
- Terminated the lease for Visit Addison that will bring cost savings to the Town
- Led the process to complete and go live with the Town's new website
- Led the organization through a leadership transition period following departure of the City Manager

Objectives for FY2016

- Explore new directions by evaluating current practices to operate more efficiently
- Conduct search for and hire Chief Financial Officer, Police Chief, and Parks Director
- Continue to promote fiscal transparency and cost savings throughout the organization
- Continue the implementation of the 2012 bond program initiatives and projects

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$847,062	\$1,043,020	\$1,008,440	\$1,017,355
Supplies	29,085	28,500	28,500	28,000
Maintenance	50,569	37,090	37,090	45,120
Contractual Services	111,224	216,400	216,400	173,810
Capital Replacement/Lease	44,320	25,170	25,170	38,280
Capital Outlay	-	-	-	-
Total Department Budget	\$1,082,260	\$1,350,180	\$1,315,600	\$1,302,565

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
City Manager*	N/C	1.0	1.0	1.0	1.0
Deputy City Manager**	34	0.0	0.0	1.0	1.0
Assistant City Manager	33	1.0	1.0	1.0	1.0
Assistant to the City Manager***	26	2.0	3.0	2.0	1.0
Special Projects Manager****	26	0.0	0.0	1.0	1.0
Administrative Assistant	10	1.0	1.0	1.0	1.0
Intern*****	5	1.0	1.0	1.0	0.0
Volunteer Coordinator*****	12	0.0	0.0	0.0	0.5
City Secretary	N/C	0.0	0.0	0.0	1.0
Total		6.0	7.0	8.0	7.5

*This position is not classified in the pay plan

**This position was moved from the Utility Fund

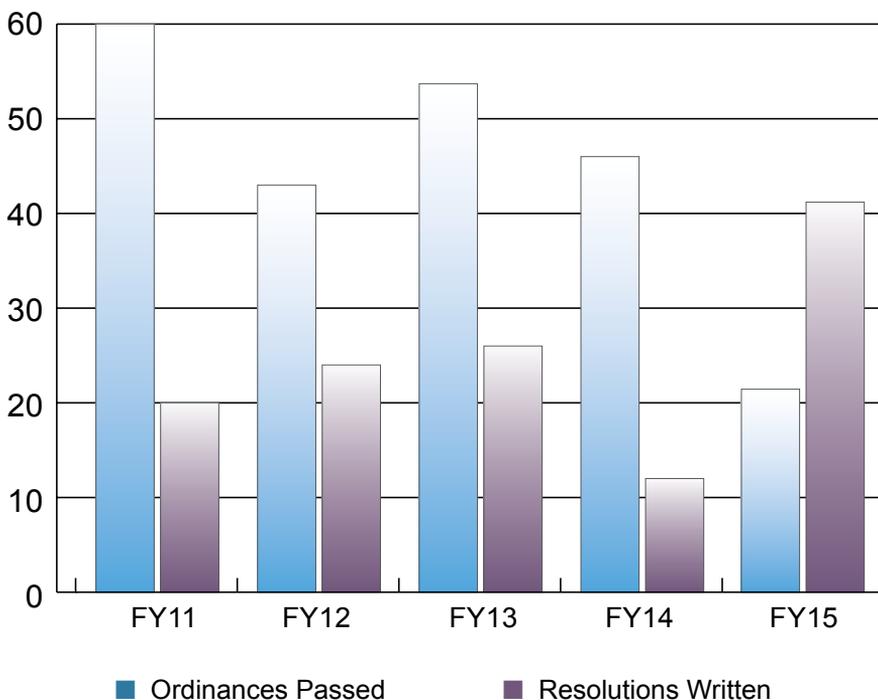
***One Assistant to the City Manager position was reclassified to City Secretary

****This position was moved from the Hotel Fund and reclassified

*****This position was moved to the Parks Department

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

Ordinances Passed and Resolutions Written



FINANCE DEPARTMENT

Department Mission

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

Program Narrative

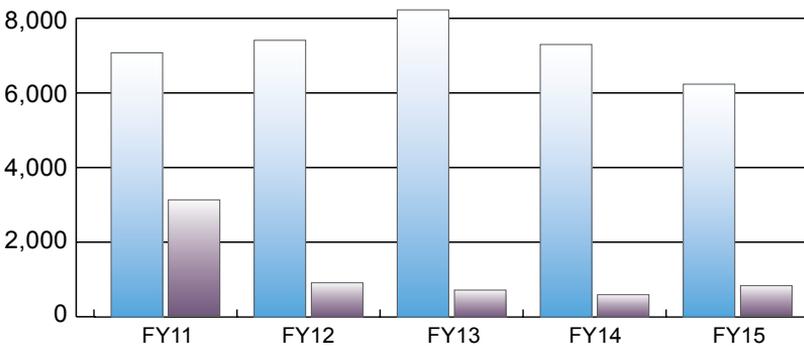
Accomplishments of FY2015

- Installed cash manager safes to increase internal controls and comply with COSO initiatives
- Signed contract with Tyler Technologies to begin implementing Munis software in FY16
- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 39th consecutive year
- Received the Distinguished Budget Presentation Award from the GFOA for the 28th consecutive year

Objectives for FY2016

- Begin transition from GEMS to Munis software (Tyler Technologies)
- Continue to receive the GFOA awards for the Comprehensive Annual Financial Report and the Annual Budget
- Review and modify budget process
- Review and modify performance measures

Procurement Transactions by Method



■ Purchase Order Transactions

■ Procurement Card Transactions

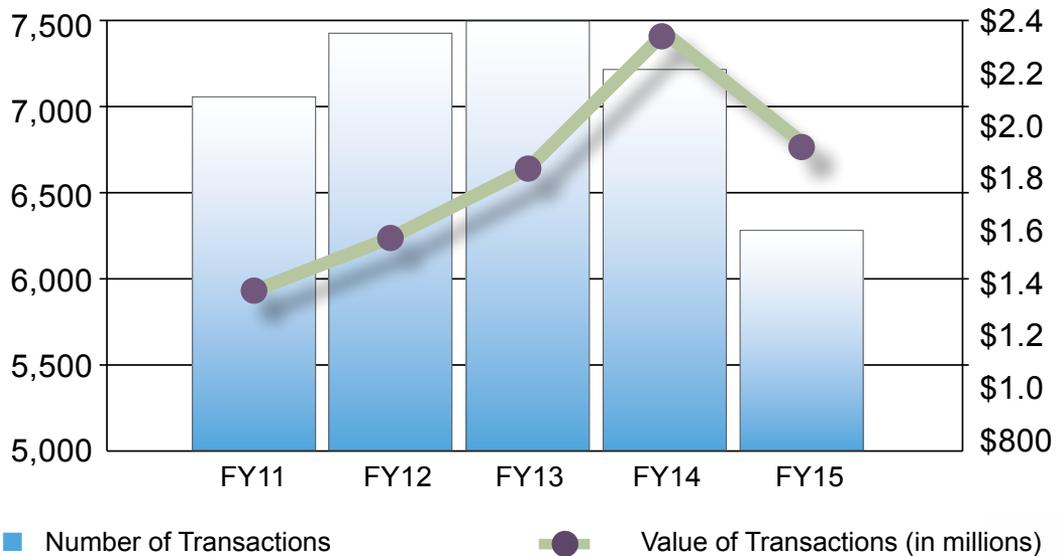
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$435,788	\$706,059	\$679,359	\$734,015
Supplies	27,197	39,830	39,830	37,520
Maintenance	64,986	30,720	30,720	40,160
Contractual Services	322,708	344,290	344,290	381,871
Capital Replacement/Lease	54,730	29,640	29,640	37,720
Capital Outlay	-	-	-	-
Total Department Budget	\$905,409	\$1,150,539	\$1,123,839	\$1,231,286

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Chief Financial Officer	32	1.0	1.0	1.0	1.0
Accounting Manager	27	1.0	1.0	1.0	1.0
Assistant Finance Director	30	0.0	0.0	1.0	1.0
Revenue and Budget Supervisor	22	1.0	0.0	0.0	0.0
Purchasing and Billing Supervisor	22	1.0	0.0	0.0	0.0
Accountant	21	1.0	1.0	1.0	1.0
Management Analyst*	20	0.0	2.0	2.0	0.0
Department Assistant	9	0.0	0.5	1.0	1.0
Payroll Specialist**	12	0.0	0.0	0.7	1.0
Accounting Specialist I	8/9	3.0	2.0	2.0	1.7
Purchasing Manager	26	0.0	0.0	0.0	1.0
Senior Budget Analyst	22	0.0	0.0	0.0	1.0
Total		8.0	7.5	9.7	9.7

*Both positions reclassified to Purchasing Manager and Senior Budget Analyst

**This position was moved from Human Resources

Procurement Card Transactions



GENERAL SERVICES

Department Mission

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

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

Program Narrative

Accomplishments of FY2015

FACILITIES

- Coordinated and supervised all budget approved Town facilities projects (21 projects)
- Completed 781 Help Desk requests for services
- Worked with Parks & Recreation on the completion a Master Plan for the Athletic Club
- Performed and completed a Comprehensive Facilities Assessment of all Addison facilities to assist in developing a Facilities Capital Improvement Plan (CIP) and a Facilities Operations & Maintenance Plan
- Completed bids for all annual contracts for facilities services (i.e. plumbing, electrical, custodial, HVAC, etc.)
- Updated and remodeled the Council Chamber dias
- Remodeled the Development Services offices for the new Property Standards division
- Successfully relocated the HR and Special Events departments

FLEET

- Fleet averaged a 98.9% uptime
- Completed 1,240 service work orders
- Developed specifications, purchase and make-ready of 10 new fleet vehicles

Objectives for FY2016

FACILITIES

- Review and utilize the Facilities Assessments CIP & O&M Plans to develop budget recommendations for the FY2017 budget
- Work closely with the new Assistant Director on General Service Operations.
- Replace the carpet at the Conference Centre
- Coordinate and supervise all budget approved Addison facilities projects for all departments

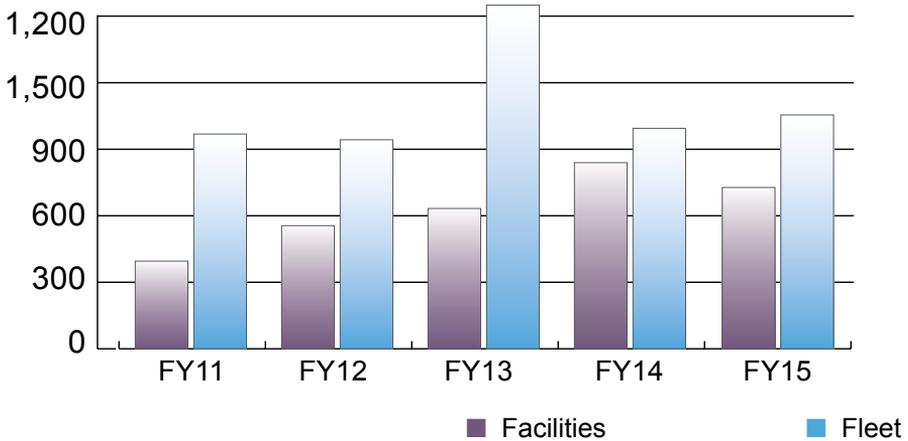
FLEET

- Continue to work with Centerra Fleet Management to manage the contract and accomplish fleet priorities, further enhance fleet operations, and continue to acclimate the contract fleet service team to the Addison culture
- Develop specifications, purchase and make-ready 24 new fleet vehicles as approved

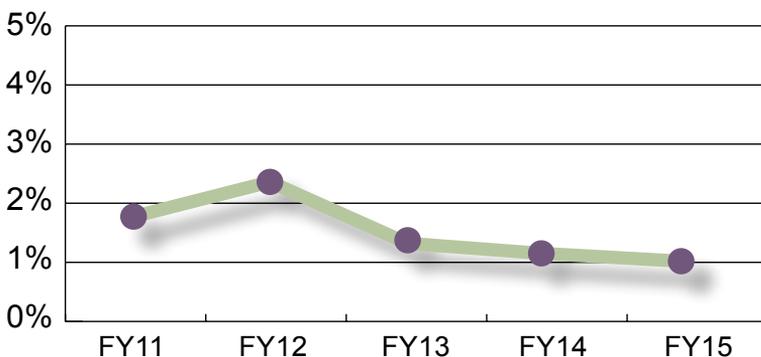
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$417,448	\$428,080	\$406,050	\$417,517
Supplies	24,401	24,350	24,350	24,350
Maintenance	73,562	74,390	74,390	95,638
Contractual Services	85,512	165,360	165,360	94,545
Capital Replacement/Lease	50,480	35,080	35,080	34,260
Capital Outlay	45,566	-	-	-
Total Department Budget	\$696,969	\$727,260	\$705,230	\$666,310

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director-General Svcs	32	1.0	1.0	1.0	1.0
Supervisor-Facilities Svcs	11	1.0	1.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
Facilities Specialist	6	1.0	1.0	1.0	1.0
Facilities Assistant	4	1.0	1.0	1.0	1.0
Total		5.0	5.0	5.0	5.0

Work Orders Processed



Fleet Downtime (as a percentage of time in operation)



MUNICIPAL COURT

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Continued to participate in the state-wide warrant round-up to collect on outstanding warrants
- Educated court clerks on changes to registration and inspection laws under Transportation Code Section 548.101, which is effective March 1, 2015 and was passed during the 2013 Texas State Legislative session
- Worked with Information Technology Department on selecting a new court software system

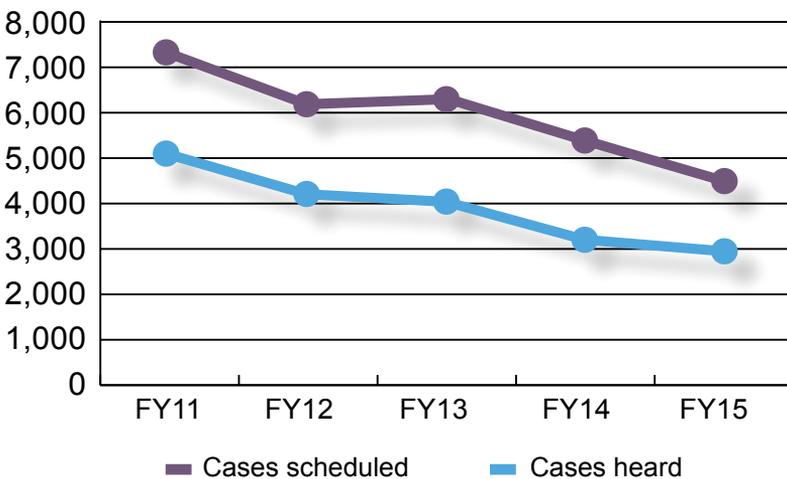
Objectives for FY2016

- Continue to participate in the State wide warrant round-up to collect on outstanding warrants
- Implementation of a new Court software system that was selected in FY15

Notable Budget Items

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

Cases Scheduled and Heard

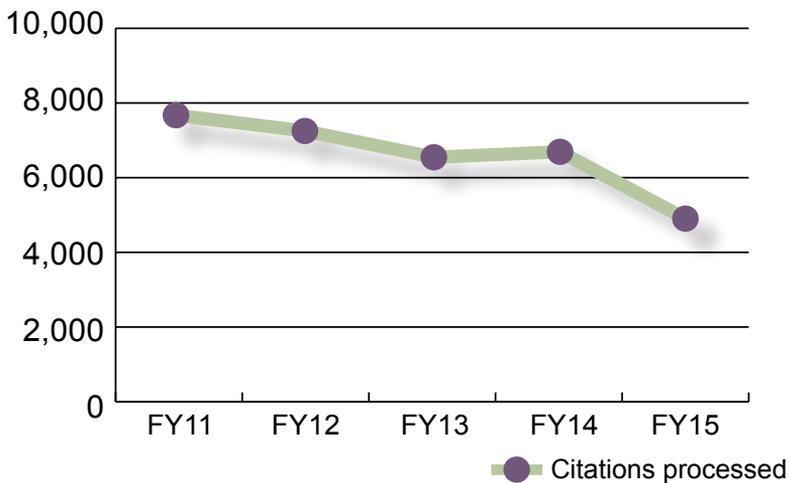


Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$416,092	\$474,713	\$454,338	\$457,758
Supplies	13,437	21,470	21,470	21,470
Maintenance	9,799	-	-	37,000
Contractual Services	31,901	44,220	44,220	47,960
Capital Replacement/Lease	28,060	20,650	20,650	22,240
Capital Outlay	-	-	-	-
Total Department Budget	\$499,289	\$561,053	\$540,678	\$586,428

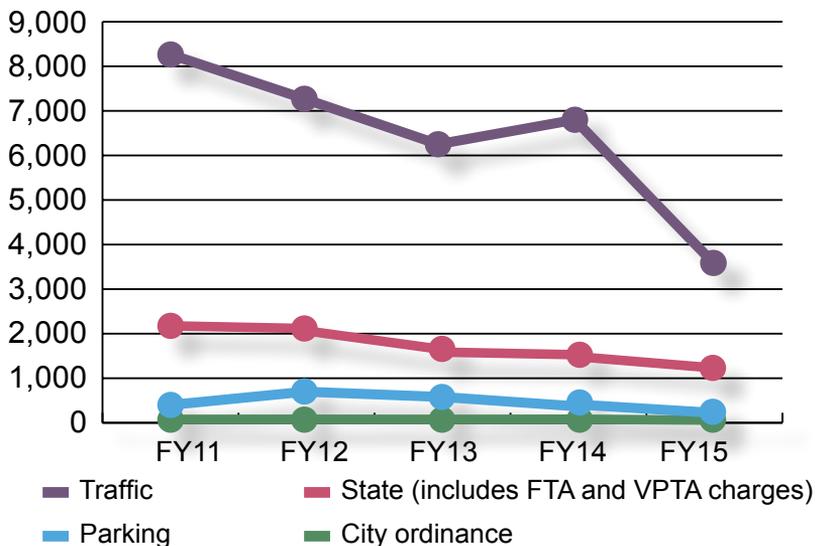
Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Administrator - Court	26	1.0	1.0	1.0	1.0
Clerk - Court	7	3.7	3.7	3.7	3.7
Municipal Judge*	N/C	0.7	1.0	1.0	1.0
Total		5.4	5.7	5.7	5.7

*This position is not classified in the pay plan

Citations Issued (Doesn't include FTA & VPTA charges)



Violations by Type



HUMAN RESOURCES

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Developed a Succession Management Program to ensure successful transfer of knowledge and culture
- Led, coordinated and facilitated the Benefits Committee, which is made up of Council liaisons and employees from across the organization
- Successfully implemented the transition to a new health insurance provider with two new plan designs after a 10 year relationship with a prior carrier
- Led, coordinated and facilitated the Compensation Committee, which is made up of all Council Members and employees from across the organization
- Facilitated the adoption of a compensation philosophy statement which lead to approximately one million dollars allocated towards direct pay
- Internally led two executive searches (City Secretary and Director of Special Events) that realized a cost savings of \$50,000

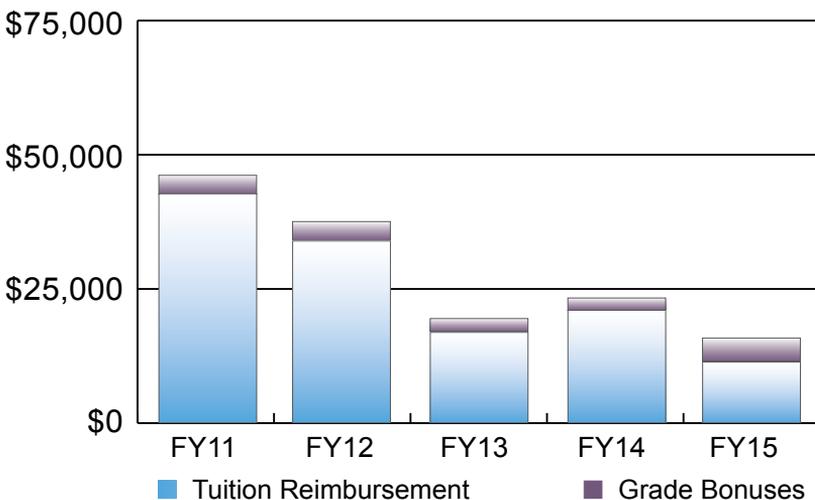
Objectives for FY2016

- Implement Succession Management Program
- Successfully implement the HR/Payroll Munis Module without interruption of service to employees
- Conduct and implement a compensation market study
- Expand technical training to supervisors to optimize knowledge management
- Offer onsite biometric screenings to all employees to continue wellness efforts
- Increase participation in Addison Wellness Program for employees by 10%

Notable Budget Items

- Town-wide tuition reimbursement program (\$40,000)

Tuition Reimbursement



Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$351,174	\$360,247	\$342,862	\$357,649
Supplies	13,399	12,250	12,250	14,450
Maintenance	373	750	750	800
Contractual Services	162,904	199,010	199,010	199,600
Capital Replacement/Lease	28,060	15,690	15,690	11,460
Capital Outlay	-	-	-	-
Total Department Budget	\$555,910	\$587,947	\$570,562	\$583,959

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Human Resources	32	1.0	1.0	1.0	1.0
Benefits Specialist*****	22	1.0	1.0	1.0	0.0
Volunteer Coordinator****	11	0.5	0.5	0.5	0.0
Payroll Specialist***	10	0.7	0.7	0.0	0.0
Department Assistant*****	8	0.0	1.0	1.0	0.0
Secretary - Department	8	1.0	0.0	0.0	0.0
Receptionist - Department**	6	0.0	0.0	0.0	0.0
Intern	5	0.0	0.0	0.3	0.3
Human Resources Analyst	20	0.0	0.0	0.0	1.0
Human Resources Generalist	25	0.0	0.0	0.0	1.0
Total		4.2	4.2	3.8	3.3

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

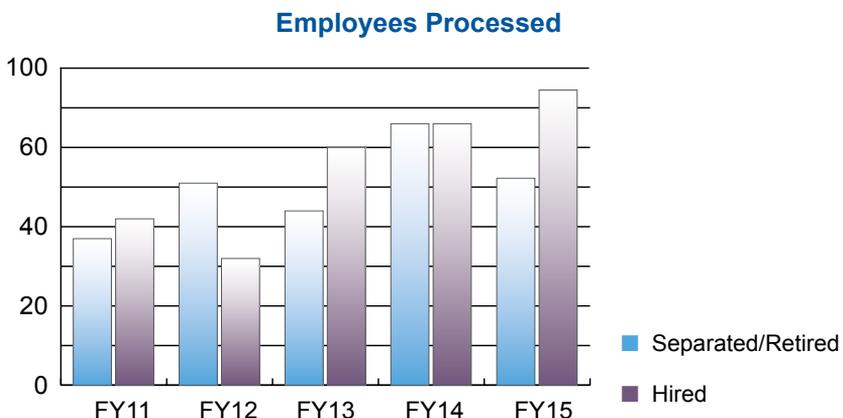
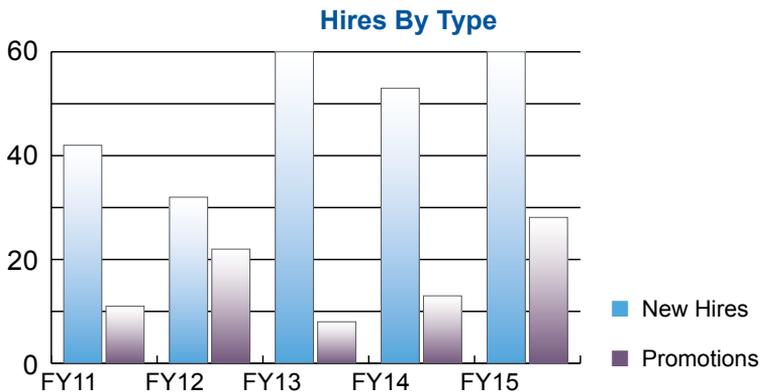
**The Receptionist position was reclassified to Department Assistant and moved to the Utility Fund in late FY12

***This position was moved to Finance

****This position was moved to City Manager's Office

*****This position was reclassified to Human Resources Analyst in FY15

*****This position was reclassified to Human Resources Generalist in FY15



INFORMATION TECHNOLOGY

Department Mission

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

Program Narrative

Achievements for FY 2015

- Upgraded/replaced Addison Data Network Infrastructure
- Began implementation of the Tyler Technologies ERP system
- Installed Surveillance Camera Systems at the Police Department, Fuel Farm and Addison Airport
- Designed/created SharePoint and various APPS
- Moved Microsoft Office Products to the Cloud (Office 365 implementation)
- Installed Airport crash system
- Upgraded Addison's siren system
- Replaced Fire Station alerting system
- Managed integration of the Town Local Area Network, 9-1-1, Computer Aided Dispatch and Police Reporting Management Systems to NTECC (North Central Emergency Communication Center)

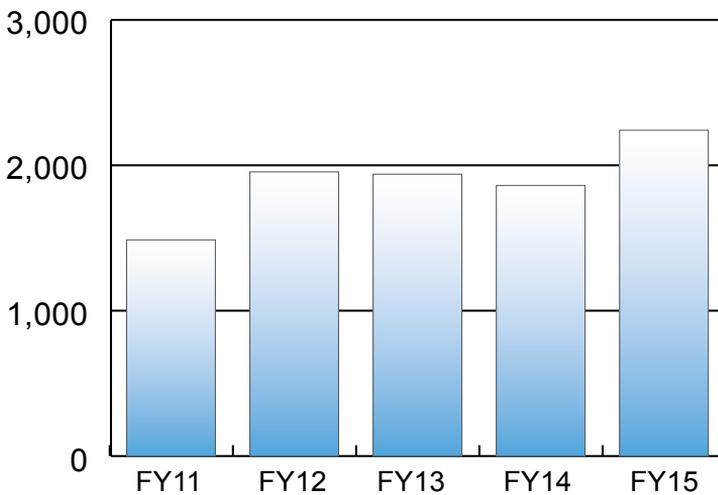
Objectives for FY 2016:

- Continue the implementation of the ERP system
- Continue managing the integration and the consolidation of Addison's dispatch center
- Replace the MDTs (Mobile Data Terminals)
- Replace the in-car video cameras
- Replace/upgrade the body cameras
- Replace PCs town-wide
- Upgrade/convert the existing document management system to Tyler Technologies imaging system
- Continue SharePoint and APPS deployments

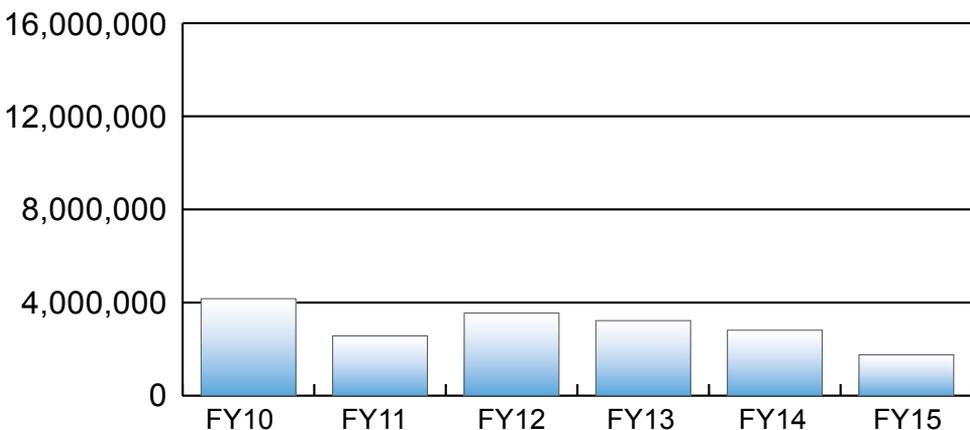
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$791,654	\$944,027	\$900,477	\$945,390
Supplies	26,596	58,400	58,400	58,400
Maintenance	564,148	701,753	701,753	717,218
Contractual Services	106,765	113,000	113,000	155,360
Capital Replacement/Lease	34,120	44,150	44,150	34,340
Capital Outlay	-	-	-	-
Total Department Budget	\$1,523,283	\$1,861,330	\$1,817,780	\$1,910,708

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Information Technology	32	1.0	1.0	1.0	1.0
Senior Software Developer	29	1.0	1.0	1.0	1.0
Network Specialist	29	5.0	5.0	5.0	5.0
Total		7.0	7.0	7.0	7.0

Number of Service Calls



Number of Unique Website Visitors (in Thousands)



COMBINED SERVICES

Department Mission

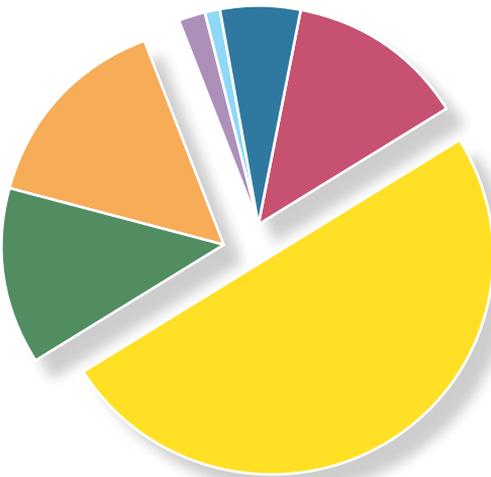
The Combined Services department reflects expenditures incurred by the Town, as a single entity, in the conduct of its operations. These expenditures include the Town's membership in various state and local organizations, attorney fees, and insurance premiums.

Program Narrative

Notable Budget Items

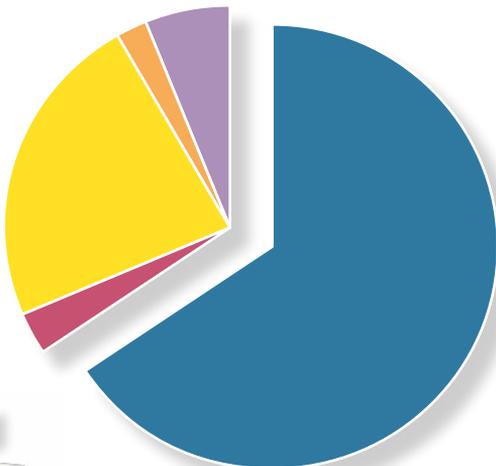
- Legal Fees (\$350,000)
- Library Cards (\$114,000)
- Town-wide liability insurance (\$110,000)

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$50,058	\$73,150	\$48,462	\$573,150
Supplies	42,491	89,000	89,000	74,500
Maintenance	-	-	-	-
Contractual Services	747,018	815,580	815,580	828,330
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Department Budget	\$839,567	\$977,730	\$953,042	\$1,475,980



Liability Insurance Premiums by Category

- 6% General Liability
- 13% Law Enforcement Liability
- 50% Workers Compensation Liability
- 13% Public Officials Liability
- 15% Automobile Liability
- 2% Underground Storage Tank Liability
- 1% Airport Liability



Property Insurance Premiums by Category

- 65% Real and Personal Property
- 3% Mobile Equipment
- 23% Auto Physical Damage
- 0% Auto Catastrophe
- 2% Crime
- 6% Public Officials Bonds

COUNCIL SPECIAL PROJECTS

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Hired Renee Narloch and Associates to conduct nationwide search for a new City Manager leading to the selection of Wesley Pierson
- Recruited and hired new City Attorney Brenda McDonald
- Recruited and hired new City Secretary Laura Bell
- Continued community engagement through City Council Liaison assignments
- Conducted a special land use study of the Sam's Club development with public comments

Objectives for FY2016

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

Notable Budget Items

- Nonprofit Funding
 - The Family Place* (\$12,000)
 - Launchability* (\$2,500)
 - Metrocrest Chamber of Commerce* (\$35,000)
 - Metrocrest Family Medical Clinic* (\$3,000)
 - Metrocrest Social Services* (\$61,000)
 - Addison Arbor Foundation* (\$47,500)
- Charter Review (\$10,000)
- Holiday Open House (\$30,000)

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$37,479	\$40,415	\$38,115	\$37,364
Supplies	26,171	40,000	40,000	47,000
Maintenance	-	-	-	-
Contractual Services	469,786	425,540	425,540	243,995
Capital Replacement/Lease	3,640	3,580	3,580	3,520
Capital Outlay	-	-	-	-
Total Department Budget	\$537,076	\$509,535	\$507,235	\$331,879

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Began cutover to the new Harris P25 Digital Public Safety radio system
- Established the department on social media
- Developed community outreach programs through coordination with neighborhood watch groups and other civic organizations
- Kicked-off Procedural Justice Initiative within department

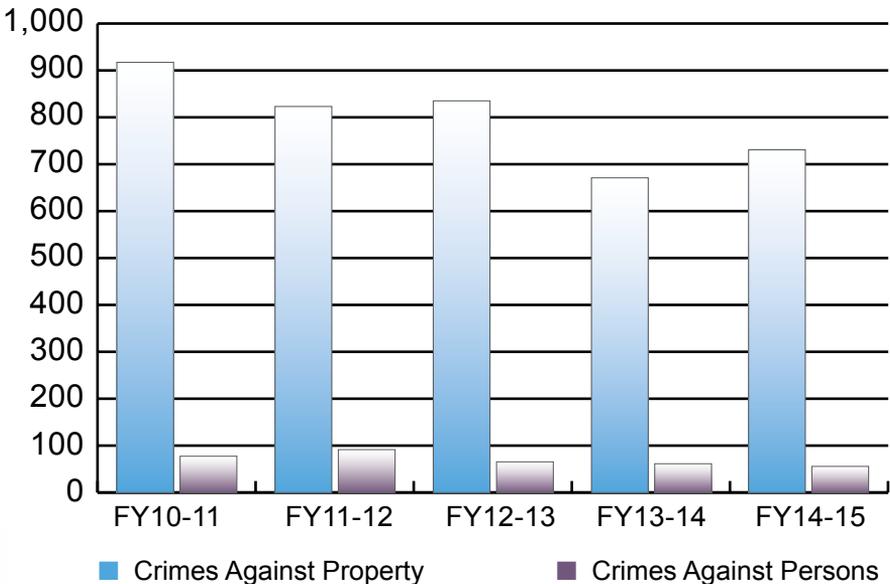
Objectives for FY2016

- Continue to look for ways to serve the community through social media, outreach programs, and cooperation
- Move to the new consolidated dispatch center in the first quarter of FY 2015/16
- Improve productivity and efficiency within department by exploring new ideas, techniques, technology, and empowerment of employees to solve problems

Notable Budget Items

- Security Camera upgrade to IP cameras (required for consolidated dispatch)
- Purchased new CAD/RMS system from Sungard/OSSI (required for consolidated dispatch)

Historical UCR Property and Persons Crimes



Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$6,601,061	\$6,848,404	\$6,383,639	\$6,907,931
Supplies	394,449	412,072	412,072	344,077
Maintenance	203,042	215,760	215,760	239,200
Contractual Services	535,151	441,135	441,135	491,578
Capital Replacement/Lease	440,800	585,400	585,400	537,820
Capital Outlay	-	-	-	-
Total Department Budget	\$8,174,503	\$8,502,771	\$8,038,006	\$8,520,606

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Police Chief	32	1.0	1.0	1.0	1.0
Assistant Police Chief	P6	1.0	1.0	1.0	1.0
Captain	P5	1.0	1.0	1.0	1.0
Lieutenant	P4	4.0	4.0	4.0	4.0
Sergeant	P3	6.0	6.0	6.0	6.0
Records Supervisor	13	0.0	0.0	1.0	1.0
Supervisor - Detention	13	1.0	1.0	1.0	1.0
Police Services Supervisor	13	0.0	1.0	1.0	1.0
Police Officer**	P2	47.0	48.0	48.0	48.0
Police Administration Technician***	10	1.0	0.0	0.0	0.0
Animal Control Officer****	9	1.0	1.5	2.0	2.0
Department Assistant	9	0.0	1.0	1.0	1.0
Secretary - Department*****	8	1.0	0.0	0.0	0.0
Jailer	8	3.0	3.0	6.0	6.0
Clerk - Police Records	7	2.0	2.0	2.0	2.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Quartermaster	6	1.0	1.0	1.0	1.0
Intern*****	5	0.5	0.5	0.5	0.5
Jailer - Temporary*	N/C	2.3	2.3	2.3	2.3
Total		73.8	75.3	79.8	79.8

*This position is not classified in the pay plan

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

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

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

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

*****This position was added in FY12

EMERGENCY COMMUNICATIONS

Department Mission

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

Program Narrative

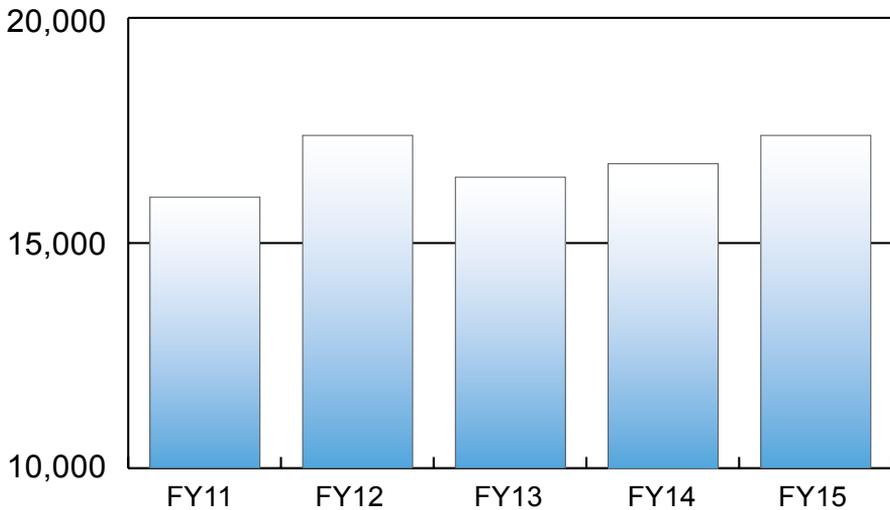
Accomplishments of FY2015

- Official establishment of the North Texas Emergency Communications Center
- Creation of a governing Board of Directors,
- Selection of a Public Safety Radio system vendor and securing lease space for the combined operation center.

Objectives for FY2016

- Complete dispatcher transition training for the move to the combined dispatch center in the second quarter of FY2016.

Calls for Service



Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$895,347	\$720,513	\$701,762	\$447,180
Supplies	4,970	10,321	10,321	11,721
Maintenance	65,900	61,500	61,500	19,000
Contractual Services	251,398	506,705	506,705	535,042
Capital Replacement/Lease	-	39,011	39,011	60,540
Capital Outlay	-	144,997	144,997	245,000
Total Department Budget	\$1,217,615	\$1,483,047	\$1,464,296	\$1,318,483

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Supervisor - Communications	13	1.0	1.0	1.0	1.0
Telecommunicator	11	12.5	12.5	13.5	13.5
Total		13.5	13.5	14.5	14.5

Department Mission

To protect the persons and property in Addison by providing quality and innovative emergency services. To accomplish the mission, the department performs the following functions: fire suppression, including crash/fire rescue for aircraft utilizing Addison Airport; fire inspection prevention and investigation; and, emergency medical services (EMS) with advanced life support capabilities practiced by professionally trained paramedics. These functions are provided by three 24-hour shifts, each staffed with 17 employees who operate out of two fire stations.

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

Program Narrative

Accomplishments of FY2015

- Personnel completed 12 hours of live burn training at DFW Fire Training Facility
- Replaced one fire inspection vehicle from the capital replacement fund
- Replaced an 18 year old pumper from the capital replacement fund
- Replaced three aging stretchers on the ambulances
- Performed the annual smoke detector battery replacement program visiting 378 homes replacing 1590 batteries

Objectives for FY2016

- Complete 16 hours of live burn training
- All suppression personnel to complete 20 hours of fire in-service training monthly
- Replace one ambulance from the capital replacement fund
- Maintain CFAI Accreditation

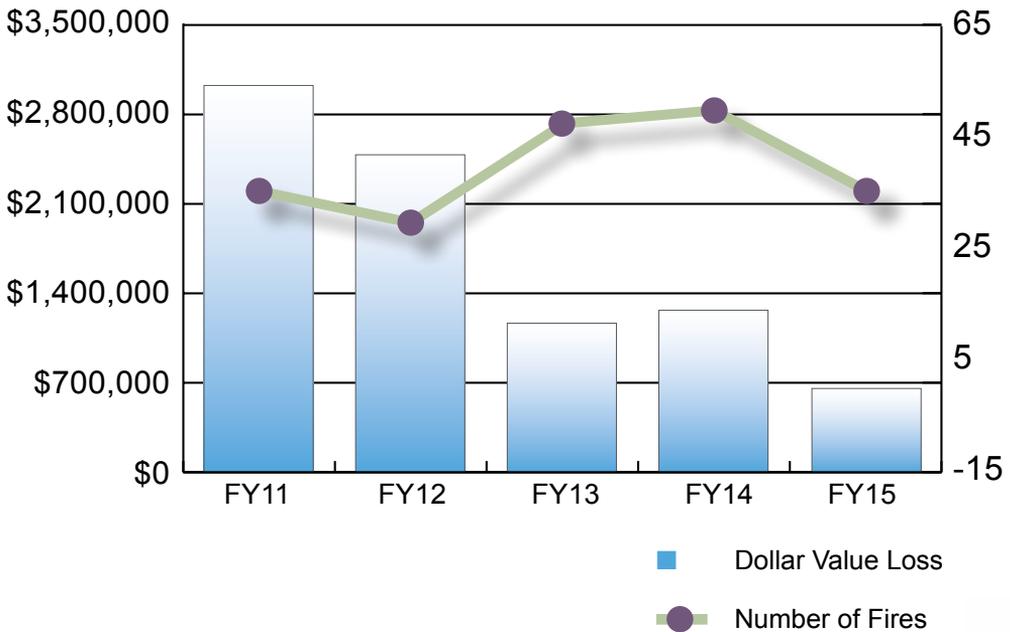
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$5,166,862	\$5,526,654	\$5,163,624	\$5,509,642
Supplies	255,822	313,550	313,550	270,050
Maintenance	260,747	271,750	271,750	311,660
Contractual Services	294,615	312,480	312,480	349,570
Capital Replacement/Lease	307,200	417,080	417,080	367,850
Capital Outlay	194,057	-	-	-
Total Department Budget	\$6,479,303	\$6,841,514	\$6,478,484	\$6,808,772

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Fire Chief	32	1.0	1.0	1.0	1.0
Deputy Chief – EMS/Training	F6	1.0	1.0	1.0	1.0
Battalion Chief	F5	3.0	3.0	3.0	3.0
Fire Captain*	F4	3.0	3.0	3.0	3.0
Fire Prevention Specialist	FP2	1.0	1.0	1.0	1.0
Fire Lieutenant	F3	6.0	6.0	6.0	6.0
Firefighter/Paramedic Fire Equip. Operator	F2a	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F2	27.0	30.0	30.0	30.0
Fire Inspector	FP1	0.0	0.3	0.3	0.3
Department Assistant	9	0.0	1.0	1.0	1.0
Secretary - Department**	8	1.0	0.0	0.0	0.0
Total		52.0	55.3	55.3	55.3

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

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

Number of Fires and Corresponding Property Loss



INFRASTRUCTURE AND DEVELOPMENT SERVICES (IDS)

In 2013, the Town's Public Works Department was reorganized as the Infrastructure and Operations Department when the Addison Airport was included in the department. In 2014, the Development Services Department was added to help facilitate the interaction between development and infrastructure as a project goes through the development process. The new department, Infrastructure and Development Services, includes Development, Property Standards, Utility, Streets, Stormwater, and Airport.

Development Services Mission

To manage the planning, development, and growth of Addison in a manner that results in a pleasant, safe, attractive, and sustainable environment and that enhances the quality of life for all of Addison's citizens and visitors. To protect the public's health and welfare through enforcement of the Town's codes regarding zoning, construction, community safety, food service, swimming pools, and a myriad of environmental hazards.

Program Narrative

Accomplishments of FY2015

- Processed sixteen (16) zoning cases for consideration by the Planning and Zoning Commission and City Council

- Organized a special area study to create a redevelopment vision for the former Sam's Club site and adjacent properties
- Facilitated Council's consideration and adoption of a housing policy
- Coordinated, inspected and licensed twenty-two (22) new or reoccupied/re-modeled food establishments, with seven (7) additional concepts currently in varying stages of review
- Continued mosquito surveillance, source reduction and larvaciding activities. No human cases of West Nile Virus were reported in Addison during the 2015 fiscal year
- Successfully hired and completed the transition of a new Building Official
- Issued 1,135 permits with a total valuation of \$66,627,842

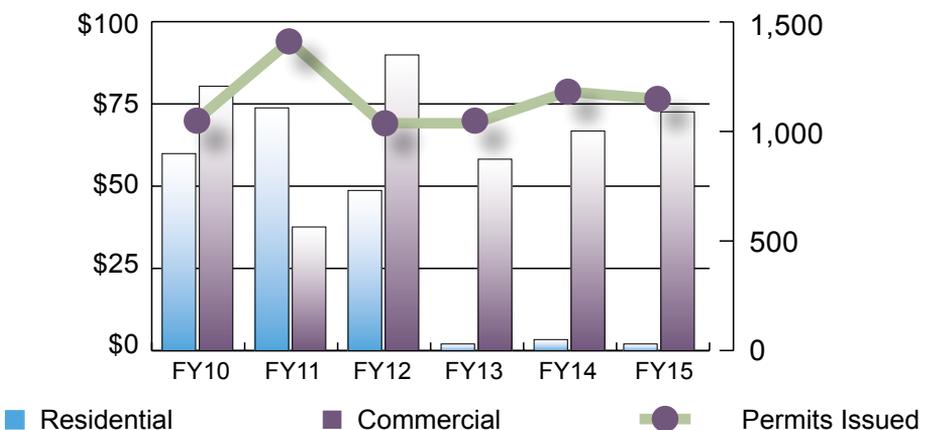
Objectives for FY2016

- Complete the update to the Master Transportation Plan
- Facilitate completion of two additional special area studies
- Develop and implement new permitting software
- Continue to evaluate and improve development review processes including further utilization of the Town's website

Notable Budget Items

- Master Transportation Plan (\$80,000)
- Two (2) Special Area Studies (\$150,000)

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



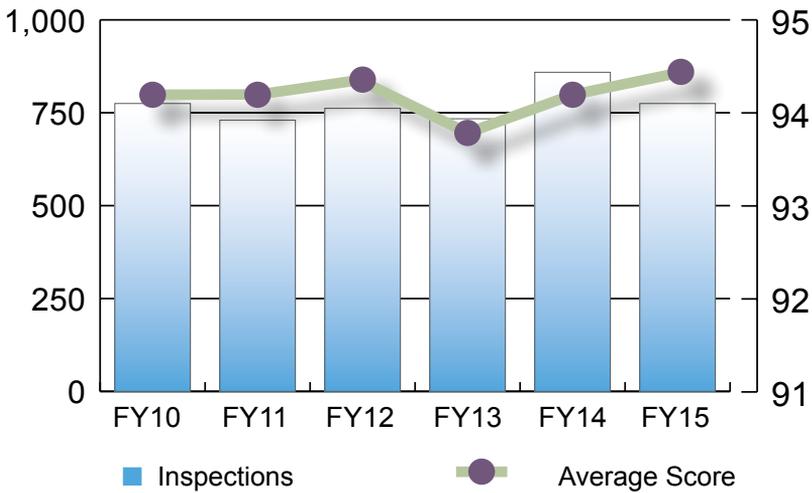
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$757,996	\$826,440	\$824,986	\$780,122
Supplies	21,705	21,850	82,750	34,455
Maintenance	7,343	5,150	35,218	7,650
Contractual Services	107,782	235,600	211,700	348,590
Capital Replacement/Lease	67,760	35,990	35,990	40,820
Capital Outlay	-	-	-	-
Total Department Budget	\$962,586	\$1,125,030	\$1,190,644	\$1,211,637

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Development Services**	31	1.0	1.0	0.0	0.0
Assistant Director - Development Services	30	0.0	0.0	1.0	1.0
Official - Building	30	1.0	1.0	1.0	1.0
Official - Environmental Services	29	1.0	1.0	1.0	1.0
Inspector - Building	13	2.2	2.2	2.2	2.2
Environmental Health Specialist	13	1.0	1.0	1.0	1.0
Department Assistant	9	0.0	1.0	1.0	1.0
Secretary - Department*	8	1.0	0.0	0.0	0.0
Total		7.2	7.2	7.2	7.2

*This position was reclassified to Department Assistant in late FY13

**This position was reclassified to Assistant Director

Number of Food Inspections and Average Scores



The department 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 upon their size and grade history. Restaurants are inspected two to six times each year.

PROPERTY STANDARDS (IDS)

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Program initiated through mid-year budget amendment approved by the City Council
- Hired Property Standards Specialist and Department Clerk
- Conducted thorough review of current ordinances and procedures related to code enforcement

Objectives for FY2016

- Propose code changes to strengthen ordinances where necessary
- Implement code enforcement plan sector by sector
- Launch educational campaign regarding property standards within Addison
- Organize community outreach and involvement programs related to property standards

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$-	\$-	\$-	\$126,011
Supplies	-	-	-	10,070
Maintenance	-	-	-	3,075
Contractual Services	-	-	-	25,000
Capital Replacement/Lease	-	-	-	8,500
Capital Outlay	-	-	-	-
Total Department Budget	\$-	\$-	\$-	\$172,656

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Code Enforcement Officer*	13	0.0	0.0	1.0	1.0
Department Assistant*	9	0.0	0.0	1.0	1.0
Total		0.0	0.0	2.0	2.0

*Positions added in FY2015

STREETS (IDS)

Department Mission

The Streets Department is a division of the Infrastructure and Development Services Department. The division has a multi-faceted mission which is comprised of the following components: maintenance of the Town's streets at a level that will ensure that no delays are caused by pavement failures; maintenance of the traffic signal system to safely and efficiently move traffic throughout the community; collection of residential brush within two business days; supervise the collection of solid waste and recycling; supervise and coordinate the placement of all utility lines (e.g. electricity, natural gas, telecommunications, and cable) within the Town's right-of-way to minimize the potential for disruption of utility services; and oversee the installation, repair, and maintenance of overhead street lights.

Program Narrative

Accomplishments of FY2015

- Hired Streets and Facilities Manager
- Completed design and began construction for Addison Road Rehabilitation Project
- Began design for the Midway Road Revitalization Project
- Began a comprehensive streets and sidewalk assessment project
- Completed \$200,000 in street maintenance repairs
- Completed \$100,000 in pavement marking upgrades

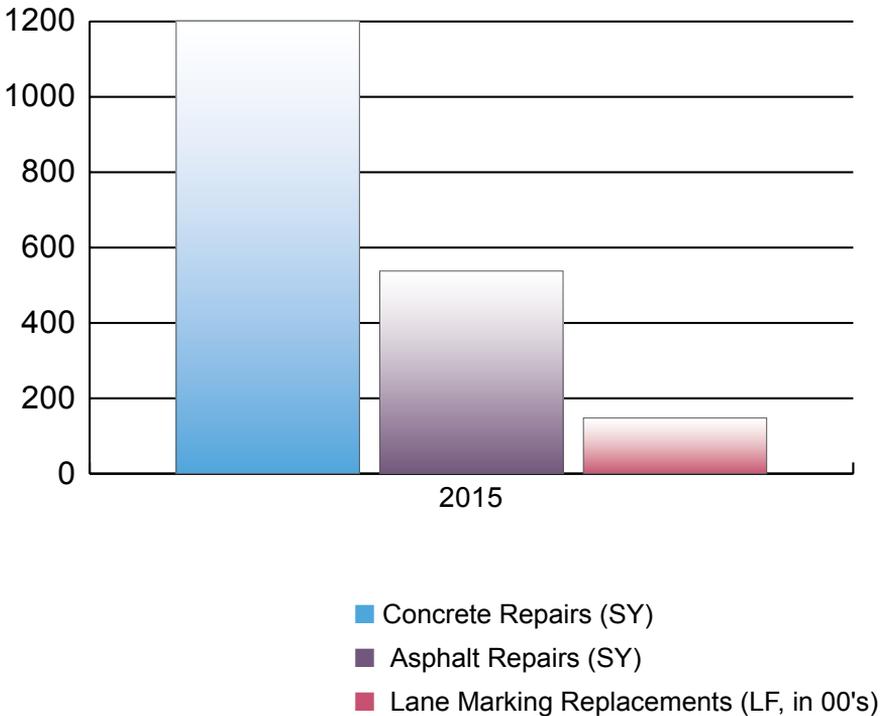
Objectives for FY2016

- Complete construction of the Addison Road Rehabilitation Project
- Begin design and construction of projects related to the streets and sidewalk assessment
- Begin performing small concrete repairs, asphalt repairs, and pavement marking repairs in house
- Replace all of Addison's illuminated street name signs
- Restructure department to include divisions for both street maintenance and solid waste/brush pick up

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$338,624	\$440,337	\$397,371	\$369,129
Supplies	29,269	29,350	29,350	39,350
Maintenance	482,212	723,678	723,678	774,472
Contractual Services	799,661	778,460	778,460	804,701
Capital Replacement/Lease	77,640	65,710	65,710	72,830
Capital Outlay	-	-	-	-
Total Department Budget	\$1,727,406	\$2,037,535	\$1,994,569	\$2,060,482

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Streets and Facilities Manager	23	0	0	0.4	0.4
Technician - Signs/Signals	11	2.0	2.0	2.0	2.0
Senior Maintenance Worker	7	3.0	3.0	3.0	3.0
Total		5.0	5.0	5.4	5.4

Street Maintenance



PARKS

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Completed the Addison Athletic Club Master Plan process
- Completed the Dog Park Feasibility Study for Town Park
- Replaced the Les Lacs playground with new play equipment, shade structure and rubberized safety play surface
- Completed construction of the new Celestial Park trail, including installation of new park benches and refurbishment of the park lights
- Completed bidding and began construction of the Beltway/Proton Pedestrian Connectivity improvements
- Facilitated the installation of three public art pieces, including the Jack Rabbits, Cotton Gin, and Parkview Park pieces
- Completed painting the Wheeler Bridge structure
- Completed the construction of the Vitruvian Park Amphitheater reconfiguration
- Completed landscape renovation projects in Oaks North and Les Lacs neighborhoods

Objectives for FY2016

- Complete the construction of the Beltway/Proton Pedestrian Connectivity Project
- Complete the refurbishment of winter-damaged Asian Jasmine ground cover on Vitruvian Way, Belt Line Road, and Arapaho Road street medians
- Complete tree trimming in the Addison Circle District
- Complete the easement acquisition for the South Quorum Pedestrian Lighting Project
- Complete the construction of the South Quorum Pedestrian Lighting Project
- Facilitate public improvement projects with the Addison Legacy Foundation and the Addison Arbor Foundation
- Intern position transferred from City Manager's Office to enhance Brush recycling program

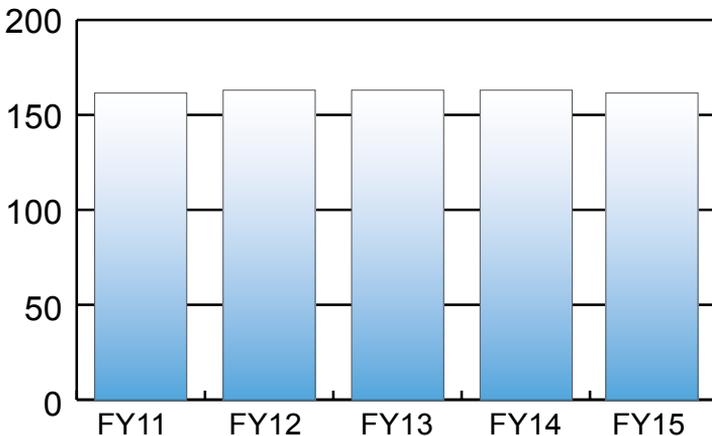
Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$1,350,264	\$1,464,546	\$1,416,903	\$1,563,460
Supplies	170,336	213,300	213,300	217,500
Maintenance	891,926	757,461	757,461	759,700
Contractual Services	865,623	983,940	983,940	832,470
Capital Replacement/Lease	88,418	70,520	70,520	90,190
Capital Outlay	-	22,600	22,600	-
Total Department Budget	\$3,366,567	\$3,512,367	\$3,464,724	\$3,463,320

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Parks and Recreation	32	1.0	1.0	1.0	1.0
Manager - Parks	26	1.0	1.0	1.0	1.0
Assistant Parks Director	30	0.0	0.0	0.0	1.0
Landscape Architect*	26	1.0	1.0	1.0	0.0
Superintendent - Parks	23	1.0	1.0	1.0	1.0
Supervisor - Parks	10	2.0	2.0	2.0	2.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Senior Groundskeeper	9	1.0	1.0	1.0	1.0
Department Assistant	9	1.0	1.0	1.0	1.0
Groundskeeper - III	10	2.0	2.0	2.0	2.0
Groundskeeper - II	8	2.0	2.0	2.0	2.0
Groundskeeper - I	7	6.0	6.0	6.0	6.0
Intern	5	0.0	0.0	0.0	1.0
Total		21.0	21.0	21.0	22.0

*This position was reclassified to Assistant Parks Director

**This position was moved from the City Manager's Office

Acres Maintained



RECREATION

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Completed a Master Plan for the Athletic Club by working with Barker Rinker Seacat Architects, surveying residents, hosting focus groups and working with a master plan resident committee
- Replaced 10 treadmills through the Capital Equipment Replacement Fund
- Completed building improvements and maintenance including the resurfacing of the gymnasium floor, resurfacing the outdoor pool, tennis court resurfacing, interior painting, replacement of two backboards, and various tile repair. Plus, completed over 100 building work orders
- Converted two part-time employees to one full time position to help reduce turnover and increase "buy in" and added one part time employee to correct a staff shortage
- Worked in conjunction with Human Resources to provide fitness and wellness opportunities to Addison employees
- Converted one racquetball court to a fitness room with various equipment and a TRX suspension system
- Added additional equipment and games at the outdoor pool based on member requests
- Improved the cleanliness of the Athletic Club by changing contract cleaners and adding a contracted day porter

Objectives for FY2016

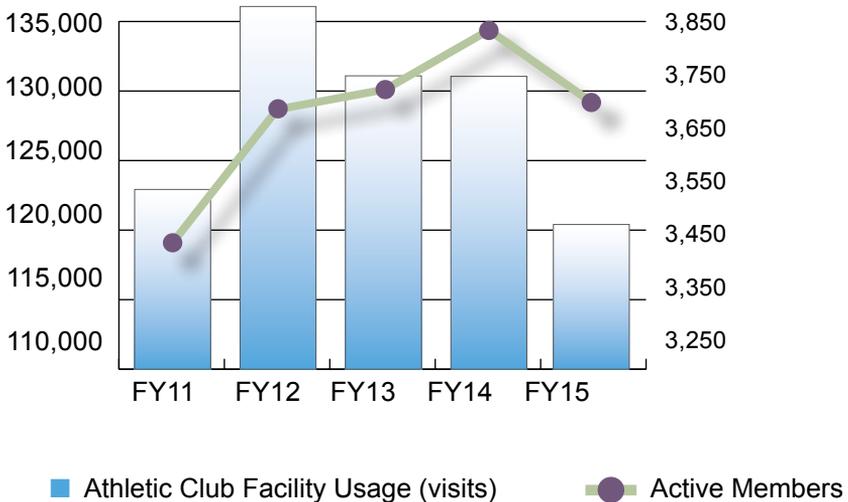
- Perform an audit of the pool and hot tub equipment to develop a maintenance and replacement plan
- Determine the next steps for the Athletic Club master plan including funding options
- Convert a second racquetball court to a fitness class room
- Improve the utilization of the Active recreation software by providing additional training to staff and taking advantage of new features and enhancements
- Review and expand fitness classes and programs offered
- Update marketing of the Accolade newsletter, programs and services
- Replace the Hammer Strength weight circuit through the Capital Equipment Replacement Fund

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$756,582	\$828,638	\$782,093	\$834,623
Supplies	159,467	145,300	145,300	175,650
Maintenance	203,674	215,920	215,920	203,280
Contractual Services	333,947	389,180	389,180	393,640
Capital Replacement/Lease	54,160	54,000	54,000	45,300
Capital Outlay	-	48,000	48,000	-
Total Department Budget	\$1,507,830	\$1,681,038	\$1,634,493	\$1,652,493

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Manager - Recreation	26	1.0	1.0	1.0	1.0
Supervisor - Recreation	13	1.0	1.0	1.0	1.0
Coordinator - Recreation	11	2.0	2.0	2.0	2.0
Coordinator - Fitness	11	1.0	1.0	1.0	1.0
Seasonal Pool Supervisor	8	0.2	0.2	0.2	0.2
Secretary - Division	7	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Recreation Associate	7	4.0	4.0	4.5	4.5
Seasonal Camp Counselor	5	0.6	0.6	0.6	0.6
Custodian	2	1.0	1.0	1.0	1.0
Seasonal Lifeguard	2	1.6	1.6	1.6	1.6
Porter	2	1.0	1.0	1.0	1.0
Total		14.6	14.6	15.1	15.1

Athletic Club Facility Usage (visits)

Active Members







ADDISON

COMMUNITY

GARDEN

HW BRAND

HOTEL FUND

Fund Description

The Hotel Fund accounts for the use of hotel/motel occupancy tax revenue generated by Addison's 22 hotels (representing 3,953 rooms) and which is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

Fund Narrative

Concluding Fiscal Year Performance

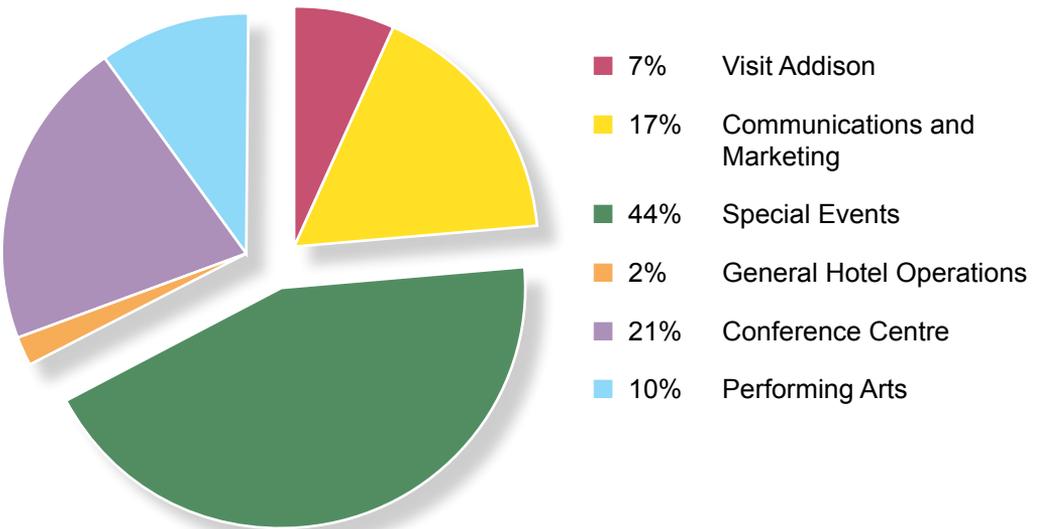
FY2015 revenues are expected to total \$7,897,096 or \$64,035 more than the amount budgeted. Hotel occupancy tax receipts are expected to increase 9 percent over FY2014 and are projected to achieve budgeted results. Proceeds from special events are expected to be up 12 percent from the previous year due to the modification of events. Expenditures for the Hotel Fund came in \$486,452 under budget. All instances of expenditures exceeding budget were recognized with budget amendments approved by Council.

2015-2016 Budget Narrative

The Hotel Fund budget for FY2016 anticipates hotel occupancy tax collections will increase \$60,000. Barring inclement weather during scheduled events, special event income is expected to generate approximately \$2 million. Rental income from the Conference Centre is projected at \$630,000 and the Theatre Centre rental is expected to increase to \$122,290 due to revenue modifications made in FY15. Revenues associated with Visit Addison have been eliminated due to the Town ending its lease in FY15.

Total fund expenditures for FY2016 are budgeted at \$7,063,758, which represents a one percent decrease over the FY2015 budget. Visit Addison expenditures have been reduced to \$400,000 for the final payment to terminate the lease. The Hotel Fund budget includes a transfer of \$545,524 to the Economic Development Fund and \$711,300 to the Hotel Occupancy Tax Debt Service Fund for retirement of debt associated with Addison Circle Park, the venue for the Town's special events. Fund balance for FY2015 is projected to be \$3,559,277, or 62.5 percent of operating expenditures.

Hotel Fund Expenditures by Department

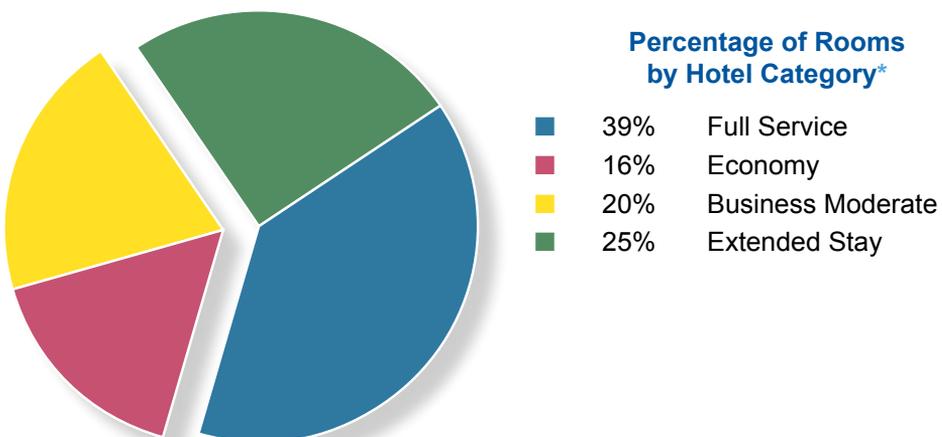


Hotel Fund By Major Cost Category

Category	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$1,666,230	\$1,447,640	\$1,384,165	\$1,344,596
Supplies	176,243	119,857	119,857	103,270
Maintenance	496,973	454,380	454,380	402,910
Contractual Services	4,265,600	3,768,181	3,346,940	3,730,868
Capital Replacement/Lease	115,260	89,600	89,600	118,990
Capital Outlay	10,193	31,000	31,000	106,000
Total Fund Budget	\$6,730,499	\$5,910,658	\$5,425,942	\$5,806,634

Hotel Fund Statement of Revenue and Expenditures

Beginning Balance	\$1,313,869	\$1,318,319	\$1,194,674	\$2,315,028
Revenues				
Hotel/motel occupancy taxes	5,009,121	5,439,311	5,440,000	5,500,000
Proceeds from special events	1,273,252	1,400,000	1,428,204	2,045,717
Conference Centre rental	570,833	603,750	600,000	630,000
Visit Addison rental	216,558	310,000	299,000	-
Theatre Centre rental	72,160	70,000	119,892	122,290
Interest earnings and other	39,382	10,000	10,000	10,000
Total Revenues	7,181,306	7,833,061	7,897,096	8,308,007
Total Available Resources	8,495,175	9,151,380	9,091,770	10,623,035
Expenditures				
Visitor Services	987,389	-	-	-
Visit Addison	618,766	847,992	847,992	400,000
Marketing	1,063,116	1,178,942	1,162,820	1,216,466
Special Events	967,186	975,889	943,923	972,224
Conference Centre	2,552,629	2,358,050	1,886,596	2,529,296
Performing Arts	541,413	551,521	551,361	581,385
General Hotel Operations	-	-	33,250	107,263
Total Expenditures	6,730,499	5,912,394	5,425,942	5,806,634
Other Financing Sources(Uses)				
Interfund transfer	(570,000)	(1,211,082)	(1,350,800)	(1,257,124)
Ending Fund Balance	\$1,194,676	\$2,027,904	\$2,315,028	\$3,559,276



CONFERENCE CENTRE

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Generated a 4% increase in revenue over prior year
- Hosted 53,000 event attendees and 533 events
- 62% of business was from outside Addison and 38% was local
- Reclassified existing positions to better supervise the back of the house
- Increased catering commission from prior year
- Introduced social event packages to offer more competitive pricing options
- Completed standard operating procedure for the Event Coordinator and Department Assistant positions

Objectives for FY2016

- Increase total room revenue and event attendees
- Finalize more meaningful performance measures for tracking performance in the future
- Finalize standard operating procedure documentation for the back-of-house
- Complete booking system integration with the Town's ERP

Notable Budget Items

- Replacement of carpet (\$60,000)

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$499,156	\$606,872	\$590,750	\$538,976
Supplies	77,939	57,450	57,450	54,450
Maintenance	164,931	169,090	169,090	171,100
Contractual Services	284,837	319,800	319,800	352,490
Capital Replacement/Lease	26,060	19,730	19,730	33,450
Capital Outlay	10,193	6,000	6,000	66,000
Total Department Budget	\$1,063,116	\$1,178,942	\$1,162,820	\$1,216,466

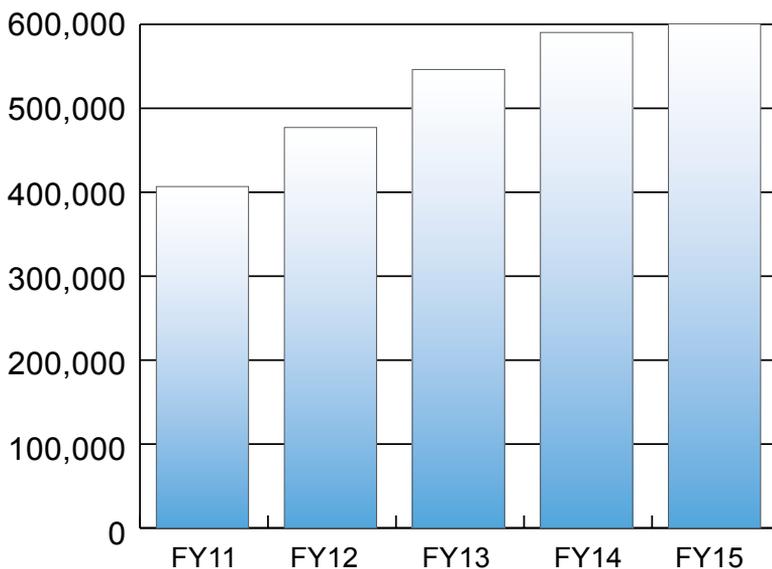
Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Manager - Conference Centre	26	1.0	1.0	2.0	1.0
Specialist - Technical***	25	1.0	1.0	1.0	1.0
Coordinator - Conference Centre Services	13	1.0	1.0	1.0	0.0
Coordinator - Conference Centre *	12	0.0	0.0	0.0	1.0
Coordinator - Conference Centre Events	11	0.0	0.0	0.0	1.0
Department Assistant	9	0.0	1.0	1.0	1.0
Senior Attendant - Conference Centre	7	2.0	2.0	2.0	1.0
Attendant - Conference Centre **	6	2.0	2.7	1.5	2.5
Total		7.0	8.7	8.5	8.5

*The Coordinator - Conference Centre position was reclassified to Coordinator - Services in mid-FY11

**Position name changed from Houseman in mid-FY11. One position was reclassified to Senior Attendant in FY12, and one position was reclassified to full time in FY12

***The Coordinator - Technical was reclassified to Specialist-Technical in FY15

Rental Revenue



■ Rental Revenue

COMMUNICATIONS AND MARKETING

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Completed, tested, trained employees, and launched a comprehensive website redesign project that will be progressive, relevant, and reflective of the Addison brand
- Selected new advertising and marketing agencies for Addison marketing and advertising support

Objectives for FY2016

- Launch a new Addison App that will allow residents and visitors to have information on restaurants, parks, hotels and city services at their fingertips while on the go
- Create a cohesive advertising programs for Economic Development and Tourism, the Addison Conference Centre and Addison's special events that supports Addison's new brand and highlights the community's strategic advantages
- Continue to explore ways to use social media to engage the community, promote Addison events and assets, and reinforce its brand

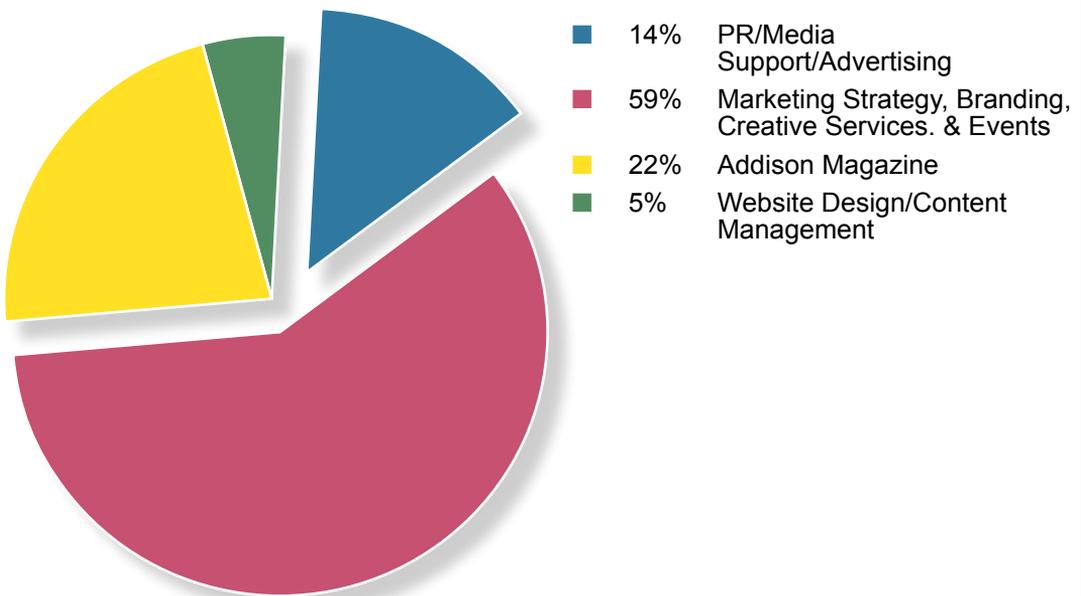
Notable Budget Items

- Shiroma Southwest contract for providing marketing and public relations services for all special events and Access Addison (\$80,000)
- Addison Magazine Sponsorship (\$130,000)
- Belmont Icehouse contract for providing marketing services for Special Events (\$339,450)

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$131,786	\$145,673	\$141,443	\$157,474
Supplies	11,150	5,770	5,770	5,770
Maintenance	62	8,150	8,150	8,270
Contractual Services	816,508	809,800	783,800	795,750
Capital Replacement/Lease	7,680	4,760	4,760	4,960
Capital Outlay	-	-	-	-
Total Department Budget	\$967,186	\$974,153	\$943,923	\$972,224

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Communications and Marketing	32	1.0	1.0	1.0	1.0
Total		1.0	1.0	1.0	1.0

Marketing Expenditures by Category



SPECIAL EVENTS

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Successfully transitioned the department with new and current staff during the event season
- Delivered memorable experiences that brought tourists, residents, businesses and employees together in a fun and safe environment
- Retained market share by hosting several new events and added new elements to keep existing events fresh
- Addison Kaboom Town!® continues to receive national acclaim and was recognized as one of the top shows in the country by dozens of media outlets, including the Associated Press, Peter Greenberg's ABC News, Bloomberg Street Smart, USA Today, Travel Channel, Fodders and more
- Addison Oktoberfest continues to be one of the most authentic Oktoberfest celebrations held outside of Munich and generates hotel room nights and non-traditional revenue for Addison's hotel community
- Worked with UDR on a variety of events held at Vitruvian Park that attracted positive media exposure and over 60,000 spectators
- Issued permits for nine events taking place in the Addison Arts & Events District

Objectives for FY2016

- Develop a strategic plan to produce a series of quality special events that bring tourists, residents, businesses and employees together in a fun and safe environment, including bringing Taste Addison back, Addison Kaboom Town!®, Summer Series, and Addison Oktoberfest, plus a series of third party events
- Evaluate and re-tool ticket sales and cash management for all events
- Continue to refine and generate incremental online ticket sales and packages for events
- As a department in transition – continue staff development for each event
- Continue to look for ways to enhance and add new elements to current events to keep them fresh

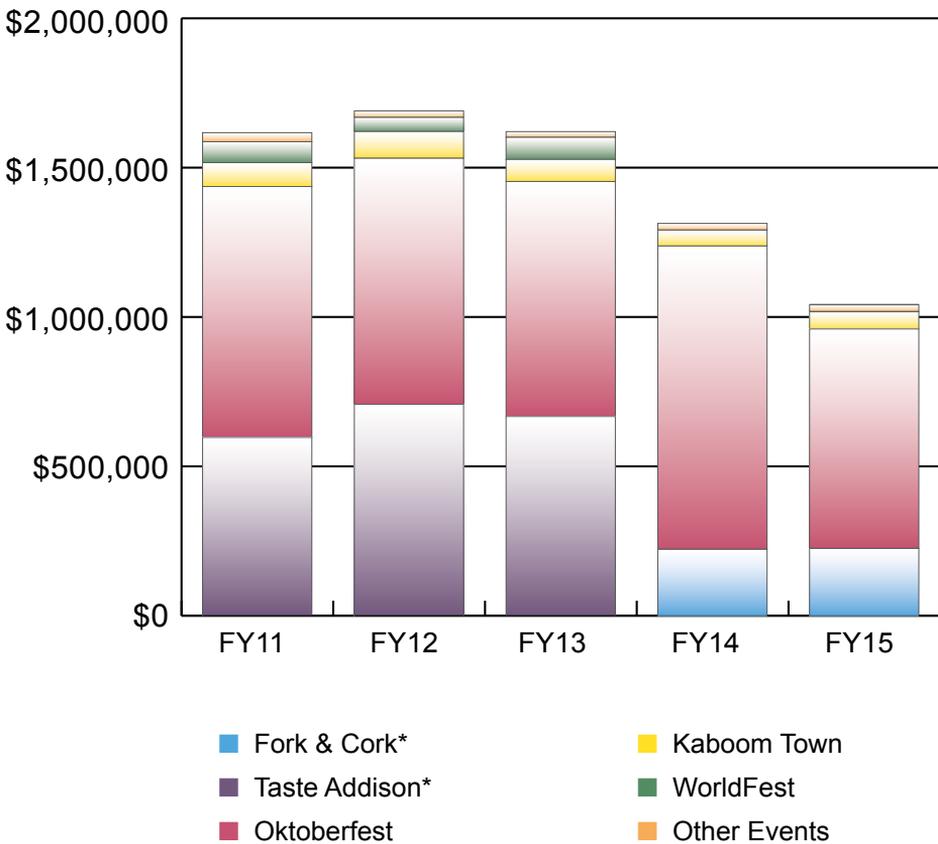
Notable Budget Items

- Taste Addison – Entertainment (\$100,000)

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$625,032	\$671,524	\$595,311	\$547,868
Supplies	33,466	17,900	17,900	18,650
Maintenance	197,097	166,590	166,590	167,190
Contractual Services	1,634,564	1,440,136	1,044,895	1,716,948
Capital Replacement/Lease	62,470	61,900	61,900	78,640
Capital Outlay	-	-	-	-
Total Department Budget	\$2,552,629	\$2,358,050	\$1,886,596	\$2,529,296

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Special Events	32	1.0	1.0	1.0	1.0
Senior Coordinator - Special Events	22	1.0	1.0	1.0	1.0
Billing Supervisor	11	0.0	0.3	0.3	0.3
Coordinator II - Special Events	13	0.0	0.0	1.0	0.0
Coordinator I - Special Events	11	1.0	2.0	1.0	2.0
Intern	5	0.5	0.0	0.0	0.0
Total		3.5	4.3	4.3	4.3

Proceeds by Event



PERFORMING ARTS

Department Mission

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

Program Narrative

Accomplishments for 2015

Town of Addison

- Increased outside theatre group rental by revenue by 240%

WaterTower Theatre—Resident Company

- Hosted 23,267 patrons
- Hosted 225 performances
- Subscriber base of 2,061 season ticket holders

Objectives for FY2016

WaterTower Theatre—Resident Company

- Host 25,500 patrons
- Host 240 performances
- Increase Subscriber base to 2,150

WaterTower Theatre Season 2015-2016

Main Stage

CREEP
By Donald Fowler
October 2 - October 25, 2015

SEXY LAUNDRY
By Michele Riml
November 20 - December 13, 2015

William Golding's
LORD OF THE FLIES
Adapted for the stage by Nigel Williams
January 22 - February 14, 2016

OUT OF THE LOOP FESTIVAL
February 25 - March 6, 2016

THE BIG MEAL
By Dan LeFranc
April 15 - May 8, 2016

OUTSIDE MULLINGAR
By John Patrick Shanley
June 3 - June 26, 2016

ONE MAN, TWO GUVNORS
By Richard Bean
With Songs By Grant Olding
Based on The Servant of Two Masters
By Carlo Goldoni
August 5 - August 28, 2016

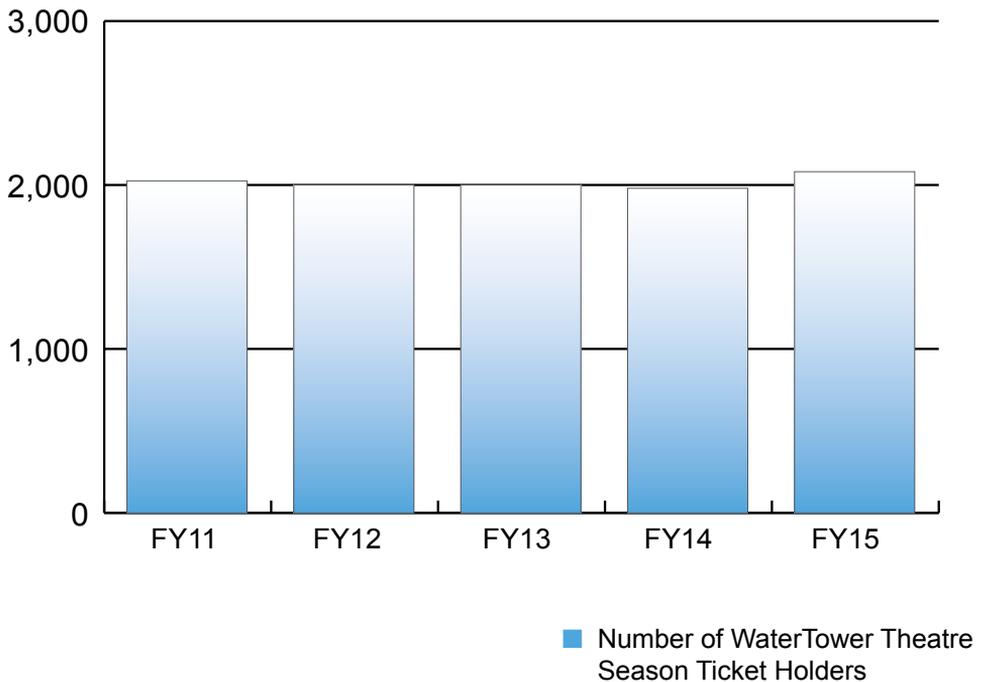
Major Budget Items for FY2016

Funding for arts group \$445,000

Replace cyc and stage lighting - \$40,000

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$5,315	\$15,151	\$14,991	\$7,305
Supplies	24,897	17,650	17,650	17,650
Maintenance	46,296	42,550	42,550	55,850
Contractual Services	462,805	447,960	447,960	460,140
Capital Replacement/Lease	2,100	3,210	3,210	440
Capital Outlay	-	25,000	25,000	40,000
Total Department Budget	\$541,413	\$551,521	\$551,361	\$581,385

WaterTower Theatre Season Ticket Holders



GENERAL HOTEL OPERATIONS

Department Mission

To determine if the local hotels have properly collected, reported and remitted Hotel Occupancy Taxes to Addison.

Program Narrative

Addison currently imposes a 7% Municipal Hotel Tax on the cost of hotel accommodations. Hotels collect the Hotel Occupancy Tax from their guests and then remit the tax to the Town on a monthly basis. The objective is to determine if the local hotels have properly collected, reported, and remitted Hotel Occupancy Taxes to Addison. Additionally, we will report on the adequacy of the accuracy and the level of compliance with local ordinances and government laws and regulations.

Accomplishments for 2015

- Created and implemented an audit program for hotel occupancy tax reviews
- Completed 3 hotel occupancy tax audits
- Identified deficiencies which led to an additional \$5,000 in occupancy tax revenue

Objectives for 2016

- Complete ten hotel occupancy tax audits

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$-	\$-	\$33,250	\$92,973
Supplies	-	-	-	6,750
Maintenance	-	-	-	500
Contractual Services	-	-	-	5,540
Capital Replacement/Lease	-	-	-	1,500
Capital Outlay	-	-	-	-
Total Department Budget	\$-	\$-	\$33,250	\$107,263

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Senior Accountant*	24	0.0	0.0	1.0	1.0
Total		0.0	0.0	1.0	1.0

*Position added in FY15

ECONOMIC DEVELOPMENT FUND

Fund Description

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

Fund Narrative

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

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$664,401	\$311,850	\$477,234	\$473,332
Revenues				
Ad valorem taxes				
Current taxes	775,226	998,390	998,390	998,800
Delinquent taxes	-	470	470	480
Penalty and interest	-	1,170	1,170	1,190
Business registration fee	65,205	70,000	70,000	70,000
Interest earnings and other	1,986	1,660	1,660	10,200
Total Revenues	\$ 842,417	\$ 1,071,690	\$ 1,071,690	\$ 1,080,670
Total Available Resources	\$ 1,506,818	\$ 1,383,540	\$ 1,548,924	\$ 1,554,002
Expenditures				
Personal services	268,861	359,774	289,442	381,809
Supplies	19,129	32,600	20,200	29,700
Maintenance	5,518	91,230	41,840	50,541
Contractual services	729,006	1,088,640	718,640	1,198,076
Capital replacement/lease	7,070	19,150	5,470	25,581
Total Expenditures	\$ 1,029,584	\$ 1,591,394	\$ 1,075,592	\$ 1,685,707
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	15,000	15,000	15,000
Transfer from Hotel Fund	-	500,282	500,282	545,524
Ending Fund Balance	\$477,234	\$307,428	\$473,332	\$428,819

ECONOMIC DEVELOPMENT DEPARTMENT

Department Mission

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

Program Narrative

Accomplishments of FY2015

- Strategic marketing campaign helped build capacity for Addison's economic development with the local commercial brokerage community, business executives, and site selection partners
- Additional economic development capacity building was done through strategic event sponsorships to complement department's advertising efforts
- Hosted the Second Annual Economic Development Stakeholder Luncheon in partnership with the Addison Business Association, the Metrocrest Chamber of Commerce and the North Dallas Chamber of Commerce
- Nationally recognized speaker, Thomas Frey, provided the keynote
- Managed a contract for services agreement with the World Affairs Council and hosted several international delegations visiting Addison
- Collaborated with the Dallas Entrepreneur Center and the Dallas County Small Business Development Center for TreeHouse partnerships
- Hosted First Annual TrepExpo at the Addison TreeHouse
- Negotiated several incentive packages for corporate relocations and company expansions

- Provided support to Big Design Conference organizers to help grow their annual conference in Addison, which will help become a major community asset to attract businesses in targeted sectors
- The Town selected as the #12 largest economic development office in North Texas by the Dallas Business Journal based on deals closed and investment generated in 2013
- Community selected by Atlas Advertising as having high-performance economic development based on the number of new jobs created

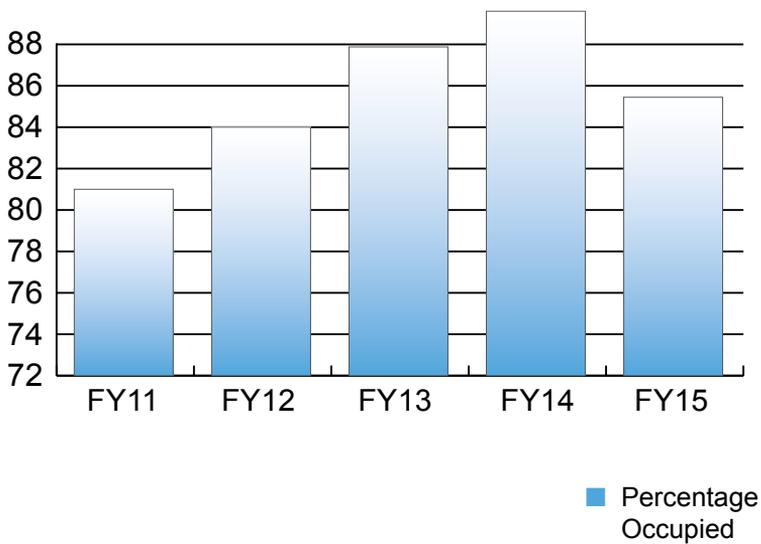
Objectives for FY2016

- Focus on filling up commercial space in the community
- Attract new, innovation-based business start-ups to the Addison TreeHouse
- Expand and support entrepreneur support programs in collaboration with the Dallas Entrepreneur Center, North Texas Small Business Development Center, Baylor University's Accelerated Ventures Program, and other key community stakeholders
- Strengthen the Business Retention & Expansion Program through the introduction of Executive Pulse Software
- Take stronger advantage of the ED website and social media to actively promote local business activity and to promote Addison's economic development successes
- Strengthen the relationship with local businesses and building brokers so that businesses become more engaged in the community
- Create at least two new local industry appreciation events
- Host/sponsor at least three commercial broker events in Addison

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$268,308	\$304,962	\$289,442	\$320,873
Supplies	19,129	20,200	20,200	22,500
Maintenance	5,518	41,840	41,840	40,711
Contractual Services	729,006	718,640	718,640	739,216
Capital Replacement/Lease	7,070	5,470	5,470	16,883
Capital Outlay	-	-	-	-
Total Expenditures	\$1,029,031	\$1,091,112	\$1,075,592	\$1,140,183

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Director - Economic Development	32	1.0	1.0	1.0	1.0
Manager - Economic Development	27	1.0	1.0	1.0	1.0
Department Assistant	9	0.0	1.0	1.0	1.0
Total		2.0	3.0	3.0	3.0

Business Occupancy Rate



TOURISM

Fund Mission

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

Program Narrative

Accomplishments of FY2015

- Programs that created 32,555 room nights for Addison hotels
- Hosted Addison familiarization tours for the following organizations:
 - Dallas Convention & Visitors Bureau
 - Department of Education
 - Rubie's Costume Company
 - Premier SuperCopa
- Held hotelier meetings to introduce new Tourism staff to help strengthen communication
- Worked with the Marketing Department and advertising agency to develop new ad creative for FY16 campaign
- Hosted the Prime Minister and Ambassador of Uganda
- Collaborated with the Dallas Cup to make Addison the hotel headquarter location for the tournament for all teams
- Provided support & sponsorship to help bring the OU Club of Dallas to Addison for the next five years, generating 900 room nights annually

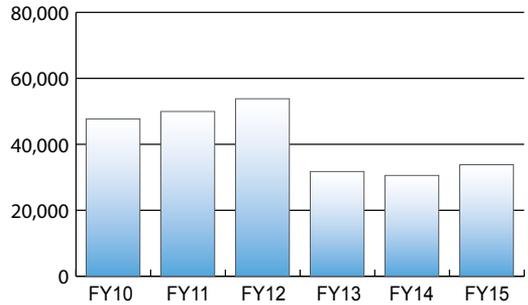
Objectives for FY2016

- Increase the number of hotel room nights generated by the help of Addison programs
- Continue hosting hotelier meeting bi-annually
- Develop strategic state-wide advertising campaign
- Implement a Request For Proposal (RFP) form on Addison's website
- Develop new Tourism content for website
- Focus on attracting more amateur sporting events
- Re-evaluate Hotel Support Program to optimize its use
- Develop strategy to increase bleisure market

Notable Budget Items

- Hotel Support Program (\$200,000)

Hotel Room Nights Generated by the Visitor Services Department



Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$553	\$54,812	\$53,222	\$60,936
Supplies	-	12,400	12,400	7,200
Maintenance	-	49,390	49,390	9,830
Contractual Services	-	370,000	370,000	458,860
Capital Replacement/Lease	-	13,680	13,680	8,698
Capital Outlay	-	-	-	-
Total Expenditures	\$553	\$500,282	\$498,692	\$545,524

Staffing	Budget Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Tourism Coordinator	20	0.0	0.0	1.0	1.0
Total		0.0	0.0	1.0	1.0

GRANT FUNDS

Fund Description

Three special revenue funds account for monies received from private and governmental agencies. Expenditures of these grant monies are also recorded in the grant funds. The Advanced Funding Grant Fund is utilized for grant monies that are received prior to the related expenditure. This fund may carry a balance from year to year if Addison does not expend the monies within the fiscal year. The Reimbursement Grant Fund will track expenditures for which the Town expects to be reimbursed. Addison will record a receivable for any reimbursements not received prior to the fiscal year end. The American Recovery and Reinvestment Act (ARRA) Grant Fund was established to track receipts and expenditures of ARRA grant monies. The Act requires that agencies separate ARRA funds from other funds.

Fund Narratives

ADVANCED FUNDING GRANT FUND

Public Safety anticipates receiving LE-OSE State Grants in FY2016 in various amounts.

REIMBURSEMENT GRANT FUND

The fiscal year 2016 budget does not anticipate any additional grant revenue or expenditures.

Advanced Funding Grant Fund

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$17,174	\$12,394	\$21,887	\$25,858
Revenues				
Intergovernmental	4,639	-	5,421	-
Interest earnings and other	74	-	50	50
Total Revenues	\$ 4,713	-	\$ 5,471	\$ 50
Total Available Resources	\$ 21,887	\$ 12,394	\$ 27,358	\$ 25,908
Expenditures				
Supplies	-	-	-	200
Contractual services	-	5,000	1,500	5,000
Total Expenditures	-	\$ 5,000	\$ 1,500	\$ 5,200
Ending Fund Balance	\$21,887	\$ 7,394	\$25,858	\$20,708

OTHER SPECIAL REVENUE FUNDS

PUBLIC SAFETY FUND

Fund Description

Police forfeiture funds are awards of monies or property by the courts related to cases that involve the Addison Police Department. According to Chapter 59, Article 6, Paragraph (d) of the Texas Code of Criminal Procedure, "Proceeds awarded under this chapter to a law enforcement

agency may be spent by the agency after a budget for the expenditures of the proceeds has been submitted to the governing body of the municipality."

Fund Narrative

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

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$22,235	\$22,285	\$19,185	\$23,135
Revenues				
Court awards	762	4,000	4,000	-
Interest earnings and other	58	50	50	50
Total Revenues	\$ 820	\$ 4,050	\$ 4,050	\$ 50
Total Available Resources	\$23,055	\$26,335	\$23,235	\$23,185
Expenditures				
Supplies	3,616	5,000	-	5,000
Contractual services	254	-	100	-
Capital Outlay	-	-	-	-
Total Expenditures	\$ 3,870	\$ 5,000	\$ 100	\$ 5,000
Ending Fund Balance	\$19,185	\$21,335	\$23,135	\$18,185

COURT TECHNOLOGY FUND

security or technology improvements for Addison's municipal court.

Fund Description

The court technology fees represented in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified

Fund Narrative

For FY2016, budgeted expenses are for supplies and maintenance cost for technology in the municipal court.

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$74,895	\$79,591	\$79,591	\$93,111
Revenues				
Court technology fees	20,556	20,500	18,100	20,000
Interest earnings and other	353	1,500	80	50
Total Revenues	\$20,909	\$ 22,000	\$ 18,180	\$ 20,050
Total Available Resources	\$95,804	\$101,591	\$ 97,771	\$113,161
Expenditures				
Personnel services	-	-	-	-
Supplies	-	2,000	660	2,000
Maintenance	16,213	4,000	4,000	4,000
Contractual services	-	-	-	-
Total Expenditures	\$16,213	\$ 6,000	\$ 4,660	\$ 6,000
Ending Fund Balance	\$79,591	\$95,591	\$93,111	\$107,161

BUILDING SECURITY FUND

security or technology improvements for Addison's municipal court.

Fund Description

The building security fees represented in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified

Fund Narrative

For FY2016, budgeted expenses are for a part-time bailiff (\$23,000) and maintenance costs associated with security.

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$64,742	\$65,782	\$65,782	\$66,822
Revenues				
Court security fees	15,414	15,500	13,570	15,000
Interest earnings and other	291	1,000	80	50
Total Revenues	\$15,705	\$16,500	\$13,650	\$15,050
Total Available Resources	\$80,447	\$82,282	\$79,432	\$81,872
Expenditures				
Personnel services	14,665	25,000	12,610	23,300
Supplies	-	-	-	-
Maintenance	-	-	-	1,700
Contractual services	-	-	-	-
Total Expenditures	\$14,665	\$25,000	\$12,610	\$25,000
Ending Fund Balance	\$65,782	\$57,282	\$66,822	\$56,872

CHILD SAFETY FUND

Fund Description

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

grams designed to enhance public safety and security. Addison does not have a school crossing program. 100% of the funds stay in the designated account with the city.

Fund Narrative

For FY2016, the budget anticipates that fees generated in this fund pay for expenses related to traffic safety for children.

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$93,472	\$97,297	\$101,664	\$110,654
Revenues				
Child Safety Fees	7,740	8,700	8,870	8,900
Interest Earnings and other	452	100	120	50
Total Revenues	\$ 8,192	\$ 8,800	\$ 8,990	\$ 8,950
Total Available Resources	\$101,664	\$106,097	\$110,654	\$119,604
Expenditures				
Personnel services	-	-	-	-
Supplies	-	35,000	-	-
Maintenance	-	-	-	-
Contractual services	-	7,500	-	7,500
Total Expenditures	-	\$42,500	-	\$ 7,500
Ending Fund Balance	\$101,664	\$63,597	\$110,654	\$112,104

JUSTICE ADMINISTRATION FUND

Fund Description

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

Fund Narrative

For FY2015, the budget anticipates that funds generated by the Justice Administration Fund fee will pay for maintenance costs associated with the courtroom and clerk's office.

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$30,635	\$32,120	\$31,898	\$33,478
Revenues				
Justice Administration Fees	2,426	2,000	2,050	2,410
Interest Earnings and other	142	100	990	100
Total Revenues	\$ 2,568	\$ 2,100	\$ 3,040	\$ 2,510
Total Available Resources	\$33,203	\$34,220	\$34,938	\$35,988
Expenditures				
Personnel services	-	-	-	-
Supplies	1,305	13,000	-	2,000
Maintenance	-	10,000	1,460	-
Contractual services	-	-	-	-
Total Expenditures	\$ 1,305	\$23,000	\$ 1,460	\$ 2,000
Ending Fund Balance	\$31,898	\$11,220	\$33,478	\$33,988

DEBT SERVICE FUNDS

GENERAL OBLIGATION DEBT SERVICE FUND

Fund Description

The debt service funds, also known as interest and sinking funds, are established by ordinances authorizing the issuance of bonds and providing for the payment of bond principal and interest as they come due. In the General Obligation Debt Service Fund, an ad valorem (property) tax rate and tax levy is required to be computed and levied that will be sufficient to produce the money to satisfy the annual debt service requirements. General obligation bonds of Addison carry an "Aa1" rating from Moody's Investors Service and a "AAA" rating from Standard and Poor's Ratings Service.

Fund Narrative

Addison issued \$19,565,000 of new debt during the 2014 fiscal year and also refunded the 2004 Airport CO which had an outstanding liability of \$2,095,000. Shown below is the Town's debt position as of the beginning of FY2016.

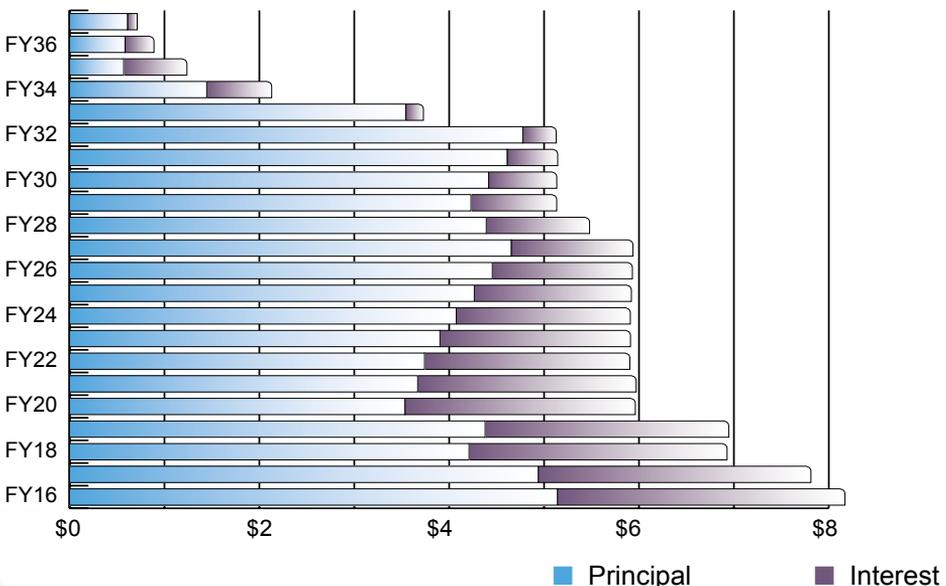
Total debt.....	\$108,085,000
Less self-supporting debt from Hotel, Airport, and Utility Funds.....	25,911,151

Net outstanding general
obligation debt \$82,173,849

The Town has adopted two policies to limit debt issued in the future. First, as part of the long-term financial plan adopted for the General Fund, the Town intends to utilize surplus operating funds to support capital projects.¹ In those instances when debt has to be issued for projects which cannot be delayed, a second policy stipulates that debt will not be issued for any period longer than 15 years, except under special circumstances, in order to rapidly retire outstanding debt.

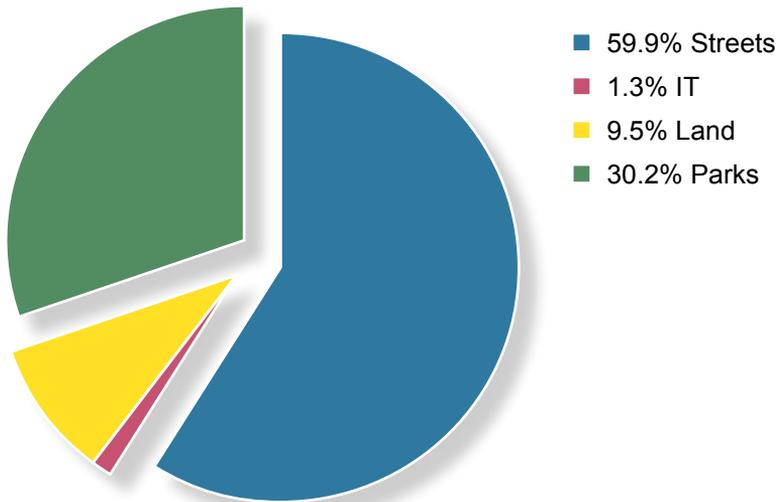
Addison's legal capacity for additional debt is very large. Rules promulgated by the Office of the Attorney General of Texas stipulate that such Office will not approve tax bonds of any city unless the city can demonstrate its ability to pay debt service requirements on all outstanding tax debt, including the issue to be approved, from a tax level of \$1.50 per \$100 of valuation, based on 90 percent collection of the tax. Assuming the maximum tax rate for debt service of \$1.50 on the 2015 taxable assessed valuation of \$4,036,723,767 at 90 percent collection, tax revenue of \$54,495,771 would be produced. This revenue could service the debt of approximately \$566 million issued as 5 percent 15-year serial bonds, which is more than \$458 million greater than the Town's outstanding obligations.

Annual Requirement to Amortize General Obligation Debt (in millions)

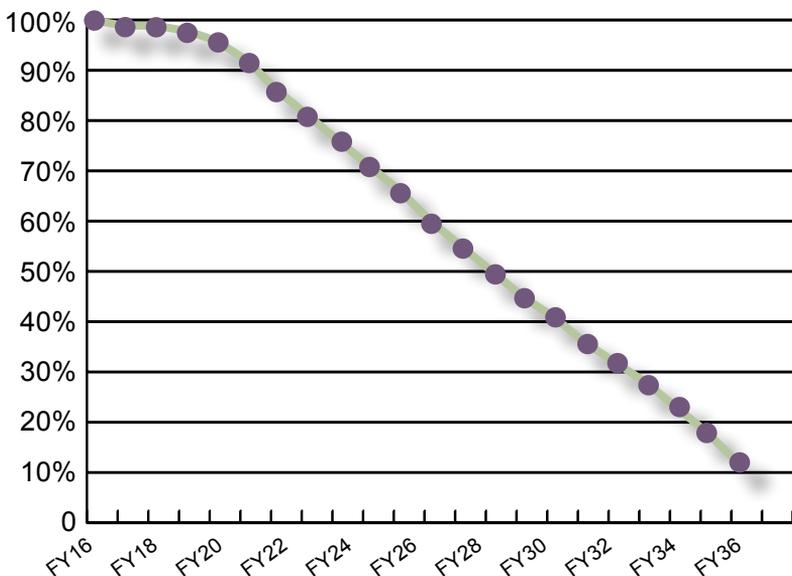


	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$1,234,727	\$1,101,699	\$1,020,159	\$898,304
Revenues				
Ad valorem taxes	7,165,934	8,230,560	8,100,000	8,161,580
Interest earnings and other	21,953	7,500	8,000	13,740
Total Revenues	\$7,187,887	\$8,238,060	\$8,108,000	\$8,175,320
Total Available Resources	\$8,422,614	\$9,339,759	\$9,128,159	\$9,073,624
Expenditures				
Debt service - principal	4,461,153	4,833,152	4,833,152	5,140,150
Debt service - interest	2,938,854	3,384,703	3,384,703	3,030,043
Fiscal fees	2,448	12,000	12,000	12,000
Total Expenditures	\$7,402,455	\$8,229,855	\$8,229,855	\$8,174,510
Ending Fund Balance	\$1,020,159	\$1,109,904	\$ 898,304	\$ 899,114

Distribution of Debt Service by Application



Percent Cumulative Debt Outstanding Until Maturity



HOTEL OCCUPANCY TAX DEBT SERVICE FUND

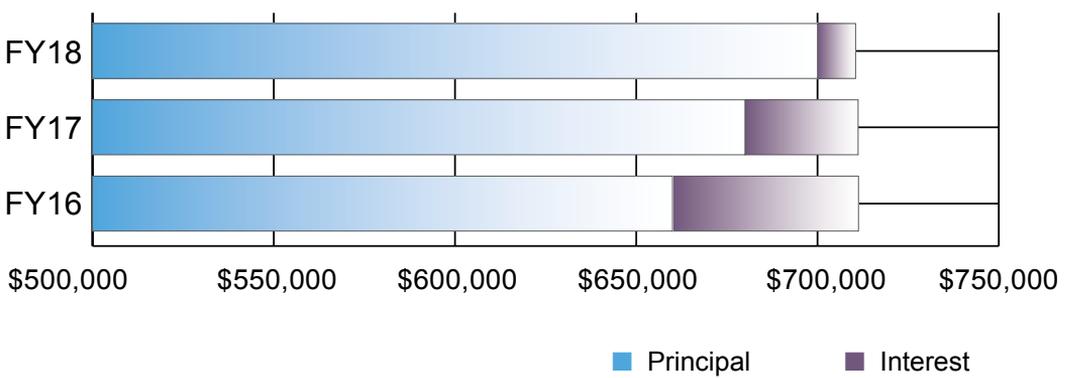
Fund Description

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

Fund Narrative

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

Annual Requirement to Amortize Hotel Occupancy Tax Debt



Hotel Occupancy Tax Debt Service Fund Statement of Revenues and Expenditures

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$628,509	\$487,809	\$487,491	\$488,691
Revenues				
Interest earnings and other	1,139	1,500	1,500	1,200
Total Revenues	\$ 1,139	\$ 1,500	\$ 1,500	\$ 1,200
Total Available Resources	\$629,648	\$489,309	\$488,991	\$489,891
Expenditures				
Debt service - interest	625,000	640,000	640,000	660,000
Fiscal fees	86,650	70,800	70,800	51,300
TOTAL EXPENDITURES	\$ 507	\$ 300	\$ 300	\$ 300
Total Expenditures	\$712,157	\$711,100	\$711,100	\$711,600
Other Financing Sources (Uses)				
Transfer from Hotel Fund	570,000	710,800	710,800	711,600
Ending Fund Balance	\$487,491	\$489,009	\$488,691	\$489,891

CAPITAL PROJECT FUND

Fund Description

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

Fund Narrative

The Capital Project Fund summary section provides brief descriptions of some of the major projects that will be in progress during FY 2015 - 2016 and a discussion of the relationship between the capital budget and the operating budget. A list of the proposed projects in the current plan and related funding sources can be found in the Addison Town Chronicle section.

The budget for fiscal year 2016 reflects \$1,700,000 for Midway Road Design; \$8,176,791 for Vitruvian Park public infrastructure; \$3,000,000 for acquisition of land and streets; \$16,350,110 for Belt Line utility relocation; \$568,619 for Addison Road rehabilitation; \$1,338,723 for pedestrian connectivity projects; and \$400,000 for Public Safety radio replacement.¹

Impact of Capital Projects on Operating Budgets

When considering new capital projects, Addison must ensure that it raises enough operating revenues to cover any increased levels of service created by the new projects. In other words, as projects in the Capital Project Fund are completed, there is usually a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year the total estimated net operating cost of Addison's newly completed capital projects paid for from the Capital Projects Fund will be \$3,400 from the Parks operating budget for mowing and various other maintenance costs with the completion of the Redding Trail Extension.

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

¹ See Appendix F.

Capital Project Fund Statement of Revenues and Expenditures

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$41,699,251	\$45,217,597	\$45,217,597	\$32,859,200
Revenues				
Interest earnings and other	183,234	100,000	100,000	54,000
Total Revenues	\$ 183,234	\$ 100,000	\$ 100,000	\$ 54,000
Total Available Resources	\$41,882,485	\$45,317,597	\$45,317,597	\$32,913,200
Expenditures:				
Personnel services	-	-	-	-
Supplies	12,459	-	-	-
Maintenance	-	-	-	-
Contractual Services	-	-	-	-
Other	85,200	-	-	-
Land Aquisition	-	3,000,000	300,000	3,000,000
Engineering and contractual services	8,241,546	900,000	900,000	1,700,000
Construction and equipment	422,982	38,338,917	11,258,397	26,834,243
Total Expenditures	\$ 8,762,187	\$42,238,917	\$12,458,397	\$31,534,243
Other Financing Sources (Uses)				
Bond Proceeds	12,000,000	6,000,000	-	-
Premium (Discount on Bond Issuance)	97,299	-	-	-
Transfer In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	12,097,299	6,000,000	-	-
Ending Fund Balance	\$45,217,597	\$9,078,680	\$32,859,200	\$1,378,957



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TOWN OF ADDISON

ATHLETIC CLUB

3900

ADDISON ATHLETIC CLUB
Monday - Thursday 5:30am - 10:00pm
Friday 5:30am - 8:00pm
Saturday 8:00am - 8:00pm
Sunday 10:00am - 6:00pm

AIRPORT FUND (IDS)

Fund Description

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

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

Fund Narrative

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

SAMI Management, Inc. (SAMI). SAMI is also responsible for the billing and collection of all revenue related to rentals, leases, fuel flowage fees, and miscellaneous income.

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

Operating revenue for FY2015 is now projected to total \$5,255,799, exceeding the original budget by 8%. The increase in revenues is a result of increased fuel flowage fees and commercial rental income, with the latter resulting from lower than projected vacancy rates as well as the acquisition of the S4 and R3 T-hangar properties.

Operating expenses are estimated to come in \$4,777,540 or .9 percent more than budget due to the continuation of a significant pavement improvement project that began in FY2015. Uses of working capital include Addison's local match for capital grants to maintain and enhance airport facilities.

For FY2016, the budget anticipates operating revenue of \$5,237,662, or a 7 percent increase over the FY2015 budget. Working capital in the upcoming fiscal year is expected to decrease from the prior year budget primarily due to retirement of long-term debt (bonds) and capital expenditures for grant matching and equipment replacement.

Vision

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

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

Program Narrative

Accomplishments of FY2015

- Executed ground lease for the Sky B&B hangar development on Airport Parkway; construction of \$4 Million hangar
- Secured \$2 million Airport Improvement Program (AIP) grant for the reconstruction of Taxilane Victor
- Completed reconstruction of the ramps for the S1 and S3 hangars; renovated the hangars and executed new leases to support expansions of two existing airport businesses
- Completed a working draft of the Airport Master Plan, a \$230,000 AIP grant funded project
- Began work on a \$470,000 project to renovate failing asphalt ramps serving the A1, A1a, S4, and T14 hangars and parking lots serving the T9 and T11 hangars

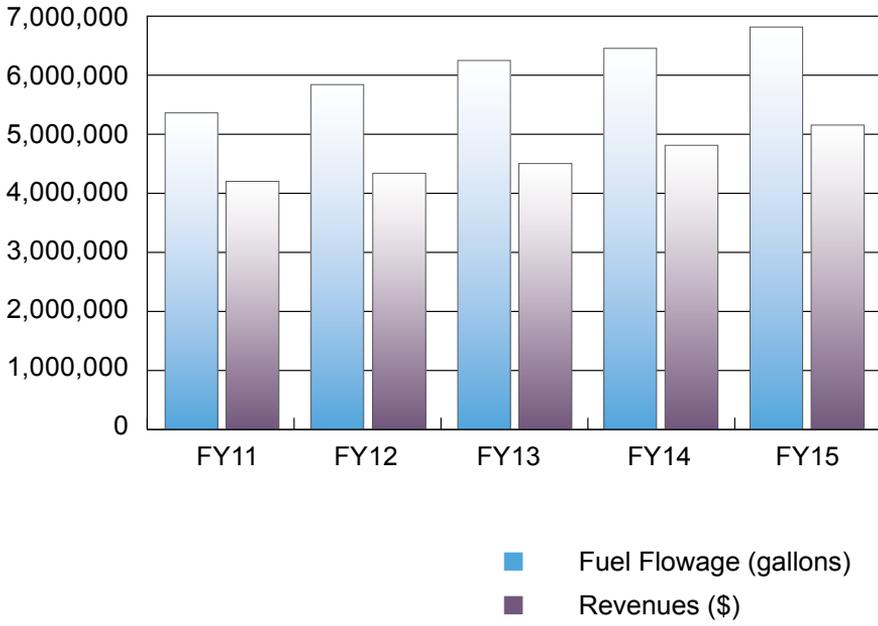
Objectives for FY2016

- Complete the Airport Master Plan update; secure approvals from City Council, TX-DOT, and FAA
- Initiate review of the airport's Minimum Standards for the Conduct of Commercial Aeronautical Activities (the "Minimum Standards") and revise as needed
- Begin the redevelopment process for the airport's southeast quadrant (SEQ)

Airport Fund Statement of Income

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16	
Operating revenues					
Operating grants	\$50,000	\$50,000	\$50,000	\$50,000	
Fuel flowage fees	784,286	741,280	843,830	791,680	
Rental	3,868,780	4,021,795	4,294,828	4,234,732	
User fees and other	154,693	62,000	67,141	161,250	
Total operating revenues	\$4,857,759	\$4,875,075	\$5,255,799	\$5,237,662	
Operating expenses					
Town - Personnel services	336,279	388,707	379,663	361,152	
Town - Supplies	40,053	57,600	57,600	41,000	
Town - Maintenance	245,513	113,040	113,040	112,910	
Town - Contractual services	674,335	605,120	605,120	172,990	
Town - Capital Replacement/Lease	-	-	-	19,160	
Grant - Maintenance	100,000	100,000	100,000	100,000	
Operator - Operations and maintenance	2,453,851	3,126,505	3,126,505	3,004,748	
Operator - Service contract	335,592	342,169	395,612	413,301	
Total operating expenses	\$4,185,623	\$4,733,141	\$4,777,540	\$4,225,261	
Net operating income	\$ 672,136	\$ 141,934	\$ 478,259	\$1,012,401	
Non-operating revenues (expenses)					
Interest earnings and other	13,237	5,000	5,000	5,000	
Interest on debt, fiscal fees and other	(182,542)	(138,267)	(138,267)	(132,691)	
Capital Contributions	12,286,969	-	-	-	
Net non-operating revenues (expenses)	\$12,117,664	\$(133,267)	\$(133,267)	\$(127,691)	
Net income (excluding depreciation)	\$12,789,800	\$8,667	\$344,992	\$884,710	
Changes in working capital					
Net income (excluding depreciation)	\$12,789,800	\$8,667	\$344,992	\$884,710	
Sources (uses) of working capital					
Retirement of long-term debt	(395,000)	(445,000)	(445,000)	(455,000)	
Net additions to fixed assets with grants	(12,286,969)	(272,000)	(218,000)	(62,000)	
Other net additions to fixed assets	(2,685,017)	(110,000)	(110,000)	(60,000)	
Bond Proceeds	-	-	-	-	
Net sources (uses) of working capital	\$(15,366,986)	\$(827,000)	\$(773,000)	\$(577,000)	
Net increase (decrease) in working capital	(2,577,186)	(818,333)	(428,008)	307,710	
Beginning working capital	4,788,864	2,784,920	2,211,678	1,783,670	
Ending working capital	\$2,211,678	\$1,966,587	\$1,783,670	\$2,091,380	
Staffing					
	Level	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16
Sergeant	P3	1.0	1.0	1.0	1.0
Police Officer	P2	2.0	2.0	2.0	2.0
Total	3.0	3.0	3.0	3.0	3.0

Airport Performance Measures: FY2016



UTILITY FUND (IDS)

Fund Description

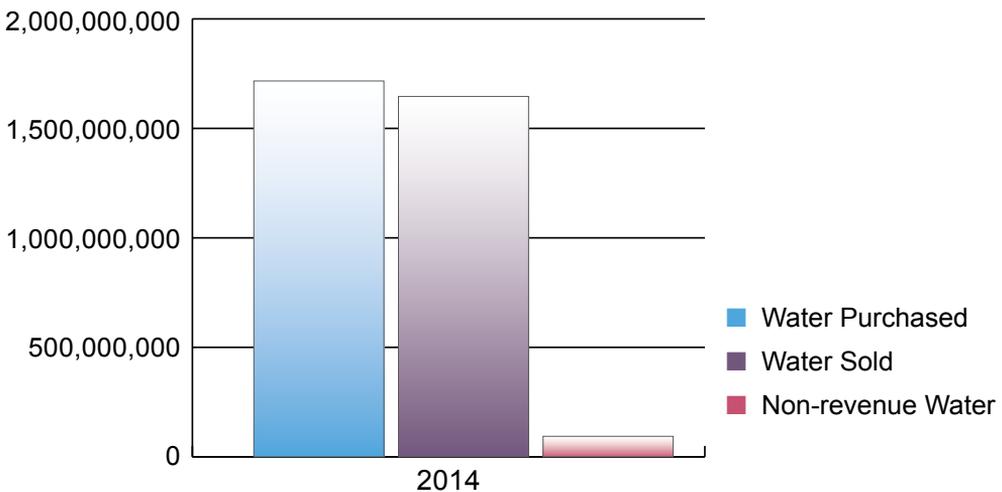
Addison's water and wastewater utilities are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The Fund's financial summary is distinguished from those of other funds in that it resembles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

Fund Narrative

Operating revenues for FY2015 are projected to total \$10,130,591, which is \$458,135 less than budget and \$185,695 more than was generated in FY2014. Operating expenses are projected to be \$276,583 less than budgeted amounts. The difference between estimated and budgeted revenues and expenses is attributable to an unusual amount of excessive rainfall the Town received in the spring of FY2015. Anticipated ending working capital totals \$9,846,741.

Budgeted operating revenues total \$10,380,530, a decrease of \$208,196 from the previous year. Operating expenses are budgeted at \$9,177,247, an increase of \$774,148 over the prior year. This increase is due primarily to an increase in the purchase price of water and sewer services. Working capital is projected to decrease \$3,425,405 due to capital projects.

Water Purchases, Sales, and Usage (gal)



Utility Fund Statement of Income

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Operating revenues				
Water sales	\$5,479,937	\$5,970,671	\$5,609,344	\$5,758,909
Sewer charges	4,362,009	4,507,775	4,410,967	4,524,621
Tap fees and other	24,723	30,280	30,280	22,000
Penalties	78,227	80,000	80,000	75,000
Total operating revenues	\$9,944,896	\$10,588,726	\$10,130,591	\$10,380,530
Operating expenses				
Water purchases	2,933,034	3,127,904	2,983,893	3,459,088
Wastewater treatment	2,480,657	2,448,590	2,370,512	2,298,729
Utility operations	2,974,949	2,826,605	2,772,111	3,419,430
Total operating expenses	\$8,388,640	\$8,403,099	\$8,126,516	\$9,177,247
Net operating income	\$1,556,256	\$2,185,627	\$2,004,074	\$1,203,284
Non-operating revenues (expenses)				
Interest earnings and other	(111,195)	(119,248)	(132,331)	(110,510)
Interest on debt, fiscal fees and other	(605,263)	(666,967)	(666,967)	(541,165)
Net non-operating revenues (expenses)	\$(716,458)	\$(786,215)	\$(799,298)	\$(651,675)
Net income (excluding depreciation)	\$839,798	\$1,399,412	\$1,204,776	\$551,609
Changes in working capital				
Net income (excluding depreciation)	\$839,798	\$1,399,412	\$1,204,776	\$551,609
Sources (uses) of working capital				
Retirement of long-term debt	(257,749)	(381,848)	(381,848)	(549,850)
Debt issuance	7,534,190	-	-	-
Net additions to fixed assets	(43,961)	(5,321,124)	(2,729,326)	(3,370,164)
Net (increase) decrease in other assets	(53,545)	(57,000)	(57,000)	(57,000)
Net sources (uses) of working capital	\$7,178,935	\$(5,759,972)	\$(3,168,174)	\$(3,977,014)
Net increase (decrease) in working capital	\$8,018,733	\$(4,360,560)	\$(1,963,398)	\$(3,425,405)
Beginning working capital	\$3,791,406	\$8,456,838	\$11,810,139	\$9,846,741
Ending working capital	\$11,810,139	\$4,096,278	\$9,846,741	\$6,421,337

UTILITY OPERATIONS

Division Description

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

The Department also includes the Director of Infrastructure & Development Services who is responsible for supervising the planning, engineering, and maintenance services for Addison's infrastructure including streets, traffic signals, drainage, and water and wastewater facilities. The Director oversees implementation of capital improvements, ensures that traffic signalization is operated safely and efficiently, and is responsible for trash pick-up, a function that is performed by the Streets Department in the General Fund.

Program Narrative

Accomplishments of FY2015

- Completed design and construction of the Addison Circle elevated storage tank rehabilitation project
- Completed annual water quality report
- Completed water system evaluation and began an analysis of water age
- Completed rebuild/rehabilitation of pump and motor #5 at Celestial Pump Station
- Installed SCADA Historian for access to historical water information
- Exercised over 1,000 valves
- Cleaned 10,000 linear feet of sewer lines

Objectives for FY2016

- Complete design for the rehabilitation of the Surveyor ground storage tank
- Complete design for the Kellway Lift Station wet-well inspection and rehabilitation
- Purchase new Vactor and CCTV van for utility operations
- Complete water age analysis component of water master plan
- Complete final year of sanitary sewer evaluation and master plan
- Rehabilitate/replace pump and motor #1 at Surveyor Pump Station

Notable Budget Items

- \$600,000 in vehicle replacement

Utility Ops Department Statement of Expenditures

Expenditures	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Personnel Services	\$1,202,282	\$1,292,475	\$1,237,981	\$1,312,605
Supplies	133,141	141,000	141,000	153,000
Maintenance	1,013,972	539,670	539,670	525,339
Contractual Services	625,554	809,410	809,410	782,896
Capital Replacement/Lease	-	44,050	44,050	61,590
Capital Outlay	-	-	-	584,000
Total Department Budget	\$2,974,949	\$2,826,605	\$2,772,111	\$3,419,430

Staffing	Level	Budget 2012-13	Budget 2013-14	Budget 2014-2015	Budget 2015-16
Deputy City Manager*	34	1.0	1.0	0.0	0.0
Director - Infrastructure Operations & Services	32	1.0	1.0	1.0	1.0
Assistant Director	30	0.0	1.0	1.0	1.0
Manager - Operations	26	1.0	0.0	0.0	0.0
Streets and Facilities Manager	23	1.0	1.0	0.3	0.3
Assistant to the Infrastructure Director **	21	0.0	0.0	0.0	0.0
Inspector - Infrastructure	13	1.0	1.0	2.0	2.0
Supervisor - Utilities****	13	2.0	2.0	2.0	0.0
Billing Supervisor	11	0.0	0.3	0.3	0.3
Water Quality Specialist	12	1.0	1.0	1.0	1.0
Senior Utility Operator	11	1.0	1.0	1.0	1.0
Assistant Infrastructure Inspector	9	1.0	1.0	0.0	0.0
Department Assistant***	9	1.0	1.0	1.0	1.0
Utility Operator III	10	2.0	2.0	2.0	2.0
Utility Operator II	8	3.0	3.0	3.0	3.0
Utility Operator I	7	2.0	2.0	2.0	2.0
Manager - Utilities	23	0.0	0.0	0.0	2.0
Total		18.0	18.3	16.6	16.6

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

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

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

****This position was reclassified to Manager - Utilities in FY15

STORMWATER FUND (IDS)

Fund Description

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

Fund Narrative

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

Operating revenues for FY2015 are projected to be \$1,467,098 and the FY2016 budget for operating revenue is \$1,773,900. Working capital is estimated to be \$4,511,909 at the end of FY2016. The FY2016 budget assumes an increase in the stormwater rate of \$0.16 for the Non-Resident rate; \$.30 for Tier 1; \$0.50 for Tier 2; \$0.75 for Tier 3 and 4.

Program Narrative

Accomplishments of FY2015

- Completed Rawhide Creek Basin stormwater study and master plan
- Completed year 1 and began year 2 of the Town's MS4 (municipal separate storm sewer system) with TCEQ
- Completed cleaning of 4 separate storm sewer channels
- Began design for the northwest drainage ditch improvements on the Addison Airport
- Completed design for the Winnwood Pond dredging project
- Began design for the well replacement and piping relocation projects for Les Lacs lake

Objectives for FY2016

- Complete construction of Winnwood pond dredging project
- Complete design and construction for the well replacement and piping relocation projects for Les Lacs lake
- Complete final phase of stormwater master plan
- Complete construction of the northwest drainage ditch improvements on the Addison Airport
- Complete cleaning of 4 additional drainage channels
- Finish year 2 of the Town's MS4

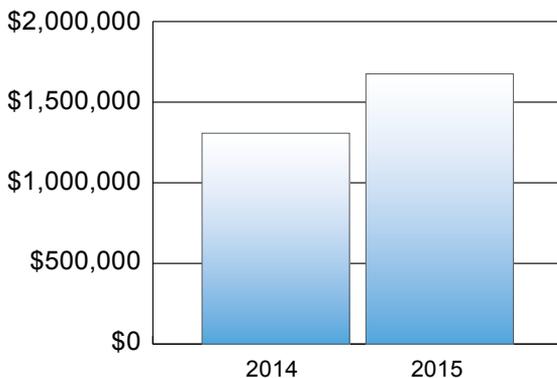
Notable Budget Items

- \$2,400,000 for Winnwood pond and Les Lacs lake projects
- \$900,000 for stormwater Master Plan

Storm Water Fund Statement of Income

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Operating revenues				
Drainage fees	\$1,640,615	\$1,675,350	\$1,467,098	\$1,773,900
Total operating revenues	\$1,640,615	\$1,675,350	\$1,467,098	\$1,773,900
Operating expenses				
Storm Water operations	530,779	420,059	416,849	552,289
Total operating expenses	\$530,779	\$420,059	\$416,849	\$552,289
Net operating income	\$1,109,836	\$1,255,291	\$1,050,249	\$1,221,611
Non-operating revenues (expenses)				
Interest earnings and other	24,436	5,000	29,400	5,000
Interest on debt, and other	(237,237)	(280,066)	(280,066)	(274,716)
Net non-operating revenues (expenses)	\$(212,801)	\$(275,066)	\$(250,666)	\$(269,716)
Net income (excluding depreciation)	\$897,035	\$980,225	\$799,583	\$951,895
Changes in working capital				
Net income (excluding depreciation)	\$897,035	\$980,225	\$799,583	\$951,895
Sources (uses) of working capital				
Retirement of long-term debt	(235,000)	(265,000)	(265,000)	(270,000)
Net additions to fixed assets	-	(3,100,000)	(975,000)	(5,070,000)
Bond Proceeds	(235,000)	-	-	-
Net sources (uses) of working capital	\$(235,000)	\$(3,365,000)	\$(1,240,000)	\$(5,340,000)
Net increase (decrease) in working capital	\$662,035	\$(2,384,775)	\$(440,417)	\$(4,388,105)
Beginning working capital	8,678,396	7,836,380	9,340,431	8,900,014
Ending working capital	\$9,340,431	\$5,451,605	\$8,900,014	\$4,511,908
Staffing	Level	Budget 2013-14	Budget 2014-15	Budget 2015-16
Management Assistant	21	1.0	1.0	1.0
Billing Supervisor	11	0.4	0.4	0.4
Streets and Facilities Manager	23	0.0	0.3	0.3
Total		1.4	1.7	1.7

Stormwater Fee Revenue



INFORMATION TECHNOLOGY REPLACEMENT FUND

Fund Description

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

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

Fund Narrative

Expenses in FY2014-15 were associated:

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

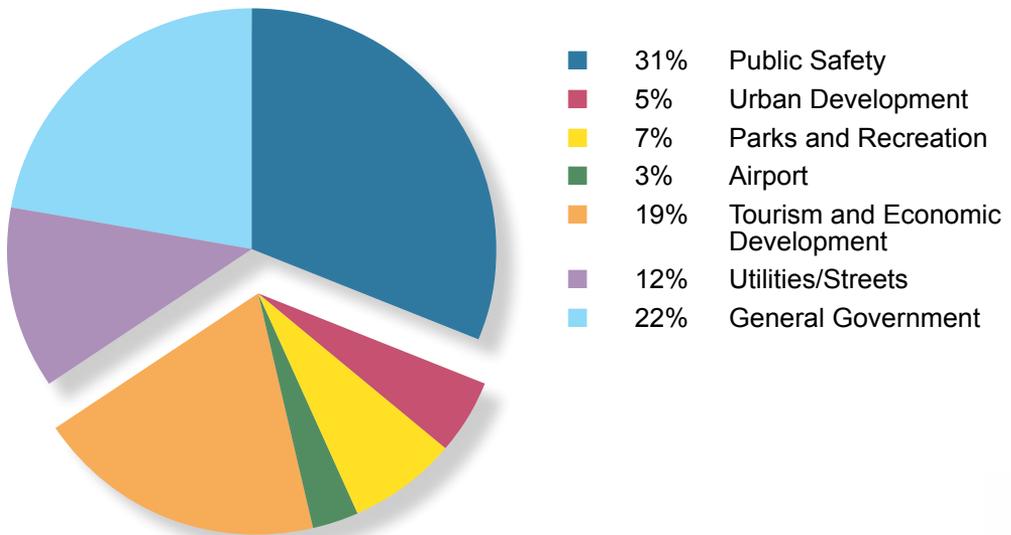
Scheduled purchases through FY2015-16 are:

- PC Replacement (\$247,000)
- Non-Public Safety Handheld Radios (\$40,000)
- MDC Laptops (\$230,000)
- Document Management (\$150,000)
- ERP System (\$900,000)

Information Technology Replacement Fund Statement of Income

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Operating revenues				
Department contributions and other	\$750,000	\$750,000	\$750,000	\$750,000
Total operating revenues	\$750,000	\$750,000	\$750,000	\$750,000
Operating expenses				
Maintenance	217,418	-	-	-
Contractual services	3,543	2,000	3,928	3,500
Capital Outlay	-	-	-	-
Total operating expenses	\$220,961	\$2,000	\$3,928	\$3,500
Net operating income	\$529,039	\$748,000	\$746,072	\$746,500
Non-operating revenues (expenses)				
Interest earnings and other	8,420	6,250	10,600	6,250
Net non-operating revenues (expenses)	\$8,420	\$6,250	\$10,600	\$6,250
Net income (excluding depreciation)	\$537,459	\$754,250	\$756,672	\$752,750
Changes in working capital				
Net income (excluding depreciation)	\$537,459	\$754,250	\$756,672	\$752,750
Sources (uses) of working capital				
Acquisition of capital hardware/software	(351,528)	(3,430,000)	(2,270,952)	(1,636,100)
Net sources (uses) of working capital	\$(351,528)	\$(3,430,000)	\$(2,270,952)	\$(1,636,100)
Net increase (decrease) in working capital	185,931	(2,675,750)	(1,514,280)	(883,350)
Beginning working capital	3,050,653	3,024,653	3,236,584	1,722,304
Ending working capital	\$3,236,584	\$348,903	\$1,722,304	\$838,954

Contributions to the Information Technology Replacement Fund by Function



CAPITAL REPLACEMENT FUND

Fund Description

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

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

Fund Narrative

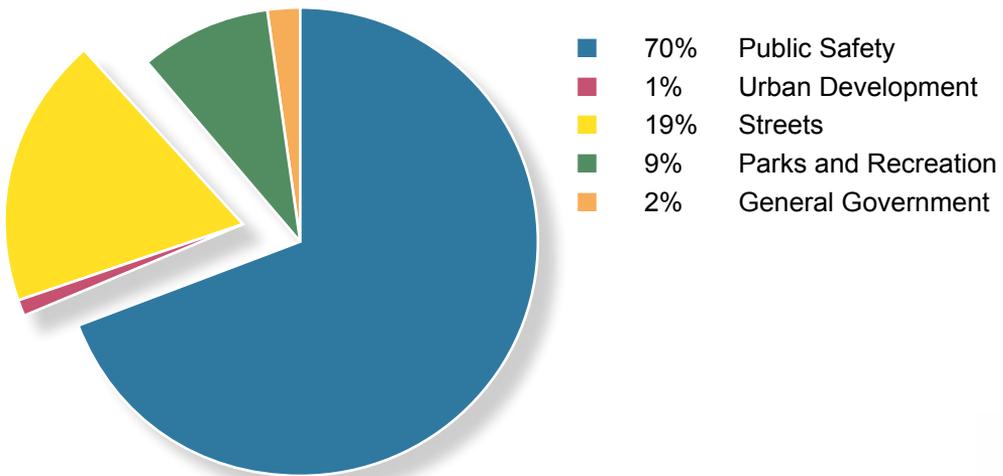
Expenses in FY2015 were primarily associated with the purchase of (1) Quint Fire Truck, (1) Fire Prevention Vehicle, (1) Animal Control Vehicle, (2) Police Motorcycles, (2) Service Trucks, and (10) Treadmills. Equipment purchases included in the fiscal year 2016 budget include:

- Fire – Ambulance (\$200,000)
- Police – (15) Patrol Vehicles (\$585,000)
- Police – (2) CID Vehicles (\$54,000)
- Parks – (1) Service Truck (\$30,000)
- Parks – (1) Dump Truck (\$37,000)
- Parks – (1) Tractor (\$20,000)
- Parks – (1) Chemical Spray/Trailer (\$14,000)
- Streets – (1) Grappler Truck (\$140,000)
- General Services – (1) Hybrid Electric Vehicle (\$25,000)
- Recreation – (1) MTS Hammer Training Circuit Equipment (\$55,500)

Capital Replacement Fund Statement of Income

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Operating revenues				
Department contributions and other	\$722,000	\$800,000	\$800,000	\$800,000
Total operating revenues	\$722,000	\$800,000	\$800,000	\$800,000
Operating expenses				
Maintenance and Materials	26,090	-	-	-
Contractual services	3,922	3,000	4,000	4,000
Capital Outlay	-	-	-	-
Total operating expenses	\$30,012	\$3,000	\$4,000	\$4,000
Net operating income	\$691,988	\$797,000	\$796,000	\$796,000
Non-operating revenues (expenses)				
Interest earnings and other	9,414	10,000	10,000	30,000
Proceeds from sale of assets	116,003	20,000	20,000	20,000
Net non-operating revenues (expenses)	\$125,417	\$30,000	\$30,000	\$50,000
Net income (excluding depreciation)	\$817,405	\$827,000	\$826,000	\$846,000
Changes in working capital				
Net income (excluding depreciation)	\$817,405	\$746,000	\$826,000	\$846,000
Sources (uses) of working capital				
Acquisition of capital equipment	(378,155)	(1,014,000)	(971,820)	(1,160,500)
Net sources (uses) of working capital	\$(378,155)	\$(1,014,000)	\$(971,820)	\$(1,160,500)
Net increase (decrease) in working capital	\$439,250	\$(187,000)	\$(145,820)	\$(314,500)
Utilities				(28,000)
Beginning working capital	3,296,798	3,632,798	3,736,048	3,590,228
Ending working capital	\$3,736,048	\$3,445,798	\$3,590,228	\$3,275,728

Contributions to the Capital Replacement Fund by Function



INFRASTRUCTURE INVESTMENT FUND

Fund Description

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

Fund Narrative

The Fund was created in FY2015 in order to set aside resources to fund a reserve for years of decline, to fund capital from current funds for projects that would have otherwise been funded by debt financing, or to fund significant non-routine capital expenditures. The FY2016 budget allocates \$0.0062 of the property tax rate to fund the IIF for future appropriations. Together with the ending balance from FY2015, the dedicated portion of the tax rate is budgeted to bring the Infrastructure Investment Fund beginning balance to just under \$3.5 million. The assignment of capital improvement projects for FY2016 to the IIF brings the projected ending fund balance to approximately \$2.79 million.

The budget for FY2016 Infrastructure Investment Fund reflects a continuation of the projects approved in the FY2015 budget: \$30,000 for City Wide Streets and Sidewalk Assessment and Evaluation; \$50,000 for Addison/Surveyor Road Railroad Crossing Improvements; \$325,000 for Illuminated Street Name Sign Replacement; \$150,000 for Les Lacs park and Town Park Playground Structures and Re-surfacing; \$200,000 for Streets and Sidewalk Improvements; and \$200,000 for the Airport ILS.¹

¹ See Appendix F.

Impact of Capital Projects on Operating Budgets

When considering new capital projects, Addison must ensure that it raises enough operating revenues to cover any increased levels of service created by the new projects. In other words, as projects in the Infrastructure Investment Fund (IFF Fund) are completed, there is usually a need for funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment.

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

Infrastructure Investment Fund Statement of Revenues and Expenditures

	Actual 2013-14	Budget 2014-15	Estimated 2014-15	Budget 2015-16
Beginning Balance	\$-	\$-	\$-	\$3,485,980
Revenues				
Tax Contribution	-	233,980	233,980	250,440
Interest earnings and other	-	2,000	2,000	5,000
Total Revenues	-	\$ 235,980	\$ 235,980	\$ 255,440
Total Available Resources	-	\$ 235,980	\$ 235,980	\$3,741,420
Expenditures				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Design and Engineering:				
Engineering and contractual services	-	150,000	120,000	30,000
Construction and equipment	-	1,030,000	630,000	925,000
Total Expenditures	-	\$1,180,000	\$ 750,000	\$ 955,000
Other Financing Sources (Uses)				
Transfer In	-	4,000,000	4,000,000	-
Ending Fund Balance	\$-	\$3,055,980	\$3,485,980	\$2,786,420

A stone pillar stands on a brick-paved area, marking the entrance to Bosque Park. The pillar is constructed from irregular, stacked stones in shades of grey, tan, and brown. A white rectangular sign is mounted on the pillar, featuring the text 'BOSQUE PARK' in a serif font. The background is a dense forest of tall, thin trees with green foliage. A concrete path leads away from the pillar, and a small black bollard is visible on the path. The foreground shows a brick-paved area with a mix of red and grey bricks.

BOSQUE
PARK

A stone pillar with a sign that reads "BOSQUE PARK". The pillar is constructed from irregular, light-colored stones and has a decorative, slightly flared top. It stands on a brick-paved area. In the background, there is a dense forest of tall, thin trees with green foliage. A concrete path leads away from the pillar towards the left. A small, dark object, possibly a trash can or a light fixture, is visible in the distance on the left side of the path.

BOSQUE
PARK

ADDISON FAST FACTS*

2015 Population: 15,530

2015 Assessed Value: \$4,036,723,767

Median Age: 32.5 years

Median Household Income: \$55,816

Average Household Income: \$84,917

Number of Households: 7,378

Total Employment in Addison: 90,000

Square Miles: 4.3 square miles

Developable Land Remaining: 5%

Housing Units:

Owner Occupied: 20.1%

Renter Occupied: 69.7%

Vacant: 10.2%

Education Level: 47% with a Bachelor's degree or higher

Top 10 Property Tax Payers:

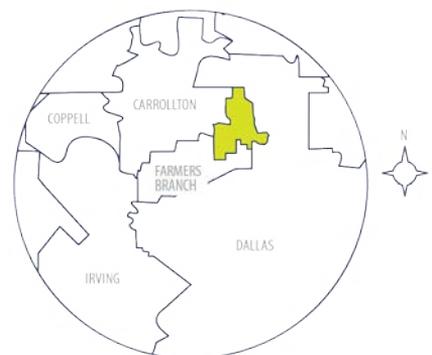
- Post Addison Circle
- Fiori LLC
- 5100 Belt Line Road Investors LLC
- FPG Colonnade LP (The Colonnade III)
- COP Spectrum Center LLC
- Gaedeke Holdings IX LLC
- Real Pink Limited
- FPG Colonnade LP (The Colonnade II)
- FPG Colonnade LP (The Colonnade)
- Savoye 2 LLC

***Source: Dallas County Appraisal District**

Top 10 Employers in Addison:

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

Addison within the Dallas Metroplex



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

ADDISON TOWN CHRONICLE

Town Description

The Town of Addison is located in the Dallas North Parkway area that encompasses the Dallas suburbs of Carrollton, Farmers Branch, and Plano. The area is home to affluent residential neighborhoods, multiple corporate office parks, scores of quality restaurants, and the prestigious Galleria mall. The area commands a central location in reference to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

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

Addison's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 95 office buildings providing nearly 10 million square feet of office space, and an additional 47 retail buildings representing approximately two million square feet of space. Most of Addison's office buildings are designated "Class A" due to the amenities they offer. Addison boasts 22 hotels with 3,953 rooms and over 180 restaurants, or an average of 46 per square mile.

Because of its concentration of commercial and retail development, Addison is particularly susceptible to changes in the regional and national economies. The national recession greatly impacted the local economy

and the revenue generated by Addison's businesses; however, we are beginning to see signs that we are emerging from the downturn. Addison's taxable appraised values as of January 1, 2015 rose 6 percent. The increase can be attributed to Addison being in the midst of an economic boom in the community, with the redevelopment of Village on the Parkway (\$90 Million investment) continuing. The redevelopment of Village on the Parkway continued this year with the opening of the AMC movie theater, a parking structure and the addition of new restaurants and retailers. Multi-family construction slowed over the last year, with no new apartment constructions.¹ Sales tax for the 2015 fiscal year is expected to be less than prior year's collections due to the loss of one major sales tax payer. Addison's hotels, which cater primarily to business travelers, are beginning to experience improved bookings resulting in an 8.6 percent increase in hotel occupancy tax for the 2015 fiscal year compared to the previous fiscal year. Over the past year, Texas' unemployment rate has decreased 1 percent to 4.1 in August 2015, and remains lower than the U.S. rate of 5.1 percent.² Lower oil prices and a stronger dollar have led to declines in the summer months of 2015. However, the resilient Texas economy is set to add jobs this year. The Town of Addison will share in any economic recovery experienced by the region and the state, but employment trends indicate that Texas will finish 2015 at a 1.3 percent annual growth rate.³ This rate is in line with the average rate of growth over the past couple of decades.

For purposes of easily identifying the events affecting the community, Addison 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.

1 Town of Addison, Development Services Department.

2 Texas Economic Indicators for September 2015, Federal Reserve Bank of Dallas.

3 Regional Economic Update, September 17, 2015, Federal Reserve Bank of Dallas.

TOWN-WIDE (ALL SECTORS)

Sector Description

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

Capital Projects

Immediate (1-12 months)

Public Safety Radio Replacement - \$5,000,000 in Bonds were sold to cover equipment and non-recurring costs of both radio replacement and the new combined dispatch center. The majority of the funds were spent in FY2015, with the remainder to be spent in FY2016.

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

Special Services (Water/Water Storage Master Plans) - The Water Storage Master Plan Evaluation will evaluate the condition of the exterior and interior coating systems to include pipes and valves, the tank exterior and interior structural safety features and appurtenances, tank sites, the condition of pipe and valve vaults, the condition of the electrical, instrumentation, and control systems. This information will provide the basis of a Capital Improvement Program for the storage facilities that will include recommendations for prioritization and an opinion of probable cost.

SECTOR 1

Sector Description

This sector of Addison is the most topographically interesting 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 Addison, if not the entire North Dallas area. The northwest section of Sector 1 contains a mixture of retail and restaurant establishments.

Capital Projects

Accomplished

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

Immediate (1-12 months)

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

Visit Addison – Addison has opted to end its lease in Village on the Parkway, opening up a 26,000 square foot space for future development. One final payment will be made in FY2016.

Sector Community Issues

SECTOR 2

Sector Description

The most densely developed section of Addison is in Sector 2. Within this area are the Quorum Office Park, two convention hotels, several motels, and most of the Town's restaurants and retail establishments. The major thoroughfares of Belt Line Road, Inwood Road, Midway Road,

and the Dallas North Tollway influenced the rapid growth of the area. The area is bisected by the St. Louis and Southwestern railroad line.

Capital Projects

Accomplished

Intermediate (13 to 36 months)

Pedestrian Connectivity (South Quorum) – This project is part of the Quorum Art Walk study which identified potential pedestrian upgrades along Quorum Drive. The funding for this project came from the 2012 Bond Program – Proposition 6 for Pedestrian Connectivity. The improvements will include enhanced pedestrian and street lighting in the south Quorum area that will replace the existing 35 year old street light system.

Sector Community Issues

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

SECTOR 3

Sector Description

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

Capital Projects

Accomplished

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

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

Pedestrian Connectivity (Redding Trail Expansion) – This is the first phase of the Beltway/Proton Pedestrian Connectivity improvements, which are funded from the 2012 Bond Program. This trail extension provides a pedestrian connection from Brookhaven College to the Addison Circle District through the Town of Addison's Trail network.

Immediate (1-12 months)

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

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

Vit-Alpha Road Connection – The connection to Alpha Road from Bella Lane will use right-of-way donated by Brookhaven Community College. The roadway will include a round-about and a north entrance into the Brookhaven Community College ring road.

Surveyor GST Rehabilitation and Piping Upsize – The 2 million gallon ground storage tank located on the northeast corner of Surveyor and Arapaho will be rehabilitated as identified in the 2014 Five-Year Capital Improvement Plan for Water Storage Facilities.

Belt Line Utility Relocation – The overhead utilities on Belt Line Road will be brought underground. The project will also include sidewalk improvements, right-of-

way acquisition, upgraded traffic signals, ADA compliance improvements, and a mid-block crossing. The final phase of the project will be a full-length roadway overlay from Marsh Lane to the Dallas North Tollway.

Addison Road Rehabilitation (Also in Sectors 4,5 and 6) – The Addison Road improvements are currently underway and consists of full depth repair activities along with other lesser improvements.

Pedestrian Connectivity (Beltway/Proton Phase 2) – This project is currently under construction and will include: new street lighting along Beltway Drive; pedestrian lighting along Proton Drive; pedestrian improvements at the corner of Beltway Drive and Proton; improved crosswalk markings at Les Lacs Avenue, Proton Drive and Surveyor Boulevard; a new accessible route to the Athletic Club from the Beltway/Proton Drive intersection; landscape enhancements; and an expanded pedestrian corridor on Beltway Drive from Midway Road to Belt Line Road.

Les Lacs – This project consists of a rebuild of the current water well pump and motor, and a re-routing of the existing well piping to the south end of the lake, and a water quality management program.

Long-Term (37-60 months)

Rawhide Branch Improvements – A detailed Stormwater Master Plan will be conducted for the Rawhide Branch Basin. A Capital Improvement Program will be developed from this study.

SECTOR 4

Sector Description

The distinguishing feature of this area is the Addison Airport, one of the most successful 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 Addison's light industrial development. Located within Sector 4 are Addison's Police Station, Fire Station 1, and Service Center.

Capital Projects

Accomplished

Automated Weather Observing System (AWOS) Upgrade – The AWOS generates real-time weather reports every minute. AWOS weather reports are made available to airport personnel via displays on operator terminals, and to pilots via high quality, digitized voice transmissions using a VHF frequency or voice-capable NAVAID. AWOS reports are also available by telephone for flight planning and can be sent to the FAA's Weather Network for flight planning purposes. The AWOS was upgraded (with 75% funding from a TX-DOT grant and 25% airport funding) with the addition of a freezing precipitation sensor capable of detecting and differentiating snow, sleet, freezing rain, and hail.

Sky B&B Hangar – This is a \$4 million private hangar development on Airport Parkway. Addison contributed approximately \$450,000 of infrastructure improvements (water and sanitary sewer line relocations, gas line relocation, and storm water drainage improvements) to facilitate this development.

Airport Runway 33 ILS – As a condition of approving the Sky B&B hangar project, FAA required an upgrade to the localizer antenna for the Runway 33 ILS (Instrument Landing System). Garver Engineers was retained to perform the engineering and design work to relocate and upgrade the Runway 33 localizer antenna and associated equipment shelter, with a design review to be performed by FAA.

Taxilane Victor Reconstruction/Drainage – Engineering and design work was completed early in 2015, and construction began in late July, with a projected completion date of January 15, 2016. The taxilane is being reconstructed to accommodate heavier aircraft that are already using it; the project includes substantial storm drainage and safety area improvements. Construction costs are just over \$2 million, funded 90% by an FAA/TX-DOT grant with a 10% local matching share from the airport.

Airport Security Cameras for Fuel Farm and EMAS – Security cameras were installed for the Airport Fuel Farm and Engineered Materials Arresting System (EMAS) with extensive assistance from the IT Department. Additional assistance

from IT was provided for an upgrade of the airport “crash phone” emergency notification systems in conjunction with the consolidation of shared dispatch services with Carrollton, Coppell, and Farmers Branch.

Airport Master Plan Update – The airport selected a team led by Garver Engineers to update the Airport Master Plan. FAA requires airports to produce and maintain an Airport Master Plan; this \$230,000 project was funded 90% by FAA/TX-DOT with a 10% match from the airport. The Master Plan details improvements planned over a 20-year time frame, with emphasis on redevelopment in accordance with the 2013 Airport Strategic Plan. Addison’s Master Plan update includes extensive financial analysis. The update is substantially complete and is awaiting review by City Council, to be followed by FAA and TX-DOT review.

Airport Northwest Drainage Channel Improvements – Stormwater drainage improvements are planned for the northwest section of the airport in accordance with the Stormwater Master Plan developed for the Hutton Branch Basin. Garver Engineers was selected to design improvements for a drainage channel that runs through the northwest section of the airport, with the design work being completed in late 2015.

Immediate (1 to 12 months)

Airport Runway Incursion Mitigation (RIM) Study – The Federal Aviation Administration (FAA) is undertaking a national initiative known as the Runway Incursion Mitigation (RIM) program to identify airport risk factors that might contribute to a runway incursion and develop strategies to help airport sponsors mitigate those risks. Addison is partnering with the FAA in a \$48,000 RIM study project, with 90% funding from FAA and 10% local funds.

Airport Runway 33 ILS – Construction of the relocated and upgraded Localizer antenna for the Runway 33 ILS is planned for mid to late-2016.

Airport Northwest Drainage Channel Improvements – Construction of the airport northwest drainage channel improvements designed in 2015 is planned for 2016, with funding (\$470,000) from stormwater fees.

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

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

Intermediate (13 to 36 months)

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

Long-Term (37 to 60 months)

Runway Designation Change, rejuvenation – Runways are given a number designation that corresponds to their magnetic heading, and designated with a number from 1 to 36. Due to the drift of Earth’s magnetic poles, from time to time a change in runway designation may be necessary. As of November 2014, the magnetic poles have drifted far enough to require a change in Addison’s runway designations. Changing the runway designations requires changing the paint markings, airfield guidance signs, and various navigation charts and publications.

Additionally, the runway was reconstructed in 2011. Application of a pavement rejuvenator product to extend the life of the asphalt pavement is considered good practice, and an opportune time to do that is when the pavement is around 5-7 years old and the markings are being changed to reflect the change in runway designation. The project scope may be expanded to include rejuvenation of Taxiway Alpha as well.

Perimeter Access Controls and Monitoring System – The airport undertook a study to determine what security upgrades are needed. Those recommendations have

been presented in a report and will be implemented as funding is available.

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

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

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

Sector Community Issues

The airport is focused on redevelopment opportunities and implementation of the Airport Strategic Plan that was approved by City Council in 2013. The Airport Strategic Plan has informed the 2014-15 Airport Master Plan update, which will in turn guide future (re)development of the airport, both on the airside and the landside. A major goal of these planning efforts is to achieve greater integration of the airport with the community it serves and in which it resides, including a focus on improving aesthetics.

Over the past five years, the airport has completed several grant-funded projects that have improved the safety and utility of the airfield. These include reconstruction/rehabilitation of the runway in 2011 (an \$11 million project, 90% TX-DOT/FAA – 10% airport funded); reconstruction of Taxiway Alpha in 2012-13, including reconstruction of Taxilane Tango and the addition of new concrete run-up areas at the north and south ends of Taxiway Alpha (a \$10 million project, 90% TX-DOT/FAA – 10% airport funded); installation of an Engineered Material Arresting System (EMAS) at the south end of the runway, designed to safely decelerate/stop aircraft that may run off the end of the runway (a \$7 million project, with \$4.5 Million TX-DOT funding); and the full-depth, end-to-end reconstruction of Taxilane Victor in 2015 (a \$2 million project, 90% TX-DOT/FAA – 10% airport funded). These airfield improvements have in turn attracted significant private invest-

ment, including most recently (in 2015) the \$4 million corporate hangar development on Airport Parkway.

The airport also acquired additional property in 2013-14 in order to increase revenues and preserve aviation uses on properties adjoining the airport. Using \$7 million in voter-approved bond funds, the airport acquired two properties that are now producing over \$500,000 in annual revenue. A cash reimbursement from TX-DOT Aviation for 90% of the appraised land value (totaling \$1,910,420 for both properties) is anticipated in FY19, further leveraging the return on this significant investment in the airport.

SECTOR 5

Sector Description

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

Accomplished

Elevated Storage Tank – The Surveyor Elevated Storage Water Tank was commissioned and put into service on September 23, 2013.

Immediate (1-12 months)

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

Addison/Surveyor Road Railroad Crossing Improvements (In sectors 4 and 5) – Once license agreements are executed with

DART, work will begin on improving the railroad crossings at Addison Road and Surveyor Boulevard.

SECTOR 6

Long-Term (37-60 months)

Sector Community Issues

Addison Circle Development – With the completion of Meridian Square in FY2013, the Addison Circle development is near build-out. Phase II of the Allegro apartments took the last available parcel in Addison Circle. The 121-unit apartment project opened in April Of 2013. Addison Circle began as a vision crafted by the Addison 2020 Committee, which was established in 1992 to envision Addison's future. The project broke ground in 1997 and has transformed Addison's profile and confirmed its brand as a true urban destination. The award-winning, nationally acclaimed mixed-use development now boasts 2,141 multi-family units, 407 town-home and condominium units, 550,000 square feet of office space, and 75,000 square feet of retail space.

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

Sector Description

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

Accomplished

Immediate (1-12 months)

Addison Road Rehabilitation (in Sectors 4, 5 and 6) – The Addison Road improvements is currently under construction and consists of full depth repair activities along with other lesser improvements.

Long-Term (37-60 months)

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

Sector Community Issues

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



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ALARM

LENNIE ISHMORE
CAPTAIN
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RICHARD P...

APPENDIX A

THE BUDGET PROCESS

1

April
2015

Schedules Distributed to City Council

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

2

May
1, 2015

Budget Requests Submitted and Reviewed

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

3

June-July
2015

Work Sessions with City Manager

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

4

July
2015

Preliminary Budget Discussions

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

5

July
25, 2015

Certified Tax Rolls Received

Certified appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$4,036,723,767.

6

July
31, 2015

2015-2016 City Manager's Proposed Budget

City Manager's proposed budget is filed with the City Secretary and made available to the public as required by the City Charter. The budget reflects total appropriations of \$105,861,569 and a tax rate of 55.55 cents.

7

August
15, 2015

Effective Tax Rate Published

Upon receipt of the certified appraisal rolls, Finance Department performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 53.4304 cents with a rollback rate of 55.5524 cents.

8

August
2015

Work Sessions with Council

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

9

August-
September
25 & 1, 2015

Public Hearings Held

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

10

September
8, 2015

Council Adopts the 2015-2016 Budget

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2015 with total appropriations of \$109,817,441 and a tax rate of 57.915 cents.

11

December
2015

2015-2016 Budget Document is Published

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

12

August
2016

Budget is Amended

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

APPENDIX B

FINANCIAL POLICIES

Introduction

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

Annual Budget

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

1. The fiscal year of the Town of Addison shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.
2. The City Manager, prior to August first of each year, shall prepare and submit to the City Secretary the annual budget covering the next fiscal year, which shall contain the following information:
 - a. The City Manager's budget message shall outline the proposed financial policies for the next fiscal year with explanations of any changes from previous years in expenditures and any major changes of policy and a complete statement regarding the financial condition of the Town.
 - b. An estimate of all revenue from taxes and other sources, including the present tax structure rates and property valuations for the ensuing year.
 - c. A carefully itemized list of proposed expenses by office, department, agency, and project for the budget year, as compared to actual expenses of the last ended fiscal year, and estimated expenses for the current year compared to adopted budget.
 - d. A description of all outstanding bonded indebtedness of the Town.
 - e. A statement proposing any capital expenditure deemed necessary for undertaking during the next budget year and recommended provision for financing.
 - f. A list of capital projects which should be undertaken within the next five succeeding years.
 - g. A five-year financial plan for the General, Hotel, Airport, and Utility Funds.
3. The City Manager's budget should assume, for each fund, operating revenues that are equal to or exceed operating expenditures. The City Manager's budget message shall explain the reasons for any fund that reflects operating expenditures exceeding operating revenues.
4. At least one public hearing shall be conducted before the City Council, allowing interested citizens to express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any items of expense. The notice of hearing shall be published in the official newspaper of the Town not less than 15 days or more than 30 days following date of notice.
5. Following the public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least three days prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote. If the City Council fails to adopt the budget, the Town shall continue to operate under the existing budget until such time as the City Council adopts a budget for the ensuing fiscal year.
6. On final adoption, the budget shall be in

effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise, the City Council may amend or change the budget to provide for any additional expense.

7. The annual budget document shall be published in a format that satisfies all criteria established by the Government Finance Officers Association's Distinguished Budget Program. The final budget document shall be published no later than 90 days following the date of the budget's adoption by the City Council.

Basis of Accounting and Budgeting

1. The Town's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

- a. The accounts of the Town are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.

- b. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be

determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

- c. The Town utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
- d. The Town's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

2. The Town's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Also, depreciation of fixed assets is not recognized in proprietary fund budgets. All annual appropriations lapse at fiscal year-end. Under the Town's budgetary process, outstanding encumbrances are reported as reservations of fund balances

and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

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

Budget Administration

1. All expenses of the Town shall be made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
2. The following represents the Town's budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer (CFO). Transfers between operating departments may occur with the approval of the City Manager and CFO provided

that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Financial Reporting

1. Following the conclusion of the fiscal year, the Town's CFO shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
2. The CAFR shall show the status of the Town's finances on the basis of GAAP. The CAFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In all but two cases this reporting conforms to the way the Town prepares its budget. Compensated absences (accrued but unused sick leave) are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds, although the full purchase price of equipment and capital improvements is reflected as uses of working capital.
3. Included as part of the CAFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.
4. The CFO shall, within 60 days following the conclusion of each calendar quarter, issue a report to the City Council reflecting the Town's financial condition for that quarter. The quarterly report format shall be consistent with the format of the annual budget document.

Revenues

1. To protect the Town's financial integrity, the Town will maintain a diversified and stable revenue system to shelter it from

- fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the Town will attempt to reduce its dependence on sales tax revenue.
2. For every annual budget, the Town shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the Town's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. The operation and maintenance levy will be established within the eight percent rollback rate as defined by the State of Texas Property Tax Code. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.
 3. The Town will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The Town may consider providing tax abatements or other incentives to encourage development.
 4. The Town will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
 - a. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
 - b. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
 - c. The Town will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).
 5. The Town will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
 6. The Town will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
 7. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

Operating Expenditures

1. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - a. Operating, Recurring Expenditures
 - i. Personnel Services
 - ii. Supplies
 - iii. Maintenance
 - iv. Contractual Services
 - v. Capital Replacement/Lease
 - b. Operating, Non-Recurring Expenditures
 - i. Capital Equipment
2. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.
3. The Town will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.

4. Personal service expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the Town shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
5. Supply expenditures shall be sufficient for ensuring the optimal productivity of Town employees.
6. Maintenance expenditures shall be sufficient for addressing the deterioration of the Town's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.
7. The Town will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the Town. The Town will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the Town.
8. Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least one year. Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of Town employees. Existing capital equipment associated with General Fund operations will be amortized by charges to the departments using the equipment. The amortization charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The amortization charges and application of those funds will be accounted for in the Capital Replacement Fund.
9. Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
10. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the CFO. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

Fund Balance

1. The annual budget shall be presented to City Council with each fund reflecting an ending fund balance which is no less than 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, ending fund balances may be established which exceed the 25 percent minimum.
2. Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs.
3. The Town will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Addison community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to arrest the future use of fund balance for operating expenditures.

Fund Transfers

1. With the exceptions noted below, there will be no operating transfers between funds. Any costs incurred by one fund to support the operations of another shall be charged directly to the fund. (For example, actual hours worked by General Fund employees for Hotel Fund events.)
2. Fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses or when needed to satisfy debt service obligations.
3. Transfers are permitted from between

funds to support economic development programs.

Debt Expenditures

1. The Town will issue debt only to fund capital projects that cannot be supported by current, annual revenues.
2. To minimize interest payments on issued debt, the Town will seek to maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 15 years, except in instances when the capital improvements will significantly benefit the community beyond the 15 year period. Retirement of debt principal will be structured to ensure consistent annual debt payments.
3. The Town will attempt to maintain base bond ratings (prior to insurance) of “Aa1” (Moody’s Investors Service) and “AAA” (Standard & Poor’s) on its general obligation debt.
4. When needed to minimize annual debt payments, the Town will obtain insurance for new debt issues.

Capital Project Expenditures

1. The Town will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project’s impact to future operating expenditures.
2. Capital projects will be constructed to:
 - a. Protect or improve the community’s quality of life.
 - b. Protect or enhance the community’s economic vitality.
 - c. Support and service new development.

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

Utility Capital Expenditures

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

Long-Term Financial Plans

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

Facility Construction; Best Value Methods for Entering into Contract

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

(such methods being those set forth in Section 271.113(a) of the Texas Local Government Code):

- a. Competitive bidding;
 - b. Competitive sealed proposals for construction services;
 - c. A design-build contract;
 - d. A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
 - e. A job order contract for the minor repair, rehabilitation, or alteration of a facility.
3. The determination of which of the best value methods set forth in subparagraph (b) shall be used shall be made before advertising as required by law. The authority of the city council to make such determination is hereby delegated to the city manager (or the city manager's designee), and the city manager (and any designee of the city manager) is hereby authorized to make such determination.

The use or implementation of any such methods shall comply in all respects with Chapter 271, Subchapter H of the Texas Local Government Code and any other applicable law.

LES LACS LINEAR PARK

A TEXAS LOCAL PARKS, RECREATION
AND OPEN SPACE FUND PROJECT

SPONSORED FOR

TOWN OF ADDISON

BY TEXAS PARKS AND WILDLIFE DEPARTMENT

MAYOR

Richard N. Beckert

COUNCILMEMBERS

Rik Crews

Robert L. Doepfner

Mary J. Dolan

Susan M. Halpern

Gregory C. Roach

Ann B. Sudduth

CITY MANAGER

Ron Whitehead



ADDISON

LANDSCAPE ARCHITECT/ENGINEER: CARTER & HUGHES, INC.
GENERAL CONTRACTOR: DEAN CONSTRUCTION

APPENDIX C

COMPENSATION PLAN

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

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

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

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

Merit and Market Pay Plan

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

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

Included in the 2015-2016 budget is lump sum of \$500,000 to be allocated after a market study is completed in the first quarter of FY2016.

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

WAGE AND SALARY SCALE

Departments

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

Police Department

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

Fire Department

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

APPENDIX D

MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$47,383,141 or 43 percent of Addison's total operating revenues (excluding interfund transfers).

Property Taxes

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. Addison's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by the Dallas Central Appraisal District (DCAD) at 100 percent of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll as of January 1, 2015, upon which the fiscal year 2016 levy is based, is \$4,036,723,767. This amount is net of \$428,399,743 (representing 11 percent of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. Although new construction in recent years has been strong, Addison experienced a significant decrease over the last year. New construction is valued at \$11,735,510 on the 2015 certified tax roll, which is a decrease of 86.2 percent over the previous year. However, Addison has experienced growth in economic development, and recognizes that the local economy is cyclical. The Town continues to realize increased values, particularly those related to the Vitruvian Park development, and expects a continued growth as the nation's economy stabilizes.¹

Addison is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, and must demonstrate, at the time of issuing bonds to the Attorney General, that it can pay annual debt service at a maximum \$1.50 tax rate at 90% collections, which includes the payment of principal and interest on general obligation

long-term debt. The tax rate for the year ending September 30, 2016 is 57.9150¢ per \$100 of valuation, of which 37.6724¢ is allocated for general government operation and maintenance and 20.2426¢ is allocated for retirement of general obligation long-term debt. Of the 37.6724¢ allocated for operations and maintenance, 2.4773¢ is committed to economic development and .6201 is committed to the Infrastructure Investment Fund.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, Addison may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement the Town continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year. The tax rate that equates to an 8 percent increase above the prior year rate is known as the "rollback rate." The FY2016 tax rate adopted by Addison is more than the calculated 55.5524¢ 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, 2016 are estimated to be 99 percent of the levy and will generate \$23,378,708 in revenues. Delinquent taxes and penalties are expected to produce an additional \$39,300.

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

Sales Tax

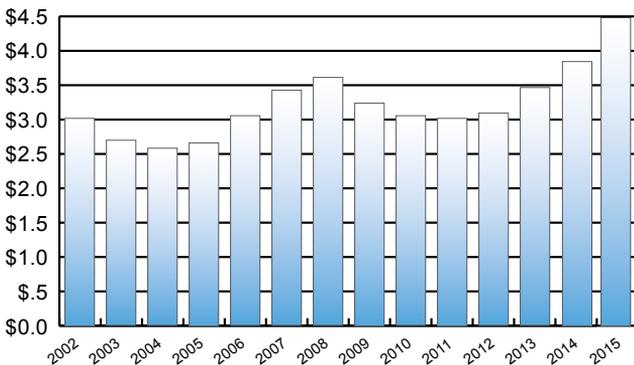
The sales tax in Addison is 8.25 percent of goods or services sold within the Town's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25 percent tax, the State retains 6.25 percent and distributes 1 percent to the Town of Addison and 1 percent to the DART mass transportation authority. The State distributes tax proceeds to local entities within 40 days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2016, Addison expects to receive \$13,175,000 in sales and use tax revenue. This amount is less than the revenue projected for FY2015 collections of \$14,320,000 and an 8 percent decrease over the FY2015 budget. Monthly collections during FY2015 averaged about 3.46 percent below what was collected in FY2014, less than Dallas County's 7.27 percent increase, and the State's 5.28 percent increase. The primary driver of the decrease was the revenue loss that occurred when a major sales tax payer relocated to a different city. The Town's General Fund long-term plan

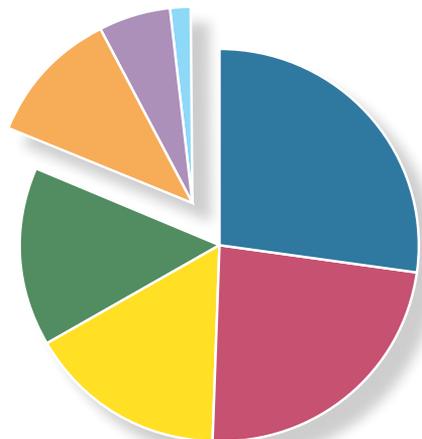
assumes a 2 percent growth in sales tax for FY2017 through 2020.

Another sales tax levied by the State of Texas is the alcoholic beverage tax which is applied against all mixed drinks and packaged liquor sold in the Town. As of January 1st, 2014, however, H.B. 3572 changed how Mixed Beverage taxes are calculated. The bill lowered the 14% Mixed Beverage Gross Receipts to 6.7%, while adding a beverage sales tax of 8.25%. Like the general sales tax, these taxes are collected by the State. The Town's share of the dollar revenues generated by the tax through FY2016 will be 10.7 percent of the States' collections. The modification significantly impacts a city like Addison, with its numerous restaurants and hotels. Although Addison has approximately 15,000 residents, its concentration of hotels and restaurants make it the 12th highest city in Texas for alcoholic beverage sales, surpassing Irving with a population of 216,290 and Frisco with a population of 116,989 (2010 Census). Revenues from Mixed Beverage tax combined with the beverage sales tax are projected at \$870,000 for the 2016 fiscal year, compared to the approximately \$820,000 collected in FY2015.

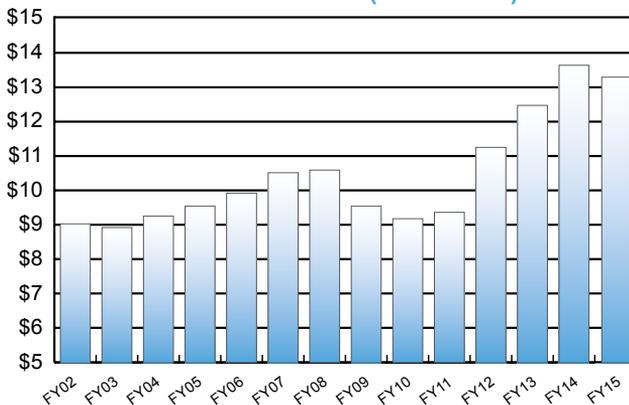
Assessed Valuation of Taxable Property as of January 1st of Levy Year (in billions)



Breakdown of FY 2014 Sales Tax by Economic Category

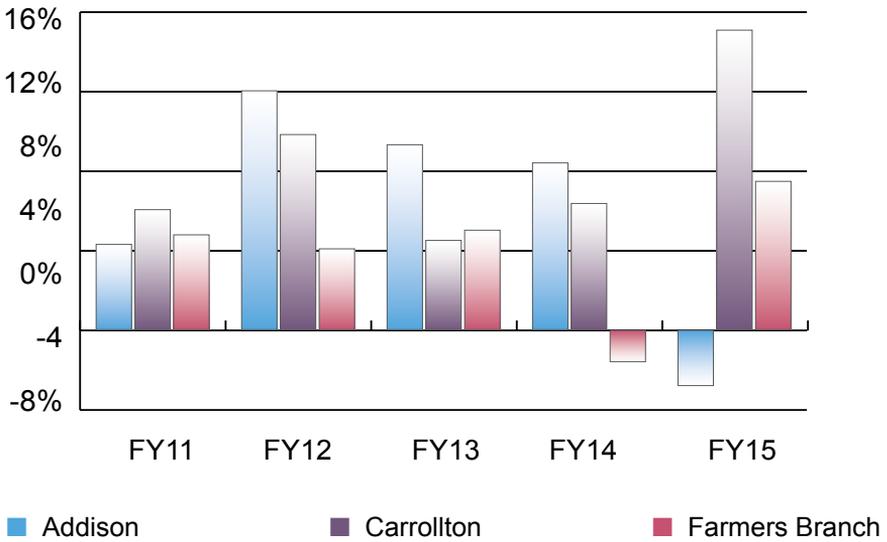


Sales Tax Revenue (in millions)



- 27.4% Service
- 23.4% Retail
- 16.1% Accommodation & Food
- 14.6% Wholesalers
- 11.2% Miscellaneous
- 5.8% Ag/Mining/Manufacturing
- 1.6% Not Reported by State

Sales Tax Receipts Year-Over-Year Percentage Change



Hotel/Motel Occupancy Tax

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

In 2014, Addison was ranked number 19 in the State in total hotel revenues out of over 550 Texas cities reporting, ahead of cities like Richardson with a population of 99,233

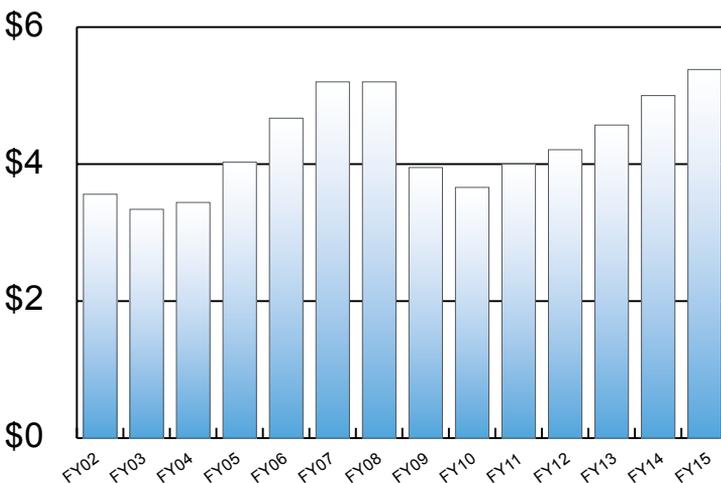
(2010 Census).² In total hotel revenues, the Town experienced an 4.4% increase from \$85,754,555 in 2013 to \$89,527,808 in 2015.³

In hotel occupancy tax receipts, the Town continued to show significant gains in FY2015 with year-over-year growth for hotel tax receipts of approximately 9 percent, and end-of-year receipts estimated at \$5,440,000. For the year ending September 30, 2016, the Town occupancy tax is budgeted at \$5,500,000.

² <http://www.window.state.tx.us/taxinfo/taxfiles.html>, Hotel Occupancy Tax Receipts, Quarterly Data

³ <http://www.window.state.tx.us/taxinfo/taxfiles.html>, Hotel Occupancy Tax Receipts, Quarterly Data

Hotel Occupancy Tax Revenue (in millions)



Percentage of FY 2015 Hotel Occupancy Tax Receipts by Establishment

Establishment	Number of Rooms	Percentage of Revenue
Full Service		
Marriott Quorum	535	13.5%
Hotel Intercontinental	532	13.5%
Crowne Plaza	429	10.9%
Extended Stay		
Budget Suites	344	8.7%
Hawthorne Suites	70	1.8%
Marriott Residence Inn	150	3.8%
Summerfield Suites	132	3.3%
Homewood Suites	128	3.2%
Springhill Suites	159	4.0%
Business Moderate		
Marriott Courtyard Quorum	176	4.5%
LaQuinta Inn	152	3.8%
Marriott Courtyard Proton	145	3.7%
Radisson - Addison	102	2.6%
Hilton Garden Inn	96	2.4%
Holiday Inn - Arapaho	101	2.6%
Comfort Inn	86	2.2%
Economy		
Motel 6	126	3.2%
Hampton Inn	159	4.0%
Red Roof Inn	115	2.9%
Comfort Suites	78	2.0%
Super 8	78	2.0%
Best Value	60	1.5%
Total	3953	100.0%

Franchise Fees

Effective January 1, 2002, the method of collecting franchise payments changed with the partial deregulation of electric power in Texas. In the past, the Town received franchise fee payments once per year based on 4 percent of Oncor's total electric sales within Addison. Under deregulation, the franchise fee payment has been replaced by a per kilowatt hour fee. The fee is calculated by taking the total franchise amount paid by Oncor to Addison in 1998 and dividing the amount by the number of kilowatt hours sold that same year. For FY2016, that fee was calculated to be \$0.002671. Competing retail electric providers (REPs) will collect a per kilowatt charge from their customers and then remit the fee to Oncor's regulated transmission

and distribution company. Oncor will then pay the Town the fee revenue collected from the REPs. The Town expects to receive \$1,500,000 as an electric franchise fee payment in FY2016.

Additionally, after litigation against increased franchise fee payments, a court ordered the return of the increased revenue paid by Oncor to the Town. This mandate has ordered that the revenue be reimbursed by decreasing franchise fee revenues by approximately \$11,000 per quarter for the next 12 quarters. This mandate will affect fiscal years 2016-2018. Although this litigation is still pending appeal, the Town is preparing for this budget adjustment to begin in calendar year 2016.

Deregulation of the telecommunications industry and Federal laws governing the treatment of telecommunication companies by cities caused the Texas State Legislature to review the methods by which cities are compensated by telecommunication companies for use of public right-of-ways. A law was passed in 1999 that required cities to be compensated based on the number and type of telecommunication access lines each company has in a particular jurisdiction. This method of compensation is different from the percentage of gross receipts formula historically used by most cities. The law was passed with the goal of maintaining the cities' revenue base. Using guidelines promulgated by the Texas State Public Utilities Commission, cities across the state developed access line fees that were implemented on July 1, 2000. In Addison, the computed fees that are added to telecommunication customer monthly bills currently are as follows:⁴

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

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

Category 3
(Point-to-point or dedicated lines) **\$5.29**

The FY2016 budget anticipates \$650,000 from telecommunication access line fees. While this revenue source has seen significant decline in past years with the movement away from traditional land line telephone service, the popularity of "bundle" packages where customers can bundle land line telephone, Internet, and cable services has stabilized this revenue source.

Other franchise fees paid to Addison include gas, cable, and street rental fees. For FY2016 cable franchise fees are budgeted at \$335,000. In 2011 the cable franchise structure changed in Texas where cable companies will now begin reporting under a state cable franchise agreement rather than individual local agreements. The transition had little financial impact, as cable companies were still required to remit 5 percent of their gross receipts. Gas franchise fees for FY2016 are budgeted at

\$190,000, and various street rental fees are budgeted at \$5,000.

Utility Fees

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

In FY2013, the City Council approved changes to water and sewer rates in order to account for the increase in cost of service from Dallas Water Utilities and Trinity River Authority, respectively. As such, water rates increased this year due to the pass through increase in wholesale water rates from Dallas Water Utilities. Under these rates, each customer will pay a minimum monthly bill depending upon how their account is classified. For example, a single-family customer will pay a minimum rate of \$11.42 for water and \$13.55 for sewer, which includes 2,000 gallons, totaling \$24.97 each month. At the other end of the scale, a commercial customer with a meter greater than two inches in size pays a minimum monthly bill of \$272.71, with an allowance of 37,000 gallons. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exception to this rule is single-family residential customers who cease paying sewage fees once water consumption exceeds 8,000 gallons. The combined monthly water and sewer bill for a single-family residence that consumes 10,000 gallons is \$72.73.

Addison's rate schedule includes a conservation water rate that was first implemented in 2003. This rate applies to all customers with irrigation meters and single-family customers who consume more than 15,000 gallons in a month. The conservation rate is \$5.00 per 1,000 gallons compared to the base water rate of \$2.71 per 1,000 gallons over the minimum.

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

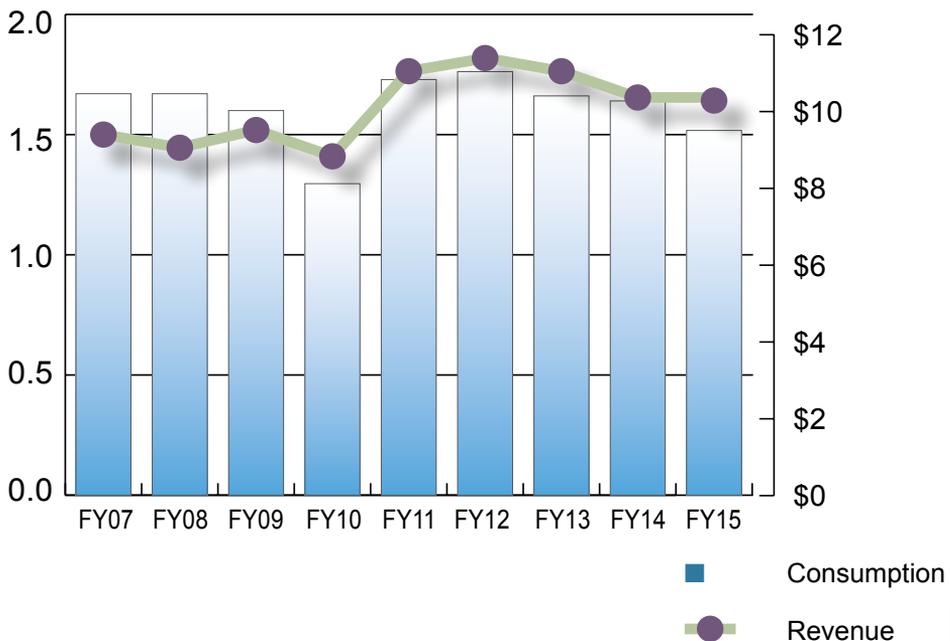
FY2014-2015	Water		Sewer
Customer Classification	Number of Accounts	Percent of Revenues	Number of Accounts
Single Family	1,746	11.3%	1,743
Multi-Family	134	17.1%	132
Municipal/School	31	0.9%	29
Irrigation	640	40.4%	-
Hotel/Motel	31	8.0%	30
Commercial	632	19.8%	617
Fire Meter	345	2.4%	-
Industrial	588	0.1%	11
Total	4,147	100.0%	2,562

This section includes a distribution of customers by classification and the approximate percentage of contribution each classification made to water and sewer operating revenues in FY2015. For the 2015-2016 budget year, the Town's Utility Fund anticipates receiving \$5,758,909 from the sale of water and \$4,524,621 from sewer fees. The total utility fees represent a slight decrease compared to the previous year's budget.

Stormwater Fees

Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town's drainage infrastructure. The Town's stormwater Fund anticipates receiving \$1,773,900 in Stormwater fees.

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



APPENDIX E

LONG-TERM FINANCIAL PLAN

Narrative

In accordance with Addison's financial policies, the 2015-2016 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for all Addison's major operating funds: General, Hotel, Airport, and Utility. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget for fiscal year 2016, and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on Town staff. The plans establish funding ceilings on recurring operating expenditures. Department directors may only exceed these ceilings by presenting requests to the City Manager and Council that provide new or expanded services to the community. Operating budgets are increased only when Council votes to approve each request.

Finally, the plans help the Town in absorbing the impact of economic booms and busts. Addison is particularly susceptible to economic fluctuations due to its dense commercial base. Although the Town has slightly more than 15,000 residents (2013 Census estimate), because of its office buildings, hotels, restaurants, and shops, it is estimated that Addison serves a population in excess of 150,000.¹ By establishing funding ceilings, revenue generated by an economic "boom" is added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plan is exercised in all four operating funds with the planning horizon beginning with the 2016 fiscal year. The Town is recovering from the \$1.2 million sales tax revenue loss due to a major taxpayer who relocated outside of Addison in 2015. In the Hotel Fund, the operating balance built up during the econom-

ic expansion period had been drawn down significantly in FY2013. In order to retain or recover a balance of at least 25 percent of operating expenditures as established by the financial policies that govern Addison's budget development, the 2013-2014 budget curtailed Hotel Fund operating expenditures to minimize the disparity between revenues and expenditures, and the 2014-2015 budget continued these operational efficiencies wherever possible. As a result, the 2015-2016 budget shows a healthy balance well above 25 percent threshold for both the Hotel and General Funds.

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

General Fund Long-Term Plan

The plan reflects the following assumptions based on historic trends and knowledge of economic conditions present when the budget was developed:

1. Non-property taxes decreased 7.7 percent from FY2014 to the estimated 2015 total. The loss is attributed to the relocation of a major taxpayer. The FY2015 budget assumes a slight 1 percent decline in sales tax compared to the prior year's budget. The projected years of 2016 through 2019 assume modest 2 percent annual increases.
2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2015 (used for the 2014 levy) increased 6 percent; this is the fourth year in a row of increased in values. From FY2012 through FY2015, values have increased

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

- a cumulative 29.7 percent. Addison's focus on expanding their economic development efforts has improved economic trends throughout the community, and has helped spur the majority of our new construction and redevelopment throughout the community. The tax rate established for FY2016 is 57.9150 cents per \$100 assessed values, an increase from the previous year. The increase in the tax rate and appraised values generated an additional \$2,244,220 in revenue. Addison's maintenance and operations portion of the rate is divided into three components: \$1,000,470 is directed to the Economic Development Fund, \$250,440 is contributed to the newly established Infrastructure Investment Fund, and the remaining \$13,963,710 for General Fund activities. The interest and sinking portion of the rate is \$8,175,320 for FY2016. The General Fund long-term plan assumes 2 percent average increase of appraised values from fiscal year 2016 to 2020. Much of this expected growth can be attributed to new construction each year and increased value in multi-family residential.
3. All other revenues during the planning horizon are expected to increase a modest 2 percent per year.
 4. Approximately two-thirds of the General Fund's expenditures are associated with employee compensation. The base 2016 year budget for personnel services is \$353,053 more than the 2015 budget due to the addition of a Code Enforcement department in FY2015, and a Council-approved amount for compensation to be allocated after the completion of a market study in the second quarter of FY2016.
 5. Due to the uncertainty of healthcare cost, an additional 10 percent was added to the budget to cover any increase to the organization.
 6. The 2016 budget reflects a \$158,051 increase in appropriations for maintenance projects associated mainly with Addison's aging infrastructure. Contractual services are down \$64,838 due to cost saving efforts of the Town.
 7. The General Fund makes contributions to Addison's Capital Replacement and Information Technology Funds that essentially amortize capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment.
 8. All operating expenditures for fiscal years 2017 through 2020 are adjusted for a 3 percent inflationary increase. If possible, when Addison experiences revenues that do not support projects, departments will accommodate for this inflationary increase in supplies or contractual services through operational efficiencies or reductions to scope of services delivered to the public.
 9. For FY2017, expenditures are projected to exceed revenues by \$146,758. This will be addressed and resolved during the budget process for FY2017. For fiscal years 2018 through 2020, expenditures are not projected to exceed revenues. Addison has prepared a long-term approach that allows the organization to reduce the fund balance to a level of 30 percent of the operating expenditures. This allows Addison to maintain compliance with its fund balance policy and elevate Addison's financial burden for non-recurring and capital expenditures. Assuming a modest growth of ad valorem and sales tax revenues, fund balances gradually rise through 2020, at which point the \$14.6 million fund balance will represent 38.8 percent of operating expenditures. Should economic conditions deteriorate, however, the Town will increase its tax rate to maintain the 30 percent fund balance that has been set as a benchmark by the Council.

Hotel Fund Long-Term Plan

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. In recent years due to the national recession, hotel occupancy tax declined almost 23 percent from fiscal years 2008 through 2011. However, the tax experienced a modest recovery in both 2011 and 2012, with 2015 estimated revenues increasing 10 percent over 2014. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the 2016 budget is expected to be higher than estimated 2015 numbers by 1 percent. For the 2017-2020 planning period, revenues from the tax are expected to increase at variable rates based upon Smith Travel Research data specific to Addison hotels. The inventory of hotel rooms is expected to remain constant at 3,953 rooms for FY2016, with a new hotel coming online in the next few years that will add 97 rooms.
2. Proceeds from special events in 2015 increased compared to the prior year by 12 percent due to the modification of events. Event revenue for the 2016 budget period is expected to increase 43% from 2015 estimates due to the return of the Taste Addison format, and projected to experience 2 percent annual increases for the 2017-2020 planning period.
3. Rental of the Addison Conference Centre is estimated to surpass the prior year budget by \$29,167, and expects to continue to increase 5 percent in FY2016 as Addison continues to implement changes. Subsequent years anticipate 3 percent annual increases in rental revenue.
4. Visit Addison center has been eliminated in FY2015.
5. Operating expenditures are forecasted to increase at 3 percent to adjust for inflation.
6. The Fund reflects two transfers, totaling \$1,257,124. The first transfer of \$711,600 satisfies the debt service obligation. These payments reflect the retirement of certificates of obligation that were sold to finance construction of the Arts and Events District. The second transfer of the remaining \$545,524 contributes to Tourism efforts in the newly created department in the Economic Development Fund due to the elimination of the Visitor Services department.
7. The plan reflects revenues exceeding expenditures through fiscal year 2020 with fund balance growing to \$13,731,311 or 239.9 percent of operating expenditures due to the fall off of debt. Unlike other funds where expenditures are directly related to critical public services, much of the Hotel Fund's budget is associated with marketing and the production of

special events, which can be reduced should hotel occupancy taxes decline in future years.

Airport Fund Long-Term Plan

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

1. Operating revenue decreased slightly in 2016 due to the decrease of fuel flowage fees and rental. For fiscal years 2017 through 2020 revenues are assumed to increase by 2 percent annually.
2. Operating expenses for the 2016 budget will be 12 percent less than the 2015 budget, primarily due to the restructure of expenditures between the operating and capital budgets. Over the planning horizon, expenses are expected to increase by 3 percent per year.
3. The plan recognizes the debt service associated with the 2013 issuance of certificates of obligation funding the airport's fuel farm and other various capital projects. The plan also includes the 2014 general obligation refunding bonds, which replace the 2004 combination tax and revenue certificates of obligation that were supported by the Airport Fund.
4. Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TxDOT matching funds.

Utility Fund Long-Term Plan

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

1. Operating revenues are determined by the water and sewer rates, as well as the volume of water sold and sewer treated. These revenues are highly influenced

by weather patterns. Hot, dry summers result in high water sales which to a certain extent also generate higher sewer revenues. Seasons of heavy precipitation, on the other hand, result in reduced water sales and the corresponding sewer revenues. Due to an unusual amount of rainfall in the spring months, utility operating revenue for 2016 is estimated to be 2 percent less than generated in 2015. The long-term plan assumes that for fiscal years 2017 through 2020, water sales will increase each year based on new residential and commercial development.

2. Operating expenses, dominated by payments to other entities for the purchase of water and the treatment of sewage, are expected to increase by an average of 7 percent per year for water purchases and 5 percent for sewer services. These assumptions are based primarily on expected growth of water rates from wholesale suppliers.
3. From fiscal years 2016 through 2020, net income is expected to average \$171,325, which is needed to retire debt principal and fund capital projects.
4. Debt service was reduced significantly in 2014 due to the retirement of debt that had been issued in the 1990's. Addison has issued approximately \$7.5 million for the purpose of updating various infrastructure throughout the community.

Stormwater Fund Long-Term Plan

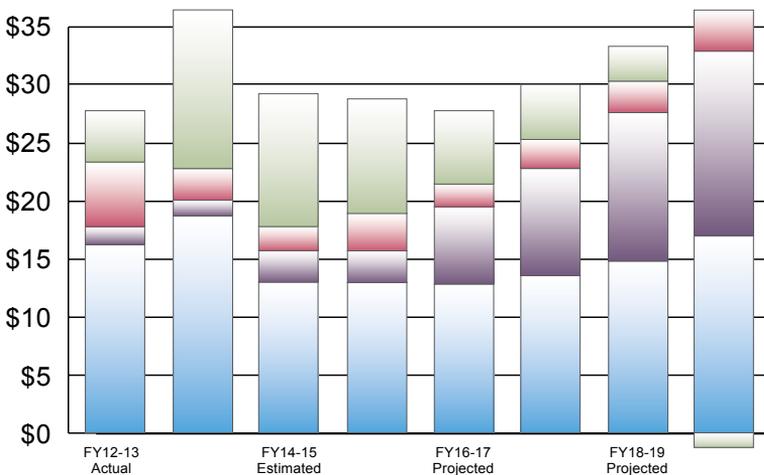
Similar to the Utility and Airport Funds, the Stormwater Fund's plan is to generate sufficient revenues to support operating expenses, as well as to fund capital projects. Features of the plan are as follows:

1. Operating revenue increased slightly in 2016 due to the increase of stormwater fees. For fiscal years 2017 through 2020 revenues are projected to increase each year based on Council-adopted fee schedule.
2. Operating expenses for the 2016 budget will be 33 percent greater than the 2015 budget, primarily due to expenses related to creating the new Stormwater Operating Department. Over the planning horizon, expenses show a 3 percent increase to adjust for inflation.
3. From fiscal years 2016 through 2020, net income is expected to average \$1.2 million, which parallels the increases in fees adopted by Council.
4. Uses of working capital are projected to average \$2,569,000 per year through 2020, and reflect the use of bond proceeds raised in 2013.

Capital Project Long-Term Plan

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

**Ending Fund Balance (in millions)
Four Major Funds Over the Long-Term Planning Horizon**



■ General Fund ■ Hotel Fund ■ Airport Fund ■ Utility Fund

GENERAL FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2016 Annual Budget

	Actual 2013-14	Estimated 2014-15
BEGINNING BALANCE	\$13,979,398	\$16,130,095
REVENUES:		
Ad valorem taxes	11,318,306	11,736,390
Non-property taxes	14,435,547	13,320,000
Franchise fees	2,818,869	2,627,000
Licenses and permits	901,645	730,750
Service fees	1,485,206	1,453,500
Fines and penalties	877,776	700,000
Interest income	5,933	20,000
Rental income	260,000	250,000
Miscellaneous	122,982	49,000
TOTAL REVENUES	\$32,226,264	\$30,886,640
EXPENDITURES:		
Operating:		
Personnel services	19,213,491	19,548,481
Supplies	1,238,795	1,520,443
Maintenance	2,878,281	3,126,831
Contractual services	5,225,995	5,947,000
Capital replacement/lease	1,279,388	1,441,671
Capital outlay	239,623	215,597
Fund transfer out		4,015,000
TOTAL EXPENDITURES	\$30,075,567	\$35,815,023
ENDING FUND BALANCE	\$16,130,095	\$11,201,712
Excess (Deficiency) of Revenues over Expenditures	2,150,697	(4,928,383)
ENDING BALANCE AS A % OF EXPENDITURES	53.6%	35.2%
Debt issuance variable:		
Beginning debt outstanding	\$80,733,154	\$87,647,000
Principal retired	5,086,154	5,473,152
Principal issued	12,000,000	-
Ending debt outstanding	\$87,647,000	\$82,173,848
Tax rate variables:		FY14
Taxable values (thousands)	\$3,490,008	\$3,805,581
Maintenance & Operation - General Fund	\$0.336	\$0.311
Capital Improvement - Infrastructure Investment Fund	\$-	\$0.006
Maintenance & Operation - Econ. Dev. Fund	\$0.023	\$0.027
Debt service fund rate	\$0.213	\$0.218
TOTAL (ROUNDED)	\$0.572	\$0.562

Budget 2015-16	Year 1 Projected 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20
\$11,201,712	\$11,256,263	\$11,109,504	\$11,681,188	\$12,757,329
13,963,710	\$14,538,309	\$15,894,784	17,060,341	18,528,126
13,175,000	13,438,500	13,707,270	13,981,420	14,261,050
2,680,000	2,733,600	2,788,270	2,844,040	2,900,920
820,200	836,600	853,330	870,400	887,810
1,582,400	1,614,050	1,646,330	1,679,260	1,712,850
781,900	797,540	813,490	829,760	846,360
30,000	30,600	31,210	31,830	32,470
275,000	280,500	286,110	291,830	297,670
58,905	60,080	61,280	62,510	63,760
\$33,367,115	\$34,329,779	\$36,082,074	\$37,651,391	\$39,531,016
21,078,296	21,310,687	21,950,010	22,608,510	23,286,770
1,408,563	1,439,099	1,482,270	1,526,740	1,572,540
3,253,973	3,751,590	3,864,140	3,980,060	4,099,460
5,906,062	6,572,861	6,770,050	6,973,150	7,182,340
1,405,670	1,387,300	1,428,920	1,471,790	1,515,940
245,000	-	-	-	-
15,000	15,000	15,000	15,000	15,000
\$33,312,564	\$34,476,537	\$35,510,390	\$36,575,250	\$37,672,050
\$11,256,263	\$11,109,504	\$11,681,188	\$12,757,329	\$14,616,295
54,551	(146,758)	571,684	1,076,141	1,858,966
33.8%	32.2%	32.9%	34.9%	38.8%
\$82,173,848	\$76,373,698	\$70,755,367	\$65,846,219	\$61,467,437
5,800,151	5,618,331	4,909,148	4,378,782	3,533,417
\$76,373,698	\$70,755,367	\$65,846,219	\$61,467,437	\$57,934,019
FY15	FY16			
\$4,036,724	\$4,117,458	\$4,199,807	\$4,283,804	\$4,369,480
\$0.346	\$0.357	\$0.382	\$0.402	\$0.428
\$0.006	\$0.006	\$0.006	\$0.006	\$0.006
\$0.025	\$0.025	\$0.024	\$0.024	\$0.023
\$0.202	\$0.192	\$0.167	\$0.147	\$0.122
\$0.579	\$0.579	\$0.579	\$0.579	\$0.579

HOTEL FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2016 Annual Budget

	Actual 2013-14	Estimated 2014-15
BEGINNING FUND BALANCE	\$1,313,869	\$1,194,674
REVENUES:		
Hotel/motel occupancy taxes (HOT)	5,009,121	5,440,000
Proceeds from special events	1,273,252	1,428,204
Conference Centre rental	570,833	600,000
Visit Addison! Rental	216,558	299,000
Theatre Rental	72,160	119,892
Interest and other	39,382	10,000
TOTAL REVENUES	\$7,181,306	\$7,897,096
EXPENDITURES:		
Visitor Services	987,389	-
Visit Addison	618,766	847,992
Conference Centre	1,063,116	1,162,820
Marketing	967,186	943,923
Special Events	2,552,628	1,886,596
Performing Arts	541,413	551,361
General Hotel Operations	-	33,250
Transfers to other funds/debt service	570,000	1,350,800
TOTAL EXPENDITURES	\$7,300,498	\$6,776,742
ENDING FUND BALANCE	\$1,194,674	\$2,315,028
ENDING BALANCE AS % OF OPERATING EXPENDITURES	17.8%	42.9%

MLS Requests reflected above:

Visit Addison
Marketing
Special Events
Conference Centre
Performing Arts
Fund-wide MLS

TOTAL MLS REQUESTS

Budget 2015-16	Year 1 Projected 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20
\$2,315,028	\$3,559,277	\$5,672,152	\$7,925,114	\$11,038,283
5,500,000	5,866,222	6,111,184	6,369,929	6,062,439
2,045,717	2,086,631	2,128,364	2,170,931	2,214,350
630,000	648,900	668,367	688,418	709,071
-	-	-	-	-
122,290	124,736	127,230	129,775	132,370
10,000	10,100	10,100	10,100	10,100
\$8,308,007	\$8,736,589	\$9,045,245	\$9,369,153	\$9,128,330
-	-	-	-	-
400,000	-	-	-	-
1,216,466	1,183,970	1,219,480	1,256,060	1,293,740
972,224	1,001,240	1,031,140	1,061,920	1,093,630
2,529,296	2,502,820	2,575,550	2,650,460	2,727,610
581,385	557,610	574,340	591,550	609,280
107,263	110,440	113,710	117,080	120,550
1,257,124	1,267,634	1,278,063	578,914	590,493
\$7,063,758	\$6,623,714	\$6,792,283	\$6,255,984	\$6,435,303
\$3,559,277	\$5,672,152	\$7,925,114	\$11,038,283	\$13,731,311
62.5%	108.1%	146.7%	198.5%	239.9%
-	-	-	-	-
-	-	-	-	-
100,000	100,000	100,000	100,000	100,000
60,000	-	-	-	-
40,000	-	-	-	-
-	-	-	-	-
\$200,000	\$100,000	\$100,000	\$100,000	\$100,000

AIRPORT FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2016 Annual Budget

	Actual 2013-14	Estimated 2014-15
BEGINNING WORKING CAPITAL	\$4,788,864	\$2,211,678
NET INCOME		
Operating revenues:		
Operating grants	50,000	50,000
Fuel flowage fees	784,286	843,830
Rental	3,868,780	4,294,828
User fees and Other	154,693	67,141
TOTAL OPERATING REVENUES	\$4,857,759	\$5,255,799
Operating expenses:		
Town - Personnel services	336,279	379,663
Town - Supplies	40,053	57,600
Town - Maintenance	245,513	113,040
Town - Contractual services	674,335	605,120
Town - Capital Replacement/Lease	-	-
Grant - Operations and Maintenance	100,000	100,000
Operator - Operations and Maintenance	2,453,851	3,126,505
Operator - Service Contract	335,592	395,612
TOTAL OPERATING EXPENSES	\$4,185,623	\$4,777,540
NET OPERATING INCOME	\$672,136	\$478,259
Non-Operating revenues (expenses):		
Interest earnings and other	13,237	5,000
Interest on debt, fiscal fees, and other	(182,542)	(138,267)
Capital Contribution	12,286,969	-
NET NON-OPERATING REVENUES (EXPENSES)	\$12,117,664	\$(133,267)
NET INCOME (EXCLUDING DEPRECIATION)	\$12,789,800	\$344,992
Sources (uses) of working capital:		
Retirement of long-term debt	(395,000)	(445,000)
Net additions to fixed assets (incl. capital contributions from grants)	(12,286,969)	(218,000)
Other net additions to fixed assets	(2,685,017)	(110,000)
Bond proceeds	-	-
NET SOURCES (USES) OF WORKING CAPITAL	\$(15,366,986)	\$(773,000)
ENDING WORKING CAPITAL	\$2,211,678	\$1,783,670
ENDING WC AS A % OF OPERATING EXPENSES	52.8%	37.3%
USES OF WORKING CAPITAL		
Grant Projects:*		
South Runway Arresting System Design (EMAS)	2,685,017	-
Master Plan Update	-	-
Taxilane Victor Rehabilitation/Drainage	-	203,000
Taxiway Bravo/Golf extensions, service road	-	-
Runway Designation Change, rejuvenation	-	-
Taxilane Uniform Rehabilitation/Drainage	-	-
Taxiway Alpha rejuvenation	-	-
Automated Weather Ops. System Update (AWOS)	-	15,000
TOTAL	\$2,685,017	\$218,000
Roof Repair	-	-
Operating and Maintenance Equipment & Vehicles	-	110,000
TOTAL	\$-	\$110,000

*These amounts indicate the city's portion of projects partially funded by grants

Budget 2015-16	Year 1 Projected 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20
\$1,783,670	\$2,091,380	\$1,691,660	\$2,156,110	\$2,277,490
50,000	50,000	50,000	50,000	50,000
791,680	815,430	839,890	865,090	891,040
4,234,732	4,361,774	4,492,627	4,627,406	4,766,228
161,250	163,669	166,124	168,616	171,145
\$5,237,662	\$5,390,873	\$5,548,641	\$5,711,112	\$5,878,413
361,152	371,990	383,150	394,640	406,480
41,000	42,230	43,500	44,810	46,150
112,910	116,300	119,790	123,380	127,080
172,990	178,180	183,530	189,040	194,710
19,160	19,730	20,320	20,930	21,560
100,000	100,000	100,000	100,000	100,000
3,004,748	3,049,819	3,095,566	3,142,000	3,189,130
413,301	416,009	427,582	439,484	451,727
\$4,225,261	\$4,294,258	\$4,373,438	\$4,454,284	\$4,536,837
\$1,012,401	\$1,096,615	\$1,175,203	\$1,256,828	\$1,341,576
5,000	5,150	5,300	5,460	5,620
(132,691)	(127,016)	(120,816)	(112,966)	(102,866)
-	-	-	-	-
\$(127,691)	\$(121,866)	\$(115,516)	\$(107,506)	\$(97,246)
\$884,710	\$974,749	\$1,059,687	\$1,149,322	\$1,244,330
(455,000)	(460,000)	(470,000)	(485,000)	(500,000)
(62,000)	(824,465)	(30,236)	(447,944)	-
(60,000)	(90,000)	(95,000)	(95,000)	(35,000)
-	-	-	-	-
\$(577,000)	\$(1,374,465)	\$(595,236)	\$(1,027,944)	\$(535,000)
\$2,091,380	\$1,691,664	\$2,156,111	\$2,277,488	\$2,986,820
49.5%	39.4%	49.3%	51.1%	65.8%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
60,500	696,765	-	-	-
1,500	92,700	-	-	-
-	-	18,566	290,228	-
-	-	-	55,000	-
-	35,000	-	-	-
\$62,000	\$824,465	\$30,236	\$447,944	\$-
-	55,000	60,000	60,000	-
60,000	35,000	35,000	35,000	35,000
\$60,000	\$90,000	\$95,000	\$95,000	\$35,000

UTILITY FUND LONG-TERM FINANCIAL PLAN

City Council Adopted FY2016 Annual Budget

	Actual 2013-14	Estimated 2014-15
BEGINNING WORKING CAPITAL	\$3,791,406	\$11,810,139
NET INCOME		
Operating revenues:		
Water sales	5,479,937	5,609,344
Sewer charges	4,362,009	4,410,967
Tap fees	3,990	10,280
Penalties	78,227	80,000
Other income	20,733	20,000
TOTAL OPERATING REVENUES	\$9,944,896	\$10,130,591
Operating expenses:		
Water purchases	2,933,034	2,983,893
Wastewater treatment	2,480,657	2,370,512
Utility operations	2,974,949	2,772,111
TOTAL OPERATING EXPENSES	\$8,388,640	\$8,126,516
NET OPERATING INCOME	\$1,556,256	\$2,004,074
Non-Operating revenues (expenses):		
Interest earnings and other	(111,195)	(132,331)
Interest on bonded debt and fiscal fees	(605,263)	(666,967)
NET NON-OPERATING REVENUES (EXPENSES)	\$(716,458)	\$(799,298)
NET INCOME (EXCLUDING DEPRECIATION)	\$839,798	\$1,204,776
Sources (uses) of working capital:		
Net retirement of long-term debt	(257,749)	(381,848)
Debt issuance / transfer of debt proceeds	7,534,190	-
Net additions to fixed assets	(43,961)	(2,729,326)
Net increase (decrease) to other assets	(53,545)	(57,000)
NET SOURCES (USES) OF WORKING CAPITAL	\$7,178,935	\$(3,168,174)
ENDING WORKING CAPITAL	\$11,810,139	\$9,846,741
ENDING WC AS A % OF OPERATING EXPENSES	140.8%	121.2%
USES OF WORKING CAPITAL:		
Equipment Replacement: Mtr Veh's & CPU hardware	45,676	58,045
Utility Plant - Water	167,292	1,569,281
Water Mains/Hydrants	-	327,000
Elevated Storage Tank	-	-
Engineering/Architectural Services - Water	-	25,000
Special Services (Water/Water Storage Master Plans)	26,309	250,000
Sanitary Sewers	154,082	100,000
Engineering/Architectural Services - Sewer	-	25,000
Special Services (Master Planning)	-	350,000
Utility Plant - Sewer (Lift Station & Pump rehab/repair)	8,726	25,000
TOTAL	\$402,085	\$2,729,326

Budget 2015-16	Year 1 Projected 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20
\$9,846,741	\$6,421,337	\$5,375,190	\$4,064,260	\$2,577,970
5,758,909	5,931,677	6,109,627	6,292,916	6,481,703
4,524,621	4,660,360	4,800,171	4,944,176	5,092,501
7,000	7,210	7,426	7,649	7,879
75,000	77,250	79,568	81,955	84,413
15,000	15,450	15,914	16,391	16,883
\$10,380,530	\$10,691,946	\$11,012,705	\$11,343,086	\$11,683,378
3,459,088	3,701,224	3,960,310	4,237,531	4,534,158
2,298,729	2,413,665	2,534,349	2,661,066	2,794,119
3,419,430	3,522,013	3,627,673	3,736,503	3,848,599
\$9,177,247	\$9,636,902	\$10,122,331	\$10,635,101	\$11,176,876
\$1,203,284	\$1,055,044	\$890,373	\$707,985	\$506,502
(110,510)	(113,825)	(117,240)	(120,757)	(124,380)
(541,165)	(525,326)	(508,480)	(491,676)	(472,920)
\$(651,675)	\$(639,151)	\$(625,720)	\$(612,433)	\$(597,300)
\$551,609	\$415,893	\$264,654	\$95,552	\$(90,797)
(549,850)	(576,669)	(600,852)	(626,218)	(656,583)
-	-	-	-	-
(3,370,164)	(828,374)	(917,732)	(898,627)	(3,250,000)
(57,000)	(57,000)	(57,000)	(57,000)	(57,000)
\$(3,977,014)	\$(1,462,043)	\$(1,575,584)	\$(1,581,845)	\$(3,963,583)
\$6,421,337	\$5,375,187	\$4,064,259	\$2,577,968	\$(1,476,410)
70.0%	55.8%	40.2%	24.2%	-13.2%
600,000	73,955	108,000	50,000	150,000
1,232,750	112,514	167,161	162,525	1,750,000
227,784	204,932	177,614	155,480	450,000
-	-	-	-	-
57,750	59,295	60,886	62,525	150,000
-	-	-	20,000	50,000
756,330	280,274	304,937	321,816	450,000
70,550	72,404	74,134	76,281	100,000
400,000	-	-	-	50,000
25,000	25,000	25,000	50,000	100,000
\$3,370,164	\$828,374	\$917,732	\$898,627	\$3,250,000

STORMWATER FUND

LONG-TERM FINANCIAL PLAN

City Council Adopted FY2016 Annual Budget

	Actual 2013-14	Estimated 2014-15
BEGINNING WORKING CAPITAL	\$8,678,396	\$9,340,431
NET INCOME		
Operating revenues:		
Drainage Fees	1,640,615	1,467,098
TOTAL OPERATING REVENUES	\$1,640,615	\$1,467,098
Operating expenses:		
Personnel services	45,205	106,449
Supplies	5,780	12,700
Maintenance	-	66,500
Contractual services	479,794	231,200
TOTAL OPERATING EXPENSES	\$530,779	\$416,849
NET OPERATING INCOME	\$1,109,836	\$1,050,249
Non-Operating revenues (expenses):		
Interest earnings and other	24,436	29,400
Interest on debt, fiscal fees, and other	(237,237)	(280,066)
NET NON-OPERATING REVENUES (EXPENSES)	\$(212,801)	\$(250,666)
NET INCOME (EXCLUDING DEPRECIATION)	\$897,035	\$799,583
Sources (uses) of working capital:		
Retirement of long-term debt	(235,000)	(265,000)
Net additions to fixed assets	-	(975,000)
Bond Proceeds	-	
NET SOURCES (USES) OF WORKING CAPITAL	\$(235,000)	\$(1,240,000)
ENDING WORKING CAPITAL	\$9,340,431	\$8,900,014
USES OF WORKING CAPITAL:		
Les Lacs/Winnwood Ponds	-	500,000
Airport EMAS Drainage	-	-
Misc. Bridge & Channel Repair	-	25,000
Belt Line Drainage Improvements	-	100,000
Detailed Masterplan Study/Evaluation*	-	300,000
Mary Kay/Keller Springs Basin Improvements	-	50,000
Hutton Branch Basin Improvements	-	-
Rawhide Branch Improvements	-	-
Unidentified Basin Improvement	-	-
Misc. Drainage Projects	-	-
TOTALS	\$-	\$975,000

Budget 2015-16	Year 1 Projected 2016-17	Year 2 Projected 2017-18	Year 3 Projected 2018-19	Year 4 Projected 2019-20
\$8,900,014	\$4,511,910	\$4,263,730	\$2,304,690	\$2,806,270
1,773,900	1,872,450	2,168,100	2,266,650	2,365,200
\$1,773,900	\$1,872,450	\$2,168,100	\$2,266,650	\$2,365,200
105,614	108,780	112,040	115,400	118,860
12,700	13,080	13,470	13,870	14,290
186,500	192,100	197,860	203,800	209,910
247,475	254,900	262,550	270,430	278,540
\$552,289	\$568,860	\$585,920	\$603,500	\$621,600
\$1,221,611	\$1,303,590	\$1,582,180	\$1,663,150	\$1,743,600
5,000	5,000	5,000	5,000	5,000
(274,716)	(269,266)	(263,716)	(256,566)	(247,791)
\$(269,716)	\$(264,266)	\$(258,716)	\$(251,566)	\$(242,791)
\$951,895	\$1,039,324	\$1,323,464	\$1,411,584	\$1,500,809
(270,000)	275,000	280,000	290,000	295,000
(5,070,000)	(1,562,500)	(3,562,500)	(1,200,000)	(1,450,000)
-				
\$(5,340,000)	\$(1,287,500)	\$(3,282,500)	\$(910,000)	\$(1,155,000)
\$4,511,909	\$4,263,734	\$2,304,694	\$2,806,274	\$3,152,079
2,400,000	-	-	-	100,000
-	-	-	-	-
120,000	87,500	87,500	100,000	100,000
-	100,000	-	-	-
900,000	-	50,000	100,000	100,000
850,000	450,000	650,000	-	-
700,000	-	-	-	-
-	800,000	1,650,000	-	-
-	-	1,000,000	900,000	900,000
100,000	125,000	125,000	100,000	250,000
\$5,070,000	\$1,562,500	\$3,562,500	\$1,200,000	\$1,450,000

APPENDIX F - CAPITAL PROJECTS SUMMARY

City Council Adopted FY2016 Annual Budget

	Actual 2013-2014	Estimate 2014-2015
Capital Projects Funds (Bond Funded)		
<i>Streets:</i>		
Belt Line Road Streetscape	\$-	\$-
Keller Springs Road/Addison Road Intersection		-
Ashton Woods Development Streets	384,000	-
Midway Road Design	150,072	900,000
Vitruvian Park Public Infrastructure	142,150	662,983
Street imp-UDR/Vitruvian	24,663	-
Vit-Alpha Road Connection	-	-
Street Improvements - Spring Valley	-	-
Street imp-Methodist MOB Addison	-	-
Acquisition of Land/Streets	-	-
Belt Line Utility Relocation	773,442	2,229,560
Surveyor Learning Center	-	-
Addison Road Rehabilitation	22,125	1,705,854
<i>Parks:</i>		
Surveyor Learning Center	11,277	-
Pedestrian Connectivity (Beltway/Proton)	-	1,400,000
Pedestrian Connectivity (North and South Quorum)	398,626	680,000
Pedestrian Connectivity (Undesignated)	-	-
<i>Public Safety:</i>		
Public Safety Radio Replacement	2,128,707	2,600,000
<i>Information Technology:</i>		
Wireless network improvements	15,600	1,980,000
<i>Airport:</i>		
Land Purchase	4,626,322	300,000
<i>General Government:</i>		
Debt Issuance Costs	85,200	
Capital Projects Funds Subtotal	\$8,762,184	\$12,458,397
Infrastructure Investment Fund		
City Wide Streets and Sidewalk Evaluation	-	120,000
Addison Road Railroad Crossing Improvements	-	150,000
Illuminated Street Name Sign Replacement	-	-
Les Lacs Park and Town Park Playground Structures	-	200,000
Celestial Park Trail Replacement	-	180,000
Streets and Sidewalk Improvements	-	-
Airport ILS	-	100,000
Infrastructure Investment Fund Subtotal	-	\$750,000

Budget 2015-2016	Year 1 Projected 2016-2017	Year 2 Projected 2017-2018	Year 3 Projected 2018-2019	Year 4 Projected 2019-2020
\$-	\$-	\$-	\$-	\$-
-	-	211,990	-	-
-	-	-	-	-
1,700,000	-	-	-	-
8,176,791	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
16,350,110	-	-	-	-
-	-	-	-	-
568,619	-	-	-	-
-	-	-	-	-
1,000,000	-	-	-	-
230,000	-	-	-	-
108,723	-	-	-	-
400,000	-	-	-	-
-	-	-	-	-
3,000,000	-	-	-	-
\$31,534,243	-	\$211,990	-	-
30,000	-	-	-	-
50,000	-	-	-	-
325,000	-	-	-	-
150,000	-	-	-	-
-	-	-	-	-
200,000	200,000	200,000	200,000	200,000
200,000	-	-	-	-
\$ 955,000	\$200,000	\$200,000	\$200,000	\$200,000

Continued on next page

APPENDIX F - CAPITAL PROJECTS SUMMARY

City Council Adopted FY2016 Annual Budget

	Actual 2013-2014	Estimate 2014-2015
Airport Fund		
South Runway Arresting System Design (EMAS)	2,685,017	-
Perimeter Access Controls and Monitoring System	-	-
Master Plan Update	-	-
Taxilane Victor Rehabilitation/Drainage	-	203,000
Taxiway Bravo/Golf extensions, service road	-	-
Runway Designation Change, rejuvenation	-	-
Taxilane Uniform Rehabilitation/Drainage	-	-
Taxiway Alpha rejuvenation	-	-
Automated Weather Ops. System Update (AWOS)	-	15,000
Roof Repair	-	-
Operating and Maintenance Equipment & Vehicles	-	110,000
Airport Fund Subtotal	\$2,685,017	\$328,000
Utility Fund		
Equipment Replacement: Mtr Veh's & CPU hardware	45,676	58,045
Utility Plant - Water	167,292	1,569,281
Water Mains/Hydrants	-	327,000
Elevated Storage Tank	-	-
Engineering/Architectural Services - Water	-	25,000
Special Services (Water/Water Storage Master Plans)	26,309	250,000
Sanitary Sewers	154,082	100,000
Engineering/Architectural Services - Sewer	-	25,000
Special Services (Master Planning)	-	350,000
Utility Plant - Sewer (Lift Station & Pump rehab/repair)	8,726	25,000
Utility Fund Subtotal	\$402,085	\$2,729,326
Storm Water Fund		
Les Lacs/Winnwood Ponds*	-	500,000
Airport EMAS Drainage	-	-
Misc. Bridge & Channel Repair	-	25,000
Belt Line Drainage Improvements	-	100,000
Detailed Masterplan Study/Evaluation	-	300,000
Mary Kay/Keller Springs Basin Improvements	-	50,000
Hutton Branch Basin Improvements	-	-
Rawhide Branch Improvements	-	-
Unidentified Basin Improvement	-	-
Misc. Drainage Projects	-	-
Stormwater Fund Subtotal	-	\$975,000
Total Capital Projects	\$11,849,286	\$17,240,723

CONT.

Budget 2015-2016	Year 1 Projected 2016-2017	Year 2 Projected 2017-2018	Year 3 Projected 2018-2019	Year 4 Projected 2019-2020
-	-	-	-	-
-	-	11,670	102,716	-
-	-	-	-	-
-	-	-	-	-
60,500	696,765	-	-	-
1,500	92,700	-	-	-
-	-	18,566	290,228	-
-	-	-	55,000	-
-	35,000	-	-	-
-	55,000	60,000	60,000	-
60,000	35,000	35,000	35,000	35,000
\$122,000	\$914,465	\$125,236	\$542,944	\$35,000
600,000	73,955	108,000	50,000	150,000
1,232,750	112,514	167,161	162,525	1,750,000
227,784	204,932	177,614	155,480	450,000
-	-	-	-	-
57,750	59,295	60,886	62,525	150,000
-	-	-	20,000	50,000
756,330	280,274	304,937	321,816	450,000
70,550	72,404	74,134	76,281	100,000
400,000	-	-	-	50,000
25,000	25,000	25,000	50,000	100,000
\$3,370,164	\$828,374	\$917,732	\$898,627	\$3,250,000
2,400,000	-	-	-	100,000
-	-	-	-	-
120,000	87,500	87,500	100,000	100,000
-	100,000	-	-	-
900,000	-	50,000	100,000	100,000
850,000	450,000	650,000	-	-
700,000	-	-	-	-
-	800,000	1,650,000	-	-
-	-	1,000,000	900,000	900,000
100,000	125,000	125,000	100,000	250,000
\$5,070,000	\$1,562,500	\$3,562,500	1,200,000	1,450,000
\$41,051,407	\$3,505,339	\$5,017,458	\$2,841,571	\$4,935,000

APPENDIX G

GLOSSARY OF TERMS

A

Accounts Payable – A liability account reflecting the amount of open accounts owed to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

Accounts Receivable – An asset account reflecting amounts owed from private persons or organizations for goods or services furnished by a government.

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

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

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

Appropriation – A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligation for designated purposes.

Arbitrage – The interest earnings derived from invested bond proceeds or debt service fund balances.

ARRA – Acronym for American Recovery and Reinvestment Act. Passed in 2009 by the Federal government, the Recovery Act seeks to create new jobs, spur economic activity, and encourage accountability and transparency in government spending.

Assessed Valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

B

Balance Sheet – The basic financial statement, which discloses the assets, liabilities and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

Balanced Budget – Annual financial plan in which expenses do not exceed revenues.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

Budget – A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

C

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

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

Capital Replacement/Lease – A cost category which typically reflects costs associated with the acquisition of capital equipment. Category also includes department contributions to the Capital Replacement and Information Technology Replacement Funds.

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

Contractual Services – The costs related to services performed for the Town by individuals, businesses, or utilities.

Cost – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before the money is paid; that is, as soon as liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

Current Assets – Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and tax receivables which will be collected within one year.

Current Liabilities – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

D

DART – Acronym for Dallas Area Rapid Transit, a mass transit authority serving the Dallas Metroplex which is funded through a 1 percent sales tax levied in participating cities.

Delinquent Taxes – Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

Depreciation – Change in the value of assets (equipment, buildings, etc. with a useful life of five years or more) due to use of the assets.

DISD – Acronym for Dallas Independent School District, which serves most of Addison.

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

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. Compensation

time-off, as partial compensation for overtime hours worked, may be allowed by the respective department head.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

F

FAA – Acronym for Federal Aviation Administration, an operating mode of the United States Department of Transportation which regulates aerospace.

Fixed Assets – Assets of a long-term character, which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Franchise – A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

FTE – Acronym for full-time equivalent, a measurement of staffing. One FTE is a 40 hours per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be a 0.5 FTE.

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

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

FY – Acronym for fiscal year, a 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The Town of Addison's fiscal year begins October 1st and ends the following September 30th. The term FY2011 denotes the fiscal year beginning October 1, 2011 and ending September 30, 2012.

G

GAAP – Acronym for Generally Accepted Accounting Principles, which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the Town conform to the GAAP applicable to state and local governments.

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

General Fund – The General Fund is used to account for resources traditionally associated with the government, such as Police, Human Resources, and Parks and Recreation, which are generally not required legally or by sound financial management to be accounted for in another fund.

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

GIS – Acronym for geographic information system which is any system, that captures, stores, analyzes, manages, and presents data that are linked to location.

Governmental Funds – Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

M

Maintenance – The upkeep of physical properties in condition for use of occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

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

Modified Level of Service – A modified level of service represents an increase or decrease in a department's scope of service or funding levels. A modified level of service may be a request for additional funding submitted by a department during the budget process for new or expanding programs or services, or it may be the elimination of a position in a department. Modified levels of service are highlighted in the department narratives in alternate color text.

N

NCTCOG – Acronym for the North Central Texas Council of Governments, which is a voluntary association of, by, and for local governments, established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

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

NTTA – Acronym for the North Texas Tollway Authority, which manages the Dallas North Tollway and the Addison Airport Toll Tunnel which both run through Addison.

O

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

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

P

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

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

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

Proprietary Fund – Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

Purchase Order (PO) – A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

Revenues – Increases in net financial resources. Revenues include the receipt of assets for goods sold or services provided in the current reporting period, intergovernmental grants, and interest income.

S

Sliplining – The process of restoring deteriorated sewer (wastewater) lines. The process involves inserting a “sock” of special material through the length of line, which, when filled with hot water, cures to produce a hard, seamless pipe.

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources that are legally restricted or formally committed to expenditures for specified purposes.

Streetscape – The amenities of a street including landscaping, lighting, hardscape elements such as plazas, fountains, pedestrian walkways/trails/crosswalks, decorative paving and enhanced signage found within or near the street.

Supplies – A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

Sustainability – Practices that meet the needs of the present without compromising the ability of future generations to meet their needs.

T

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessment.

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

TRA – Acronym for Trinity River Authority, Addison’s primary sewer treatment provider.

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

W

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





YIELD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Addison
Texas**

For the Fiscal Year Beginning

October 1, 2014

A handwritten signature in black ink, appearing to read "Jeffrey R. Stone".

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, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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

The Town was also awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA for its comprehensive annual financial report (CAFR) for the fiscal year ending September 30, 2014. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

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

MAYOR AND COUNCIL

Council	Name	Profession	Term of Office
Mayor.....	Todd Meier	Business Person/Attorney05/15-05/17
Mayor Pro Tempore	Janelle Moore	Medical and Business Development Consultant05/14-05/16
Deputy Mayor Pro Tempore.....	David Heape	Residential Real Estate05/14-05/16
Council Member	Bruce Arfsten	Residential Real Estate05/15-05/17
Council Member	Mary Carpenter	Retired05/14-05/16
Council Member	Ivan Hughes	Retired05/15-05/17
Council Member	Dale Wilcox	Investor.....	.05/15-05/17

TOWN STAFF

Mayor's Office	Todd Meier, Mayor	972-450-7026 972-450-7027
City Manager's Office	Charles Daniels, Interim City Manager	972-450-7037
City Manager's Office	Cheryl Delaney, Deputy City Manager	972-450-7036
City Manager's Office	Chris Terry, Assistant City Manager.....	972-450-7010
Economic Development.....	Orlando Campos, Director.....	972-450-7034
Finance.....	Cheryl Delaney, Interim Chief Financial Officer	972-450-7036
General Services & Events.....	Mark Acevedo, Director	972-450-2848
Human Resources.....	Passion Hayes, Director	972-450-2819
Information Technology	Hamid Khaleghipour, Director.....	972-450-2868
Police.....	Paul Spencer, Acting Police Chief	972-450-7168
Fire	John O'Neal, Chief	972-450-7203
Infrastructure and Development Services.....	Lisa Pyles, Director	972-450-2878
Parks/ Recreation.....	Slade Strickland, Director	972-450-2869
Communicatons & Marketing	Mary Rosenbleeth, Director.....	972-450-7032

CONSULTANTS

Auditors	Weaver & Tidwell LLP- Sara Dumpsey	972-490-1970
Bond Counsel.....	Bracewell & Giuliani, LLP - Julie Partain	214-758-1606
City Attorney	Messer, Rockefeller & Fort - Brenda McDonald	214-672-2170
Financial Advisors.....	First Southwest, Co.- David Medanich	817-332-9710



www.addisontexas.net

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