



AHEAD OF THE CURVE

09-10 Town of Addison Annual Budget





HOW TO READ THIS DOCUMENT

WELCOME!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2009 and ending September 30, 2010. This document has been specially prepared to help you, the reader, learn of the issues affecting the Addison community. Many people believe a city budget is only a financial plan. Although you can learn much of the Town's finances from these pages, the 2009-10 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the Town is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed verbally and graphically.

BUDGET FORMAT

The document is divided into four major sections: Introductory, Financial/Operational, Town Chronicle, and Appendices. The Introductory section contains the City Manager's letter which is addressed to the Town Council and explains the major policies and issues which affected development of the 2010 fiscal year Town budget. The section also contains a statement of the Town's goals, a synopsis of the Addison 2030 Vision Project, the press release that accompanied the ordinance adopting the budget, the Town's organization and staffing charts, and the summary of all financial statements. Liberal use is made in this section of footnotes, which direct the reader to sections of the document that more fully describe programs or projects.

The Financial/Operational section describes various aspects of the Town's organization. This information is grouped first by fund and then by department. Like many local governments, the Town uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to keep track of the use of the Hotel/Motel Occupancy Tax. Most people are particularly interested in the General Fund which is comprised of most of the Town's operations such as Police, Fire, and Parks. Financial statements, including the adopted 2009-10 budget, are presented for every fund. The statements show the fund's financial condition over a number of years. Like the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for

each year. Each fund statement begins with the actual audited amounts from the previous fiscal year; for this document, the 2007-08 fiscal year. The ending balance of the actual year becomes the beginning balance of the recently concluded fiscal year, 2008-09. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for the year. The estimated ending fund balance of the concluded fiscal year then becomes the beginning balance for the projected 2009-10 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the Town's organization. Each department is presented with its mission statement, a listing of the unit's accomplishments for the concluded fiscal year and operational objectives for the 2010 fiscal year. Selected service levels for each department are presented graphically. The funding for each department, as well as the unit's staffing, are summarized again over a number of years.

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

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

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THIS BUDGET PUBLICATION IS THE PRODUCT OF PROCESSES USED BY THE CITY COUNCIL AND CITY STAFF TO CREATE AN ENVIRONMENT THAT CULTIVATES INNOVATION TO MAINTAIN A DYNAMIC, PROGRESSIVE QUALITY URBAN ATMOSPHERE IN WHICH TO WORK, PLAY AND LIVE.

November 24, 2009

THE HONORABLE MAYOR AND CITY COUNCIL,

The 2009-10 Budget presents a theme of staying *Ahead of the Curve* and provides visuals and ideas that explain our approach to moving the community forward in these challenging economic times. We have always managed tough times by planning ahead and being proactive. Our efforts have been recognized through various financial awards from national municipal organizations and a 'AAA' Bond Rating from Standard and Poor's Rating Services¹. This economy is not like others we have seen and has the potential to continue for a while, so we can sit on the sidelines and wait it out or practice the principles we have used in the past that have distinguished us from other communities.

We need to be measured in our approach to new projects, but take advantage of opportunities. Construction prices are very reasonable right now and we want to move projects forward that are already planned and the funding has been allocated. The Vitruvian development in the south sector of the town is one such project. We are completing the streets and parks that we budgeted for this project and are encouraged that they are coming forward with plans for their second phase of development. We are within months of starting the reinvention of Belt Line Road. This is a project that has been years in the making, but we are poised to make a major difference in how this street is viewed. It will provide an economic boon to the area in a time that is looking for good news and the promise of economic recovery. We are also planning to reinvigorate the Village on the Parkway retail complex with the addition of a new Visitor Center. That effort will incorporate uses that will help us partner with the owners of the center to rebrand the development as a unique place to learn about and experience the arts. We are hoping that it will also become the Visitor Information Center for all of North Dallas County and will reinvigorate the Montfort Drive area².

We are pursuing the design phase for the new Water Tower at Surveyor Boulevard and Arapaho Road. It will be the first such facility in Texas that is powered by wind generation. We have already attracted grant moneys to help us. The base of the tower will have a classroom in it where we can educate people about energy conservation,

¹Please refer to the narrative and financial information associated with the Town's Debt Service fund on page 79 of this document.

²More information related to the planned Visitor Center can be found in the discussion of projects in Sector 1 of the Town Chronicle section of this document

wind generation, water conservation and drought tolerant plants. Our own sustainability program is focused on these concepts to help us operate the town in a more cost effective and energy conscious way. The new DISD School that is being built at Loos Field on Spring Valley will incorporate geothermal technology to heat and cool that facility³. The new Spine Hospital that Methodist is building in the north sector of the town should prove to influence development patterns in that area and could be quite exciting. It will be interesting to see what business follow the hospital to the area. We are also working to improve the South Quorum Drive area with crosswalks, sidewalk repairs and new lighting. The establishment of policies that might cause some of our existing hotels to expand their meeting space is attractive, because of the low construction prices.

One of our other great opportunities is the overlay of the runway at Addison Airport. The repair is important to keep the airport in top-notch condition, so we can maintain our position as the busiest general aviation airport in Texas.

THE BUDGET IN BRIEF⁴

The 2009-10 adopted budget was developed in context of the financial policies approved by Council and which can be found in Appendix B of this document. Revenues for all funds total \$54.3 million, which is a decline of \$5.5 million or 9.2 percent compared to the FY09 budget. The decline is due to the national recession which has impacted commercial enterprises that generate property and non-property taxes. Property tax collections are budgeted to decline \$703,900 primarily because of an 11 percent reduction in total appraised values. The reduction in the property tax levy tied to the lower values was mitigated by an increase in the property tax rate from 45.35 cents per \$100 appraised value to 49.60 cents. Despite the increase in the tax rate, the Town's rate is still less than most of the cities in the Dallas region⁵. The Town's non-property taxes such as sales, alcoholic beverage, and hotel occupancy also are down a cumulative \$2.3 million, or 13.5 percent less than budgeted in FY09.

APPRAISED VALUE & TAX RATE



³Greater detail of these projects can be located in Sector 3 of the Town Chronicle.

⁴A more complete summary of the budget can be found in the press release following this letter.

⁵Addison's property tax rate is charted in comparison to other area cities on page 9 of this document.

The 2010 FY budget appropriates \$82.8 million, an increase of \$1.6 million, or 2 percent more than the 2009 FY budget. The increase is attributed to the expanded scope of capital projects taking place in Addison including Vitruvian Park infrastructure, the Addison Airport runway overlay and construction of the Surveyor overhead water storage tank. Operating expenditures, excluding amounts spent on capital projects or debt service, have been reduced by \$3 million compared to the previous year. In recognition of the declining revenues, four positions were deleted from the budget. Three police officer positions were added to the budget, but the costs of these positions will be supported by a federal grant⁶.

The disparity between revenues and expenditures will require the Town to draw down on fund balances in order to maintain existing levels of service to the community. However, because of our financial policies that limited the growth of operating expenditures during the economic “boom” of the past few years, money is available to support operations during the economic “bust” we are currently experiencing. For example, even though the General fund balance is being drawn down about \$798,000, the projected ending fund balance of \$10.3 million is still 36 percent of operating expenditures.

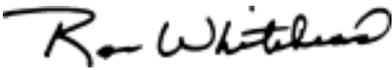
⁶A summary staffing chart is presented on page 14 of this document and each department’s staffing is detailed within the individual department narratives.

SUMMARY

Staying *Ahead of the Curve* means that you reexamine everything you are doing with an eye toward innovation. There is a term called creative destruction that suggests that you challenge all of your past assumptions in order to move forward in times of economic crisis. This is a process we are pursuing out of necessity. Sales taxes and the value of commercial properties will continue to decline because of the national recession and the anticipated slow recovery. The Hotel fund will also experience a weakening, because of the soft travel market and fewer business meetings. We have built significant reserves to insulate us from having to make harsh decisions in the immediate future, but it will take a combination of prudent tax policy, cash reserves management and innovations for service delivery to bring us through this economy.

We aren't resting on our laurels just because it is harder to achieve our goals in this economy. We are out there every day trying to figure out how we become better and we have this wonderful collection of employees that will see that we accomplish our goals and stay ahead of the curve. Our recent changes to how our management team is organized were made to make us more productive and to quickly take advantage of opportunities that will arise this coming year.

The tasks before us will be challenging, but with the City Council's continued leadership we will be successful.



Ron Whitehead
City Manager





PRESS RELEASE

The following is a summary of the 2009-2010 fiscal year (FY) annual budget of the Town of Addison that was adopted by the city council at its September 22, 2009 meeting.

- 1. Budget appropriates \$82,778,410, an increase of \$1,642,760 or 2% greater than the previous year's budget.**
 - The increase is attributed to an expanded scope of projects related to the Vitruvian Park urban residential development and improvements to Addison Airport.
- 2. Revenues total \$54,260,330, a decline of \$5,490,240 or 9.2% compared to the 2008-09 budget.**
 - The decline is a result of a lower property tax levy associated with lower property values and lower sales and hotel occupancy taxes resulting from the national economic recession.
 - Property taxes, down \$703,900 or 4.3%.
 - Non-property taxes (sales, alcoholic beverage, and hotel occupancy) down \$2,344,560 or 13.5%.
 - There are no changes to fees or charges related to Town services reflected in the budget.
- 3. The property tax rate is proposed to increase to 49.60¢, up 4.25¢ from the previous year.**
 - The increased rate will partially offset the decline in property values. Total property tax levy is budgeted at \$15,805,900, which is 4.3% less than the FY2009 levy.
- 4. Appraised values for 2009 (used for fiscal year 2010 levy) total \$3,311,049,800, a decline of 11.1% from certified 2008 values.**
 - With the proposed tax rate, the city property taxes paid by the average homeowner in Addison will total \$1,140.17 or \$74.17 more than last year's average.
- 5. Total staffing (all funds) is at 267.4 FTE** (full-time equivalent), a net reduction of 1 FTE in workforce. All deleted positions were vacant and required no layoffs of employees. Changes to staffing are:
 - Replacing an assistant city manager position with an assistant to the city manager in the City Manager department.
 - Removal of the director position in the Financial & Strategic Services department.
 - Addition of three patrol officers to be funded with the federal COPS grant.
 - Removal of a fire prevention technician in the Fire department.
 - Removal of a landscape architect in the Parks department.
 - Removal of a utility operator in the Utility department to service utility and fountain pumps.

6. The budget includes a merit-based pay increase for employees of two percent of salaries effective October 1, 2009.

- This merit pay increases salaries \$305,860, or 1.4% of total salaries and benefits.

7. The budget envisions \$27 million being spent on capital projects that include:

- Street, park, and utility improvements associated with Vitruvian Park
\$20,282,000
- Remodeling of lease space to house the Addison Visitor Center
\$1,000,000
- City-Wide signalization
\$800,000
- First Phase of Belt Line Rd. Streetscape Improvements
\$500,000
- Residential Street Light Enhancements
\$400,000
- Local match for 90% FAA funding of airport runway improvements
\$1,269,000
- Initial construction of the Surveyor overhead water storage tank
\$1,500,000

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

MUNICIPAL TAX RATE COMPARISON FY2010

	20.0¢	50.0¢	80.0¢
Dallas			74.79¢
Garland			70.46¢
DeSoto			69.973¢
Duncanville			69.6¢
Grand Prairie			66.9998¢
Seagoville			65¢
Coppell			64.146¢
Cedar Hill			64.14¢
Mesquite			64¢
Carrollton			61.7875¢
Richardson		57.516¢	
Irving		54.06¢	
Farmers Branch		51.95¢	
Addison		49.6¢	
Plano		48.86¢	
Sunnyvale		40.7962¢	
University Park	26.548¢		
Highland Park	22¢		

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

COMPARATIVE TAX

FOR AN AVERAGE ADDISON SINGLE-FAMILY RESIDENCE

	FY 09	FY 10
Dallas County		
Market Value	\$293,825	\$287,340
Homestead Exemptions	20%	20%
Taxable Value	\$235,060	\$229,872
Tax Rate/\$100	0.57643	0.60221
Tax Levy	\$1,354.96	\$1,384.31
Dallas ISD		
Market Value	\$293,825	\$287,340
Homestead Exemptions	15,000+10%	15,000+10%
Taxable Value	\$249,443	\$243,606
Tax Rate/\$100	1.18340	1.27134
Tax Levy	\$2,951.90	\$3,097.06
Town of Addison		
Market Value	\$293,825	\$287,340
Homestead Exemptions	20%	20%
Taxable Value	\$235,060	\$229,872
Tax Rate/\$100	0.4535	0.4960
Tax Levy	\$1,066.00	\$1,140.17
TOTAL TAX LEVY	\$5,372.86	\$5,621.54

PROPERTY TAX DISTRIBUTION CALCULATIONS

CITY COUNCIL ADOPTED 2009-10 BUDGET

2009 CERTIFIED TAX ROLL & LEVY

Appraised Valuation (100%)	\$3,311,049,800
Rate Per \$100	\$0.4960
TOTAL TAX LEVY	\$16,422,810
Percent of Current Collection	96.00%
Estimated Current Tax Collections	\$15,765,900

Summary of Tax Collections

Current Tax	\$15,765,900
Delinquent Tax	5,000
Penalty and Interest	35,000
TOTAL 2009-10 TAX COLLECTIONS	\$15,805,900

DISTRIBUTION OF TAX RATE

	Tax Rate	% of Total	Amount
General Fund:			
Current Tax			\$10,680,130
Delinquent Tax			3,390
Penalty and Interest			23,710
Total General Fund	\$0.3360	67.74%	10,707,230
Debt Service Fund:			
Current Tax			5,085,770
Delinquent Tax			1,610
Penalty and Interest			11,290
Total Debt Service Fund	\$0.1600	32.26%	5,098,670
TOTAL DISTRIBUTION	\$0.4960	100.00%	\$15,805,900

FUND OVERVIEW

Governmental Funds

General Fund	\$27,274,990
Special Revenue	
Hotel Fund	\$7,739,060
Combined Other	\$118,000
Debt Service Funds	
General Obligation Debt Service Fund	\$6,109,940
Occupancy Tax Revenue Fund	\$716,040
Capital Project Funds	
Streets Capital Project Fund	\$1,570,800
Parks Capital Project Fund	\$85,100
Combined Bonds	\$20,280,000
Proprietary Funds	
Airport Fund	\$4,919,360
Utility Fund	\$12,569,620
Combined Replacement	\$1,395,500
Total	\$82,778,410

STAFF ORGANIZATION

Addison Citizens

Mayor & City Council

Planning & Zoning Board

City Attorney

City Judges

City Secretary

Other Boards & Commissions

City Manager

Parks and Recreation

Information Technology

Financial and Strategic Services

Deputy City Manager

Human Resources

Municipal Court

Development Services

Public Works

Police

Fire

Assistant City Manager

General Services

Special Events

Visitor Services

Marketing

BUDGETED DEPARTMENTAL STAFFING SUMMARY

CITY COUNCIL ADOPTED 2009-10 ANNUAL BUDGET

	Fiscal Years Ending September 30					Difference
	2006	2007	2008	2009	2010	09-10
General Fund						
City Manager	10.0	8.5	8.5	8.5	8.5	-
Financial & Strategic Services	11.0	10.0	10.0	10.0	9.0	(1.0)
General Services	9.0	9.0	10.0	10.0	10.0	-
Municipal Court	4.7	4.7	4.7	5.7	5.7	-
Human Resources	4.7	4.7	4.7	5.2	5.2	-
Information Technology	6.0	6.0	6.0	6.0	6.0	-
Police	81.8	68.3	69.3	70.3	73.3	3.0
Emergency Communications	-	12.5	12.5	13.5	13.5	-
Fire	55.0	55.0	55.0	55.0	54.0	(1.0)
Development Services	6.0	7.0	7.0	7.0	7.0	-
Streets	6.0	7.0	7.0	7.0	7.0	-
Parks	20.0	20.0	20.0	21.0	20.0	(1.0)
Recreation	17.2	15.2	15.2	15.2	15.2	-
Total General Fund	231.4	227.9	229.9	234.4	234.4	-
Hotel Fund	14.5	14.0	14.0	14.0	14.0	-
Airport Fund	2.0	2.0	2.0	2.0	2.0	-
Utility Fund	18.0	17.0	17.0	18.0	17.0	(1.0)
TOTAL ALL FUNDS	265.9	260.9	262.9	268.4	267.4	(1.0)

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 2009/2010 Annual Budget

With Comparisons to 2008/2009 Budget and 2007/2008 Actual

	Special Revenue Funds			Debt Service Funds	
	General Fund	Hotel Fund	Combined Other	General	Occupancy Tax Revenue
BEGINNING BALANCES	\$11,083	\$4,981	\$232	\$997	\$896
REVENUES:					
Ad valorem tax	10,707	-	-	5,099	-
Non-property taxes	10,735	4,250	-	-	-
Franchise fees	2,522	-	-	-	-
Licenses and permits	360	-	-	-	-
Intergovernmental	198	-	-	-	-
Service fees	1,345	1,337	-	-	-
Fines and penalties	1,200	-	52	-	-
Rental income	157	570	-	-	-
Interest & other income	253	100	14	60	20
TOTAL REVENUES	27,477	6,257	66	5,159	20
Transfers from other funds		-	-	1,000	670
TOTAL AVAILABLE RESOURCES	38,560	11,238	298	7,156	1,586
EXPENDITURES:					
General Government	6,470	-	118	-	-
Public Safety	14,246	-	-	-	-
Urban Development	956	-	-	-	-
Streets	1,678	-	-	-	-
Parks & Recreation	3,926	-	-	-	-
Tourism	-	6,414	-	-	-
Aviation	-	-	-	-	-
Utilities	-	-	-	-	-
Debt service	-	-	-	6,110	716
Capital projects and other uses	-	1,325	-	-	-
TOTAL EXPENDITURES	27,275	7,739	118	6,110	716
Transfers to other funds	1,000	670	-	-	-
ENDING FUND BALANCES	\$10,285	\$2,829	\$180	\$1,046	\$870

* Totals may not exactly match due to rounding.

Total Revenues	\$54,260
Decrease in fund balance	28,518
Total Appropriable funds	\$82,778

Capital Project Funds			Proprietary Funds			Total All Funds		
Streets	Parks	Combined Bonds	Airport	Utility	Combined Replacement	2009-10 Budget	2008-09 Budget	2007-08 Actual
\$1,345	\$407	\$27,495	\$1,197	\$7,578	\$5,872	\$62,082	\$69,784,571	\$36,248
-	-	-	-	-	-	15,806	16,510	14,368
-	-	-	-	-	-	14,985	17,330	16,842
-	-	-	-	-	-	2,522	2,560	2,556
-	-	-	-	-	-	360	659	798
985	-	-	50	-	-	1,234	650	611
-	-	-	695	9,345	-	12,722	14,086	12,662
-	-	-	-	60	-	1,312	1,407	1,318
-	-	-	3,250	-	-	3,977	4,127	3,971
50	10	498	45	175	120	1,344	2,423	30,112
1,035	10	498	4,040	9,580	120	54,260	59,751	83,237
-	-	-	-	-	-	1,670	700	700
2,380	417	27,993	5,237	17,158	5,992	118,013	130,235	120,185
-	-	-	-	-	468	7,056	8,116	6,413
-	-	-	-	-	768	15,014	15,220	14,458
-	-	-	-	-	-	956	975	936
-	-	-	-	-	-	1,678	2,348	1,826
-	-	-	-	-	160	4,086	4,267	4,252
-	-	-	-	-	-	6,414	7,034	6,513
-	-	-	3,162	-	-	3,162	3,409	3,162
-	-	-	-	7,091	-	7,091	7,047	6,786
-	-	-	390	3,120	-	10,336	10,474	7,770
1,571	85	20,280	1,367	2,359	-	26,987	22,247	4,663
1,571	85	20,280	4,919	12,570	1,396	82,778	81,136	56,779
-	-	-	-	-	-	1,670	700	700
\$809	\$332	\$7,713	\$317	\$4,588	\$4,596	\$33,564	\$48,399	\$62,706





PROJECT 2030 VISION

The Goals for Addison and the 2030 Vision Project represent general guidelines for directing the administration and development of the Town of Addison. The goals and vision are reviewed annually by the Council; no changes were made with development of the 2009-10 budget.

INTRODUCTION

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

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

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

- Pursue the expansion of DART rail to Addison by pursuing transit-oriented zoning changes now in anticipation of DART expansion.
- Redesign Belt Line Road through an infusion of reinvention and creativity along with design and infrastructure capital to maintain and enhance its reputation as an exciting place to be.
- Make investments now to position Addison for the future.
- Recommit Addison to the promotion and installation of design aesthetics in all public spaces to include landscaping and public art.
- Cultivate Addison's brand assets needed to ensure visitors and residents of all sectors have a clear appreciation for Addison as exciting, culturally forward and diverse in entertainment offerings where special events occur on a regular basis.
- Reinforce the Town's "business friendly" image and continually look for ways to make it easier to locate and do business in Addison.
- Provide high quality services. From recruitment and hiring of dedicated municipal employees with an intense understanding of customer service, responsiveness and fiscal responsibility; excellence in customer service is essential to Addison's success.
- Consciously plan and explore ways to connect "nodes" in the community. These nodes of connectivity focus on all types of issues to include parks, pedestrian mobility, vehicular mobility, commercial development and transportation nodes.
- Pursue alliances with learning institutions to provide adult education that builds on Addison's attributes and industries that already exist here.
- Encourage a wide variety of residential products to foster a cross-section of residents in the community.
- Pursue a strategic vision and development plan for Addison Airport. This new strategic vision for the airport should be devised with a "self-funding" revenue philosophy.
- Direct developers to propose more high quality, high density developments that move to a more urban feel.

GOALS FOR TOWN OF ADDISON

TOWN OF ADDISON MISSION STATEMENT

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

The goals for Addison drive the development of the town's budget. Each year the City Council reviews the goals to determine if they need to be changed to respond to community needs. For the 2009 – 10 budget, the goals remain the same as the previous year.

GOALS FOR ADDISON

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

2. Conduct the Business of the Town in a Fiscally Responsible Manner
 - Retain high bond rating and financial reputation
 - Retain high financial reserves policy
 - Ensure ongoing review of all service and contract providers
 - Explore new and innovative revenue sources where appropriate
 - Promote and utilize Addison businesses whenever possible in making municipal purchases
 - Adopt Town budgets in context of the long-term financial plan which emphasizes funding of capital projects through operating revenues instead of issuing debt
 - Consider issuance of general obligation debt only to fund high priority capital projects which shall have the approval of Addison voters
 - Explore regional partnerships

3. Promote Quality Transportation Services
 - Continue implementation of the Transportation Master Plan
 - Advocate the significance of DART rail for Addison's growth and development
 - Expand Addison's street system to effectively accommodate vehicular traffic while protecting the integrity of attractive median and right-of-way landscaping
 - Pursue infrastructure improvements of intra-city transportation
 - Enhance pedestrian-oriented means of travel in Addison and install improved pedestrian crossing systems aimed at enhancing public safety
4. Employ High-Quality, Service-Oriented Personnel
 - Foster a workforce made up of friendly, professional and highly qualified employees
 - Promote educational standards and reeducation opportunities
 - Provide innovative and flexible compensation policies
5. Provide for a Diversified Business Climate
 - Promote existing and new retail businesses in Addison
 - Enhance Addison's reputation as a prime location for small, medium and start-up businesses while continuing to pursue appropriate larger businesses and corporate partners for the community
 - Promote office occupancy in Addison
 - Enhance open communication between local government, the business community, Town Hall and the residential sector
 - Promote the significance of Addison's premier location as a key element to the Town's image and success
 - Pursue economic development through the use of an innovative program of work that seeks to emphasize retention and the expansion of existing businesses
 - Retain and enforce the Town's commitment to urban landscaping
 - Implement programs to ensure the vitality of Addison's restaurant and hospitality community
 - Instill "Addison pride" in existing businesses
6. Continue to Attract Visitors
 - Enhance Addison Conference Centre's ability to host expanded events which attract visitors to Addison
 - Continue to grow and create entertaining special events
 - Enlist sponsors to support and enhance Addison's high-quality special events
 - Promote the arts and cultural events
 - Promote the creation of additional art in public places by investigating and implementing programs that encourage developers to create public art in Addison
 - Promote Addison Airport as a tourism and visitor destination through special events and on-site attractions
 - Continue to explore and develop innovative uses of the Hotel fund which enhance tourism

7. Maintain Diversified Residential Housing Opportunities
 - Explore creative means of developing high-quality, high-rise single and multi-family housing opportunities
 - Support high-quality, high-density mixed use developments in accordance with the Master Plan for Addison Circle
 - Maintain the integrity of residential neighborhoods through the use of buffers, park systems and landscaping
8. Pursue the Finest Educational Offerings for the Community
 - Continue the Town's interlocal agreement for library services with the City of Farmers Branch and the City of Dallas as well as exploring cooperative use agreements with surrounding communities
 - Pursue associations with learning institutions to provide continuing education offerings to the Town's resident and business populations
 - Continue to pursue enhanced primary and secondary school opportunities for Addison children
9. Provide Quality Leisure Opportunities
 - Review existing and consider new recreational offerings for the residential and business communities on a regular basis to satisfy the growing needs of the community
 - Maintain resident-only use of the Athletic Club
 - Continue implementation of the Parks Master Plan, related facilities and additions to the plan as deemed appropriate
 - Maintain the excellence of the Addison park system
10. Work to instill a "Sense of Community" in Addison's residents
 - Continue to build a sense of community through activities like candidate forums, Town Hall meetings, newsletters and the citizens academy
 - Work to find new avenues to involve more residents in the civic process and to serve on boards and commissions with the hope of developing new leaders from a cross-section of the community
 - Create avenues that allow residents and members of the business community to have a sense of pride living and working in Addison
11. Develop and utilize the Addison Airport as an engine to drive economic growth in the community
 - Continue to upgrade and improve the Addison Airport facility and its infrastructure through the pursuit of funding from the FAA, Texas Department of Transportation-Aviation Division and profits resulting from the superior management of the facility with the overall goal of making and retaining Addison Airport as the BEST general aviation airport in the region and the country
 - Continue to operate the airport in a manner that allows it to be self-sufficient

12. Expand the leadership role of the entire Council by active participation in community groups and professional development
 - Council members will actively represent the Town of Addison and participate in community groups, inter-governmental agencies, and professional associations that support the Town’s goals; demonstrate the Town’s commitment to social and environmental support; and advance Addison’s influence at the local, state, and national levels
 - Council members will utilize professional development opportunities provided by the Texas Municipal League, National League of Cities, and other professional groups

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

TOWN OF ADDISON GOALS MATRIX

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

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





GENERAL FUND

FUND DESCRIPTION

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

FUND NARRATIVE

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

CONCLUDING FISCAL YEAR FINANCIAL PERFORMANCE

Revenues are estimated below the FY 2008-2009 budget and 5.6% less than actually received during the 2007-2008 fiscal year. The majority of this decrease results from declines in non-property taxes (11%), property tax (3.4%), and license and permit revenue (11.2%). All of these factors are directly related to the national economic recession.

Expenditures are expected to be \$1,637,640 or 5.7% less than the adopted budget. Of the fifteen operating departments, all but one are expected to be within their original individual budgets. Council recognized all excess expenditures with budget amendments in August 2009. The differences for revenues and expenditures contributed to an estimated ending fund balance of \$11,083,000, which is \$742,630 less than budgeted.

2009-2010 BUDGET

Revenues are projected to total \$27,476,580, which represents a 5.2% decrease compared to the previous year's budget. Most of this decrease can be attributed to decreases in sales tax, building permit, and interest earning revenue associated with the current economic downturn. Revenue from sales taxes is expected to remain flat and not recover during the 2010 fiscal year. Although property tax valuations are down 11% as compared with last year, rates have been increased to provide a 4% net increase to revenues.

Expenditures for the 2010 fiscal year have been appropriated at \$27,274,990, approximately 6% less than the 2009 budget. To provide Addison employees with a competitive compensation package, the Council approved a pay increase of 2% of salaries effective October 1, 2009. The cost of this adjustment to the Town's General Fund is \$306,000. Staffing for FY 2009-10 is budgeted at 234.4. General Fund staffing reflects deletion of three vacant positions in the Financial and Strategic Services, Fire, and Parks Departments. These deleted positions were offset by the addition of three positions in the Police Department that will be totally funded through the Federal COPS grant.

General Fund expenditures for the 2010 fiscal year were reduced by tapping fund balances in the Town's various Capital Funds. Approximately \$465,000 in street maintenance projects will be supported by the Streets Capital Project Fund, while \$85,000 of park maintenance projects will be paid from the Parks Capital Project

Fund. Surplus fund balances in the Town's two capital replacement funds also allowed the General Fund to suspend for one year its annual contribution to the funds totaling over \$850,000. Use of these surplus funds is not sustainable past one to two years. If the economy fails to rebound with subsequent increases in revenues, then the Town will have to increase fees and taxes or reduce scope of City Services.

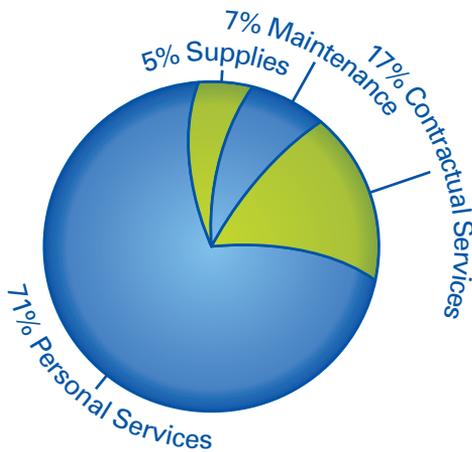
The 2009-10 General Fund Budget also includes a \$1,000,000 transfer to the G.O. Debt Service Fund. This transfer allows the Town to meet its debt obligations while reducing the tax rate dedicated to debt service, thereby minimizing increases to the total tax rate.

GENERAL FUND BY MAJOR COST CATEGORY

Category	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$18,048,130	\$19,288,690	\$18,415,170	\$19,298,610
Supplies	1,246,429	1,350,970	1,152,650	1,421,060
Maintenance	2,568,817	2,714,130	2,451,630	1,909,410
Contractual Services	4,142,857	4,594,200	4,315,950	4,640,910
Capital Replacement/Lease	1,077,265	861,730	855,770	5,000
Capital Outlay	226,789	172,100	153,010	-
Total Fund Budget	\$27,310,287	\$28,981,820	\$27,344,180	\$27,274,990

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.

**2009-2010 GENERAL FUND
OPERATING EXPENDITURES**



GENERAL FUND STATEMENT OF REVENUE & EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$10,684,165	\$11,816,630	\$11,695,930	\$11,083,000
Revenues				
Ad valorem taxes	9,905,274	10,295,420	9,945,000	10,707,230
Non-property taxes	11,637,278	12,129,560	10,760,000	10,735,000
Franchise fees	2,555,927	2,559,680	2,501,500	2,522,000
Licenses and permits	798,006	658,560	585,000	360,000
Intergovernmental	-	-	-	198,450
Service fees	1,420,244	1,284,600	1,341,750	1,344,900
Fines and penalties	1,222,897	1,300,000	1,175,000	1,200,000
Interest earnings	472,156	552,500	187,500	177,500
Rental income	157,546	156,500	156,500	156,500
Other	152,724	54,000	79,000	75,000
TOTAL REVENUES	28,322,052	28,990,820	26,731,250	27,476,580
TOTAL RESOURCES AVAILABLE	39,006,217	40,807,450	38,427,180	38,559,580
Expenditures				
General Government:				
City Manager	1,410,846	1,504,200	1,261,580	1,296,640
Financial and Strategic Services	866,087	1,052,050	899,210	881,030
General Services	940,874	880,370	865,930	795,280
Municipal Court	440,691	520,570	499,520	520,440
Human Resources	347,307	572,960	517,700	583,490
Information Technology	1,331,704	1,272,440	1,225,490	1,236,440
Combined Services	790,326	794,020	737,760	694,510
Council Projects	284,988	249,340	279,380	462,470
Public Safety:				
Police	7,156,061	7,392,850	7,126,770	7,390,520
Emergency Communications	988,521	1,150,000	1,041,280	1,135,680
Fire	5,957,037	6,115,870	5,909,750	5,719,570
Development Services	884,770	975,160	860,160	955,580
Streets	1,805,175	2,308,180	2,211,820	1,677,600
Parks and Recreation:				
Parks	2,537,338	2,766,050	2,584,220	2,527,050
Recreation	1,568,562	1,427,760	1,323,610	1,398,690
TOTAL EXPENDITURES	27,310,287	28,981,820	27,344,180	27,274,990
OTHER FINANCING SOURCES (USES)				
Interfund transfer	-	-	-	(1,000,000)
ENDING FUND BALANCE	\$11,695,930	\$11,825,630	\$11,083,000	\$10,284,590

GENERAL FUND STATEMENT OF REVENUES BY SOURCE

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Ad valorem taxes				
Current taxes	\$9,848,061	\$10,270,470	\$9,950,000	\$10,680,130
Delinquent taxes	9,804	3,120	(10,000)	3,390
Penalty & interest	47,409	21,830	5,000	23,710
Non-property taxes				
Sales tax	10,649,989	11,124,500	9,785,000	9,760,000
Alcoholic beverage tax	987,289	1,005,060	975,000	975,000
Franchise / right-of-way use fees				
Electric franchise	1,574,344	1,550,000	1,450,000	1,500,000
Gas franchise	241,342	301,680	329,000	325,000
Telecommunication access fees	596,820	575,000	580,000	560,000
Cable franchise	128,020	125,000	135,000	130,000
Wireless network fees	8,401	1,000	500	-
Street rental fees	7,000	7,000	7,000	7,000
Licenses and permits				
Business licenses and permits	153,965	158,560	160,000	160,000
Building and construction permits	644,041	500,000	425,000	200,000
Intergovernmental revenue	-	-	-	198,450
Service fees				
General government	626	600	600	600
Public safety	805,262	713,000	725,000	725,000
Urban development	9,421	5,000	4,500	5,000
Streets and sanitation	333,645	310,250	350,000	350,000
Recreation	89,634	74,100	80,000	80,000
Interfund	181,656	181,650	181,650	184,300
Court fines	1,222,897	1,300,000	1,175,000	1,200,000
Interest earnings	472,156	552,500	187,500	177,500
Rental income	157,546	156,500	156,500	156,500
Other	152,724	54,000	79,000	75,000
TOTAL REVENUES	\$28,322,052	\$28,990,820	\$26,731,250	\$27,476,580

CITY MANAGER

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, his support staff, and the operation and maintenance of Town Hall.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Facilitated the negotiations for the development of a new special surgery spine hospital.
- Conducted a comprehensive branding study for the Town.
- Conducted the renegotiation of the Addison Airport operating agreement.
- Implemented a Town-wide Sustainability Philosophy with emphasis on green development strategies and business practices.
- Completed the 2008 Citizen Academy that educates residents interested in assuming leadership positions in city operations and issues.
- Facilitated a study of the Town's Police and Fire Department operations.
- Continued efforts to advance the funding of the Cotton Belt initiative.
- Inaugurated the weekly e-newsletter and the video streaming for webcasting the City Council and Planning and Zoning meetings.
- Initiated and implemented an Economic Development outreach program designed to identify new businesses and to assist in business retention.
- Worked with the Dallas Independent School District (DISD) to site a new elementary school in Addison.

OBJECTIVES FOR FY2010

- Continue to monitor and provide oversight of the Vitruvian Park Development.
- Continue to refine and implement approved streetscape elements for the redevelopment of Belt Line Road.
- Continue to advance the Town's sustainability efforts through the implementation of various green initiatives.
- Implement the branding study recommendations.
- Implement the recommendations resulting from the study of the Public Safety operations.
- Implement the recommendations from Addison Airport agreement negotiations.
- Continue to monitor and advance the DART/Cotton Belt discussions.
- Facilitate the Charter Review Process.
- Collaborate with DISD to complete the design and begin construction of the new Addison elementary school in preparation for a fall 2011 opening.

MAJOR BUDGET ITEMS

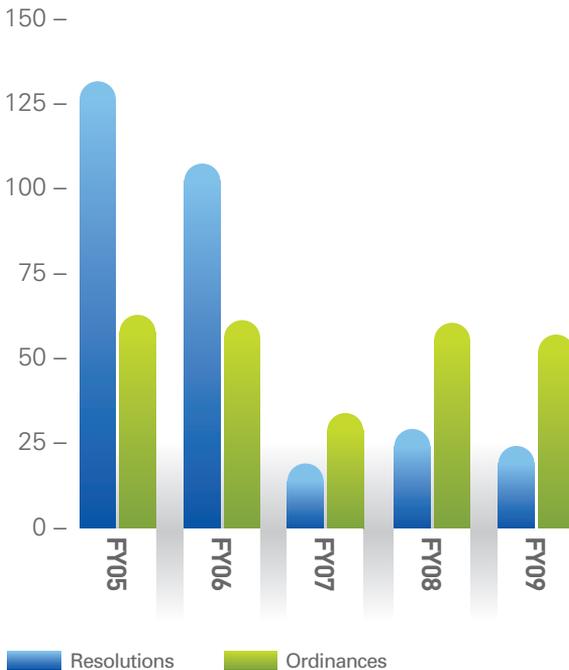
- Library cards for Addison residents to use City of Farmers Branch and City of Dallas libraries (\$117,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$958,247	\$1,008,530	\$858,330	\$940,630
Supplies	36,000	30,350	41,830	31,350
Maintenance	120,872	40,590	40,600	24,040
Contractual Services	277,652	359,450	275,540	300,620
Capital Replacement/Lease	15,280	15,280	15,280	-
Capital Outlay	2,795	50,000	30,000	-
Total Fund Budget	\$1,410,846	\$1,504,200	\$1,261,580	\$1,296,640

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
City Manager	N/C	1.0	1.0	1.0	1.0
Deputy City Manager	34	1.0	1.0	1.0	1.0
Assistant City Manager	32	2.0	2.0	2.0	1.0
Assistant to the City Manager	27	0.0	0.0	0.0	1.0
Secretary - Executive	11	1.0	1.0	1.0	1.0
Secretary - Administrative	9	2.0	2.0	2.0	2.0
Receptionist *	6	0.5	0.5	0.5	0.5
Intern	1	1.0	1.0	1.0	1.0
Total		8.5	8.5	8.5	8.5

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

ORDINANCES PASSED AND RESOLUTIONS WRITTEN



City Council protocols were modified in 2007 that resulted in issuance of fewer resolutions and ordinances.

FINANCIAL AND STRATEGIC SERVICES

DEPARTMENT MISSION

To optimally manage the Town's resources through its Financial Services and Strategic Services divisions. The Strategic Services Division has four core services: budgeting, purchasing, management analysis and treasury and investment management. The Financial Services group manages all aspects of the Town's financial reporting, coordinates utility billing, and handles all accounts receivable and accounts payable for the Town. 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, administers the Town's risk management and treasury functions,

PROGRAM NARRATIVE

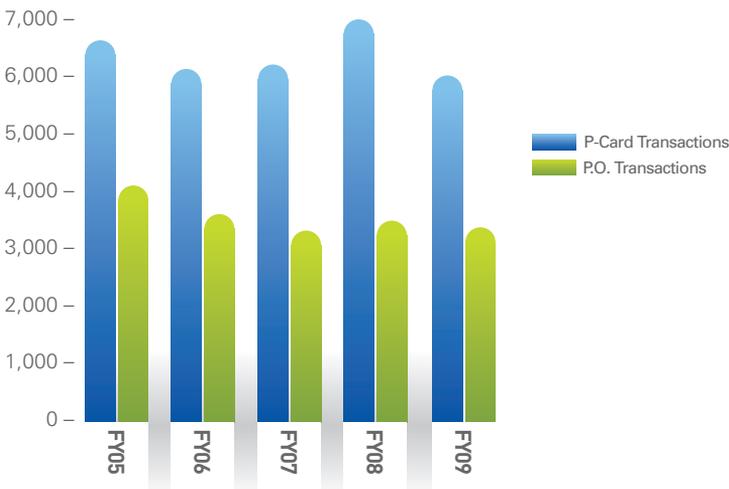
ACCOMPLISHMENTS OF FY2009

- Implemented and monitored Town's legislative priorities during the 2009 Texas Legislative Session.
- Supervised and coordinated Town's sustainability initiatives, including evaluation of commercial solid waste collection and recycling activities.
- Monitored DART capital improvement program to ensure Addison's interests are protected and advanced.
- Identified and implemented credit card payment process improvements.
- Implemented new water and sewer utility rates.
- Transitioned to new meter reading software and equipment.
- Performed pilot program of paperless accounts payable process with three departments.

OBJECTIVES FOR FY2010

- Develop a strategic plan for the department.
- Perform Strategic Operations Reviews of IT, HR, and Visitor Services.
- Continue to monitor Town's sustainability initiatives.
- Digitize utility billing records.
- Audit and compare a portion of the utility meters in service to the utility billing system.
- Identify and implement improvements to cash receipting.
- Continue accounts payable automation process.
- Improve the new vendor set up process.
- Update inventory of capital accounts

PROCUREMENT TRANSACTIONS BY CATEGORY



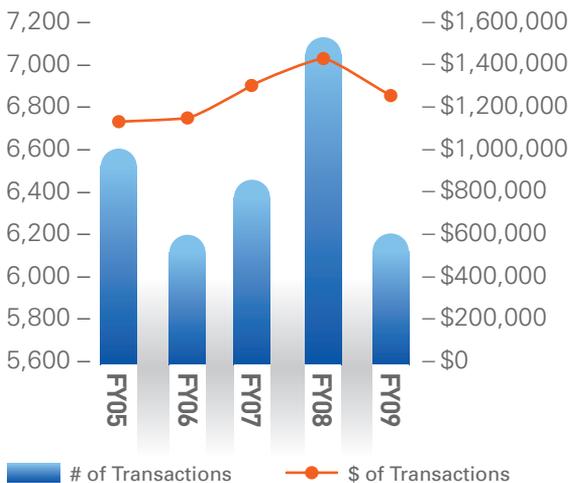
MAJOR BUDGET ITEMS

The Financial and Strategic Services department will save an estimated \$101,000 by not filling the vacant Director of Finance position, reassigning workload among staff, and contracting out sales tax audit and reporting functions.

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$548,905	\$744,950	\$559,070	\$565,990
Supplies	40,054	32,360	50,730	34,200
Maintenance	37,816	38,030	38,390	39,600
Contractual Services	222,732	220,130	234,440	241,240
Capital Replacement/Lease	16,580	16,580	16,580	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$866,087	\$1,052,050	\$899,210	\$881,030

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Chief Financial Officer	31	0.0	0.0	1.0	1.0
Dir. of Financial & Strategic Svcs	31	1.0	1.0	1.0	0.0
Asst. Dir. - Financial & Strategic Svcs	29	1.0	1.0	0.0	0.0
Financial Services Manager	26	1.0	1.0	1.0	1.0
Strategic Services Manager	26	1.0	1.0	1.0	1.0
Financial Services Supervisor	22	0.0	1.0	1.0	1.0
Accountant	20	1.0	1.0	1.0	1.0
Management Analyst	20	1.0	1.0	1.0	1.0
Secretary - Department	8	1.0	0.0	0.0	0.0
Accounting Specialist	7	3.0	3.0	3.0	3.0
Total		10.0	10.0	10.0	9.0

PROCUREMENT CARD TRANSACTIONS



Number of transactions in 2009 declined due to restrained spending in light of the recession.

GENERAL SERVICES

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Continued to work with the contracted airport operator, Washington/Staubach, to accomplish airport priorities, further enhance airport operations and accentuate and communicate the positives of Addison Airport.
- Completed Runway Safety Area Improvements and Fuel Farm Service Road.
- Began design phase for the Runway Overlay project.
- Completed Taxiway Romeo improvements and the new hangar development.
- Hosted the American Association of Airport Executives Annual Conference.
- Coordinated and supervised all budget approved town facilities projects, such as interior painting of the Finance building and exterior painting of Town Hall.
- Expanded Automotive Service Excellence & Emergency Vehicle Technician training.

OBJECTIVES FOR FY2010

- Implement new agreement with Airport Operator to advance Airport goals and objectives.
- Supervise construction of runway overlay project.
- Reconstruct west end of Taxiway Romeo (grant funded).
- Improve Airport fencing along Addison Road.
- Clean-up / Landscaping airport streets.
- Coordinate and supervise all budget approved town facilities projects., including painting projects at Fire Station 2 and Police Station and an HVAC replacement at the Conference and Theatre Centre.
- HVAC Replacement at Addison Conference and Theatre Center (possible grant funding).

MAJOR BUDGET ITEMS

- Fleet Services: Modis Scanner (\$7,000).
- Increase Electrical Power Capacity at the Police and Service Center Facilities (\$220,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$597,467	\$633,440	\$618,670	\$633,650
Supplies	19,919	24,250	18,920	28,600
Maintenance	185,621	101,180	101,180	58,200
Contractual Services	108,388	70,910	76,580	74,830
Capital Replacement/Lease	26,684	26,120	26,110	-
Capital Outlay	2,795	24,470	24,470	-
Total Fund Budget	\$940,874	\$880,370	\$865,930	\$795,280

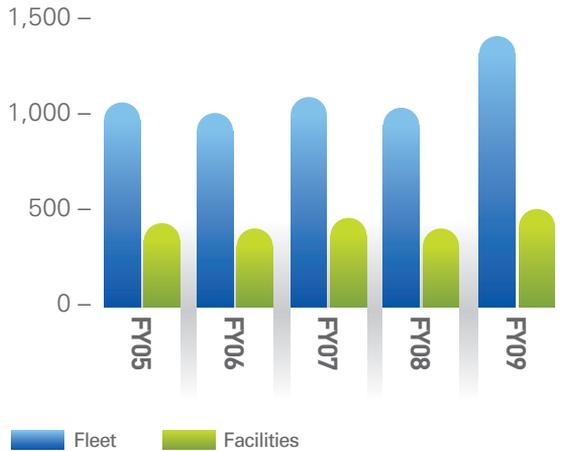
Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - General Services	31	1.0	1.0	1.0	1.0
Supervisor - Fleet Services	13	1.0	1.0	1.0	1.0
Supervisor - Facilities Svcs	11	1.0	3.0	3.0	3.0
Technician - Fleet	8	2.0	1.0	1.0	1.0
Secretary - Department	8	1.0	1.0	1.0	1.0
Clerk - Inventory	4	1.0	1.0	1.0	1.0
Mail Carrier	4	1.0	1.0	1.0	1.0
Custodian	2	1.0	1.0	1.0	1.0
Total		9.0	10.0	10.0	10.0

FLEET DOWNTIME
(AS A PERCENTAGE OF TIME IN OPERATION)



The department works to respond to repairs rapidly to maintain a down-time rate of less than 3%.

WORK ORDERS PROCESSED



MUNICIPAL COURT

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

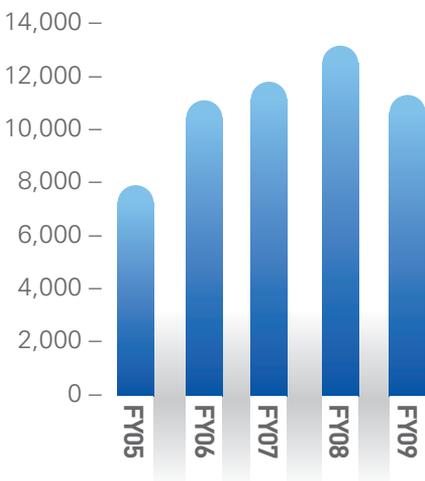
ACCOMPLISHMENTS OF FY2009

- Participated in the state wide warrant round-up to collect on outstanding warrants.
- Evaluated all new laws passed during the 2009 Texas State Legislative Session affecting the Court and implemented changes to court procedures.
- Updated the recording system to a digital system for courtroom.
- Maintained and enhanced the Court website to improve customer service.

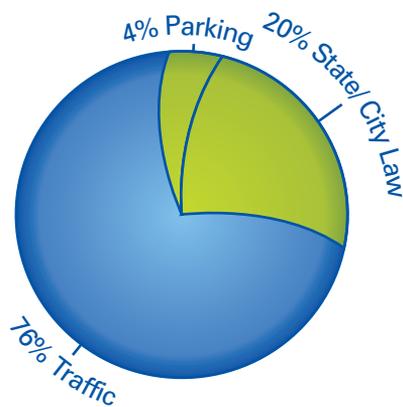
OBJECTIVES FOR FY2010

- Continue working with the Information Technology department to implement new software changes including an interface between the Court software and the State Collection Programs.
- Continue to improve warrant collections by serving current warrants and participating in the state wide warrant round-ups.
- Implement a fine collection program using volunteers from Addison Advocates Volunteer Program.
- Continue to identify and implement methods to improve customer service in Municipal Court.

CITATIONS ISSUED



VIOLATIONS BY TYPE

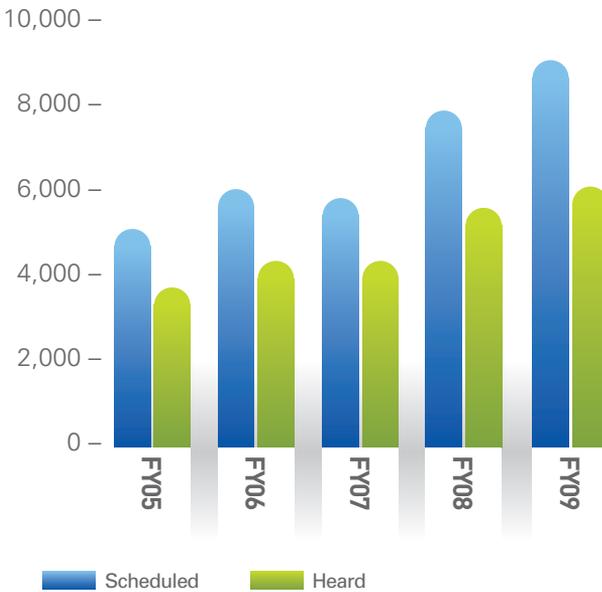


Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$374,879	\$436,230	\$430,820	\$443,970
Supplies	13,530	18,240	10,900	18,240
Maintenance	835	1,900	450	1,900
Contractual Services	43,577	56,330	49,480	56,330
Capital Replacement/Lease	7,870	7,870	7,870	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$440,691	\$520,570	\$499,520	\$520,440

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Administrator - Court	24	1.0	1.0	1.0	1.0
Warrant Officer	P2	1.0	1.0	1.0	1.0
Clerk - Court *	7	2.0	2.0	3.0	3.0
Municipal Judge	N/C	0.7	0.7	0.7	0.7
Total		4.7	4.7	5.7	5.7

* Position added as FY08 mid-year revision

CASES SCHEDULED AND HEARD



HUMAN RESOURCES

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

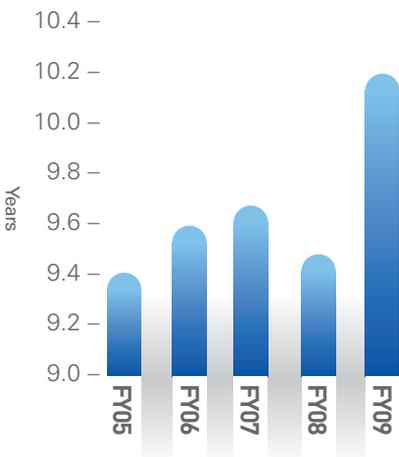
ACCOMPLISHMENTS OF FY2009

- Promoted Addison Advocate Volunteer Program through various activities such as Advocate Open House, utility bill stuffers and utilizing web page presence which helped to triple the number of Addison Advocate volunteers.
- Implemented the Addison Way Series to include training for employees on the Addison Way of Customer Service and Ethics to ensure great service to Addison citizens.
- Promoted Town’s wellness program to employees by successfully bringing in wellness speakers to focus on healthy weight loss and active lifestyle.
- Hired Town’s first part time Human Resources Volunteer Coordinator to focus on Town’s Volunteer program, Addison Advocate program.
- Implemented Better Health Challenge to focus on healthy weight loss and active lifestyle.

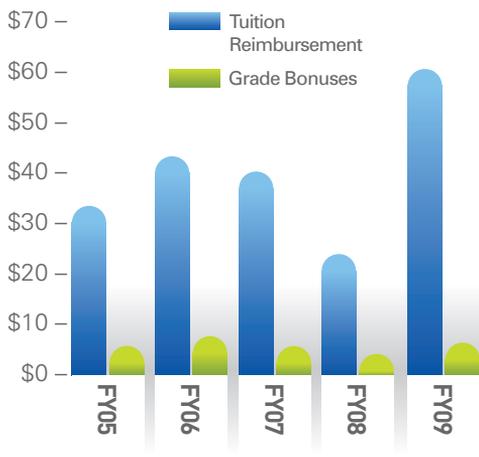
OBJECTIVES FOR FY2010

- Implement supervisory training series for newly hired and promoted supervisors that will include core curriculum to promote and ensure the continuation of the Addison Way.
- Create new opportunities to recognize and celebrate Addison Advocate Volunteers for their service to the organization and community.
- Develop training curriculum to ensure Addison Advocate Volunteers understand and promote the Town’s organizational culture and the Addison Way!
- Coordinate the Town’s Safety Review process and increase opportunities for in-house safety and technical training such as Defensive Driving and CPR.
- Continue to enhance volunteer program by focusing on recruitment and retention of Addison Advocate Volunteers.

AVERAGE TENURE OF EMPLOYEES



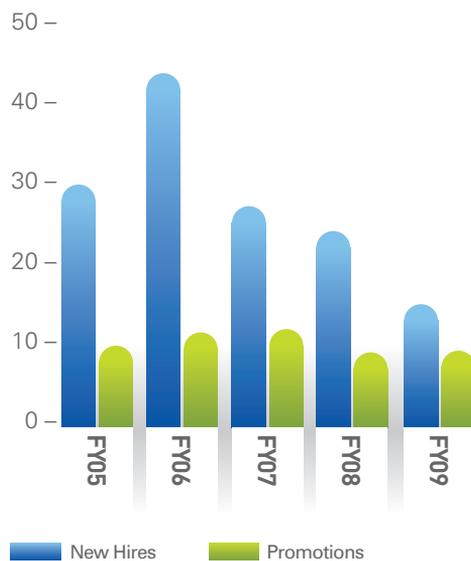
TUITION REIMBURSEMENT (\$1000's)



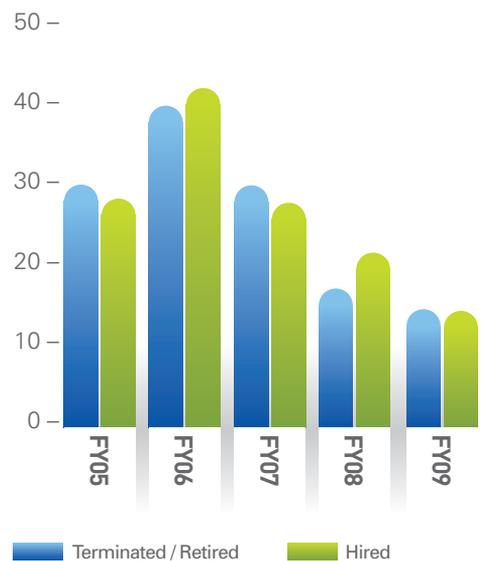
Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$270,443	\$397,340	\$385,720	\$421,080
Supplies	12,646	13,200	18,070	13,200
Maintenance	6	600	500	600
Contractual Services	57,462	155,070	106,660	148,610
Capital Replacement/Lease	6,750	6,750	6,750	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$347,307	\$572,960	\$517,700	\$583,490

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Human Resources	31	1.0	1.0	1.0	1.0
Benefits Specialist	21	1.0	1.0	1.0	1.0
Employment Specialist	21	1.0	1.0	1.0	1.0
Volunteer Coordinator	11	0.0	0.0	0.5	0.5
Payroll Specialist	10	0.7	0.7	0.7	0.7
Secretary - Department	8	1.0	1.0	1.0	1.0
Total		4.7	4.7	5.2	5.2

HIRES BY TYPE



EMPLOYEES PROCESSED



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 the design and supervision of the Town's technology infrastructure; maintaining a single point of contact for recording, tracking and coordinating problem resolution; providing asset management and support services for the network and desktop environment and coordinating all technology training and education.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Upgraded CAD (Computer Aided Dispatch) system – Hardware & Software.
- Upgraded the Town's network with fiberoptic lines.
- Continued the implementation of the Document Management System to all departments.
- Explored the possibility of utilizing wireless technology for a fixed network meter reading system.
- Upgraded the Town's network infrastructure.
- Released a Request for Proposal (RFP) to choose a Court package.
- Facilitated the installation and configuration of the Advanced Traffic Management System for the Streets department.
- Upgraded Telets Interface.
- Implemented a Community Management System.
- Implemented a web streaming system to broadcast the Town's public meetings.
- Implemented "Ask City Manager a Question" and Weekly Newsletter Project that informs the Addison community of Town issues and events.
- Installed a wireless system at the Conference Centre.

OBJECTIVES FOR FY2010

- Release an RFP to replace the rugged laptops inside the police cruisers.
- Release an RFP to replace the In-car video cameras inside the police cruisers.
- Establish a comprehensive plan to use social networking & social media for collaboration, marketing, and transparency in our government.
- Expand the existing wireless system at Arts and Events District.
- Upgrade the Utility Billing system.
- Train the entire organization on Microsoft Office 2007 products.
- Consider the possibility of a consolidated dispatch center to serve Addison and the adjacent cities of Carrollton and Farmers Branch.
- Enhance the Town's websites.
- Release an RFP to replace the laptops Town-wide.
- Release an RFP to upgrade the Court Case System.
- Enhance the "addisongreen.info" portal.

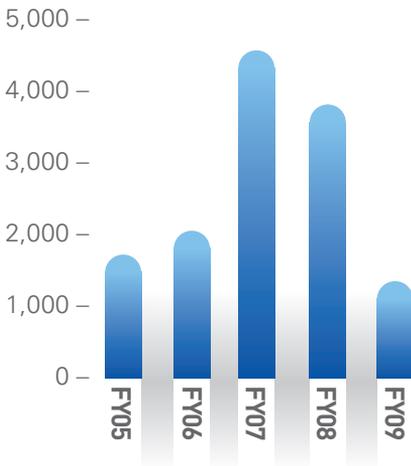
MAJOR BUDGET ITEMS

- Microsoft Office 2007 Products Training (\$23,000).
- Hire a consultant to establish a strategic plan focused on social networking and social media (\$35,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$700,801	\$724,170	\$721,780	\$719,640
Supplies	32,678	64,170	30,420	64,170
Maintenance	382,729	391,980	378,480	347,480
Contractual Services	45,649	80,200	82,890	105,150
Capital Replacement/Lease	11,920	11,920	11,920	-
Capital Outlay	157,927	-	-	-
Total Fund Budget	\$1,331,704	\$1,272,440	\$1,225,490	\$1,236,440

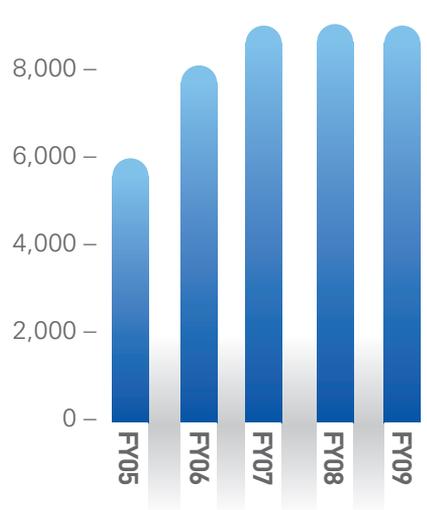
Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - IT	31	1.0	1.0	1.0	1.0
Network Specialist	25	5.0	5.0	5.0	5.0
Total		6.0	6.0	6.0	6.0

NUMBER OF SERVICES CALLS



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

NUMBER OF UNIQUE WEBSITE VISITORS (IN HUNDREDS)



COMBINED SERVICES

DEPARTMENT MISSION

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

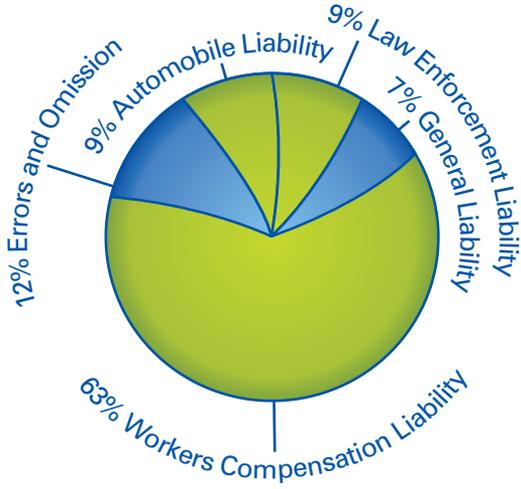
PROGRAM NARRATIVE

MAJOR BUDGET ITEMS

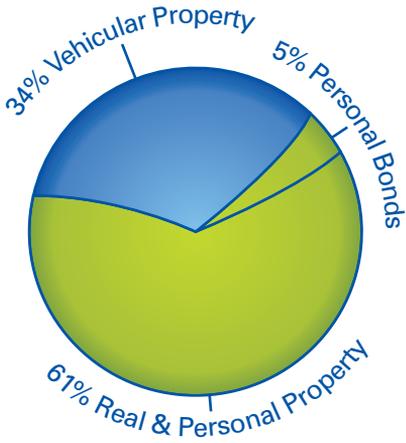
- Legal fees (\$240,00).
- Delivery and postage for Town mailings (\$78,000).
- Includes \$126,070 for fund's share of Town-wide liability insurance.

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$74,150	\$37,090	\$29,140	\$37,090
Supplies	115,491	118,030	135,220	108,690
Maintenance	-	-	-	-
Contractual Services	600,685	638,900	573,400	548,730
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$790,326	\$794,020	\$737,760	\$694,510

LIABILITY INSURANCE PREMIUMS BY CATEGORY



PROPERTY INSURANCE PREMIUMS BY CATEGORY



CITY COUNCIL

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Approved a Master Facilities Agreement with United Dominion Realty for the construction of a new mixed use development. When completed, this \$1 billion project will provide 5,400 new residential units as well as other amenities such as parks, trails and retail opportunities.
- Approved the zoning for the construction of a spine and orthopedic hospital for the partnership of Methodist Health System and Nueterra Healthcare in Addison.
- Approved a resolution endorsing the U.S. Mayor's Climate Protection Agreement and authorizing membership in the Cool Cities Program.
- Initiated and implemented an Economic Development outreach program designed to identify new businesses and to assist with business retention.
- Approved the Town of Addison Employee Handbook.

MAJOR BUDGET ITEMS

- Non-Profit Grant Funding:
 - Communities in Schools (\$40,000)
 - Metrocrest Chamber of Commerce (\$10,000)
 - Metrocrest Family Medical Clinic (\$3,000)
 - Metrocrest Social Services (\$20,000)
 - Senior Adult Services (\$17,000)
 - Special Care and Career Services (\$5,000)
 - The Family Place (\$5,000)

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$29,187	\$30,390	\$28,360	\$30,150
Supplies	27,730	15,590	27,720	35,590
Maintenance	-	-	-	-
Contractual Services	226,101	201,390	221,330	396,730
Capital Replacement/Lease	1,970	1,970	1,970	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$284,988	\$249,340	\$279,380	\$462,470

Council	Name	Profession	Term of Office
Mayor	Joe Chow	Rest. Owner/Ins. Agency Owner	05/09-05/11
Mayor Pro Tempore	Roger S. Mellow	Investments	05/08-05/10
Deputy Mayor Pro Tempore	Tom Braun	VertiCon Construction	05/08-05/10
Councilmember	Blake W. Clemens	Corporate Real Estate	05/09-05/11
Councilmember	Don R. Daseke	East Teak Fine Hardwoods	05/09-05/11
Councilmember	Kimberly Lay	Commercial Real Estate	05/09-05/10
Councilmember	Bianca R. Noble	Marketing	05/09-05/11

POLICE

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Achieved controlled expansion in the number of participants enrolled in the Hotel/ Business Retention program.
- Purchased a “state of the art” communications device to increase the capabilities of the Crisis Negotiation Team.
- Replaced the analog recording equipment in our interview rooms with digital recording equipment.
- Purchased two SEGWAYS and began using them as alternative patrol vehicles.
- Applied for two grants under the Federal Stimulus program totaling \$800,000.

OBJECTIVES FOR FY2010

- Purchase and transition the patrol fleet into new vehicles.
- Once grant funding is awarded:
 - Equip all patrol cars with portable defibrillators.
 - Purchase a Livescan Fingerprint system for the jail.
 - Increase the capabilities of the Hotel / Business Retention program by adding a sergeant and an investigator.
- Achieve the distinction of becoming a “Recognized” police department through the Texas Police Chief’s Best Practices in Law Enforcement recognition program.

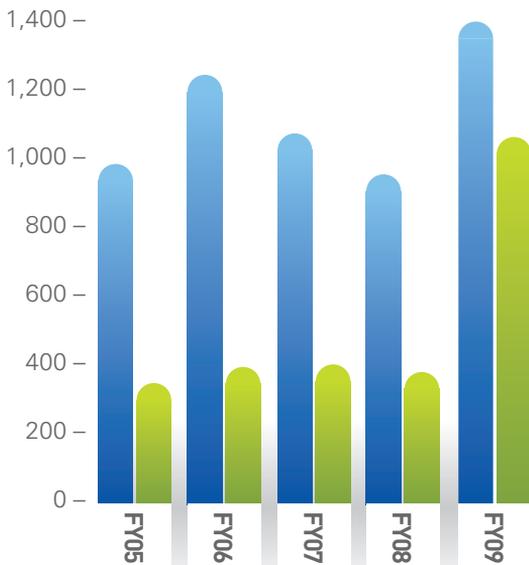
MAJOR BUDGET ITEMS

- Exterior Painting at Police Station (\$45,000)
- Patrol car replacement (\$518,000)
- Mobile Data Computer replacement (\$230,000)

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$5,762,169	\$5,936,470	\$5,947,190	\$6,340,560
Supplies	340,822	369,830	251,800	384,060
Maintenance	178,284	328,160	175,160	320,660
Contractual Services	387,417	361,660	355,890	345,240
Capital Replacement/Lease	459,119	373,900	373,900	-
Capital Outlay	28,250	22,830	22,830	-
Total Fund Budget	\$7,156,061	\$7,392,850	\$7,126,770	\$7,390,520

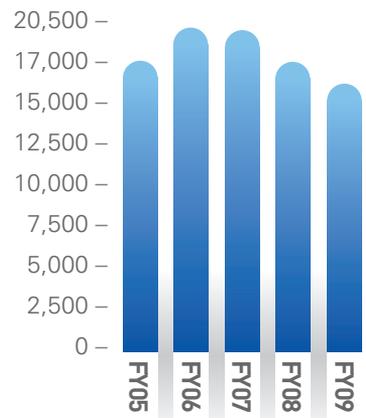
Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Police Chief	31	1.0	1.0	1.0	1.0
Assistant Police Chief	P6	0.0	0.0	1.0	1.0
Captain	P5	2.0	2.0	1.0	1.0
Lieutenant	P4	2.0	3.0	3.0	3.0
Sergeant	P3	6.0	6.0	6.0	6.0
Assistant to the Chief	22	0.0	0.0	0.0	1.0
Manager - Public Safety Comm.	22	1.0	1.0	1.0	0.0
Supervisor - Detention	11	1.0	1.0	1.0	1.0
Police Officer	P2	45.0	45.0	45.0	48.0
Police Administrative Tech	9	1.0	1.0	1.0	1.0
Jailer	7	1.0	1.0	2.0	2.0
Secretary - Department	8	1.0	1.0	1.0	1.0
Investigative Specialist	6	1.0	1.0	1.0	1.0
Public Service Officer	6	1.0	1.0	1.0	1.0
Clerk - Police Records	5	2.0	2.0	2.0	2.0
Jailer - Temporary		3.3	3.3	3.3	3.3
Total		68.3	69.3	70.3	73.3

PROPERTY AND VIOLENT CRIME RATES



Crimes Against Property Crimes Against Persons

CALLS FOR SERVICE



Increased property crime rates in FY2009 were due to an increase in frequency of car burglaries

EMERGENCY COMMUNICATIONS

FUNCTION

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

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

PROGRAM NARRATIVE

MAJOR BUDGET ITEMS

- Combined 911 Lines (\$129,000)
- Simulcast Site Maintenance Fee (\$56,000)

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$734,789	\$842,160	\$743,860	\$827,850
Supplies	-	-	-	14,670
Maintenance	79,921	75,950	73,030	74,900
Contractual Services	173,811	231,890	224,390	218,260
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$988,521	\$1,150,000	\$1,041,280	\$1,135,680

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Supervisor - Communications	11	1.0	1.0	1.0	1.0
Dispatcher	D1	11.5	11.5	12.5	12.5
Total		12.5	12.5	13.5	13.5

FIRE

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Reduced overtime due to vacancies by implementing and utilizing the “overfill program”. The Overfill Program was created to maintain a high level of staffing at all times and mitigate the difficulties which come with regular turnover. By determining average turnover, the Town is able to hire a matching number of “overfill” (authorized but not budgeted) positions without compromising personnel cost allocations. In this way, Addison can maintain maximum staffing levels at all times and avoid incurring additional overtime expenses. Fire currently authorizes two overfill positions.
- Sixteen FD personnel completed a 60-hour Fire Officer I class bringing the total of Fire Officer I certifications to 21 personnel which greatly exceeds many departments or area cities.
- Eleven FD personnel completed an 80-hour Driver/Operator class which covers emergency driving and operating fire apparatus. Forty-four department personnel are now certified as Driver/Operators.
- Nineteen department employees completed a 60-hour Fire Officer II class.
- All operations personnel attended an 8-hour live fire training exercise at the Collin County Community College Fire Training Facility in McKinney which emphasized high-rise fires.
- Continued the Annual Smoke Detector Battery Replacement Program. Addison Fire Department visited 281 Addison homes, conducted 149 Home Fire Safety Surveys and replaced 1,207 smoke detector batteries.
- Hosted an interactive open house at Fire Station 2 for residents and businesses. An estimated 100 guests attended this year’s open house.
- Administered the CPR/First Aid/AED Program. FD trained 248 individuals in 2009.

OBJECTIVES FOR FY2010

- Continue participating in annual Live Fire Drills.
- Send a minimum of 4 AFD personnel to the Fire Department Instructors Conference (FDIC).
- Continue to work closely with the developers of Vitruvian Park to assure that state-of-the-art life safety and fire protection systems are installed as required by Town ordinances.
- Continue to apply for various Federal Grants.
- Coordinate the necessary National Incident Management System Compliance implementation requirements to assure we will have access to all federal disaster program funds.
- Continue to review and update as needed all our existing Standard Operating Procedures.
- During the fall of FY09/10, the FD plans on hosting our 3rd Annual Open House for Addison residents and businesses.

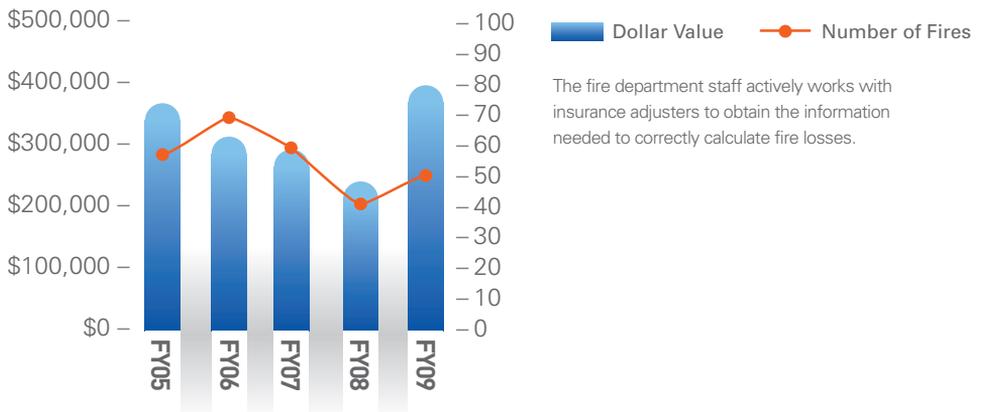
MAJOR BUDGET ITEMS

- Tools & Equipment (\$63,400)
- Interior and Exterior painting at Fire Station 2 (\$35,000)
- Fuels & Lubricants (\$62,500)
- Uniforms & Protective Clothing (\$70,645)
- Motor Vehicles (maintenance and repairs) (\$60,000)
- Training (\$114,645)

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$4,842,437	\$5,101,350	\$4,957,460	\$5,017,740
Supplies	266,444	299,070	245,190	290,200
Maintenance	229,991	165,640	174,410	119,770
Contractual Services	228,124	257,240	239,210	291,860
Capital Replacement/Lease	390,041	272,770	272,770	-
Capital Outlay	-	19,800	20,710	-
Total Fund Budget	\$5,957,037	\$6,115,870	\$5,909,750	\$5,719,570

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Fire	31	1.0	1.0	1.0	1.0
Chief - Operations	F5	1.0	1.0	1.0	1.0
Chief - Prevention	F5	1.0	1.0	1.0	1.0
Chief - Emergency/Training	F5	1.0	1.0	1.0	1.0
Fire Captain	F4	6.0	6.0	6.0	6.0
Fire Prevention Specialist	FP2	1.0	1.0	1.0	1.0
Fire Lieutenant	F3	6.0	6.0	6.0	6.0
Fire Prevention Tech	FP1	1.0	1.0	1.0	0.0
Firefighter/Paramedic FEO	F2	3.0	9.0	9.0	9.0
Firefighter/Paramedic	F2	33.0	27.0	27.0	27.0
Secretary - Department	8	1.0	1.0	1.0	1.0
Total		55.0	55.0	55.0	54.0

NUMBER OF FIRES AND CORRESPONDING PROPERTY LAWS



EMERGENCY MEDICAL SERVICES	2005-06	2006-07	2007-08	2008-09
Mutual Aid EMS Calls	111	74	86	80
Addison EMS Calls	1,440	1,368	1,497	1,342
Total Average Response Time	4:44	4:28	4:25	4:03

FIRE SERVICES	2005-06	2006-07	2007-08	2008-09
Calls for Service	970	1,063	1,111	1,045
Fire Incidents With Ignition	55	74	35	38
Total Average Response Time	4:44	5:13	4:35	4:59

DEVELOPMENT SERVICES

DEPARTMENT MISSION

To manage the planning, development, and growth of the Town in a manner that results in a pleasant, safe, and attractive environment and an enhanced quality of life for all of Addison's citizens and visitors. To protect the public's health and welfare through the enforcement of the Town's codes regarding construction, signs, community safety and appearance, food service, swimming pools, and hazardous materials.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Assisted the Planning and Zoning Commission in the development of Addison's Green Building Program. The Commission's recommendations were presented to the Council in February of 2009.
- Managed the zoning process resulting in approval for the first hospital in Addison, the Methodist Hospital for Special Services, to be located at Dallas Parkway and Sojour Drive.
- Issued 490 permits with a valuation of \$16,807,453.
- Trained department staff in the LEED (Leadership in Energy Efficient Design) program in order to understand and enforce green building requirements. In addition, staff attended continuing education training on the International Energy Conservation Code.
- Coordinated, inspected and licensed eight new or reoccupied/remodeled food establishments to date including Mi Taquito, Maestro Pizza, Red India, Masaryk Modern Mexican, Farnatchi Pizza and Twin Peaks Restaurant. Seven more restaurants, including Dodie's Cajun Diner and Kebab and Kurry, are in varying stages of plan review, construction, remodeling, etc.
- Managed the purchase of two properties at 15810 and 15812 Addison Road. Also managed the environmental abatement and demolition for both buildings.
- Organized and managed the Town-sponsored fall and spring garage sales and the e-recycling and document shredding services offered in conjunction with the sales.
- Assisted Addison Airport with depredation permit application in response to aircraft bird strikes.

OBJECTIVES FOR FY2010

- Continue to work with the Planning and Zoning Commission on the Urban Development portion of the Town's Sustainability Program.
- Provide assistance to the development community of the new International Energy Conservation Code and other energy requirements.
- Implement new property information management system that will allow building, landscape, and fire inspectors to have inspections dispatched from a central point and record inspections to a central property file. The new system will also provide comprehensive, city-wide records and property histories for each parcel in the city.
- Amend Addison Sign Ordinance.
- Start the phase-in of new anti-entrapment requirements for public and semi-private pools and spas related to main drain covers.
- Continue vigilance with the restaurant community on providing a suitable dining experience for non-smoking clientele.

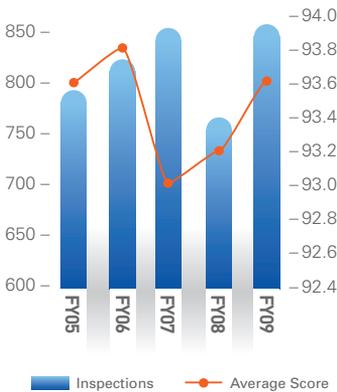
MAJOR BUDGET ITEMS

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

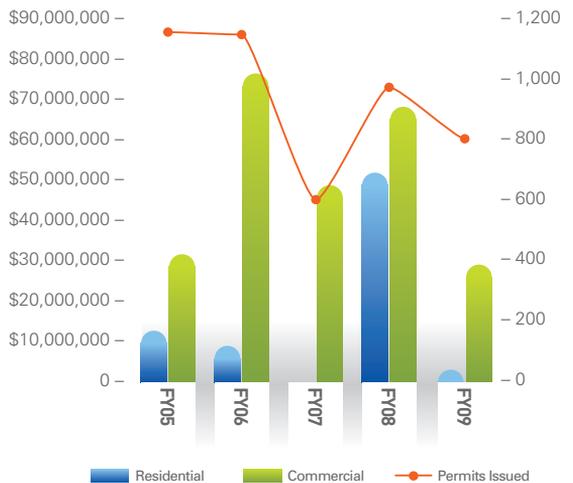
Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$721,416	\$746,450	\$724,260	\$761,580
Supplies	20,265	22,570	14,380	22,570
Maintenance	1,302	4,000	6,430	3,900
Contractual Services	119,038	189,680	102,630	167,530
Capital Replacement/Lease	22,749	12,460	12,460	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$884,770	\$975,160	\$860,160	\$955,580

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Dev. Svcs	31	1.0	1.0	1.0	1.0
Official - Building	28	1.0	1.0	1.0	1.0
Official - Environment Svcs	28	1.0	1.0	1.0	1.0
Inspector - Building	13	2.0	2.0	2.0	2.0
Environmental Health Specialist	12	1.0	1.0	1.0	1.0
Secretary - Division	7	1.0	1.0	1.0	1.0
Total		7.0	7.0	7.0	7.0

NUMBER OF FOOD INSPECTIONS AND AVERAGE SCORES



DOLLAR VALUE OF BUILDING AND PERMITS ISSUED



STREETS

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Implemented and monitored Town's legislative priorities before the 2009 Texas Legislative Session.
- Assisted with projects such as the Town-wide Traffic Signal Upgrade Project and the Belt Line Road Street Lighting Upgrade Project.
- Contracted major pavement repairs on Midway Road, Quorum Drive, Beltwood Parkway and Les Lacs Avenue.
- Contracted roadway joint and crack sealing on Marsh Lane, Kellway Circle, Landmark Boulevard, Sunbelt Drive and Westgrove Drive.
- Contracted major roadway repairs on Keller Springs Road and Midway Road.
- Contracted pavement lifting and stabilization on Marsh Lane.
- Managed the Oaks North Subdivision Street Lighting Upgrade Project, Part 2.
- Contracted the replacement of pavement markers (buttons, stop bars, arrows, lane lines) on various roadways.

OBJECTIVES FOR FY2010

- Repair failed concrete pavement on Midway Road and Quorum Drive.
- Seal pavement joints and/or cracks on numerous Town streets.
- Lift and stabilize sections of concrete pavement on Marsh Lane and Westgrove Drive.
- Accomplish the repainting of the Arapaho Road Bridge and hand rails.
- Contract the replacement of the Arapaho Road street brick pavers west of Surveyor Boulevard.
- Contract the installation of new street lights on Belt Line Road.
- Research street lighting upgrades for Quorum Drive, Midway Meadows, Proton Drive and Les Lacs Avenue.

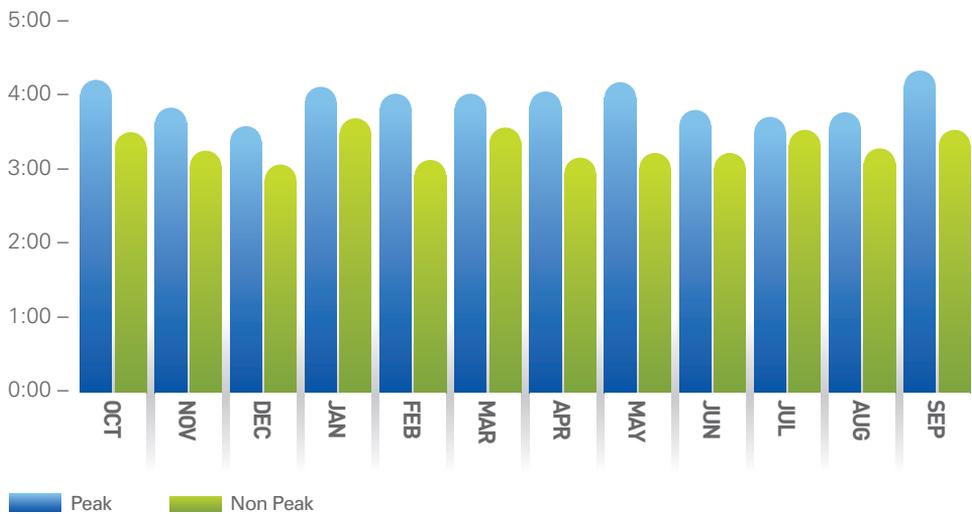
MAJOR BUDGET ITEMS

- Pavement assessment (\$15,000).
- Town wide traffic counts (\$15,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$503,627	\$532,270	\$502,800	\$521,820
Supplies	27,765	38,520	21,630	38,920
Maintenance	581,987	919,430	821,790	317,200
Contractual Services	660,375	790,350	843,940	799,660
Capital Replacement/Lease	31,421	27,610	21,660	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$1,805,175	\$2,308,180	\$2,211,820	\$1,677,600

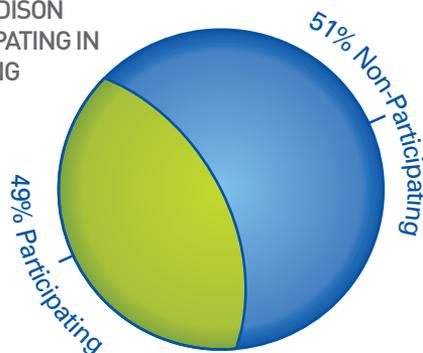
Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Streets Superintendent	24	1.0	1.0	1.0	1.0
Supervisor-Street Signs	11	1.0	1.0	1.0	1.0
Technician - Signals/Signs	11	2.0	2.0	2.0	2.0
Senior Maintenance Worker	5	1.0	1.0	2.0	2.0
Animal Control Officer	8	1.0	1.0	1.0	1.0
Maintenance - II	4	1.0	1.0	0.0	0.0
Total		7.0	7.0	7.0	7.0

AVERAGE TRAVEL TIME ON BELT LINE ROAD (TWO MILES TRAVELED) IN FY2009



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

PERCENTAGE OF ADDISON RESIDENTS PARTICIPATING IN CURBSIDE RECYCLING



PARKS

DEPARTMENT MISSION

To preserve and enhance the Town's exceptional quality of life through the landscaping and park amenities in the community's public open spaces as well as through landscaping of private properties.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Completed the construction of the 1.58 acre Spruill Park in the Addison Circle District.
- Completed the design process for the 12.3 acre Vitruvian Park scheduled for construction in the fall of 2009.
- Completed the adoption of the 2009 Master Plan for Park, Recreation and Open Space for use in making a \$500,000 grant application to the Texas Parks and Wildlife Department's Outdoor Recreation Grant Program. Completed landscape renovation in the Addison Circle District, Dome Park, Midway Road medians, Oaks North Neighborhood common areas, LeGrande Fountain/Midway Meadows, Addison Service Center, Town Hall, Conference and Theatre Centre and Addison Circle Park.
- Completed playground equipment replacement and playground resurfacing in Les Lacs Park and Town Park. Completed park structure renovation on the Les Lacs Pavilion, Town Park pavilion, Addison Circle Park railings, Easement Park playground, Winnwood Gazebo and the White Rock Trail bollards.
- Completed installation of new playground picnic tables and playground sidewalk near Dome Park.
- Completed test site lighting and landscaping on Belt Line Road relating to the Belt Line Redevelopment Project.
- Completed the application and judging process for the "Package Your Community for Success Program" sponsored by America in Bloom.
- Continued the Belt Line redevelopment design process and began implementation of streetscape improvements.
- Completed the installation of reduced Pressure Backflow devices on irrigation and fountain systems mandated by the TCEQ to protect against contamination of Town's water supply.

OBJECTIVES FOR FY2010

- Complete the construction of Vitruvian Park, as well as develop a budget for and implement a landscape and irrigation maintenance program for the park.
- Implement a landscape and irrigation maintenance program for the Fairfield Streetscape landscaping, Allegro Development and Spruill Park.
- Continue the third year of landscape renovation work in the Addison Circle District and various parts of town to replace older, worn landscaping.
- Complete the design and installation of the Earthkind/Waterwise demonstration garden on the Surveyor Water Tower site in collaboration with the Addison Arbor Foundation and the Dallas County Master Gardeners.
- Administer the town's participation in the Package Your Community for Success Program sponsored by America in Bloom.
- Complete various park structure repairs including painting of park benches, drinking fountains and fencing. Replace worn out park lights along the North Addison Park trail north of Addison Place.
- Complete the design process for the Greenhill trail section connecting to the new DISD K-5 elementary school, Vitruvian Park and existing Les Lacs Trail.
- Complete the irrigation and landscape elements of the Belt Line Redevelopment Project.

MAJOR BUDGET ITEMS

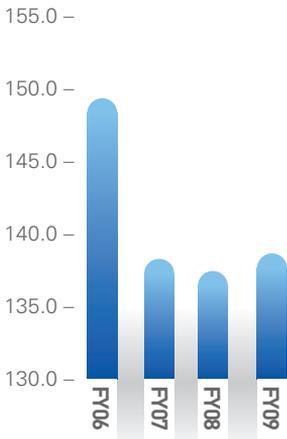
- Allegro Development Streetscape, Fairfield Development Streetscape, and Spruill Park – Annual Landscape and Irrigation Maintenance Contract (\$20,000).
- North Addison Park – Trail Light Pole Replacement (\$25,000).
- Oaks North and Les Lacs Neighborhoods – Landscape Renovation Project (\$30,000).
- Dog Park – Re-establish Turf Areas (\$14,000).
- Addison Circle District – Esplanade and Bosque Park Landscape Renovation Project (\$30,000).
- Quorum Park and Celestial Park landscape and pathway refurbishment (\$40,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$1,156,176	\$1,305,120	\$1,158,550	\$1,228,050
Supplies	173,678	184,490	160,860	191,900
Maintenance	475,846	532,700	526,530	476,000
Contractual Services	668,210	637,600	632,140	626,100
Capital Replacement/Lease	52,521	51,140	51,140	5,000
Capital Outlay	10,907	55,000	55,000	-
Total Fund Budget	\$2,537,338	\$2,766,050	\$2,584,220	\$2,527,050

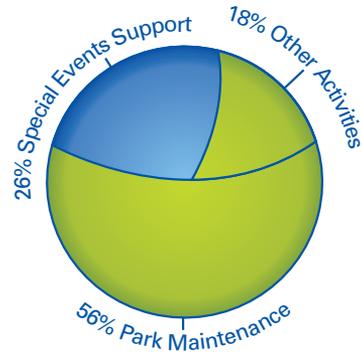
Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Parks and Rec	31	1.0	1.0	1.0	1.0
Manager - Parks	26	1.0	1.0	1.0	1.0
Landscape Architect *	26	0.0	0.0	1.0	0.0
Foreman - Parks	20	1.0	1.0	1.0	1.0
Supervisor - Parks	11	1.0	1.0	1.0	1.0
Irrigation Technician	10	3.0	3.0	3.0	3.0
Secretary - Administration	9	1.0	1.0	1.0	1.0
Senior Groundskeeper	9	2.0	2.0	2.0	2.0
Groundskeeper - III	8	2.0	2.0	2.0	2.0
Groundskeeper - II	4	2.0	2.0	2.0	2.0
Groundskeeper - I	3	6.0	6.0	6.0	6.0
Total		20.0	20.0	21.0	20.0

* Position was eliminated in FY10

ACRES MAINTAINED

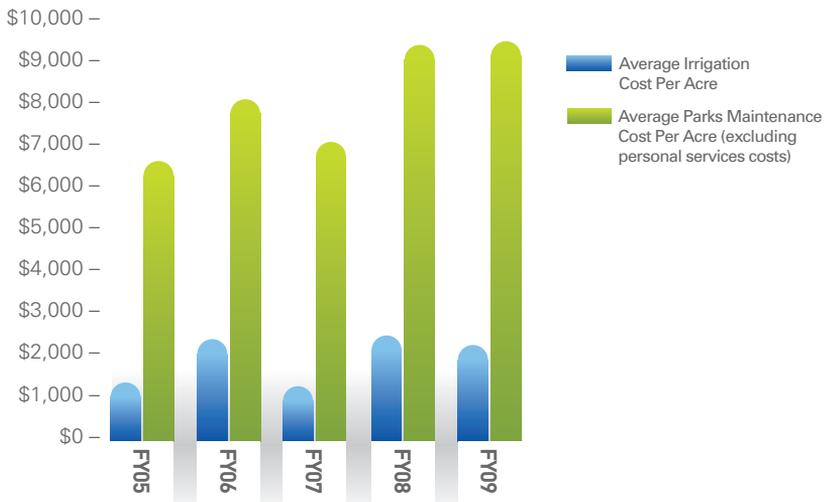


PARKS TASKS



Maintained park acreage declined in 2007 due to expiration of the agreement with Trinity Christian Academy to share their athletic fields that was town maintained. In 2009, Parks staff incorporated the Addison Road R.O.W. landscaping.

AVERAGE COST PER ACRE - IRRIGATION AND PARKS MAINTENANCE



RECREATION

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

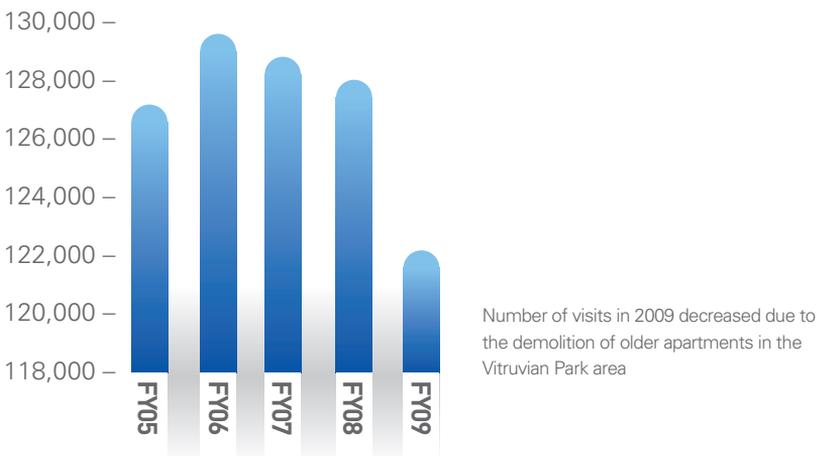
ACCOMPLISHMENTS OF FY2009

- Implemented the following community programs: Pumpkin Picking, Halloween Bash, Thanksgiving Dinner (Pacesetters), Santa Pancake Breakfast, Winter Carnival, Easter Eggstravaganza, Baseball Game Family Night, Movie at the Outdoor Pool and Hot Dog Nights.
- Began offering spin bike classes after purchasing 11 spin bikes and contracting with instructors.
- Completed customer service training for all staff.
- Completed replacement of natatorium roof operators and natatorium roof repairs.
- Completed front parking lot light upgrade.
- Completed installation of an emergency shut off system for the hot tub.
- Added Wi-Fi access to the multipurpose room.
- Coordinated the children’s entertainment for Oktoberfest and Taste Addison and the arts/ crafts for the Holiday Open House.

OBJECTIVES FOR FY2010

- Implement two Pacesetter overnight trips.
- Complete the following building and pool projects: Re-finish wood baseboards, replace both sets of front doors, hot tub repairs, paint the second floor fitness area, and re-plaster outdoor children’s pool.
- Purchase and install portable shade structures for the outdoor pool.
- Continue to provide excellent customer service and customer service training for staff.
- Continue to maintain a high level of cleanliness throughout the entire facility and aquatic areas.
- Continue to offer new and innovative programs for seniors, children and adults based on member interest as well as local and national trends.

ADDISON ATHLETIC CLUB FACILITY USAGE (NUMBER OF VISITS)



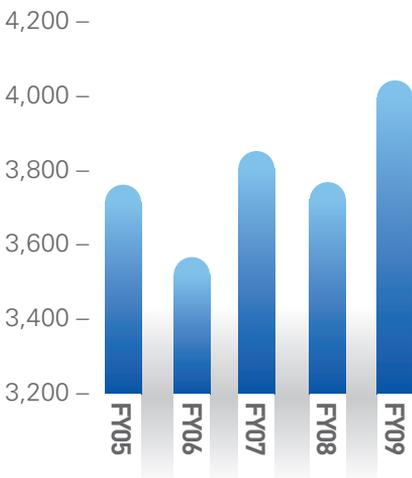
MAJOR BUDGET ITEMS

- Re-plaster outdoor Children's Pool (\$15,000).
- Shade Umbrellas – Outdoor Pool (\$20,000).
- Paint Second Floor Weight and Cardiovascular Equipment Room (\$11,000).

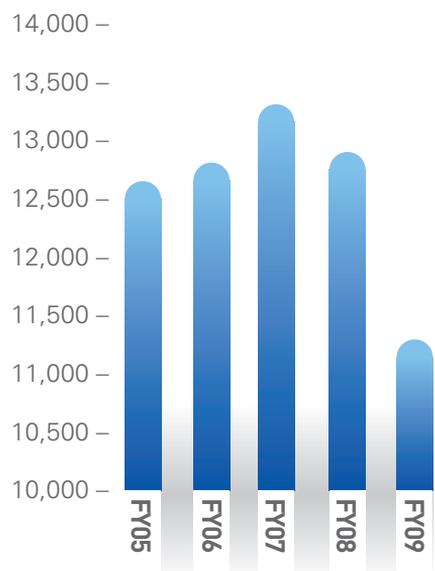
Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$773,437	\$812,730	\$749,160	\$808,810
Supplies	119,407	120,300	124,980	144,700
Maintenance	293,607	113,970	114,680	125,160
Contractual Services	323,636	343,400	297,430	320,020
Capital Replacement/Lease	34,360	37,360	37,360	-
Capital Outlay	24,115	-	-	-
Total Fund Budget	\$1,568,562	\$1,427,760	\$1,323,610	\$1,398,690

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Manager - Recreation	27	1.0	1.0	1.0	1.0
Supervisor - Recreation	11	1.0	1.0	1.0	1.0
Seasonal Pool Supervisor	9	0.2	0.2	0.2	0.2
Coordinator - Recreation	9	2.0	2.0	2.0	2.0
Coordinator - Fitness	9	1.0	1.0	1.0	1.0
Secretary - Division	7	1.0	1.0	1.0	1.0
Seasonal Senior Lifeguard	5	0.2	0.2	0.2	0.2
Custodian	2	2.0	2.0	2.0	2.0
Seasonal Lifeguard	2	1.6	1.6	1.6	1.6
Recreation Associate	5	4.0	4.0	4.0	4.0
Seasonal Camp Counselor	2	0.2	0.6	0.6	0.6
Porter	2	1.0	1.0	1.0	1.0
Total		15.2	15.6	15.6	15.6

OUTDOOR POOL VISITS



ATHLETIC CLUB PARTICIPANTS IN SCHEDULED EVENTS







HOTEL FUND

FUND DESCRIPTION

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

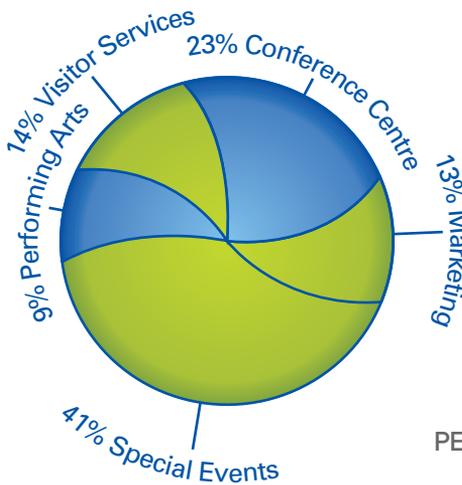
FUND NARRATIVE

The national economic recession has significantly impacted the Hotel Fund. For the 2009 fiscal year, hotel occupancy tax is expected to decline 20 percent from the previous year. From special events held earlier in the year, it also appears the economy has depressed the amount attendees spend at these events, leading to a 2009 projection of only \$1.3 million in event proceeds, a 15 percent reduction from 2008. Conference Centre rental estimates show no change in revenue from the previous year; however the estimated 2009 amount is 20 percent less than budget due to the fact that rental rates were increased at the beginning of the fiscal year. Because of reduced income into the fund, operating expenditures were scaled back and are estimated to come in at \$6.2 million, or 11 percent less than budget and approximately \$280,000 less than spent the previous year. Due to the sharp decline in revenues, the Hotel Fund balance is projected to decline approximately \$735,000. Even with the reduction, ending fund balance represents 80 percent of fund operating expenditures.

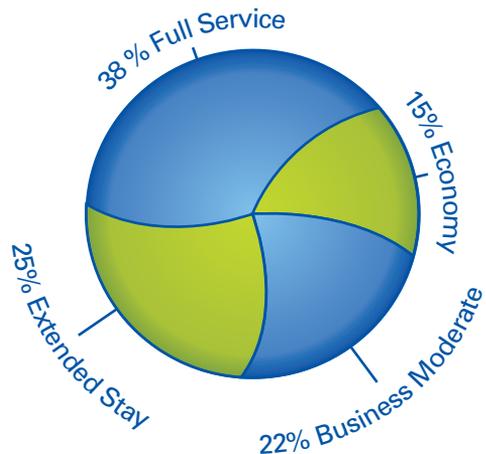
The Hotel Fund budget for FY2009-10 anticipates hotel occupancy tax and other revenue sources will remain essentially unchanged and total \$6,257,000. Operating expenditures have been curtailed but there are two major projects planned for the 2010 fiscal year that will inflate the annual budget. The budget contemplates entering into a long-term lease to acquire over 26,000 square feet of vacant retail space located in the Village on the Parkway to house the Town's visitor services center and other related uses. The 2010 budget envisions spending up to \$1 million in improvements to the lease space and nine months of expenditures related to the operation of the center. The operating expenditures will be partially offset by rental income from groups that will be subleasing the space. Another major project expenditure is the replacement of the heating/air conditioning (HVAC) system at the Conference Centre. The system is over 15 years old, and its replacement with a more efficient system will result in lower maintenance and electric power expenditures. Because of these project expenditures, ending fund balance is projected to decline to \$2,828,950, or 44.1 percent of fund operating expenditures. The fund's long term plan (Appendix E) reflects fund balance to gradually decline through the 2013 fiscal year and then begin recovering in 2014.

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$5,382,310	\$5,693,370	\$5,715,690	\$4,981,010
Revenues				
Hotel/Motel occupancy taxes	5,204,247	5,200,000	4,200,000	4,250,000
Proceeds from special events	1,524,109	1,474,600	1,300,000	1,337,000
Conference centre rental	500,463	640,000	510,000	500,000
Theatre centre rental	86,487	90,000	75,000	70,000
Interest earnings and other	231,042	275,000	113,400	100,000
TOTAL REVENUES	7,546,348	7,679,600	6,198,400	6,257,000
TOTAL AVAILABLE RESOURCES	12,928,658	13,372,970	11,914,090	11,238,010
Expenditures				
Visitor services administration	880,633	1,292,700	896,630	881,940
Marketing	1,121,226	1,178,980	971,640	805,460
Special events	2,725,836	2,961,750	2,821,320	2,707,860
Conference centre	1,077,436	1,038,910	993,260	1,453,370
Performing arts	707,834	561,270	550,430	565,430
Capital projects	-	-	-	1,325,000
TOTAL EXPENDITURES	6,512,965	7,033,610	6,233,280	7,739,060
OTHER FINANCING SOURCES (USES):				
Transfer to debt service fund	(700,000)	(699,800)	(699,800)	(670,000)
ENDING FUND BALANCE	\$5,715,693	\$5,639,560	\$4,981,010	\$2,828,950

EXPENDITURES BY DEPARTMENT



PERCENTAGE OF ROOMS BY HOTEL CATEGORY



VISITOR SERVICES

DEPARTMENT MISSION

To provide quality and innovative services to increase leisure and business travel to the Town of Addison.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Generated 46,207 room nights for Addison hotels.
- Represented Addison hotels at five trade shows to increase awareness of Addison as a meeting destination.
- Developed the Business Retention program calling on CEOs of Addison companies.
- Worked with Addison Circle retail stores to improve business.
- Developed email marketing campaign to meeting planner database.
- Expanded program with Hotel Resources to develop new group business leads for Addison hotels.
- Continued "Addison Direct Campaign" to companies located in and within a 5-mile radius of Addison as well as area members of Meeting Professionals International.

OBJECTIVES FOR FY2010

- Generate a 7% increase over 2009 in room nights for Addison hotels.
- Represent Addison hotels at five trade shows to increase awareness of Addison as a meeting destination.
- Create new Addison Business and Visitor Information Center.
- Continue Business Retention Program by calling on Addison Chief Executive Officers of Addison corporations.
- Host 3 promotional events for commercial real estate brokers.
- Create more robust economic development section on website.
- Host exhibit at Dallas trade show of the North Texas Commercial Association of Realtors.
- Continue "Addison Direct Campaign" to companies located in and within a 5-mile radius of Addison as well as area members of Meeting Professionals International.
- Further develop plans for attracting amateur sporting events to stay overnight in Addison hotels.
- Continue email marketing campaign to meeting planner database.

MAJOR BUDGET ITEMS

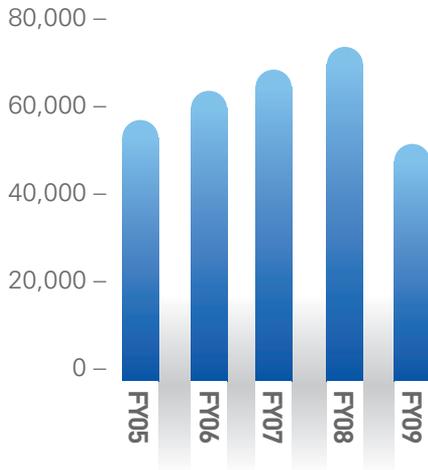
- Hotel Support Program (\$260,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$331,529	\$345,260	\$341,300	\$343,830
Supplies	8,460	19,260	22,650	19,260
Maintenance	21,591	225,060	21,960	25,060
Contractual Services	514,833	698,900	506,500	493,790
Capital Replacement/Lease	4,220	4,220	4,220	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$880,633	\$1,292,700	\$896,630	\$881,940

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Visitor Services	31	1.0	1.0	1.0	1.0
Sales Manager	22	1.0	1.0	1.0	1.0
Receptionist *	6	0.5	0.5	0.5	0.5
Total		2.5	2.5	2.5	2.5

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

HOTEL ROOM NIGHTS GENERATED BY VISITOR SERVICES DEPARTMENT



MARKETING

DEPARTMENT MISSION

To coordinate the Town's various communication efforts to ensure that they reflect the Town's philosophy and message.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Completed the branding study.
- Facilitated the implementation of a weekly e-newsletter and video streaming for webcasting the City Council and Planning and Zoning meetings.
- Continued marketing efforts to showcase Addison, including restaurants, hotels, events and Addison Circle Park.
- Continued efforts to refine and enhance the marketing efforts of the Addison Perks program that provides coupons for discounts to Addison restaurants for patrons who register for the program on the Town's website.

OBJECTIVES FOR FY2010

- Implement the recommendations identified by the branding study.
- Expand the marketing efforts of the Addison Perks program.
- Continue to explore other opportunities such as social networking to market more strategically the Town's various offerings and amenities.
- Continue to monitor and refine both websites to ensure that they remain current and informative.

MAJOR BUDGET ITEMS

- Marketing for Special Events (\$143,000).
- Krause & Associates contract for providing creative services and marketing consulting for the Town (\$120,000).
- Ariamedia/Web content management contracts for providing web maintenance/design services and content management (\$50,000).
- Shiroma Southwest contract for providing marketing and public relations services for all special events and Addison Perks (\$60,000).
- Dallas Morning News/online advertising (\$100,000).
- Addison/North Dallas Corridor Guide (\$111,750).
- Branding recommendations implementation (\$100,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$210	\$210	\$-	\$210
Supplies	942	5,500	1,000	500
Maintenance	-	-	-	-
Contractual Services	1,120,074	1,173,270	970,640	804,750
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
Total Fund Budget	\$1,121,226	\$1,178,980	\$971,640	\$805,460

SPECIAL EVENTS

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- On target to generate approximately \$1.3M in revenue.
- Hosted two new events: Urbanato and WorldFest.
- Hosted first annual WorldFest event that attracted nearly 10,000 people and represented the Town of Addison as a community that celebrates global diversity.
- Developed several partnerships for WorldFest which increases the overall appeal of the event:
 - World Affairs Council of Dallas/Fort Worth
 - Consul General of Mexico
 - Turkish American Association of Northern Texas
 - Italian Club of Dallas
- Added new promotions that attracted more families and media coverage, including the following:
 - Jazz Festival: Public concert held at Greenhill School plus additional educational workshops
 - Taste Addison: Hank the Cowdog performance held at Anne Frank Elementary School
 - Kaboom Town: Provided webcast of fireworks and airshow
 - Oktoberfest: Negotiated new sponsorship with Spaten Beer which increased revenue and marketing exposure
- Increased sustainable efforts at events resulting in a nearly 400% increase in recycling at Taste Addison.
- Worked with Human Resources to expand role of volunteers in event planning and production resulting in a 64% increase in man hours.
- Conducted cost/ benefit analysis of all events that resulted in the deletion of the Jazz Festival event for a net savings of approximately \$120,000 and Cinema in the Circle for a net savings of approximately \$24,000.

OBJECTIVES FOR FY2010

- Continue to build WorldFest as a signature event for the Town of Addison by expanding partnerships and activities.
- Conduct a strategic review of each of the events to analyze the viability of the events and identify elements to maximize their effectiveness and uniqueness
- Produce a maximum of 5 large festivals with a series of smaller events that keep Addison a popular tourist destination.
- Retain market share for the existing events.
- Develop a comprehensive Business Plan that identifies marketing / operational strategies.

- Develop strategic sponsorship relationships that generate marketing value and revenue.
- Work with the Marketing department to develop programs that increase tourism and weekend hotel business.
- Work with Human Resources department to expand the use of volunteers at the events.
- Work with Information Technology department to bring technology to events that will enhance the experience of the patrons.
- Expand sustainable efforts at events, such as recycling of beverage containers.

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$716,861	\$751,030	\$738,690	\$773,240
Supplies	15,559	14,450	15,610	14,600
Maintenance	174,532	181,460	187,060	214,240
Contractual Services	1,724,938	1,953,180	1,823,530	1,705,780
Capital Replacement/Lease	41,630	41,630	41,630	-
Capital Outlay	52,316	20,000	14,800	-
Total Fund Budget	\$2,725,836	\$2,961,750	\$2,821,320	\$2,707,860

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Administrator - Special Events	28	1.0	1.0	1.0	1.0
Sr. Coordinator - Special Events	13	0.0	1.0	1.0	1.0
Coordinator - Special Events	11	2.0	2.0	2.0	2.0
Intern	11	1.0	0.0	0.0	0.0
Total		4.0	4.0	4.0	4.0

CONFERENCE CENTRE

DEPARTMENT MISSION

To increase hotel room bookings by providing additional meeting facilities.

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- Generated 1,083 hotel room nights at Addison hotels.
- Hosted 618 events.
- Rented 1,553,140 square feet of space.
- Hosted 50,370 event attendees.
- Installed free Wi-Fi service for ACTC clients.
- Replaced public space carpeting and furniture.
- Constructed path to make south entrance more accessible.
- Painted seat benches along Addison Circle Drive.

OBJECTIVES FOR FY2010

- Increase events hosted by 4%.
- Generate an increase in revenue by 6%.
- Increase Addison hotel room nights by 2%.
- Increase revenue through in-house ancillary services and rentals.
- Maintain the facilities and equipment in an attractive, safe, updated manner to enhance the clients experience by slowly updating equipment.
- Update frequently rented AV equipment.

MAJOR BUDGET ITEMS

- Tools and Equipment – Replacement of some catering equipment and AV rental equipment (\$27,000).
- Utilities (\$152,800).
- Replacement of air conditioning system (\$440,000)

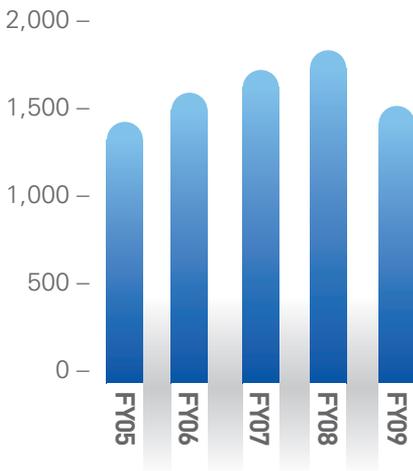
EXPANDED LEVELS OF SERVICE

- Sales and Marketing Support (\$35,000).
- HVAC Replacement at Conference and Theatre (\$480,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$505,667	\$514,370	\$467,530	\$499,420
Supplies	67,925	57,800	50,840	74,900
Maintenance	191,083	181,370	182,900	162,450
Contractual Services	232,113	261,450	223,070	276,600
Capital Replacement/Lease	9,920	9,920	9,920	-
Capital Outlay	70,728	14,000	59,000	440,000
Total Fund Budget	\$1,077,436	\$1,038,910	\$993,260	\$1,453,370

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Manager - Conf. Centre	26	1.0	1.0	1.0	1.0
Coordinator - Technical	13	1.0	1.0	1.0	1.0
Coordinator - Conf. Centre	11	1.0	1.0	1.0	1.0
Secretary - Divison	7	1.0	1.0	1.0	1.0
Houseman	4	3.5	3.5	3.5	3.5
Total		7.5	7.5	7.5	7.5

SQUARE FOOTAGE RENTED
(THOUSANDS OF SQUARE FEET)



PERFORMING ARTS

DEPARTMENT MISSION

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

PROGRAM NARRATIVE

ACCOMPLISHMENTS OF FY2009

- WaterTower Theatre planned to produce the following performances:
 - Doubt, A Parable
 - Violet
 - Indoor/Outdoor
 - Glass menagerie
 - Unnecessary Farce
- Hosted 36,415 patrons.
- Hosted 252 performances.
- Grew subscriber base of 2,408 season ticket holders.

OBJECTIVES FOR FY2010

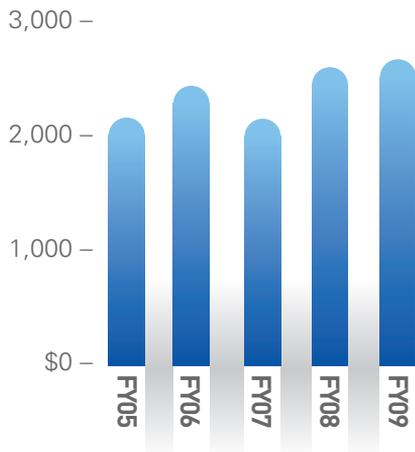
- WaterTower Theatre plans to produce the following performances:
 - Grey Gardens the Musical
 - Neil Simon’s Laughter on the 23rd Floor
 - Is He Dead?
 - Black Pearl Sings
 - The Full Monty
- Host 35,000 patrons.
- Host 200 performances.
- Increase subscriber base by 2,000.

MAJOR BUDGET ITEMS

- Tools and Equipment (\$25,000).
- Purchase of 6 replacement moving light fixtures for Theatre (\$15,000).

Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Personal Services	\$11,702	\$9,600	\$16,240	\$15,070
Supplies	19,898	25,700	25,800	25,700
Maintenance	140,519	69,380	68,270	60,400
Contractual Services	500,902	434,060	417,670	449,260
Capital Replacement/Lease	5,030	5,030	5,030	-
Capital Outlay	29,783	17,500	17,420	15,000
Total Fund Budget	\$707,834	\$561,270	\$550,430	\$565,430

NUMBER OF SEASON TICKETS HOLDERS



OTHER SPECIAL REVENUE FUNDS

PUBLIC SAFETY FUND

FUND DESCRIPTION

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

According to Chapter 59, Article 6, Paragraph (d) of the Code of Criminal Procedure, "Proceeds awarded under this chapter to a law enforcement agency may be spent by the agency after a budget for the expenditures of the proceeds has been submitted to the governing body of the municipality."

FUND NARRATIVE

Due to reduced resources, no expenditures of forfeited funds are budgeted for the 2010 fiscal year.

MUNICIPAL COURT FUND

FUND DESCRIPTION

The court building security and technology fees represented in this fund are generated from court costs. By law, the Security fund and the Technology fund plus this year's revenue amounts can only be spent, as set forth in the law, on specified Security or Technology improvements for the Town's municipal court. This fund also includes other funds which are limited for the use of Court.

FUND NARRATIVE

For FY 2010, the budget anticipates that funds generated by the building security fee will pay a portion of the warrant officer's salary, as well as an additional part time bailiff (\$12,000). Funds generated by the court technology fee will be used for upgrading the Court's Case Management Software Suite (\$90,000).

PUBLIC SAFETY FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$74,835	\$35,300	\$46,670	\$12,750
Revenues				
Court awards	27,109	3,000	6,470	3,000
Interest earnings and other	5,101	2,500	750	750
TOTAL REVENUES	32,210	5,500	7,220	3,750
TOTAL AVAILABLE RESOURCES	107,045	40,800	53,890	16,500
Expenditures				
Supplies	1,124	25,000	23,150	-
Contractual services	9,252	-	17,990	-
Capital Equipment	49,999	-	-	-
TOTAL EXPENDITURES	60,375	25,000	41,140	-
ENDING BALANCE	\$46,670	\$15,800	\$12,750	\$16,500

MUNICIPAL COURT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$156,141	\$191,050	\$187,780	\$219,280
Revenues				
Court security fees	22,056	22,000	22,000	22,000
Court technology fees	25,002	25,000	25,000	30,000
Interest earnings and other	15,991	14,000	14,000	10,000
TOTAL REVENUES	63,049	61,000	61,000	62,000
TOTAL AVAILABLE RESOURCES	219,190	252,050	248,780	281,280
Expenditures				
Personal services	8,990	9,000	9,000	21,000
Supplies	-	4,000	4,000	4,000
Maintenance	-	-	-	-
Contractual Services	1,309	2,000	2,000	3,000
Capital outlay	21,113	104,500	14,500	90,000
TOTAL EXPENDITURES	31,412	119,500	29,500	118,000
ENDING BALANCE	\$187,778	\$132,550	\$219,280	\$163,280

ARBOR FUND

FUND DESCRIPTION

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

FUND NARRATIVE

The Addison Arbor Foundation (AAF) separated from the Town's administration in fiscal year 2009 into its own non-profit entity and received the balance of funds maintained by the Town in the Arbor Fund. The Addison Arbor Foundation elected a new board of directors and will operate the same as other non-profit organizations who receive funding from the Town. Each year the AAF Committee will submit a beautification project and budget for the Council's review and approval. The funding sources for the AAF will continue to be through donations and revenues generated from curbside and municipal building recycling efforts.

ARBOR FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$130,955	\$184,260	\$182,660	\$ -
Revenues				
Recycling proceeds	41,567	30,000	20,200	
Contributions	6,798	6,000	9,050	
Interest earnings and other	5,855	5,300	3,940	
TOTAL REVENUES	54,220	41,300	33,190	-
TOTAL AVAILABLE RESOURCES	185,175	225,560	215,850	-
Expenditures				
Maintenance and materials	2,396	30,000	15,700	
Contractual services	122	-	200,150	
TOTAL EXPENDITURES	2,518	30,000	215,850	-
ENDING BALANCE	\$182,657	\$195,560	\$ -	\$ -

DEBT SERVICE FUNDS

GENERAL OBLIGATION DEBT SERVICE FUND

FUND DESCRIPTION

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

FUND NARRATIVE

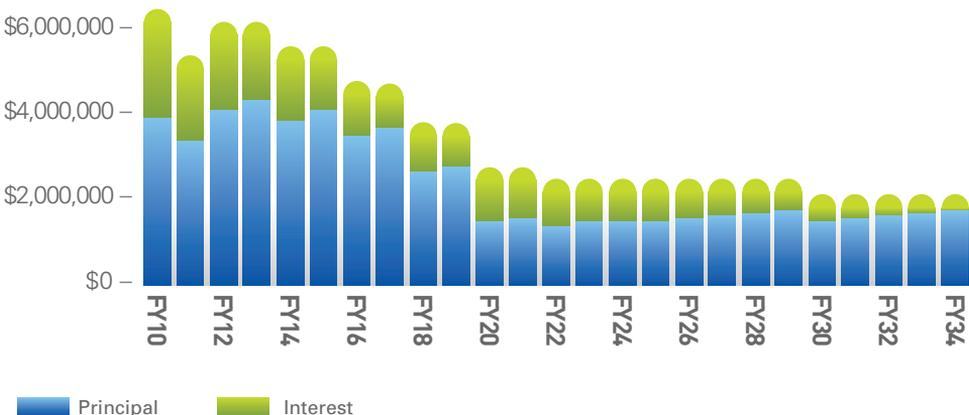
The Town issued no debt during the 2009 fiscal year. Shown below is the Town's debt position as of the beginning of FY 2010.

Total outstanding general obligation debt	\$79,960,000
Less self-supporting debt from Hotel, Airport, & Utility Funds	25,288,100
Net Outstanding General Obligation Debt	\$54,671,900

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. In those instances when debt has to be issued for projects which cannot be delayed, a second policy stipulates that debt will not be issued for any period longer than fifteen years, except under special circumstances, in order to rapidly retire outstanding debt.

The Town's legal capacity for additional debt is very large. Rules promulgated by the Office of the Attorney General of Texas stipulate that such Office will not approve tax bonds of any city unless the city can demonstrate its ability to pay debt service requirements on all outstanding tax debt, including the issue to be approved, from a tax level of \$1.50 per \$100 of valuation, based on 90% collection of the tax. Assuming the maximum tax rate for debt service of \$1.50 on the 2009 taxable assessed valuation of \$3,311,049,800 at 90% collection, tax revenue of \$44,699,000 would be produced. This revenue could service the debt of almost \$464 million issued as 5% 15-year serial bonds, which is more than \$384 million greater than the Town's outstanding obligations.

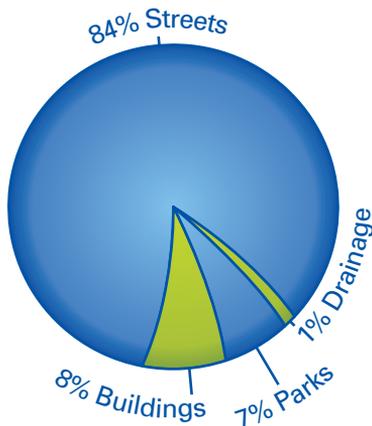
ANNUAL REQUIREMENT TO AMORTIZE GENERAL OBLIGATION DEBT



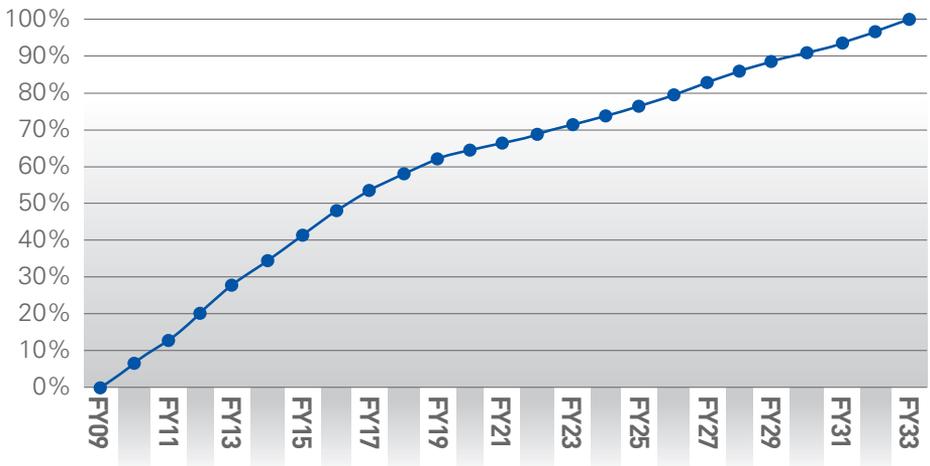
GENERAL OBLIGATION DEBT SERVICE FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$1,613,153	\$1,545,270	\$1,360,440	\$997,340
REVENUES				
Ad valorem taxes	4,462,690	6,214,380	5,950,000	5,098,670
Interest earnings and other	88,626	70,000	65,000	60,000
TOTAL REVENUES	4,551,316	6,284,380	6,015,000	5,158,670
TOTAL AVAILABLE RESOURCES	6,164,469	7,829,650	7,375,440	6,156,010
EXPENDITURES				
Debt Service - Principal	3,419,769	3,607,620	3,607,600	3,853,940
Debt Service - Interest	1,304,043	2,764,510	2,764,500	2,253,000
Fiscal fees	108,050	6,000	6,000	3,000
TOTAL EXPENDITURES	4,831,862	6,378,130	6,378,100	6,109,940
OTHER FINANCING SOURCES (USES)				
Premium on bond issuance	27,833	-	-	-
Interfund transfer	-	-	-	1,000,000
TOTAL OTHER FINANCING (USES)	27,833	-	-	1,000,000
ENDING BALANCE	\$1,360,440	\$1,451,520	\$997,340	\$1,046,070

DISTRIBUTION OF DEBT SERVICE BY APPLICATION



PERCENT CUMULATIVE DEBT RETIRED UNTIL MATURITY



HOTEL OCCUPANCY TAX DEBT SERVICE FUND

FUND DESCRIPTION

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

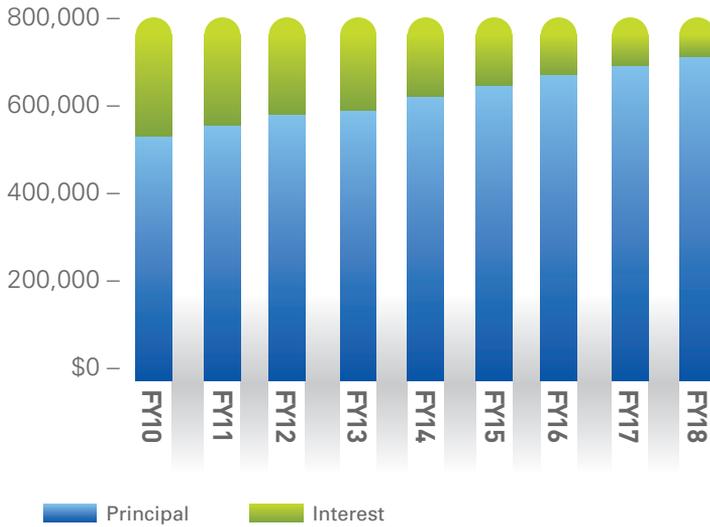
FUND NARRATIVE

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

HOTEL OCCUPANCY FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$864,331	\$909,330	\$890,310	\$896,310
Revenues				
Interest earnings	37,991	40,000	25,000	20,000
TOTAL REVENUES	37,991	40,000	25,000	20,000
TOTAL AVAILABLE RESOURCES	902,322	949,330	915,310	916,310
Expenditures				
Debt Service - Principal	500,000	515,000	515,000	535,000
Debt Service - Interest	212,012	203,790	203,800	181,040
Fiscal fees	-	-	-	-
TOTAL EXPENDITURES	712,012	718,790	718,800	716,040
OTHER FINANCING SOURCES (USES):				
Transfer from Hotel Fund	700,000	699,800	699,800	670,000
TOTAL OTHER FINANCING (USES)	700,000	699,800	699,800	670,000
ENDING BALANCE	\$890,310	\$930,340	\$896,310	\$870,270

ANNUAL REQUIREMENT TO AMORTIZE
OCCUPANCY TAX REVENUE DEBT



CAPITAL PROJECT FUNDS

FUND DESCRIPTION

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

FUND NARRATIVES

STREET CAPITAL PROJECT FUND

For fiscal year 2009, most of the expenses were associated with the TxDOT Signalization Project (\$540,000), North Quorum Improvements (\$472,000) and streets serving the Ashton Woods Development (\$483,000).

The budget for fiscal year 2010 reflects completion of the TxDOT Signalization project (\$800,000) and providing a \$212,000 local match for Dallas County and NTTA funding on the Addison Road/Keller Springs intersection improvements totaling \$1.2 million. Finally, \$465,000 worth of street and lighting projects were moved to this fund to reduce demands on the General Fund caused by the economic downturn.

These projects include replacement of aging street lights along Quorum Drive (\$200,000) and in the Oaks North Neighborhood (\$25,000), painting the Arapaho Road Bridge (\$50,000), replacing brick pavers along Arapaho Road (\$145,000), repairs to Midway Road (\$150,000), and joint and crack sealing of miscellaneous streets (\$100,000).

STREET CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$3,433,588	\$2,363,590	\$2,758,540	\$1,344,520
Revenues				
Intergovernmental grants	561,992	600,000	156,130	985,130
Interest earnings and other	258,816	100,000	56,900	50,000
TOTAL REVENUES	820,808	700,000	213,030	1,035,130
TOTAL AVAILABLE RESOURCES	4,254,396	3,063,590	2,971,570	2,379,650
Expenditures				
Personal services	23,366	-	-	-
Engineering and contractual services	126,152	43,000	135,730	22,000
Construction and equipment	1,346,336	1,200,000	1,491,320	1,548,800
TOTAL EXPENDITURES	1,495,854	1,243,000	1,627,050	1,570,800
ENDING BALANCE	\$2,758,542	\$1,820,590	\$1,344,520	\$808,850

PARKS CAPITAL PROJECT FUND

Most of the expenditures for fiscal year 2009 were used to supplement city funds in the construction of Spruill Park. As Spruill was completed during that year, this fund was expected to be closed out. However, construction costs came in under the expected project budget, and funds remained at the start of fiscal year 2010.

As with the Streets Capital Project Fund, several projects budgeted out of the General Fund were moved here to alleviate stress caused by the economic downturn. These projects include replacing pedestrian light poles along the North Addison Park Trail (\$25,000), renovating landscaping in the Oaks North and Les Lacs neighborhoods (\$30,000), and replacement of tables and chairs in the Beckert and Bosque Parks (\$10,000).

PARKS CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$891,835	\$921,340	\$896,190	\$406,660
Revenues				
Interest earnings and other	33,887	20,000	20,000	10,000
Developer contributions	-	-	-	-
TOTAL REVENUES	33,887	20,000	20,000	10,000
TOTAL AVAILABLE RESOURCES	925,722	941,340	916,190	416,660
Expenditures				
Administration:	-	-		
Personal services	421	2,000	2,000	-
Engineering, and contractual services	28,165	5,000	12,620	85,100
Construction and equipment	943	934,340	494,910	-
TOTAL EXPENDITURES	29,529	941,340	509,530	85,100
OTHER FINANCING SOURCES (USES):				
Transfer from (to) General fund	-	-	-	-
TOTAL OTHER FINANCING (USES)	-	-	-	-
ENDING BALANCE	\$896,193	\$-	\$406,660	\$331,560

2002 CAPITAL PROJECT FUND

During the 2009 fiscal year, funds were primarily applied to the Belt Line Streetscape project (\$208,000). For FY2010, \$500,000 has been allocated for the next phase of improvements along Belt Line Road.

2002 CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$2,051,809	\$2,016,810	\$1,976,670	\$1,808,360
Revenues				
Intergovernmental grants	-	-	-	-
Interest earnings and other	75,026	75,000	42,440	35,000
TOTAL REVENUES	75,026	75,000	42,440	35,000
TOTAL AVAILABLE RESOURCES	2,126,835	2,091,810	2,019,110	1,843,360
Expenditures				
Personal services	12,500	-	-	-
Engineering and contractual services	124,776	400,000	208,330	100,000
Construction and equipment	12,888	1,200,000	2,420	400,000
TOTAL EXPENDITURES	150,164	1,600,000	210,750	500,000
ENDING FUND BALANCE	\$1,976,671	\$491,810	\$1,808,360	\$1,343,360

2004 CAPITAL PROJECT FUND

During the 2009 fiscal year, approximately \$100,000 was allocated for projects related to the Belt Line Road Urban Interchange. Funds in 2010 are primarily reserved for constructions of several railroad crossings along the Cotton Belt Rail Line.

2004 CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$408,726	\$423,730	\$424,310	\$333,690
Revenues				
Intergovernmental grants	-	-	-	-
Interest earnings and other	15,580	15,000	9,380	7,500
TOTAL REVENUES	15,580	15,000	9,380	7,500
TOTAL AVAILABLE RESOURCES	424,306	438,730	433,690	341,190
Expenditures				
Personal services	-	-	-	-
Engineering and contractual services	-	15,000	100,000	-
Construction and equipment	-	-	-	100,000
TOTAL EXPENDITURES	-	15,000	100,000	100,000
ENDING FUND BALANCE	\$424,306	\$423,730	\$333,690	\$241,190

2006 CAPITAL PROJECT FUND

There was no activity in this fund during the 2009 fiscal year. For fiscal year 2010, \$180,000 is allocated for Midway Meadows and Proton Drive lighting projects.

2006 CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$328,674	\$343,670	\$341,270	\$348,680
Revenues				
Interest earnings and other	12,597	15,000	7,410	5,000
TOTAL REVENUES	12,597	15,000	7,410	5,000
TOTAL AVAILABLE RESOURCES	341,271	358,670	348,680	353,680
Expenditures				
Personal services	-	-	-	-
Engineering and contractual services	-	-	-	180,000
Construction and equipment	-	-	-	-
TOTAL EXPENDITURES	-	-	-	180,000
ENDING FUND BALANCE	\$341,271	\$358,670	\$348,680	\$173,680

2008 CAPITAL PROJECT FUND

During the 2009 fiscal year, approximately \$2.6 million was spent on professional services and capital improvements directly related to the Vitruvian Park Development. The bulk of Vitruvian Park's capital costs (\$18 million) are expected to be incurred in the 2010 fiscal year. In addition, approximately \$1.5 million is budgeted for right-of-way acquisition at Spring Valley and Brookhaven Club.

2008 CAPITAL PROJECT FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
BEGINNING BALANCE	\$-	\$26,897,000	\$27,094,160	\$25,004,330
Revenues				
Interest earnings and other	211,992	500,000	591,700	450,000
TOTAL REVENUES	211,992	500,000	591,700	450,000
TOTAL AVAILABLE RESOURCES	211,992	27,397,000	27,685,860	25,454,330
Expenditures				
Personal services	621	50,000	100	-
Engineering and contractual services	466,744	1,200,000	1,332,770	-
Construction and equipment	872,467	15,250,000	1,348,660	19,500,000
TOTAL EXPENDITURES	1,339,832	16,500,000	2,681,530	19,500,000
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	28,222,000	-	-	-
TOTAL OTHER FINANCING (USES)	28,222,000	-	-	-
ENDING FUND BALANCE	\$27,094,160	\$10,897,000	\$25,004,330	\$5,954,330





AIRPORT FUND

FUND DESCRIPTION

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

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

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

FUND NARRATIVE

For the 2009 fiscal year, operating income is estimated to total \$3,953,000, which is 4.2% less than budget. The decline is due to the national economic recession that has depressed business travel. The greatest impact was to fuel flowage fees that are expected to be 20 percent less than received last year. However, lease and rental income is projected to come in at budget. Operating expenses are shown to come in 11 percent below budget. The decline in expenses is due to a curtailment of operating and maintenance expenses by the private operator as well as a reduction in management fees that are tied to revenue. Net income (excluding depreciation) for the year is estimated to be \$831,670, or 27% more than budget. Working capital was reduced due to the expenditure of funds for enhancements to the new fuel farm and paving of apron areas.

For fiscal year 2010, the budget anticipates operating revenue of \$3,995,000 and operating expenses of \$3,162,340. The budget includes \$1,323,000 as the Town's 10 percent match to FAA/TXDOT capital grants that will be used to refurbish the runway. Working capital is projected to decline by \$879,360 due to this project but, as projected in the fund's long-term financial plan (Appendix E), working capital is expected to recover by fiscal year 2014.

ACCOMPLISHMENTS OF FY2009

- Completed project that graded and provided improved drainage to the north runway safety area.
- Completed remediation of old fuel farm site.
- Coordinated the demolition of old T-Hangars and construction of new executive hangars funded by private interests. Project also included the refurbishment of Taxiway Romeo.

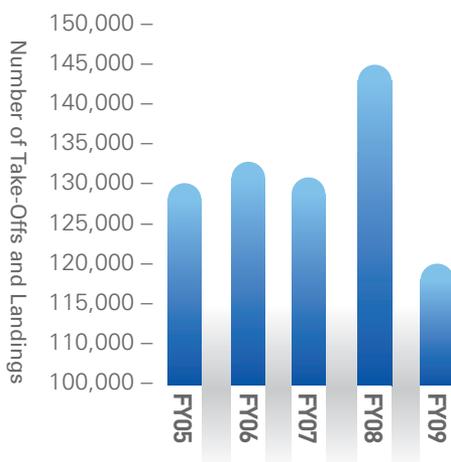
OBJECTIVES FOR FY2010

- Negotiate new airport operator and real estate operator agreements to clarify responsibilities and reduce operating expenses to free up funds for local matches to TXDOT/FAA capital grants.
- Coordinate rehabilitation of the runway.
- Continue to identify opportunities for replacing older hangars with new, privately-funded hangars.

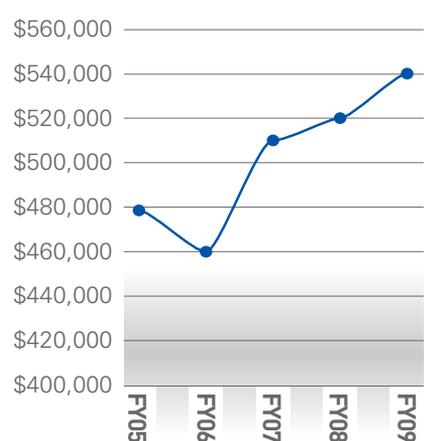
AIRPORT FUND STATEMENT OF INCOME

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Operating revenues				
Operating grants	48,873	\$50,000	\$50,000	\$50,000
Fuel flowage fees	784,783	800,000	621,000	650,000
Rental	3,226,103	3,240,000	3,239,000	3,250,000
User fees	50,461	37,200	43,000	45,000
Total operating revenues	4,110,220	4,127,200	3,953,000	3,995,000
Operating expenses				
Town - Personal services	272,194	285,650	266,070	294,960
Town - Supplies	19,634	26,300	16,800	47,420
Town - Maintenance	143,923	30,970	28,970	29,270
Town - Contractual services	562,230	550,200	436,400	479,320
Grant - Maintenance	-	100,000	100,000	100,000
Operator - Operations & Maintenance	1,251,391	1,484,320	1,314,690	1,382,870
Operator - Service Contract	912,676	931,200	869,600	828,500
Total operating expenses	3,162,048	3,408,640	3,032,530	3,162,340
Net operating income	948,172	718,560	920,470	832,660
Non-Operating revenues (expenses)				
Interest earnings and other	81,938	80,000	55,000	45,000
Interest on debt, fiscal fees, & other	(152,769)	(145,270)	(143,800)	(135,000)
Net non-operating revenues (expenses)	(70,831)	(65,270)	(88,800)	(90,000)
Net income (excluding depreciation)	\$877,341	\$653,290	\$831,670	\$742,660
Changes in working capital				
Net income (excluding depreciation)	\$877,341	\$653,290	\$831,670	\$742,660
Sources (uses) of working capital				
Retirement of long-term debt	(235,000)	(245,000)	(245,000)	(255,000)
Net additions to fixed assets with grants	-	(200,000)	(14,500)	(1,338,000)
Other net additions to fixed assets	(1,375,830)	-	(335,400)	(29,020)
Net sources (uses) of working capital	(1,610,830)	(445,000)	(594,900)	(1,622,020)
Net increase (decrease) in working capital	(733,489)	208,290	236,770	(879,360)
Beginning fund balance	1,693,503	1,032,580	960,010	1,196,780
Ending fund balance	\$960,014	\$1,240,870	\$1,196,780	\$317,420

AIRPORT OPERATIONS



AVERAGE VALUE OF CORPORATE AIRCRAFT



UTILITY FUND

FUND DESCRIPTION

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

FUND NARRATIVE

Operating revenues for fiscal year 2009 are projected to be \$8,958,000, which is slightly higher than realized in FY2008, but 6.8% less than budget. The budget had assumed an increase in revenue from the 11% across-the-board increase in water and sewer rates effective November 2008. Revenues did not meet budgeted projections due to a decline in water sales attributed to a relatively wet summer season. However, the reduced water demand also resulted in the Town purchasing less water from the Dallas Water Utilities, so operating expenses are estimated to total only \$6.7 million, approximately \$357,000 less than budget. The net impact of the reduced revenues and expenses was net income of \$1,649,820 compared to budget of \$2,125,760. Working capital was applied to the retirement of \$2,169,060 of debt principal, rehabilitation of water and sewer lines, and engineering of a 1.5 million gallon overhead water storage facility.

The 2010 budget reflects a five percent increase in water and sewer revenues based on water demand that is an average over the past five years and is expected to generate \$9,404,700 in operating revenues. Operating expenses are budgeted at \$7,091,050, slightly more than what was included in the 2009 budget. Working capital is projected to decrease \$4.8 million due to debt retirement and the construction of capital projects. The Utility Fund's long-term plan anticipates a 10% increase in water and sewer rates in fiscal year 2012 to support rehabilitation of aging utility lines and debt service .

CAPITAL EXPENSES SCHEDULED FOR FY2010 INCLUDE

- Replacement of utility lines in the Brookhaven Club area to serve the Vitruvian Park urban development (\$781,900).
- Initial construction of overhead water facility (\$1,500,000).

UTILITY ENTERPRISE FUND STATEMENT OF INCOME

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Operating revenues				
Water sales	\$4,618,862	\$4,885,500	\$4,828,500	\$5,059,700
Sewer charges	4,193,659	4,656,500	4,030,000	4,275,000
Tap fees	70,235	10,000	19,500	10,000
Penalties	20,750	60,000	80,000	60,000
Total operating revenues	8,903,506	9,612,000	8,958,000	9,404,700
Operating expenses				
Water purchases	2,408,778	2,610,200	2,545,200	2,653,400
Wastewater treatment	1,832,671	1,892,200	1,811,900	1,745,200
Utility operations	2,544,386	2,544,310	2,333,050	2,692,450
Total operating expenses	6,785,835	7,046,710	6,690,150	7,091,050
Net operating income	2,117,671	2,565,290	2,267,850	2,313,650
Non-operating revenues (expenses)				
Interest earnings and other	183,478	351,000	172,500	175,000
Interest on debt, fiscal fees, & other	(768,358)	(790,530)	(790,530)	(628,390)
Net non-operating revenues (expenses)	(584,880)	(439,530)	(618,030)	(453,390)
Net income (excluding depreciation)	\$1,532,791	\$2,125,760	\$1,649,820	\$1,860,260
Changes in working capital				
Net Income (excluding depreciation)	\$1,532,791	\$2,125,760	\$1,649,820	\$1,860,260
Sources (uses) of working capital				
Retirement of long-term debt	(1,991,182)	(2,196,060)	(2,196,060)	(2,491,280)
Debt issuance	6,278,000	-	-	-
Net additions to fixed assets	(271,679)	(1,747,800)	(959,270)	(2,358,900)
Net (increase) decrease in other assets	32,882	-	-	-
Net sources (uses) of working capital	4,048,021	(3,943,860)	(3,155,330)	(4,850,180)
Net increase (decrease) in working capital	5,580,812	(1,818,100)	(1,505,510)	(2,989,920)
Beginning fund balance	3,502,761	8,964,360	9,083,570	7,578,060
Ending fund balance	\$9,083,573	\$7,146,260	\$7,578,060	\$4,588,140

UTILITY OPERATIONS

DIVISION DESCRIPTION

The department's mission is 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. The department staff is responsible for maintaining over 98 miles of water line, 1,400 fire hydrants, 2,200 main valves, one wastewater lift station, 86 miles of sanitary sewer lines, and 900 manholes.

The department also includes the public works director who is responsible for supervising the planning, engineering, and maintenance services for Addison's infrastructure including streets, traffic signals, drainage, 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 and animal control, functions that are performed by the Streets department in the General Fund.

PROGRAM NARRATIVE

ACCOMPLISHMENTS FOR FY2009

- Upgraded motor protection monitoring system at Surveyor Pump Station.
- Reviewed a total of 560 water meters for seven key data elements including meter size, meter number, unit of measure and user to insure accuracy.
- Completed route 4 meter replacement with electronic registers for more accurate billing of water consumption.
- Replaced over 230 single family and 120 commercial irrigation water meters that were approaching the end of their 15-year useful lives..
- Installed two pilot chemical monitoring stations at Celestial and Surveyor pump stations entry point from DWU to test effectiveness of a monitoring station.
- Responded to over 3,800 customer service calls.

Objectives for FY2010

- Work with consultants to develop a unidirectional flushing program that proactively displaces poor quality water with high quality water through a scouring and cleaning process.
- Based on the success of the pilot program, install two chemical monitoring stations to ensure the quality of water received from the City of Dallas.
- Develop recommendations for providing a comprehensive solid waste and recycling collection program for all Town residents and businesses.
- Identify city functions that can be enhanced by pursuing sustainable practices.

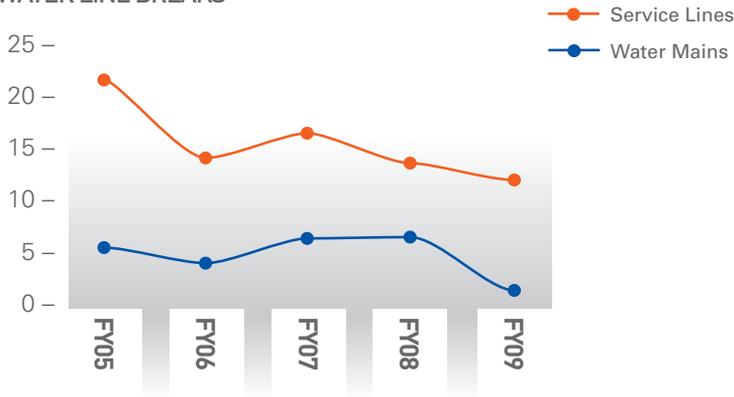
Major Budget Items

- Expanded levels of service that are reflected in the 2010 budget include funds to support development of a unidirectional flushing program (\$55,000), installation of two chemical monitoring stations (\$80,000), reclassification of the management assistant position to an assistant to the director (\$6,000).
- Electricity to power the pumping of water and wastewater (\$245,000).

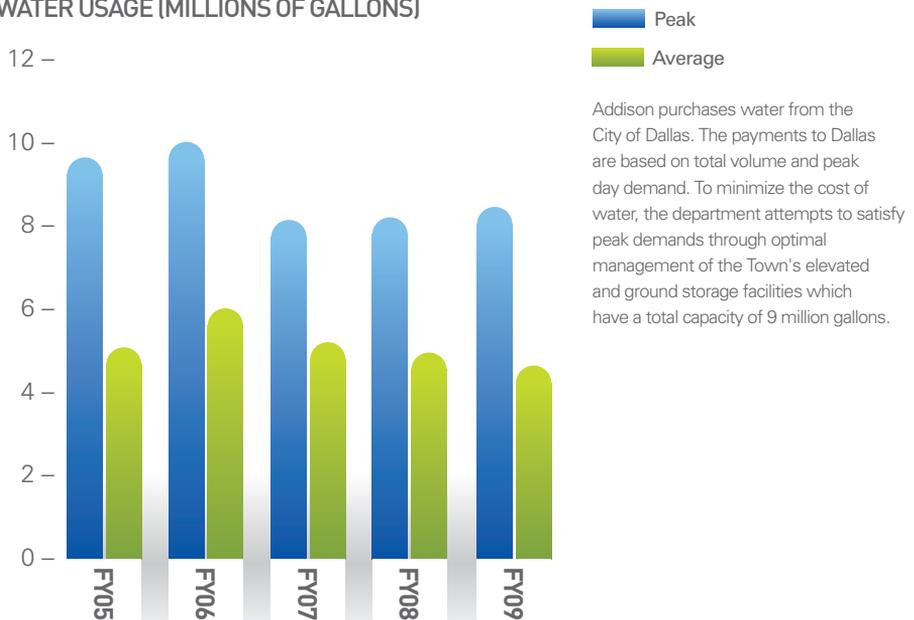
Expenditures	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009- 10
Personal Services	\$1,255,513	\$1,404,310	\$1,144,470	\$1,374,730
Supplies	114,937	127,540	102,230	134,540
Maintenance	502,600	312,350	349,120	388,920
Contractual Services	671,336	682,130	682,750	794,260
Capital Replacement/ Lease	-	17,980	17,980	-
Capital Outlay	-	-	36,500	-
Total Fund Budget	\$2,544,386	\$2,544,310	\$2,333,050	\$2,692,450

Staffing	Level	Budget 2006-07	Budget 2007-08	Budget 2008-09	Budget 2009-10
Director - Public Works	31	1.0	1.0	1.0	1.0
Asst. Director - Public Works	29	1.0	1.0	0.0	0.0
City Engineer	26	1.0	1.0	1.0	1.0
Utilities Superintendent	24	1.0	1.0	1.0	1.0
Assistant to the Director	22	0.0	0.0	0.0	1.0
Management Assistant	20	0.0	0.0	1.0	0.0
Inspector - Public Works	13	1.0	1.0	1.0	1.0
Supervisor - Utilities	13	1.0	1.0	2.0	2.0
Water Quality Specialist	12	0.0	0.0	1.0	1.0
Senior Utility Operator	11	2.0	2.0	1.0	1.0
Pump and Fountain Tech	10	0.0	0.0	1.0	0.0
Asst. Public Works Inspector	9	1.0	1.0	1.0	1.0
Secretary - Department	8	1.0	1.0	0.0	0.0
Utility Operator III	8	2.0	2.0	2.0	2.0
Utility Operator II	6	3.0	3.0	3.0	3.0
Utility Operator I	3	2.0	2.0	2.0	2.0
Total		17.0	17.0	18.0	17.0

WATER LINE BREAKS



WATER USAGE (MILLIONS OF GALLONS)



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 not requiring excess maintenance expenses, it will be kept in service. However, once the component has been fully amortized, the department will not continue to make payments to the fund. Interest income earned by the fund and sale of surplus equipment will offset the impact of inflation on the replacement costs of equipment.

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

PROGRAM NARRATIVE

As noted in the General Fund narrative, an analysis was performed on the resources accumulated in the Information Technology Fund that revealed that department contributions over time had provided surplus fund balances. This surplus allows for a one year suspension of department charges which will save the General Fund over \$360,000 during the 2010 fiscal year. The suspension provides some relief to the General Fund which has experienced significant declines in revenue. However, department charges will need to resume in FY 2011. If the economy does not improve by that time, other methods will have to be pursued to reduce General Fund expenditures.

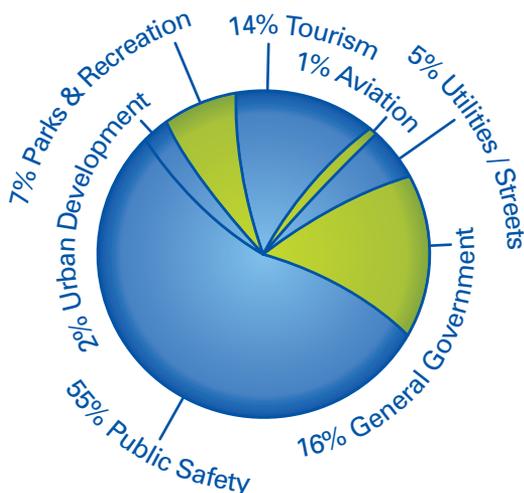
For FY 2010, the Information Technology Replacement Fund includes purchasing the following:

- Replacement of laptops – \$45,000
- Redesign of web portal – \$50,000
- Police and Fire Mobile Data Computer Replacement – \$250,000

INFORMATION TECHNOLOGY FUND STATEMENT OF INCOME

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Operating revenues				
Department contributions	\$435,070	\$435,070	\$435,070	\$-
Total operating revenues	435,070	435,070	435,070	-
Operating expenses				
Maintenance	950	-	-	
Contractual services	1,887	2,000	2,000	2,500
Total operating expenses	2,837	2,000	2,000	2,500
Net operating income	432,233	433,070	433,070	(2,500)
Non-operating revenues (expenses)				
Interest earnings and other	94,069	90,000	65,000	70,000
Other revenues (expenses)	(62,065)	-	-	-
Net non-operating revenues	32,004	90,000	65,000	70,000
Net income (excluding depreciation)	\$464,237	\$523,070	\$498,070	\$67,500
Changes in working capital				
Net income (excluding depreciation)	\$464,237	\$523,070	\$498,070	\$67,500
Sources (uses) of working capital				
Capital hardware/software:				
General government	-	(1,093,450)	(1,200,000)	(357,000)
Public safety	(18,150)	(340,000)	-	(250,000)
Net sources (uses) of working capital	(18,150)	(1,433,450)	(1,200,000)	(607,000)
Net increase (decrease) in working capital	446,087	(910,380)	(701,930)	(539,500)
Beginning fund balance	2,350,628	2,798,480	2,796,720	2,094,790
Ending fund balance	\$2,796,715	\$1,888,100	\$2,094,790	\$1,555,290

IT REPLACEMENT FUND



CAPITAL REPLACEMENT FUND

FUND DESCRIPTION

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

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

PROGRAM NARRATIVE

As noted in the General Fund narrative, an analysis was performed on the resources accumulated in the Capital Replacement Fund that revealed that department contributions over time had provided surplus fund balances. This surplus allows for a one year suspension of department charges which will save the General Fund over \$500,000 during the 2010 fiscal year. The suspension provides some relief to the General Fund which has experienced significant declines in revenue. However, department charges will need to resume in FY 2011. If the economy does not improve by that time, other methods will have to be pursued to reduce General Fund expenditures.

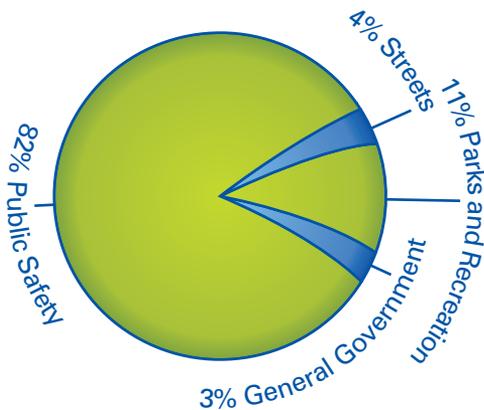
Equipment scheduled to be replaced during FY 2009-10 includes:

- Police - Fifteen Patrol Cars – \$518,000
- Courts - One sedan (hybrid) – \$35,000
- General Services - Two vehicles (hybrid) – \$70,000
- Recreation - Cybex equipment – \$60,000
- Recreation - Ten treadmills – \$50,000
- Parks - Two pickup trucks – \$50,000

CAPITAL REPLACEMENT FUND STATEMENT OF INCOME

	Actual 2007-08	Budget 2008-09	Estimate 2008-09	Budget 2009-10
Operating revenues				
Department contributions	\$722,295	\$502,700	\$502,700	\$-
Total operating revenues	722,295	502,700	502,700	-
Operating expenses				
Other	1,887	2,000	2,900	3,000
Total operating expenses	1,887	2,000	2,900	3,000
Net operating income	720,408	500,700	499,800	(3,000)
Non-operating revenues (expenses)				
Interest earnings and other revenues	119,911	100,000	83,000	90,000
Proceeds from sale of assets	55,761	25,000	82,500	30,000
Other expenses	(30,175)	-	-	-
Net non-operating revenues	145,497	125,000	165,500	120,000
Net income (excluding depreciation)	\$865,905	\$625,700	\$665,300	\$117,000
Changes in working capital				
Net income (excluding depreciation)	\$865,905	\$625,700	\$665,300	\$117,000
Sources (uses) of working capital				
Acquisition of capital equipment:				
General government	-	(53,000)	-	(105,000)
Development Services	(50,868)	-	-	-
Public safety	(246,455)	(196,000)	(219,600)	(518,000)
Streets	(20,804)	(40,000)	(53,000)	-
Parks and recreation	(144,013)	(43,000)	-	(160,000)
Net source (use) of working capital	(462,140)	(332,000)	(272,600)	(783,000)
Net increase (decrease) in working capital	403,765	293,700	392,700	(666,000)
Beginning fund balance	2,980,371	3,647,801	3,384,140	3,776,840
Ending fund balance	\$3,384,136	\$3,941,501	\$3,776,840	\$3,110,840

CAPITAL REPLACEMENT FUND







ADDISON FAST FACTS*

2009 POPULATION: 13,500

2009 ASSESSED VALUE: \$3,311,049,800 FOR FY2010

MEDIAN AGE: 31.6 YEARS

MEDIAN HOUSEHOLD INCOME: \$48,566

AVERAGE HOUSEHOLD INCOME: \$70,808

NUMBER OF HOUSEHOLDS: 7,621

TOTAL EMPLOYMENT IN ADDISON: 45,650

SQUARE MILES: 4.3 SQUARE MILES

DEVELOPABLE LAND REMAINING: 6%

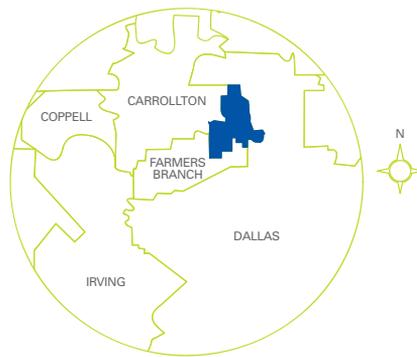
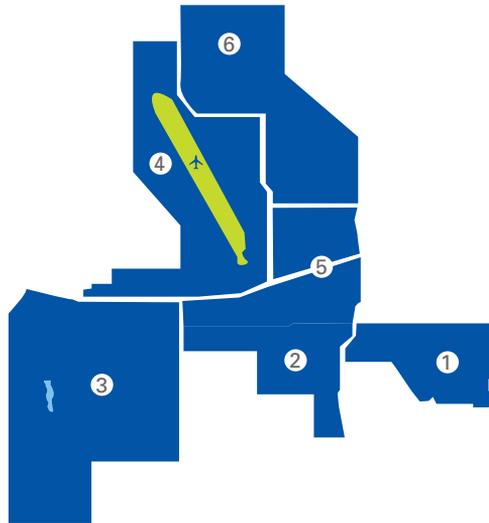
HOUSING UNITS:

- Owner Occupied: 19.8%
- Renter-Occupied 80.2%

EDUCATION LEVEL: 44.6% WITH A BACHELOR'S DEGREE OR HIGHER

MAJOR EMPLOYERS IN ADDISON:

- Affirmative Insurance Holdings, Inc.
- Barrett Burke Wilson & Castle
- Crowne Plaza Hotel
- Frito Lay
- General Electric Capital Corporation
- Hotel Intercontinental
- MBNA Information Services Inc.
- Mary Kay Cosmetics
- Pizza Hut, Inc



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

ADDISON TOWN CHRONICLE

TOWN DESCRIPTION

The Town of Addison is located in the Dallas North Parkway area that has been referred to as the “platinum corridor” of the Dallas Metroplex. Besides the Town of Addison, the area encompasses the Dallas suburbs of Carrollton, Farmers Branch, and Plano. The area is home to affluent residential neighborhoods, 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 airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.

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

The Town’s reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to 114 office or commercial buildings providing over 11.3 million square feet of office space. Most of Addison’s office buildings are designated “Class A” due to the amenities they offer. The Town boasts 22 hotels with 3,953 rooms and 164 restaurants, or an average of 37 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. Taxable appraised values that had increased for four consecutive years by a cumulative 38.1% declined 11.1% with the 2009 appraisal. The decline is attributed to reduced office occupancy. The amount of income generated by an office building is used by the Dallas Central Appraisal District to determine the building’s taxable value. As of June 2009 average office occupancy was 74.6%, a decline from the 77.0% recorded last year. This rate is less than the 77.3% average of the Dallas central business district office market and the 83.7% occupancy rate of the Dallas/Ft. Worth metropolitan area. Sales tax is projected to decline over eight percent and Addison’s hotels, which cater primarily to business travelers, are experiencing fewer bookings resulting in a projected 19.3% decline of hotel occupancy tax¹.

Although Texas has been impacted by the national recession, its economy is faring better than the country as a whole. As of September 2009, Texas’ unemployment rate stood at 8.2% compared to the U.S. rate of 9.8%. Recent positive changes to the Texas Leading Index maintained by the Federal Reserve Bank of Dallas point to a modest rebound in job growth and employment in 2010. The state has a diversified economy with a robust export market. Texas leads all states in exports to other countries and this segment of the economy should help Texas recover from the recession².

¹Sources: CoStar Group and Town records.

²Source: On the Record, A Conversation on the Texas Recession, Southwest Economy, Third Quarter 2009, Federal Reserve Bank of Dallas

The Town of Addison will share in any economic recovery but it is expected that a full recovery to revenue levels experienced in 2008 will take from two to five years.

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

SECTOR 1

Sector Description

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

Capital Projects

Immediate (1 to 12 months)

The Hotel Fund budget includes \$1 million for renovating approximately 26,000 square feet of space to house the Town's Visitor Services Center, the Metrocrest Chamber of Commerce, and the Craft Guild. Ongoing operating costs are estimated at \$433,000 per year, which are net of lease income the Town will receive from subtenants including the Chamber and the Guild.

Intermediate (13 to 36 months)

Belt Line Urban Interchange – The intersection of Belt Line Road and the Dallas Parkway is one of the busiest in the entire Dallas metropolitan area. This project will improve pedestrian access to the intersection. The current project budget is \$2,500,000. Engineering of the project is scheduled for the 2010 fiscal year from the 2002 Street Capital Project Fund with construction scheduled beginning with the 2012 fiscal year. The project is not expected to significantly add to the Town's operating costs.

Sector Community Issues

Village on the Parkway – This complex comprises approximately 70 shops and restaurants. The complex was built in the early 1980's and the Town is working with the owners of the development to identify methods for updating the center to allow it to effectively compete in the North Dallas market. The Town plans to lease a component of the complex to house the Town's Visitor Services Center (see preceding discussion), which is expected to complement the shops and bring shoppers to the complex.

SECTOR 2

Sector Description

The most densely developed section of the Town 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, Inwood, and Midway roads and the North Dallas Tollway influenced the rapid growth of the area. The area is bisected by the St. Louis and Southwestern Railroad line.

Capital Projects

Immediate (1 to 12 months)

Comprehensive Traffic Signalization – The project is currently under construction and will update the traffic signal control hardware and software at many of the Town's signalized intersections, most of which are in Sector 2. The project will allow for remote monitoring and modification of signal timing, greatly increasing traffic flow during peak periods. The budget for the project is approximately \$1.3 million, of which an additional estimated \$985,000 will come from federal, state, and county funds. The project is expected to be completed by the end of the 2010 fiscal year.

Intermediate (13 to 36 months)

Belt Line Road Streetscape – Belt Line Road is Addison's "Main Street" where most of Addison's restaurants and retail establishments reside. Although the road was designed for optimal vehicular traffic flow it is not conducive to pedestrian traffic. Included in the Town's 2000 Bond Capital Improvement Program was \$11 million for relocating sidewalks away from the roadway and adding landscaping to make Belt Line a more pedestrian friendly street between Dallas Parkway and Addison Road. Project may also include architecturally compatible bus shelters at major stops along Belt Line Road. Conceptual design for the project is expected to be completed in FY2010, ROW acquisition in 2013 and construction beginning in 2014. Because any new landscaping along the street would replace existing landscaping, the project is not expected to materially impact operating expenditures.

Long-term (37 to 60 months)

Railroad Crossing Improvements – The Cotton Belt Line carries freight through the North Dallas area. Federal law requires train engineers to blow their horns when approaching street crossings. The noise is disruptive to the residents and office workers residing in Sectors 2 and 5. The project would improve the crossings to add signal arms that would totally block automobile traffic from crossing the tracks and directional horns. The improvements would allow engineers to refrain from blowing the engine horns. The project is budgeted at \$426,000 and would be paid from DART LAP/CMS grants and surplus bond funds. The Town is in the process of obtaining state grants to further supplement the funding.

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

Sector Community Issues

DART Rail – Located near the Addison Circle development and the planned Arts & Events District (discussed in greater detail in the Sector 5 narrative) is the DART transit center that is used by over a dozen bus routes serving Addison and the North Central Dallas corridor. The center is adjacent to the former Cotton Belt railroad line that is now owned by DART. The line extends to the DFW International Airport and represents an opportunity for commuter rail that would serve the area. The Town contracted with a consultant to study the issue. The result of their analysis is that the rail line serves more companies and a greater employment base than all of the Dallas Central Business District. DART has included the project in its long-term 2030 capital plan. Addison staff will work to ensure the project is high on the agency's priority list and over the next few years obtains the funding needed for project design and engineering.

Addison Beverage Center – When Addison began developing in the early 1980's it was the first city in the North Dallas area to allow for the sale of packaged (versus restaurant sale) alcoholic beverages. The Town's charter required that sale of these beverages had to be limited to a 1-mile section of Inwood Road. Several stores located in this area and have enjoyed tremendous success over the years. However, over the past year adjacent suburbs have had elections allowing for the sale of packaged wine and beer in their communities, which has siphoned off some of the business from Addison's retailers. In an effort to protect the viability of these stores, Addison will continue to work with the retailers to "brand" the area as the Addison Beverage Center using marketing, street signage, and special lighting in order to attract customers.

SECTOR 3

Sector Description

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

Capital Projects

Immediate (1 to 12 months)

Vitruvian Park Area Utility Replacement Program– This area, once referred to as the Brookhaven Club area, was comprised of several older apartment complexes and has some of the Town's oldest water and wastewater lines. This project will replace deteriorated water cast iron pipes and clay wastewater pipes with PVC lines that will serve the new Vitruvian development. The project will be conducted in six phases extended over five years. The project will construct approximately 15,000 linear feet of 6" to 12" water lines and 8,000 linear feet of 8" to 10" wastewater lines. Total project budget for all phases is approximately \$2.9 million and is being conducted in conjunction with the UDR Master Agreement (see related discussion later in this sector narrative). The first two phases are expected to be completed by the end of the 2010 fiscal year and phases three through six will be built over the 2012 through

2014 fiscal years. The project is expected to save an estimated \$20,000 a year in unaccounted for water loss and repair of leaks and as much as \$50,000 in annual wastewater treatment costs by eliminating inflow and infiltration of storm water into the wastewater system.

Elevated Storage Tank – To ensure adequate water pressure is provided all areas of the community, consulting engineers have recommended the Town build a second elevated water storage tank. The tank would have a capacity of 1.5 million gallons with an overflow elevation of 777 feet and be located at the property across Arapaho Road from the property housing the existing Surveyor ground storage tank. The total project budget is \$5 million and is funded through certificates of obligation sold during the 2008 fiscal year. Engineering of the project is expected to be completed during the 2010 fiscal year with construction beginning in FY2011 and ending in FY2012. Once completed, the project would require minimal operating expenses. The tank would have to be repainted every 10 to 15 years at a cost of approximately \$30,000.

Intermediate (13 to 36 months)

Greenhaven Court Water Line Improvements – Project consists of replacing an 8” cast-iron water main with a new PVC line that serves a retail development and will be connected to the Vitruvian Park water lines. Total budget for the project is \$525,000 and is scheduled for engineering and construction during the 2012 fiscal year. The project is expected to save an estimated \$5,000 a year in unaccounted for water loss and repair of leaks.

Sector Community Issues

UDR Inc. is a self-administered real estate investment trust that acquired 100 acres of the Brookhaven Club area and the related apartment complexes. UDR and the Town worked together on a total reinvention of the neighborhood which entails demolishing more than 3,200 aging apartment units and replacing them with 5,500 new units. The neighborhood will also incorporate new parks and open spaces, particularly a 12-acre park along the Farmers Branch Creek. The new neighborhood is called Vitruvian Park, and UDR is already leasing units in Phase I, which consists of 363 multi-family units. Construction documents are currently underway on Phase II, which will contain another 355 multi-family units, some office space, and retail space at the street edge. The development will create another urban community for Addison, similar to Addison Circle (see sector 5). The Town will participate in the project by funding such infrastructure improvements as streets and utility lines that may total as much as \$39 million. Construction of all infrastructure is being coordinated through a Master Facilities Agreement between the Town and UDR. At ultimate build out, the development is anticipated to add \$1 billion in values to the Town’s property tax base.

George H. W. Bush Elementary School – The Town is working with the Dallas Independent School District to build a Kindergarten through Fifth Grade elementary school on DISD’s Loos Field athletic complex site, which will be the District’s first public school to be located in Addison. The school was made possible by the successful passage of the District’s 2008 \$1.35 billion bond election. The school will be

built to be energy efficient. The Town will participate in the design of the outdoor areas that will include playgrounds with shade structures, sport courts, learning garden, soccer/open play fields and plaza spaces. The Town will contract with the District to maintain the outdoor areas at the same high-quality levels of other Town parks.

Addison Trail – The proposed hike/bike trail will run from the Cotton Belt railroad line right-of-way, connecting to existing trails along Arapaho Road, and extending south using an Oncor electric utility right-of-way that runs between Greenhill School and the DISD Loos Field athletic complex. The trail will continue south through the Vitruvian Park development and connect to Brookhaven Junior College. The estimated cost of the entire project is \$932,000. The Town will be soliciting grants from the State and County governments to support a portion of the cost. The source of the Town’s local share has not yet been determined.

SECTOR 4

Sector Description

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

Capital Projects

Accomplished

Old Fuel Farm Remediation – With the opening of the new fueling facility, the Town demolished the existing fuel farm and removed the underground tanks under the Texas Commission on Environmental Quality (TCEQ) guidelines in order to open up this portion of the airport to future development. Project was completed within the \$350,000 budget. The project will have no immediate impact on the operating budget, although future development on the cleared property would bring in an undetermined amount of revenue to the Airport Fund.

2007 Airport Paving Rehabilitation – The project represented the final phase of a multi-year program to rehabilitate the airport’s pavement. Project involved the reconstruction of Taxiway “S” and was completed within its \$770,000 budget. Project will save approximately \$5,000 in annual operating expenses devoted to recurring pavement repair.

Immediate (1 to 12 months)

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

Addison Road / Keller Springs Intersection – Project would add two turn lanes on Keller Springs and replace existing traffic signals to accommodate a wider pavement section at the entrance of the Keller Springs Toll Tunnel Project. Cost is estimated to be \$1.2 million with Dallas County contributing \$400,000 and the North Texas Tollway Authority providing \$600,000 along with the Town's contribution of \$200,000. Project is tentatively scheduled to begin in fiscal year 2010. The project will not have a material impact to operating expenditures.

Long-Term (37 to 60 months)

West Lindbergh/ Richard Byrd Sewer Rehabilitation – This project consists of "sliplining" 2,700 feet of the existing 6-inch clay tile line. This line is approximately 30 years old and is a source of inflow and infiltration into the wastewater system. The use of this liner will eliminate ground water from entering the sanitary sewer system and will improve the structural and flow characteristics of the line without the need of any major line construction. Project is scheduled to take place in fiscal year 2012 with a budget of \$108,000. The completed project is expected to save an estimated \$5,000 a year in sewer treatment charges by reducing the volume of storm water infiltration.

Midway Water Line Rehabilitation – Project would replace 2,000 feet of 12" cast iron pipe. Project is scheduled for fiscal year 2014 with a budget of \$610,000. Project would save approximately \$5,000 annually in water lost through leaks.

Sector Community Issues

Cavanaugh Flight Museum – Currently residing on the airport is the Cavanaugh Flight Museum, which has become a popular tourist attraction. The museum is privately owned and houses an extensive collection of vintage aircraft. The museum is limited to standard aircraft hangars that limit the museum's ability to properly showcase the aircraft. The Town is in negotiations with the museum's owner to enter into a joint venture which may include the Town participating in the relocation of the museum to a new facility on 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. 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 also includes the Town's Conference Centre and Theatre complex and the Addison Circle Park, which is used extensively for special events such as Oktoberfest and Taste Addison.

Capital Projects

Accomplished

North Quorum Streetscape – As part of the Fairfield development (see following discussion) the Town was obligated to construct enhancements to Quorum Drive between Goodman Avenue and Airport Parkway with the addition of street parking and landscaped pedestrian walkways. The project was completed within its \$475,000 budget. The project will not have a material impact on operating expenditures.

Spruill Park – Also supporting the Fairfield development is the 1.6 acre Spruill Park that was completed within a budget of \$510,000. The park's construction was funded with surplus park capital project funds, an \$184,000 developer contribution, and a \$263,000 transfer from the General Fund. Annual operating and maintenance costs are estimated to total \$9,000.

Sector Community Issues

Addison Circle Residential Developments – The final residential segments of Addison Circle are in the process of being completed. The Fairfield Residential project, located on 8.9 acres at the northwest corner of Quorum Drive and Goodman Avenue, comprises 414 multi-family units in a 4-story format, similar to the existing Addison Circle development. The project was completed during the past year and is now fully leased. SNK Realty also finished construction on 262 multi-family units on 6.5 acres between Spectrum Drive and the Dallas North Tollway. In addition to the residential units, the SNK development includes ground-floor retail in the project's Spectrum Drive side. The final project in the district, Meridian Square, is currently under construction and will contain 90 condominium units and 42 town homes.

Addison Circle Office Development – Construction was completed on Two Addison Circle, a six-story, 210,000 square foot office building located on the northwest corner of Addison Circle and the Dallas Parkway. The building was developed by OPUS West Group, and contains a 720-space garage. The Town has negotiated the use of the garage for Special Events on an event-by-event basis.

SECTOR 6

Sector Description

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

Sector Community Issues

Methodist Hospital for Special Surgery - Advanta Medical Development, LLC has broken ground on Phase 1 of a spine and orthopedic specialty hospital for the partnership of Methodist Health System and Nueterra Healthcare. The 32-bed hospital is Phase I of a development plan that will ultimately contain an additional 232-bed hospital and two medical office buildings.





APPENDIX A THE BUDGET PROCESS

01

APR
2009

Schedules Distributed
to City Council

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

02

MAY

Budget Requests Submitted
& Reviewed

Deadline for department budgets to be submitted to Financial & Strategic Services. Staff spends the next several weeks reviewing department budgets for presentation to the Council in August worksessions.

03

JUN
JUL

Work Session with
City Manager

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

04

JUL
23

Certified Tax Rolls
Received

Certified appraisal rolls from Dallas County Appraisal District are received showing taxable values of \$3,311,049,800.

05

JUL
31

2009-10 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. Budget reflects total appropriations of \$82,392,050 and a tax rate of 48.6 cents.

06

AUG
07

Effective Tax
Rate Published

Upon receipt of the certified appraisal rolls, Finance performs the net effective tax rate calculation as required by State Law. The net effective tax rate is calculated to be 51.61 cents with a rollback rate of 53.15.

07

AUG

Work Sessions with Council

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

08

SEPT

Public Hearings Held

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

09

SEPT
22

Council Adopts the 2009/2010 Budget

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2009 with total appropriations of \$82,778,410 and a tax rate of 49.6.

10

OCT-
DEC

2009/2010 Budget Document is Developed and Published

Financial & Strategic Services Department staff develops final budget document; document is returned from printers and distributed to users.

11

JUN
2010

Budget is Amended

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

APPENDIX B

FINANCIAL POLICIES

INTRODUCTION

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

ANNUAL BUDGET (CHARTER REQUIREMENTS*)

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

prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote. If the Council fails to adopt the budget, the City shall continue to operate under the existing budget until such time as the Council adopts a budget for the ensuing fiscal year.

- *6. On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise the Council may amend or change the budget to provide for any additional expense.
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 ninety days following the date of the budget's adoption by the Council.

BASIS OF ACCOUNTING AND BUDGETING

1. The Town's finances shall be accounted for in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board.
 - a. The accounts of the Town are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project funds.
 - b. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.
 - c. The Town utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

- d. The Town's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
2. The Town's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Also, depreciation of fixed assets is not recognized in proprietary fund budgets. All annual appropriations lapse at fiscal year end. Under the Town's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be re-appropriated and honored the subsequent fiscal year.
3. The issuance of Statement 34 by the Governmental Accounting Standards Board has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the Town will continue utilizing the accounting and budgeting processes as described in paragraphs 1. and 2. of this section. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types. Also, the Town will limit the use of internal service funds and incorporate the financial transactions of those funds into other governmental funds.

BUDGET ADMINISTRATION

1. All expenses of the Town shall be made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
2. The following represents the Town's budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the 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 the Governmental Accounting Standards Board. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
2. The CAFR shall show the status of the city's finances on the basis of generally accepted accounting principles (GAAP). The CAFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In all but two cases this reporting conforms to the way the city prepares its budget. Compensated absences (accrued but unused sick leave) are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds, although the full purchase price of equipment and capital improvements is reflected as uses of working capital.
3. Included as part of the Comprehensive Annual Financial Report shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.
4. The CFO shall within sixty days following the conclusion of each calendar quarter, issue a report to the Council reflecting the Town's financial condition for that quarter. The quarterly report format shall be consistent with the format of the annual budget document.

REVENUES

1. To protect the Town's financial integrity, the Town will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the Town will attempt to reduce its dependence on sales tax revenue.
2. For every annual budget, the Town shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the Town's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. The operation and maintenance levy will be established within the eight percent (8%) rollback rate as defined by the State of Texas Property Tax Code. Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.
3. The Town will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The Town will not provide tax abatements to encourage development.
4. The Town will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
 - a. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.

- b. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
 - c. The Town will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, accuracy of water meters).
5. The Town will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
 6. The Town will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
 7. The Town will invest idle cash to obtain interest income within the constraints of the Town's annually adopted investment policy. That policy established the following five objectives: a.) conformance with all Federal regulations, State of Texas statutes and other legal requirements including the Town Charter and Town Ordinances, including this Policy, b.) preservation of capital and the protection of investment principal, c.) maintenance of sufficient liquidity to meet anticipated disbursement and cash flow, d.) diversification to avoid incurring unreasonable risks regarding securities owned, e.) attainment of a market rate of return equal to or higher than the performance measure established from time to time by the CFO of the Town which is commensurate with the acceptable risk and liquidity objectives of this policy.
 8. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

OPERATING EXPENDITURES

1. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - a. Operating, Recurring Expenditures
 - i. Personal Services
 - ii. Supplies
 - iii. Maintenance
 - iv. Contractual Services
 - v. Capital Replacement / Lease
 - b. Operating, Non-Recurring Expenditures
 - i. Capital Equipment
2. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.
3. The Town will constantly examine the methods for providing public services in

order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.

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

FUND BALANCE

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

FUND TRANSFERS

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

DEBT EXPENDITURES

1. The Town will issue debt only to fund capital projects that cannot be supported by current, annual revenues.
2. To minimize interest payments on issued debt, the Town will maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding fifteen (15) years. Retirement of debt principal will be structured to ensure constant annual debt payments.
3. The Town will attempt to maintain base bond ratings (prior to insurance) of Aa2 (Moody's Investors Service) and AAA (Standard & Poor's) on its general obligation debt.
4. When needed to minimize annual debt payments, the Town will obtain insurance for new debt issues.

CAPITAL 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 which no longer can be serviced by regular maintenance. Attempts should be made to fund the reserve at a level approximate to annual depreciation of assets as reported in the Town's annual Comprehensive Annual Financial Report.

LONG-TERM FINANCIAL PLANS

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

APPENDIX C

COMPENSATION PLAN

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

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

P = Police, Non-Exempt (hourly) Position. Biweekly wages are calculated on hours worked in two 40-hour work weeks. Overtime wages are paid on hours worked in excess of 40 hours in any work week. Non-exempt (salaried) employees accumulate up to 2,080 hours per year. Dispatcher hourly wages are based on a 38.75-hour work week, or 2,015 hours per year. Overtime wages are paid on hours worked in excess of 38.75 hours in any work week.

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

MERIT AND MARKET PAY PLAN

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

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

For the 2009-2010 budget year, Council approved a merit increase with every operating department receiving two percent increases of employee salaries. These adjustments will allow the Town to continue to offer a competitive compensation package to all employees.

Promotions generally result in an immediate salary increase of at least five percent without regard to the date of the last increase. New employees who have yet complete their initial trial periods by October 1 will be eligible for 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	37,568
5-N	26,582	39,874
6-N	28,226	42,286
7-N	29,931	44,886
8-N	31,741	47,632
9-N	33,675	50,523
10-N	35,734	53,604
11-N	37,918	56,888
12-N	40,227	60,361
13-N	42,681	64,022
20-E	41,497	62,224
21-E	44,682	67,023
22-E	48,123	72,163
23-E	51,818	77,727
24-E	55,810	83,694
25-E	60,079	90,150
26-E	64,730	97,073
27-E	69,699	104,528
28-E	75,072	112,576
29-E	80,848	121,241
30-E	87,050	130,585
31-E	93,760	140,630
32-E	100,960	151,461
33-E	108,732	163,099
34-E	117,100	175,650

POLICE DEPARTMENT

Level	Base Salary	Top Salary
D1	35,746	53,599
P1	44,400	
P2	46,618	68,863
P3	69,669	79,481
P4	77,554	89,753
P5	87,613	99,978
P6	90,000	103,500

FIRE DEPARTMENT

Level	Base Salary	Top Salary
F1	43,471	
F2	46,113	63,932
F2a	58,776	67,593
F3	68,417	75,391
F4	73,578	81,105
F5	79,130	103,071
FP1	46,082	63,922
FP1	73,556	81,107

APPENDIX D

MAJOR REVENUE SOURCES

The revenue sources described in this section account for \$43,891,180, or 80.8% of the Town's total operating revenues (excludes interfund transfers/charges).

PROPERTY TAXES

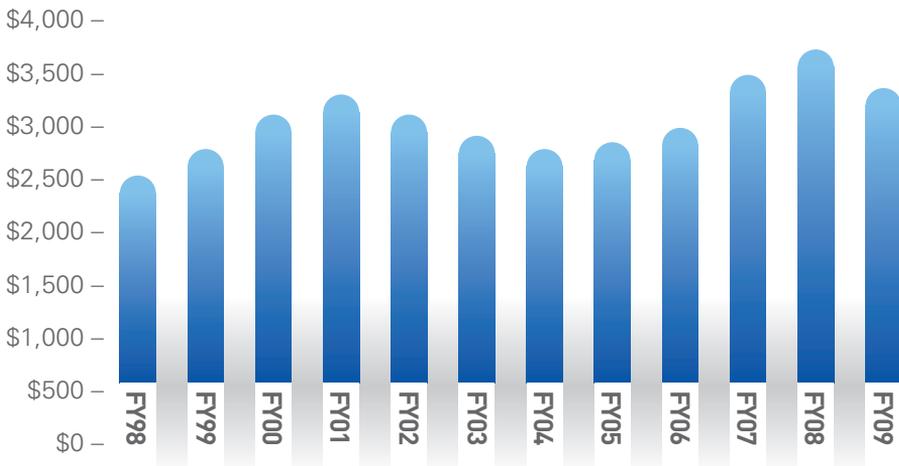
Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1st. The Town's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the Town. Assessed values are established by the Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2009, upon which the fiscal year 2010 levy is based, is \$3,311,049,800. This amount is net of approximately \$215,218,240 (representing 6.5% of taxable value) of agricultural, homestead, over-65, disabled veteran, and other exemptions. The 2009 tax roll is 11.1% less than the 2008 certified roll. The decrease in values is due, in large part, to the downturn in the national economy. Over the last year, the local economy has slowed somewhat, resulting in lower occupancy rates for both hotels and office buildings. However, Addison recognizes that our economy is cyclical, and the Town expects to recover as the economy stabilizes and improves.

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ending September 30, 2010 is 49.6¢ per \$100 of which 33.6¢ is allocated for general government operation and maintenance and 16¢ is allocated for retirement of general obligation long-term debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement the Town continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. The tax rate that equates to an 8% increase above the prior year rate is known as the "rollback rate." The FY 2010 tax levy adopted by the Town is less than the calculated 53.15¢ 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, 2010 are estimated to be 96% of levy and will generate \$15,765,900 in revenues. Delinquent taxes and penalties are expected to produce an additional \$40,000.

ASSESSED VALUATION OF TAXABLE PROPERTY AS OF JANUARY 1 (\$ MILLIONS)



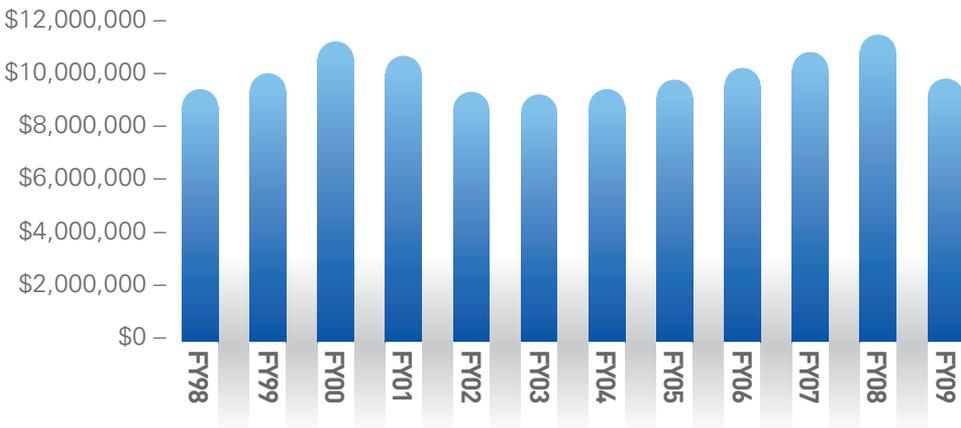
SALES TAX

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

For the year ending September 30, 2010, the Town of Addison expects to receive \$9,760,000 in sales and use tax revenue. This amount is only \$25,000 less than estimated FY 2009 collections. Monthly collections during FY 2009 averaged about 8.1% below what was actually collected in FY 2008. In addition, Dallas County experienced a 5.3% decrease and the State of Texas experienced a 2.1% decrease from FY 2008. This decrease in Town sales tax collections assumed in the budget is derived from the national economic decline in the past year. Economic forecasts predict that the State and regional economies will remain flat in the near-term, with gradual improvement through the five year horizon.

Another sales tax levied by the state is the alcoholic beverage tax which is applied against all mixed drinks and package liquor sold in the city. The tax is 14% of sales price and, like the general sales tax, is collected by the State. The Town's share of the dollar revenues generated by the tax is 10.7%, which is expected to produce \$975,000 for the 2010 fiscal year. Although Addison has less than 16,000 residents, its concentration of hotels and restaurants makes it the 11th highest city in Texas for alcoholic beverage sales, surpassing Lubbock with a population of 212,169 and Irving with a population of 201,927.

SALES TAX REVENUES



DISTRIBUTION OF SALES TAX REVENUE

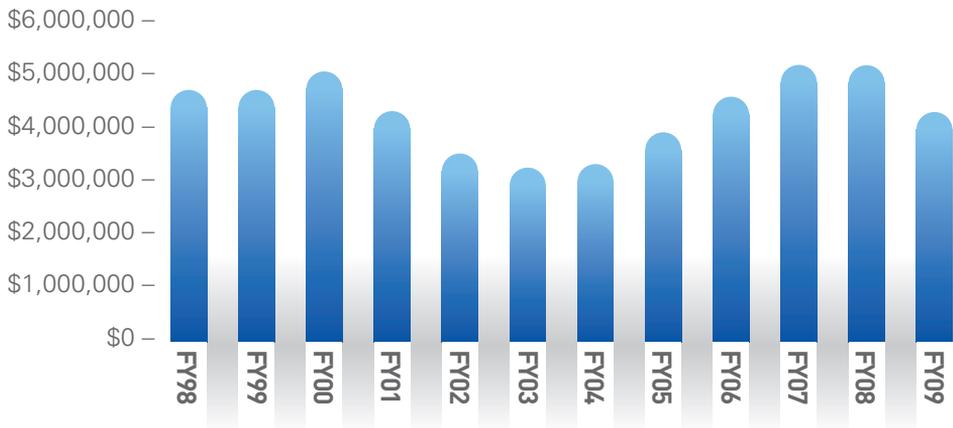
	Addison	Dallas County
Construction	14.76%	9.89%
Retail	47.45%	55.00%
Services	16.12%	5.41%
Wholesale	11.42%	14.82%
Transportation/Communications	0.90%	0.93%
Manufacturing and Other	9.35%	13.95%

HOTEL/ MOTEL OCCUPANCY TAX

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

Due to the national economic downturn, hotel occupancy taxes declined from \$5,204,250 in FY 2008 to \$4,200,000 in FY 2009. For the year ending September 30, 2010, the Town expects occupancy taxes to remain relatively flat at \$4,250,000 in occupancy tax receipts. The Hotel Fund's long-term financial plan (located in Appendix E) reflects the average revenue per room assumptions for the next five years. Addison's collection of hotel occupancy tax ranks it 13th in the State of Texas, just behind of Arlington, a city with a population of 370,450.

HOTEL OCCUPANCY TAX REVENUES



HOTEL OCCUPANCY TAX FY 2009 COLLECTIONS

Establishment	Number of Rooms	Percentage of Revenue
Full Service		
Marriott Quorum	535	19%
Intercontinental	532	18%
Crowne Plaza	429	12%
Extended Stay		
Budget Suites	344	1%
Best Western	70	1%
Marriott Residence Inn	150	5%
Summerfield Suites	132	3%
Homewood Suites	128	4%
Springhill Suites	159	5%
Business Moderate		
Marriott Courtyard Quorum	176	6%
LaQuinta Inn	152	3%
Marriott Courtyard Proton	145	4%
Holiday Inn Express	102	4%
Hilton Garden Inn	96	4%
Holiday Inn-Arapaho	101	3%
Comfort Inn	86	1%
Economy		
Motel 6	126	2%
Hampton Inn	159	5%
Quality Inn	115	1%
Comfort Suites	78	2%
Super 8	78	1%
Best Value	60	0%
Total	3,953	100%

UTILITY FEES

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

In FY 2008, the Town Council approved an adjustment in water and sewer rates in order to support increased operating expenses, debt service associated with capital projects of previous years, and future capital projects needed to maintain the Town's water and sewer systems. Under these rates, each customer pays a minimum monthly bill depending upon how their account is classified. For example, a single-family customer pays a minimum bill of \$9.10 for water which includes 2,000 gallons. At the other end of the scale, an industrial customer with a meter greater than 2" in size pays a minimum bill of \$169.00 with an allowance of 80,000 gallons. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates. The exceptions to this rule are single-family residential customers who cease paying sewage fees once water consumption exceeds 8,000 gallons. The combined monthly water and sewer bill for a single-family residence which consumes 10,000 gallons is \$64.50.

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

Below is a distribution of customers by classification (as of 9/30/09) and the approximate percentage of contribution each classification makes to water and sewer operating revenues. For the 2009-10 budget year, the Town's Utility Fund anticipates receiving \$5,059,700 from the sale of water and \$4,275,000 from sewer fees. The total utility fees represent a 2.2% decrease over the previous year budget.

UTILITIES ACCOUNT REVENUES

FY 2008 - 2009 Customer Classification	Water		Sewer	
	Number of Accounts	Percent of Revenues	Number of Accounts	Percent of Revenues
Single Family	1,680	12.7%	1675	13.9%
Multi-Family	127	11.6%	128	29.0%
Municipal/School	29	0.9%	29	2.3%
Irrigation	603	50.0%	0	0.0%
Hotel/Motel	31	5.6%	30	10.4%
Commercial	660	17.4%	636	44.0%
Fire Meter	325	1.6%	0	0.0%
Industrial	11	0.2%	10	0.4%
	3,466	100%	2,508	100%

FRANCHISE FEES

The electric franchise fee is 0.25441 cents or \$0.0025441 per kilowatt hour of electricity consumed by all electric customers in Addison. Competing retail electric providers (REPs) collect a per kilowatt charge from their customers and then remit the fee to Oncor, the regulated transmission and distribution company. Oncor then pays the Town the fee revenue collected from the REPs. The Town expects to receive \$1,50,000 as an electric franchise fee payment in FY 2010.

Cities are compensated for use of their public right-of-way by telecommunication companies based on the number and type of telecommunication access lines each company has in a particular jurisdiction. Using guidelines promulgated by the Texas State Public Utilities Commission, cities across the state developed access line fees that were first implemented in 2000 and adjusted annually. In Addison, the computed fees that are added to telecommunication customer monthly bills are as follows:

Category 1 (Residential lines)	\$1.05
Category 2 (Non-residential or business lines)	\$2.52
Category 3 (Point-to-point or dedicated lines)	\$5.00

The FY 2010 budget anticipates \$560,000 from telecommunication access line fees. This is a modest decline compared to the \$575,000 budgeted in FY 2009. It is anticipated that this revenue source will continue to decline as the wireless telecommunications industry continues to gain market share from traditional telephone companies.

INTERGOVERNMENTAL REVENUE

The Town anticipates receiving \$1,233,580 in intergovernmental revenue in FY 2010. The Airport Fund is expected to receive \$50,000 from the Texas Department of Transportation (TxDOT) for minor maintenance projects at Addison Airport. The Streets Capital Project Fund anticipates receiving \$985,130 in grant funding from TxDOT.

APPENDIX E

LONG-TERM FINANCIAL PLANS

NARRATIVE

In accordance with the Town's financial policies, the 2009-10 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for all the Town's major operating funds: General, Hotel, Airport, and Utility. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget for fiscal year 2010 and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The plans establish funding ceilings on recurring operating expenditures. Department heads may only exceed these ceilings by presenting to the city manager and council, budget adjustment requests that provide new or expanded services to the community. Operating budgets are increased only when Council votes to approve each request.

Finally, the plans help the Town in absorbing the impact of economic booms and busts. The Town of Addison is particularly susceptible to economic fluctuations due to its dense commercial base. Although the Town has less than 14,000 residents, because of its office buildings, hotels, restaurants, and shops, it is estimated that the Town serves a population in excess of 150,000. By capping operating expenditures, revenues generated by an economic "boom" are added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plans is exercised in all four operating funds with the planning horizon beginning with the 2010 fiscal year. The national economic recession is impacting the Town of Addison, especially in the General Fund with sales tax revenue and the Hotel Fund with occupancy tax revenue. Fund balances are gradually being drawn down over the five-year planning period to mitigate the curtailment of expenditures and contraction of city services. However, fund balance is a finite resource and cannot be tapped indefinitely. If the economy does not recover within the planning horizon, the Town is prepared to take other steps, including modifying the scope of services to protect the Town's financial integrity.

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 declined 7.5% from 2008 to 2009. The 2010 budget assumes that there will be no growth in these taxes. The projected years of 2011 through 2014 assume modest 3% annual increases.
2. Property tax revenue is dependent on two variables, appraised value and the tax rate. Property values for 2009 (used for the 2010 levy) declined 11%, a departure from four consecutive years of increased valuations. The decline is attributed to the supply of office and commercial space exceeding demand, dampening leasing rates, and leading to reduced market values of the properties. To accommodate the reduction in values and minimize the increase in the tax rate, the budget applies \$1 million of the General Fund's balance to the payment of debt service, allowing for the portion of the tax rate that goes for

debt retirement to be reduced by 3.2¢. The budget also reflects an increase in the tax rate for General Fund operations from 28.28¢ to 33.60¢ to compensate for the reduction in property values. The result of these actions is that the General Fund property tax levy increased from \$10.3 million in 2009 to \$10.7 for 2010. The total tax rate (General and Debt Service Fund portions) increased from 45.35¢ to 49.60¢. The General Fund long-term plan assumes another 8% reduction in values for 2011 and that for fiscal years 2012-2014 property values begin to recover and increase an average 3%, plus an average \$65.8 million over each of those three years in new construction. The plan assumes a significant increase of the tax rate in 2011 to 58.60¢ needed to support debt service, maintain a constant levy in the General Fund, and accommodate the anticipated 8% reduction in values. Barring a significant increase in property values during the 5-year planning horizon, the total property tax rate stays around 58.60¢.

3. All other revenues during the planning horizon are expected to increase a modest 3% per year with the exception of intergovernmental grants. The plan reflects a COPS grant that will fund the addition of three officers. The grant is for three years and averages \$204,450 per year, which covers the cost of employing these positions. However the grant ends with the 2012 fiscal year, requiring the Town to pick up the cost of those positions for fiscal years 2013 and 2014.
4. The majority of the General Fund's expenditures are associated with employee compensation; over 70% of the 2010 budget is allocated for this category. The base 2010 year reflects no increase over the 2009 budget. Future years project average annual increases of 3% with staffing remaining constant at 234.4 FTE.
5. The 2010 budget reflects a 30% reduction in appropriations for maintenance projects associated with the Town's streets and facilities. Due to declining revenues in the General Fund (discussed previously), undesignated fund balances in the Town's capital project funds are being used to support \$645,000 in major street maintenance projects and \$85,000 for parks maintenance projects. In 2011, \$500,000 is restored for these projects and increases 3% annually thereafter.
6. The General Fund makes contributions to the Town's capital and information technology funds that essentially amortizes capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment. A study revealed that over the years, excess fund balances have accrued to these funds. Due to diminished General Fund resources, the 2010 budget suspends contributions to the funds. However, these contributions are reinstated the remaining years of the plan.
7. Other expenditures are expected to increase as follows: supplies, 2% per year and contractual services, 3% per year.
8. For fiscal years 2011 through 2014, expenditures are projected to exceed revenues by an average \$1,448,000. As a result, fund balances gradually decline until 2014, when the \$4.5 million fund balance reaches 14% of operating expenditures. If the economy does not recover during the 5-year planning horizon, then the Town will have to seek new revenue sources, reduce scope of city services, or a combination of these actions.

HOTEL FUND LONG-TERM PLAN

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. Because of the national recession, hotel occupancy tax revenues in 2009 declined an estimated 19% over the previous year. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue is expected to increase only \$50,000 over estimated 2009 numbers. For the 2011-14 planning period, revenues from the tax are expected to increase a modest 3% per year. The inventory of hotel rooms is assumed to remain constant at 3,953.
2. Proceeds from special events are expected to increase less than 3% in 2010 and 4% per year thereafter.
3. Rental of the Addison Conference Centre and Theatre is expected to increase 2% per year.
4. Operating expenditures are forecasted to increase 3% for employee compensation, 2% for supplies, and 3% for maintenance and contractual services.
5. A major component of the fund is the addition of a visitor services center in the Village on the Parkway retail center. The 2010 budget reflects \$1,325,000 for the conversion and lease of approximately 26,000 square feet of vacant retail space, as well as nine months of operating expenses. This amount is net of anticipated rental of the space to other tenants associated with the visitor and tourist industry. For fiscal years 2011-14, the annual net operating cost of the facility is projected to be \$433,000.
6. The fund also reflects an average annual debt service of around \$670,000 for retirement of certificates of obligation that were sold to finance construction of the Arts & Events District.
7. The plan reflects expenditures exceeding revenue an average \$756,000 from fiscal year 2011 through 2014 with fund balance shrinking to about 20% of operating expenditures. 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 fail to recover in future years.

AIRPORT FUND LONG-TERM PLAN

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

1. Operating revenue declined approximately 4% in 2009, primarily due to reduction in fuel flowage fee revenue associated with the national recession impacting general aviation travel. Revenues are expected to increase only 1% for the 2010 budget. For fiscal years 2011 through 2014, revenue is expected to increase only 3% per year assuming no rental or fuel fee rate increases during the planning period.
2. Operating expenses are projected to increase 3% for employee compensation, 2% for supplies, and 4% for maintenance. The Town has a contract with a company to operate and maintain the airport. Operator maintenance expenses are budgeted in 2010 to be almost 7% less than budgeted in 2009. In accordance with the contract, operator management fees are based on 20% of operating revenues.

3. The plan recognizes the debt service associated with the issuance of \$4.4 million in certificates of obligation in 2005 to fund the new fuel farm.
4. Sufficient net income is generated during the planning horizon to support all scheduled capital projects including those eligible for FAA/TXDOT matching funding.
5. Primarily due to funding capital projects on a pay-as-you-go basis, ending working capital (fund balance for an enterprise fund) is projected to drop to as little as \$242,360, or 7.5% of operating expenses in fiscal year 2012. However, working capital is expected to recover to \$1,125,030 in 2014.

UTILITY FUND LONG-TERM PLAN

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

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. Due to a relatively wet summer season, utility revenue for 2009 is estimated to be almost 7% less than budget despite an 11% across-the-board increase for water and sewer rates implemented in November 2008. The 2010 budget assumes a normal year for water sales with operating revenues totaling \$9,404,700. The long-term plan assumes that for fiscal years 2011 through 2014, water sales will grow 3% per year based on growth. In order to have sufficient resources for supporting capital projects, the plan also assumes a 15% rate increase for the 2012 fiscal year. However, if sales of water surpass expectations, then the rate increase may be mitigated or postponed.
2. Operating expenses, dominated by payments to other governments for the purchase of water and the treatment of sewage, are expected to increase an average 7% per year for water purchase and 5% for sewer services. These assumptions are based on historic trends of the last five years.
3. From fiscal years 2010 through 2014, net income is expected to average \$2.3 million, which is needed to retire debt principal and fund capital projects.
4. Debt service is scheduled to drop significantly in 2013 due to the retirement of debt that had been issued in the 1990's, which will allow for working capital to recover from \$723,800 in 2012 to over \$2.5 million in 2014. The long-term plan also projects the sale in 2012 of \$1.6 million in additional debt services associated with the second phase of the Vitruvian Park urban development, but the debt service associated with that planned issuance is a fraction of the debt that will be retired in 2013.

CAPITAL PROJECT LONG-TERM PLAN

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

GENERAL FUND LONG-TERM FINANCIAL PLAN

	Actual 2007-2008	Estimated 2008-2009
BEGINNING BALANCE	\$10,684,165	\$11,695,930
Revenues		
Ad valorem taxes	\$9,905,274	\$9,945,000
Non-property taxes	11,637,278	10,760,000
Franchise fees	2,555,927	2,501,500
Licenses and permits	798,006	585,000
Intergovernmental	-	-
Service fees	1,420,244	1,341,750
Fines and penalties	1,222,897	1,175,000
Interest income	472,156	187,500
Rental income	157,546	156,500
Miscellaneous	152,724	79,000
TOTAL REVENUES	28,322,052	26,731,250
Expenditures		
Operating:		
Personal services	18,048,130	18,415,170
Supplies	1,246,429	1,152,650
Maintenance	2,568,817	2,451,630
Contractual services	4,142,857	4,315,950
Capital replacement/lease	1,077,265	855,770
Capital outlay	226,789	153,010
Other uses	-	-
TOTAL EXPENDITURES	27,310,287	27,344,180
ENDING FUND BALANCE	\$11,695,930	\$11,083,000
Excess (Deficiency) of Revenues over Expenditures	1,011,765	(612,930)
Ending balance as a % of expenditures	42.8%	40.5%
DEBT ISSUANCE VARIABLE:		
Beginning debt outstanding	\$33,469,769	\$58,272,000
Principal retired	3,419,769	3,607,620
Principal issued	28,222,000	-
Ending debt outstanding	\$58,272,000	\$54,664,380
Tax rate variables:		
Taxable values (thousands)	\$3,421,474	\$3,619,700
General fund rate	\$0.2990	\$0.2828
Debt service fund rate	\$0.1347	\$0.1707
Total	\$0.4337	\$0.4535
Staffing variable:		
Full-time equivalent positions	229.9	234.4
Average cost per FTE	\$78,504	\$78,563

	Year 1	Year 2	Year 3	Year 4
Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
\$11,083,000	\$10,284,590	\$9,103,980	\$7,934,760	\$6,331,140
\$10,707,230	\$11,102,290	\$11,436,080	\$11,550,080	\$11,661,860
10,735,000	11,057,100	11,388,800	11,730,500	12,082,400
2,522,000	2,597,700	2,675,600	2,755,900	2,838,600
360,000	370,800	381,900	393,400	405,200
198,450	204,400	210,500	-	-
1,344,900	1,385,200	1,426,800	1,469,600	1,513,700
1,200,000	1,236,000	1,273,100	1,311,300	1,350,600
177,500	182,800	188,300	193,900	199,700
156,500	161,200	166,000	171,000	176,100
75,000	77,300	79,600	82,000	84,500
27,476,580	28,374,790	29,226,680	29,657,680	30,312,660
19,298,610	19,877,600	20,473,900	21,088,100	21,720,700
1,421,060	1,449,500	1,478,500	1,508,100	1,538,300
1,909,410	2,466,700	2,540,700	2,616,900	2,695,400
4,640,910	4,705,100	4,846,300	4,991,700	5,141,500
5,000	1,031,500	1,031,500	1,031,500	1,031,500
-	25,000	25,000	25,000	25,000
1,000,000	-	-	-	-
28,274,990	29,555,400	30,395,900	31,261,300	32,152,400
\$10,284,590	\$9,103,980	\$7,934,760	\$6,331,140	\$4,491,400
(798,410)	(1,180,610)	(1,169,220)	(1,603,620)	(1,839,740)
36.4%	30.8%	26.1%	20.3%	14.0%
\$54,664,380	\$50,810,440	\$47,471,720	\$59,415,490	\$54,665,344
3,853,940	3,338,720	4,076,230	4,750,146	4,343,942
-	-	16,020,000	-	-
\$50,810,440	\$47,471,720	\$59,415,490	\$54,665,344	\$50,321,402
\$3,311,050	\$3,048,721	\$3,087,045	\$3,179,657	\$3,275,046
\$0.3360	\$0.3793	\$0.3800	\$0.3726	\$0.3652
\$0.1600	\$0.2067	\$0.2060	\$0.2193	\$0.2130
\$0.4960	\$0.5860	\$0.5860	\$0.5919	\$0.5782
234.4	234.4	234.4	234.4	234.4
\$82,332	\$84,802	\$87,346	\$89,966	\$92,665

HOTEL SPECIAL REVENUE FUND LONG-TERM FINANCIAL PLAN

	Actual 2007-2008	Estimated 2008-2009
BEGINNING FUND BALANCE	\$5,382,310	\$5,715,690
Revenues		
Hotel/Motel occupancy taxes (HOT)	5,204,247	4,200,000
Proceeds from special events	1,524,109	1,300,000
Conference centre rental	500,463	510,000
Theatre rental	86,487	75,000
Interest and other	231,042	113,400
TOTAL REVENUES	7,546,348	6,198,400
Expenditures		
Visitor services	880,633	896,630
Marketing	1,121,226	971,640
Special events	2,725,836	2,821,320
Conference centre	1,077,436	993,260
Performing arts	707,834	550,430
Capital projects / expanded levels of service	-	-
Transfers to other funds/debt service	700,000	699,800
TOTAL EXPENDITURES	7,212,965	6,933,080
ENDING FUND BALANCE	\$5,715,693	\$4,981,010
Ending balance as % of operating expenditures	87.8%	79.9%

Hotel Occupancy Tax Variables:

Number of rooms	3,953	3,953
Average revenue per room	\$1,317	\$1,062

Note: Fiscal year budgets for 2013 and 2014 reflect 10% reductions in operating department expenditures needed to arrest decline of fund balance in the event revenues do not recover.

	Year 1	Year 2	Year 3	Year 4
Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
\$4,981,010	\$2,828,950	\$2,006,570	\$1,227,670	\$1,175,920
4,250,000	4,377,500	4,508,830	4,644,090	4,783,410
1,337,000	1,390,480	1,446,100	1,503,940	1,564,100
500,000	510,000	520,200	530,600	541,210
70,000	72,800	75,710	78,740	81,890
100,000	103,000	106,090	109,270	112,550
6,257,000	6,453,780	6,656,930	6,866,640	7,083,160
881,940	912,420	939,630	870,900	896,890
805,460	805,460	805,460	724,910	724,910
2,707,860	2,830,580	2,915,770	2,703,170	2,784,530
1,453,370	1,053,020	1,083,550	1,014,620	1,032,600
565,430	571,680	588,420	545,090	561,060
1,325,000	433,000	433,000	389,700	389,700
670,000	670,000	670,000	670,000	670,000
8,409,060	7,276,160	7,435,830	6,918,390	7,059,690
\$2,828,950	\$2,006,570	\$1,227,670	\$1,175,920	\$1,199,390
44.1%	32.5%	19.4%	20.1%	20.0%
3,953	3,953	3,953	3,953	3,953
\$1,075	\$1,107	\$1,141	\$1,175	\$1,210

AIRPORT FUND LONG-TERM FINANCIAL PLAN

	Actual 2007-2008	Estimated 2008-2009
BEGINNING WORKING CAPITAL	\$1,693,503	\$960,010
NET INCOME		
Operating Revenues		
Operating grants	48,873	50,000
Fuel flowage fees	784,783	621,000
Rental	3,226,103	3,239,000
User fees	50,461	43,000
TOTAL OPERATING REVENUES	4,110,220	3,953,000
Operating Expenses		
Town - Personal services	272,194	266,070
Town - Supplies	19,634	16,800
Town - Maintenance	143,923	28,970
Town - Contractual services	562,230	436,400
Grant - Operations & Maintenance	-	100,000
Operator - Operations & Maintenance	1,251,391	1,314,690
Operator - Service Contract	912,676	869,600
TOTAL OPERATING EXPENSES	3,162,048	3,032,530
NET OPERATING INCOME	948,172	920,470
Non-Operating revenues (expenses):		
Interest earnings and other	81,938	55,000
Interest on debt, fiscal fees, & other	(152,769)	(143,800)
Net Non-Operating revenues (expenses)	(70,831)	(88,800)
Net income (excluding depreciation)	877,341	831,670
Sources (uses) of working capital:		
Retirement of long-term debt	(235,000)	(245,000)
Net additions to fixed assets with grants	-	(14,500)
Other net additions to fixed assets	(1,375,830)	(335,400)
Net sources (uses) of working capital	(1,610,830)	(594,900)
ENDING WORKING CAPITAL	\$960,014	\$1,196,780
Ending WC as a % of operating expenses	30.4%	39.5%
PROJECTS		
Grant Projects:		
Capital (Town's Share):		
Automatic Weather Observation Sys.	-	-
Runway 15/33 Overlay and Enhancement	-	14,500
Taxiway rehabilitation	-	-
TOTAL	\$-	\$14,500
Other Projects:		
Capital:		
Operating & Maintenance Equipment	79,125	22,900
Miscellaneous Paving	158,659	104,500
Fuel Farm	399,064	208,000
2007 Paving Rehabilitation Project	738,982	-
TOTAL	\$1,375,830	\$335,400

	Year 1	Year 2	Year 3	Year 4
Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
\$1,196,780	\$317,420	\$655,780	\$242,360	\$440,260
50,000	50,000	50,000	50,000	50,000
650,000	669,500	689,600	710,300	731,600
3,250,000	3,347,500	3,447,930	3,551,370	3,657,910
45,000	46,350	47,740	49,170	50,650
3,995,000	4,113,350	4,235,270	4,360,840	4,490,160
294,960	303,810	312,920	322,310	331,980
47,420	48,370	49,340	50,330	51,340
29,270	30,150	31,050	31,980	32,940
479,320	488,910	498,690	508,660	518,830
100,000	100,000	100,000	100,000	100,000
1,382,870	1,438,180	1,495,710	1,555,540	1,617,760
828,500	731,400	753,300	776,000	799,200
3,162,340	3,140,820	3,241,010	3,344,820	3,452,050
832,660	972,530	994,260	1,016,020	1,038,110
45,000	46,350	47,740	49,170	50,650
(135,000)	(134,520)	(125,420)	(115,290)	(103,990)
(90,000)	(88,170)	(77,680)	(66,120)	(53,340)
742,660	884,360	916,580	949,900	984,770
(255,000)	(265,000)	(275,000)	(290,000)	(300,000)
(1,338,000)	(281,000)	(1,055,000)	(462,000)	-
(29,020)	-	-	-	-
(1,622,020)	(546,000)	(1,330,000)	(752,000)	(300,000)
\$317,420	\$655,780	\$242,360	\$440,260	\$1,125,030
10.0%	20.9%	7.5%	13.2%	32.6%
15,000	-	-	-	-
1,323,000	281,000	600,000	-	-
-	-	455,000	462,000	-
\$1,338,000	\$281,000	\$1,055,000	\$462,000	\$-
29,020	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$29,020	\$-	\$-	\$-	\$-

UTILITY FUND LONG-TERM FINANCIAL PLAN

	Actual 2007-2008	Estimated 2008-2009
BEGINNING WORKING CAPITAL	\$3,502,761	\$9,083,570
NET INCOME		
Operating revenues:		
Water sales	4,618,862	4,828,500
Sewer charges	4,193,659	4,030,000
Tap fees	70,235	19,500
Penalties	20,750	80,000
TOTAL OPERATING REVENUES	8,903,506	8,958,000
Operating Expenses		
Water purchases	2,408,778	2,545,200
Wastewater treatment	1,832,671	1,811,900
Utility operations	2,544,386	2,333,050
TOTAL OPERATING EXPENSES	6,785,835	6,690,150
NET OPERATING INCOME	2,117,671	2,267,850
Non-Operating revenues (expenses):		
Interest earnings and other	183,478	172,500
Interest on bonded debt and fiscal fees	(768,358)	(790,530)
Net Non-Operating revenues (expenses)	(584,880)	(618,030)
Net income (excluding depreciation)	1,532,791	1,649,820
Sources (uses) of working capital:		
Net retirement of long-term debt	(1,991,182)	(2,196,060)
Debt issuance	6,278,000	-
Net additions to fixed assets	(271,679)	(959,270)
Net increase (decrease) to other assets	32,882	-
Net sources (uses) of working capital	4,048,021	(3,155,330)
ENDING WORKING CAPITAL	\$9,083,573	\$7,578,060
Ending WC as a % of operating expenses	133.9%	113.3%
USES OF WORKING CAPITAL		
Equipment		
Motor vehicles	-	36,500
Computer hardware	-	-
Capital projects		
Water service line replacement program	84,772	-
Vitruvian area utilities rehabilitation	88,800	496,000
Greenhaven Village Water Main	-	-
Belt Line Water Main Replacement	-	-
Marsh Lane sewer rehabilitation	22,378	-
Surveyor elevated storage tank	75,729	300,000
Wright Bros./Wiley Post sewer rehabilitation	-	126,770
Midway Road water line rehabilitation	-	-
West Lindbergh/Richard Byrd sewer rehabilitation	-	-
Various sewer rehabilitation projects	-	-
TOTAL	\$271,679	\$959,270

Note: LT plan assumes a 10% increase in water and sewer rates beginning in FY 2012.

	Year 1	Year 2	Year 3	Year 4
Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
\$7,578,060	\$4,588,140	\$1,492,290	\$723,800	\$2,075,030
5,059,700	5,211,500	5,904,580	6,081,700	6,264,200
4,275,000	4,403,300	4,988,940	5,138,600	5,292,800
10,000	5,000	5,000	5,000	5,000
60,000	55,000	55,000	55,000	55,000
9,404,700	9,674,800	10,953,520	11,280,300	11,617,000
2,653,400	2,839,100	3,037,800	3,250,400	3,477,900
1,745,200	1,832,500	1,924,100	2,020,300	2,121,300
2,692,450	2,800,100	2,912,100	3,028,600	3,149,700
7,091,050	7,471,700	7,874,000	8,299,300	8,748,900
2,313,650	2,203,100	3,079,520	2,981,000	2,868,100
175,000	183,500	59,700	29,000	83,000
(628,390)	(523,680)	(416,890)	(397,560)	(339,080)
(453,390)	(340,180)	(357,190)	(368,560)	(256,080)
1,860,260	1,862,920	2,722,330	2,612,440	2,612,020
(2,491,280)	(2,623,770)	(2,801,820)	(357,210)	(377,770)
-	-	1,639,000	-	-
(2,358,900)	(2,335,000)	(2,328,000)	(904,000)	(1,781,000)
-	-	-	-	-
(4,850,180)	(4,958,770)	(3,490,820)	(1,261,210)	(2,158,770)
\$4,588,140	\$1,492,290	\$723,800	\$2,075,030	\$2,528,280
64.7%	20.0%	9.2%	25.0%	28.9%
77,000	135,000	27,000	75,000	132,000
-	-	-	-	-
-	-	-	-	-
781,900	-	668,000	671,000	300,000
-	-	525,000	-	-
-	-	-	-	595,000
-	-	-	-	-
1,500,000	2,200,000	1,000,000	-	-
-	-	-	-	-
-	-	-	-	610,000
-	-	108,000	-	-
-	-	-	158,000	144,000
\$2,358,900	\$2,335,000	\$2,328,000	\$904,000	\$1,781,000

CAPITAL PROJECT FUND SUMMARY

	Estimated 2008-2009	Budget 2009-2010
Street Capital Project Fund		
Addison Road Widening	55,830	-
Ashton Woods Development Streets	483,000	72,000
Railroad Improvements/Quiet Zones	-	-
TXDOT Signalization	551,510	799,810
North Quorum Streetscape	471,950	-
Keller Springs / Addison Rd. Intersection	-	211,990
Storm Drainage Study	64,370	22,000
2010 Street & Lighting Projects	-	465,000
2002 Capital Project Fund		
Belt Line Road Streetscape	210,750	500,000
2004 Capital Project Fund		
Belt Line Road Interchange	100,000	-
2010 Railroad Crossings	-	100,000
2006 Capital Project Fund		
2010 Special Lighting Projects	-	180,000
2008 Capital Project Fund		
Vitruvian Park Public Infrastructure	2,681,530	18,000,000
Street/Intersection Improvements	-	1,500,000
Future Capital Project Funds		
<i>Belt Line Road Streetscape</i>	-	-
<i>Belt Line Road Interchange</i>	-	-
Airport Enterprise Fund		
Automatic Weather Observation System	-	15,000
Runway 15/33 Overlay and Enhancement	14,500	1,323,000
Taxiway rehabilitation	-	-
Miscellaneous Paving	104,500	-
Fuel Farm	208,000	-
Utility Enterprise Fund		
Vitruvian Area Utilities Rehabilitation	496,000	781,900
Greenhaven Village Water Main	-	-
Belt Line Water Main Replacement	-	-
Surveyor Elevated Storage Tank	300,000	1,500,000
Wright Bros./Wiley Post Sewer Rehabilitation	126,770	-
Midway Road water line rehabilitation	-	-
W. Lindbergh/Richard Byrd Sewer Rehabilitation	-	-
Various sewer rehabilitation projects	-	-
TOTAL CAPITAL PROGRAM	\$5,868,710	\$25,470,700





APPENDIX G

GLOSSARY OF TERMS

A

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

Accounts Receivable – An asset account reflecting amounts owing to open accounts from private person or organizations for goods or services furnished by a government.

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

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

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

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

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

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

B

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

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.

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

C

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

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

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

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

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

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

D

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

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

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

Depreciation – Change in the value of assets (equipment, buildings, etc. with a useful life of 5 years or more) due to use of the assets.

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

E

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

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

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

F

FAA – Federal Aviation Administration

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which government determines its financial position and the results of its operations. The Town of Addison's fiscal year begins October 1st and ends the following September 30th. The term FY 2010 denotes the fiscal year beginning October 1, 2009 and ending September 30, 2010.

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

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

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

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

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

G

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

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

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

L

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

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

M

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

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

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

N

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

O

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

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

P

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

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

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

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

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

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

R

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

ROW – Acronym for right-of-way, in which streets and utility lines are located.

S

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

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

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

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

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

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

T

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessment. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

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

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

W

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

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

X

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

APPENDIX H

ORGANIZATION CHARTS

CITY MANAGERS DEPARTMENT

CITY MANAGER

- Assistant to the City Manager
- Secretary - Executive
- Deputy City Manager
 - Secretary - Administrative
 - Receptionist *
 - Intern
- Assistant City Manager

* Position shared with Visitor Services Department

FINANCIAL & STRATEGIC SERVICES

CHIEF FINANCIAL OFFICER

- Financial Services Manager
 - Accountant
 - Financial Services Supervisor
 - Accounting Specialist (3)
- Strategic Services Manager
 - Management Analyst

SPECIAL EVENTS DEPARTMENT

SPECIAL EVENT ADMINISTRATOR

- Secretary - Administration *
- Special Event Senior Coordinator
- Special Event Coordinator (2)

* Position shared with Parks & Recreation

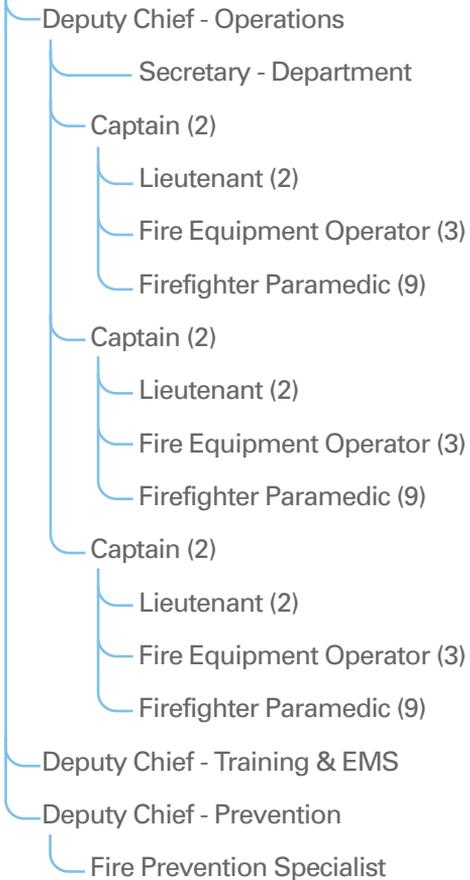
GENERAL SERVICES

GENERAL SERVICES DIRECTOR



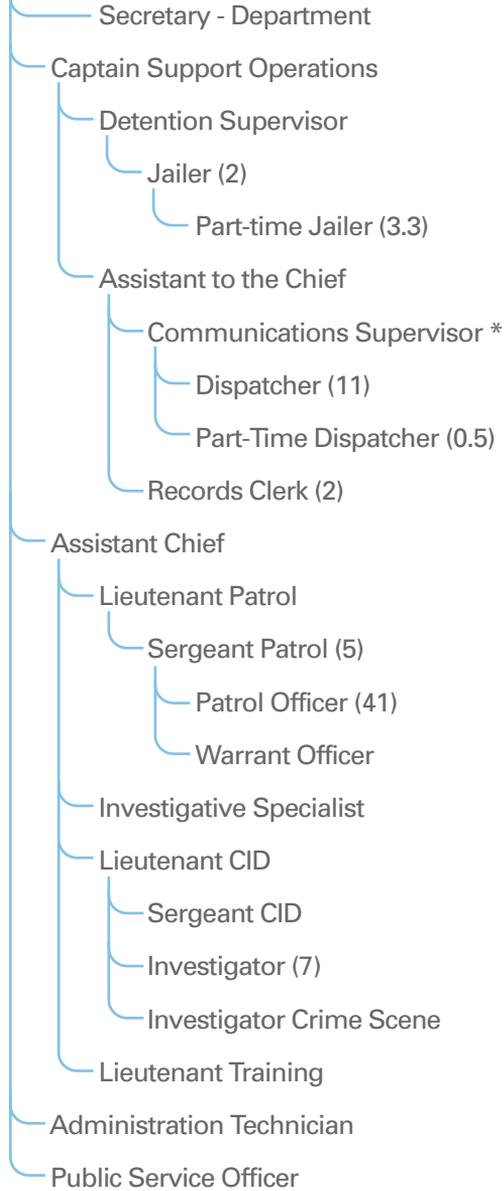
FIRE DEPARTMENT

FIRE CHIEF (VACANT)



POLICE DEPARTMENT

CHIEF OF POLICE



* Positions are reflected in Emergency Communications Dept

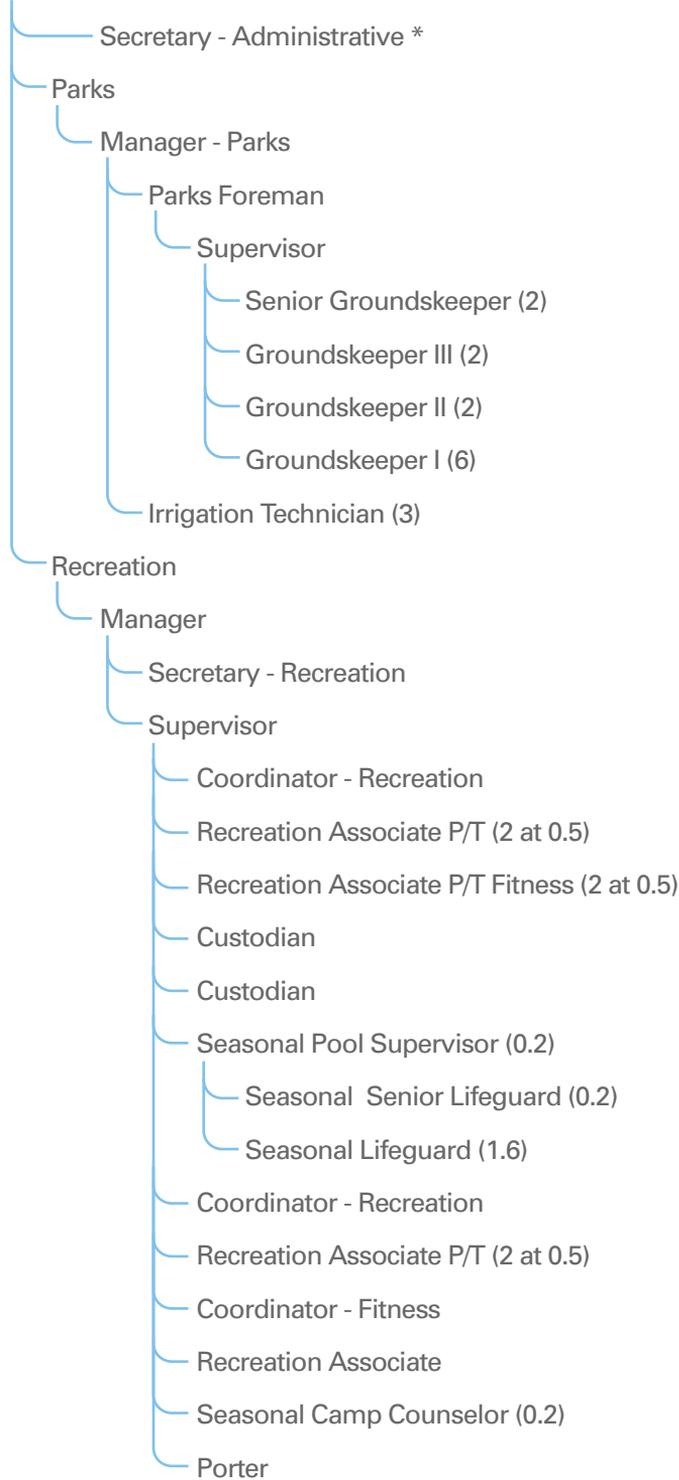
MUNICIPAL COURT DEPARTMENT

COURT ADMINISTRATOR

- Clerk - Court (2)

PARKS & RECREATION DEPARTMENT

PARKS & RECREATION DIRECTOR



* Position shared with Special Events

VISITOR SERVICES DEPARTMENT

VISITOR SERVICES DIRECTOR

- Receptionist *
- Sales Manager
- Conference Center & Theatre Manager
 - Conference Coordinator
 - Technical Coordinator
 - Secretary - Division
 - Houseman (3.5)

* Position shared with City Manager's Office

HUMAN RESOURCES

DIRECTOR - HUMAN RESOURCES

- Secretary - Department
- Benefits Specialist
- Employment Specialist
- Payroll Specialist (0.7)

DEVELOPMENT SERVICES

DIRECTOR - DEVELOPMENT SERVICES

- Official - Building Inspection
 - Building Inspector (2)
 - Secretary - Department
- Official-Environmental Services
 - Environmental Health Specialist

INFORMATION TECHNOLOGY

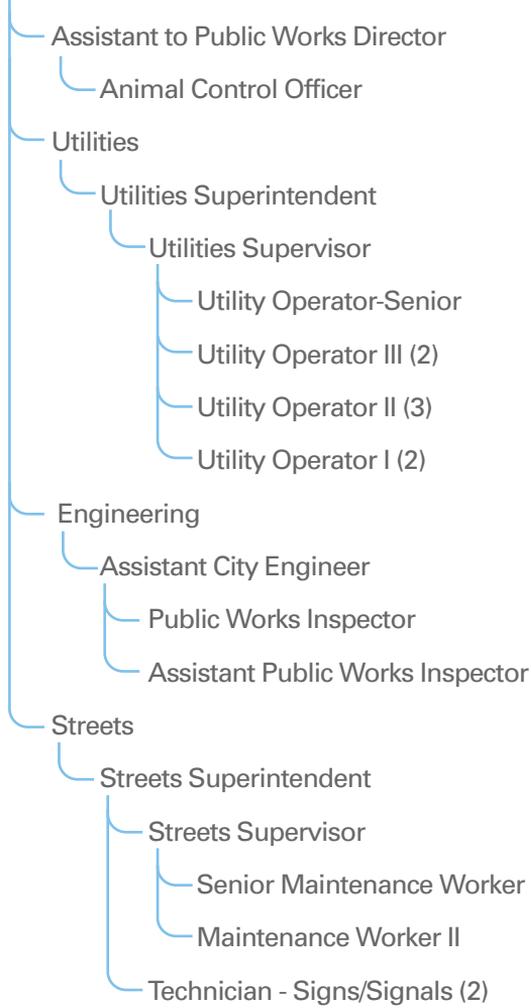
DIRECTOR - INFORMATION TECHNOLOGY

- Secretary - Department *
- Network Specialist (5)

* Position shared with General Services Department

PUBLIC WORKS DEPARTMENT

DIRECTOR - PUBLIC WORKS (CITY ENGINEER)









GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Addison
Texas**

For the Fiscal Year Beginning

October 1, 2008

Handwritten signature of the President of GFOA.

President

Handwritten signature of the Executive Director of GFOA.

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, 2008. 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, 2008. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

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

TOWN STAFF

Mayor's Office	Joe Chow, Mayor	(972) 450-7026
	City Council	(972) 450-7027
City Manager's Office	Ron Whitehead, City Manager	(972) 450-7027
City Manager's Office	Lea Dunn, Deputy City Manger	(972) 450-7037
City Manager's Office	Chris Terry, Asst. City Manager	(972) 450-7010
Financial & Strategic Services	Randolph C. Moravec, CFO	(972) 450-7050
General Services	Mark Acevedo, Director	(972) 450-2848
Human Resources	Passion Hayes, Director	(972) 450-2819
Information Technology	Hamid Khaleghipour, Director	(972) 450-2868
Police	Ron Davis, Chief	(972) 450-7168
Fire	David Benson, Assistant Chief	(972) 450-7203
Development Services	Carmen Moran, Director	(972) 450-2886
Public Works	Nancy Cline, Director	(972) 450-2878
Parks & Recreation	Slade Strickland, Director	(972) 450-2869
Visitor Services	Bob Phillips, Director	(972) 450-6202

CONSULTANTS

Auditors	Weaver & Tidwell LLP – Jerry Gaither	(972) 490-1970
Bond Counsel	Vinson & Elkins – Ben Brooks	(214) 220-7700
City Attorney	Cowles & Thompson – John Hill	(214) 672-2170
Financial Advisors	First Southwest, Co. – David Medanich	(817) 332-9710
Risk Management	RWL & Associates – Bob Lazarus	(972) 907-9095



