



Be service-minded and kind.

Exceed expectations.

Be solution driven.

Value employees as partners.

# Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,032,231 which is a 10.07 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$267,989.

The members of the governing body voted on the budget as follows:

## For

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Joe Chow	Mayor
Kathryn Wheeler	Mayor Pro Tempore
Lori Ward	Deputy Mayor Pro Tempore
Tom Braun	Council Member
Darren Gardner	Council Member
Eileen Resnik	Council Member
Guillermo Quintanilla	Council Member

## Against

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None

## Present and Not Voting

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None

## Absent

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None



### Property Tax Rate Comparison

	2022-2023	2021-2022
Property Tax Rate	\$0.609822/100	\$0.614660/100
No New Revenue Tax Rate	\$0.563865/100	\$0.548593/100
No New Revenue Maintenance & Operations Tax Rate	\$0.405344/100	\$0.398306/100
Voter Approval Tax Rate	\$0.689157/100	\$0.679498/100
Debt Rate	\$0.164740/100	\$0.173551/100

**TOTAL DEBT OBLIGATION FOR TOWN OF ADDISON  
SECURED BY PROPERTY TAXES**

**\$110,150,000**

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# How to Read This Document

## Welcome!

You are holding the published Town of Addison budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023. This document has been specially prepared to help you, the reader, learn of the issues affecting the Addison community. Many people believe a city budget is only a financial plan. Although you can learn much of Addison's finances from these pages, the fiscal year 2023 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how Addison is managed. It is an operations guide which gives the public, elected officials, and Town staff information pertaining to the production and performance of individual Town operations. The document is also designed as a communications device in which information is conveyed written and graphically.



## Budget Format

The document is divided into four major sections: Introduction, Financial/Operational, Town Chronicle, and Appendices. The Introduction section contains the City Manager's letter, which is addressed to the City Council and explains the major policies and issues which impacted the development of the fiscal year 2023 budget. The section also contains a statement of Addison's vision and goals, the Town's organization and staffing chart, and the summary of all financial statements. Liberal use is made in this section of footnotes, which direct the reader to sections of the document that more fully describe programs or projects.

The Financial/Operational section describes various aspects of the Town's organization. This information is grouped first by fund and then by department. Like many local governments, Addison uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to keep track of the use of the hotel/motel occupancy tax. Most people are particularly interested in the General Fund, which is comprised of most of the Town's operations like Police, Fire, and Parks. Financial statements are presented for every fund. The statements show the fund's financial condition over a number of years. Like the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement begins with the actual audited amounts for the fiscal year 2021. The ending balance of the actual year becomes the beginning balance of the estimated fiscal year 2022. The estimated column reflects projected amounts compared to the amounts included in the original adopted budget for fiscal year 2022. The estimated ending fund balance of the prior fiscal year then becomes the beginning balance for the fiscal year 2023 budget. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of Addison's organization. Each department is presented with its mission statement, a listing of the department's accomplishments for the previous fiscal year, and operational objectives for fiscal year 2023. Selected service levels for each department are presented graphically. Actual prior year data and estimated fiscal year 2022 data is used for graphs and charts. The funding for each department, as well as the unit's staffing, are summarized over a number of years.

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

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

# Letter to Mayor & Council

## **Honorable Mayor and Members of the City Council,**

I am pleased to present the fiscal year 2023 adopted budget for the Town of Addison. It has been prepared in conformance with the requirements of the Town Charter, Town financial policies, and State law. This budget represents the expected revenues and planned expenditures for the Town's fiscal year from October 1, 2022 to September 30, 2023.

This budget allocates resources in alignment with the City Council's Strategic Pillars and Milestones for fiscal year 2023. The adopted budget conforms with our practice of providing Town employees with the resources required to deliver the excellent municipal services expected by Addison residents and businesses. This budget continues to maintain the conservative fiscal approach that has allowed Addison to achieve our sound financial position and stellar bond ratings (AAA from Standard and Poor's (S&P) and Aaa from Moody's).

Over the past several years, the Town has positioned itself to take advantage of unique growth opportunities while continuing to care for the existing community. Despite economic impacts from the pandemic to the restaurant and hotel industries, the Town of Addison remains well-positioned for future prosperity.

As a community, we have been proactive and strategic in planning how to address the significant issues that will impact the Town's future. This adopted budget allows the Town to continue to execute on the plans in place to address:

- ▶ How to attract and capitalize on new development opportunities;
- ▶ How we fund and revitalize our infrastructure and facilities;
- ▶ How we attract, train, and retain talented and effective staff; and,
- ▶ How we continually improve the way we do business and the services we provide so that Addison remains a vibrant and attractive place to live, work, and play.

## **Ongoing Big Issues**

### **Infrastructure Planning & Maintenance**

The fiscal year 2023 budget continues the progress the Town has made in using the comprehensive Asset Management Plan to make informed decisions about how to invest our resources to address our infrastructure needs now and in the future. In fiscal year 2020, Council adopted an Asset Management Policy for the Town, which established the scope and framework for the Asset Management Plan. Using this policy as a guide, the Town continues to provide funding to support critical

maintenance and infrastructure needs. To remain proactive in addressing these needs, the Town continues to improve upon the Capital Improvement Program (CIP) Budget, which includes \$43.5M in infrastructure and improvement projects for fiscal year 2023. The fiscal year 2023 budget includes several bond-funded projects that were approved by voters as part of the November 2019 Bond Election. Information from the Asset Management System was used to inform the Community Bond Advisory Committee's recommendations related to the bond projects. This budget continues the Facility Maintenance Fund (implemented in fiscal year 2022) to provide dedicated funding to maintain the Town's aging facilities, that operates similarly to the Capital Equipment Replacement Fund and Information Technology Replacement Fund.

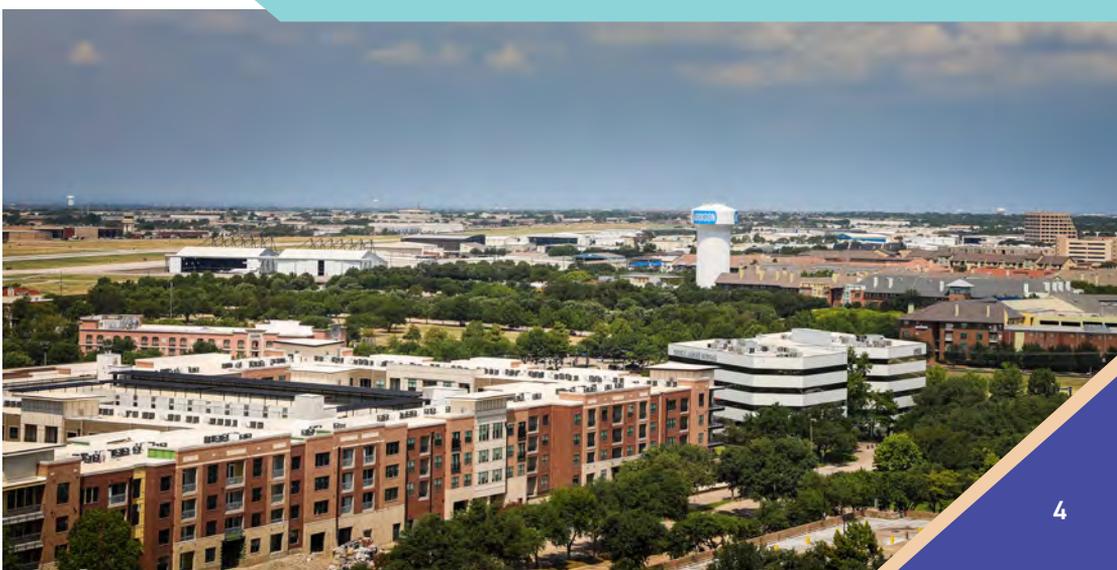
### **Pandemic Adjustments and Recovery**

In fiscal year 2021, the Town implemented budgetary actions in response to the economic effects of the COVID-19 pandemic. While sales and mixed beverage taxes have recovered, this adopted budget reflects the need to continue the closure of the Addison Conference Centre as the hotel occupancy tax revenue continues to recover.

In March of 2021, the federal government enacted legislation creating the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund (CLFRF). CLFRF provides funding for local governments to broadly respond to the COVID-19 public health emergency. Addison's distribution under this federal program is approximately \$4 million. The funds are delivered to the Town in two tranches. The first tranche arrived in August of 2021 and was used to mitigate revenue lost by the Town due to the pandemic and was split evenly between the Hotel Fund and Self-Funded Projects Fund. The second tranche arrived in September of 2022 and will be used to mitigate revenue lost in the Hotel Fund due to the pandemic.

### **Development and Redevelopment Opportunities**

In fiscal year 2023, the Town plans continued progress on the Transit-Oriented Development project on the property around the future Silver Line rail station. Additionally, the completion and adoption of the Unified Development Code (UDC) is scheduled to conclude during the 2023 calendar year. The UDC is expected to assist in redevelopment efforts. Finally, the combined effects of the Midway Road Reconstruction Project and the Midway South Special Area Study will position that corridor for future redevelopment opportunities.



Development activity at the airport is expected to continue in fiscal year 2023. The recent completion of a new Airport Administration and Customs building, and the major runway and taxiway pavement preservation project have enhanced the airport's appeal. The new \$28 million Galaxy FBO development is expected to open for business in October 2022. Largely funded by grants, the multi-year project to extend Taxiway Bravo will facilitate additional development at the airport. Airport staff has already fielded inquiries and is in the preliminary stages of negotiations on a significant new development made possible by the extension. The Council recently approved four new ground leases that include new airport developments and redevelopments. These range from reconstruction of an aircraft parking ramp with an estimated construction cost of approximately \$700,000 to redevelopment of the 6-acre Jetport site with six new hangars designed for large corporate jet aircraft. In addition, Atlantic Aviation is expected to begin construction (with a minimum value of \$14 million) on a redevelopment of their facility.

### Continuous Improvement

This budget supports ongoing efforts to improve the way we deliver services to our residents and businesses in Addison. We continue to review how we operate and look for areas for improvement. I would like to highlight just a few of the continuous improvement efforts that are funded in the adopted budget:

- ▶ Continue efforts to optimize the MUNIS Enterprise Resource Planning (financial software) system to improve efficiency and internal controls.
- ▶ Continue to make improvements to comply with the Americans with Disabilities Act and implement strategies from the Parks, Recreation, and Open-Space Master Plan.
- ▶ Continue efforts to ensure our Emergency Medical Services equipment and training are state of the art.
- ▶ Continue to develop the Town's parks and trails by completing the Beltway Trail and Greenspace construction documents.
- ▶ Continue to optimize the Town's parks and trails by conducting a Park Land Dedication and Development Fee Study.
- ▶ Continue to enhance the Addison Athletic Club by adding wall treatments in the fitness wing.

### Property Values

On an annual basis, the Dallas Central Appraisal District provides the Town with a certified tax roll of all properties inside Addison's city limits. The certified taxable values for fiscal year 2023 is \$5,630,931,020 which equates to an increase of approximately \$550 million, or 11.0%, from the previous year. Included in the certified taxable values are \$43,684,948 in new properties added to the tax roll between January 1, 2021 and December 31, 2021.

The average taxable value for a single-family home in Addison is \$382,732, an increase of approximately \$35,156 or 10.1% from the previous year.

## Tax Rate

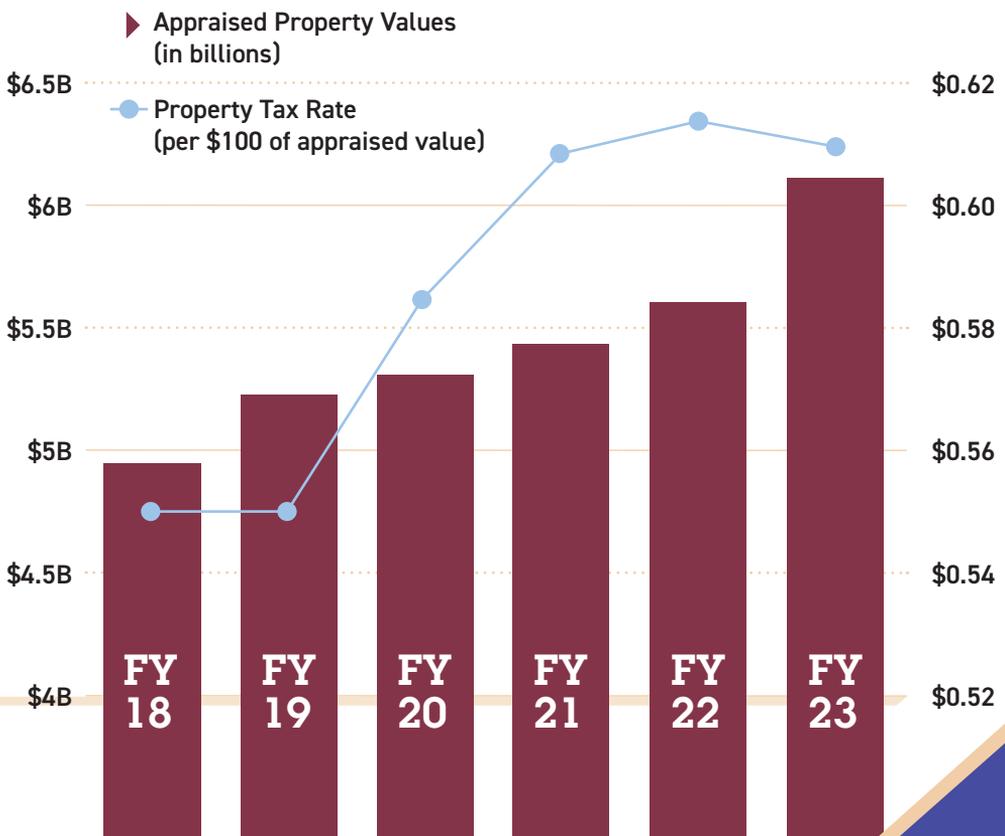
The adopted fiscal year 2023 budget decreases the Town's tax rate to \$0.609822 from \$0.614660. The calculated voter-approval tax rate is \$0.689157, with a no-new revenue tax rate of \$0.563865. The adopted tax rate exceeds the no-new revenue rate by \$0.045957, or 8.2%, primarily as a result of taxable value increases of existing properties.

Of the total tax rate, \$0.445081 is dedicated to maintenance and operations, which is an increase of \$0.003972 from fiscal year 2022 for maintenance and operations, and \$0.164740 is dedicated to debt service payments. The debt service portion of the tax rate is decreasing as a result of increased taxable values coupled with the allocation of debt service issued for Airport and Drainage purposes previously serviced by the tax rate proposed to be serviced fully by those funds beginning in fiscal year 2023. The decrease in the debt service portion of the tax rate is possible despite the planned issuance of General Obligation Bonds that were approved by voters in the 2012 and 2019 Bond Elections.

The proposed tax rate allows the Town to continue to provide the excellent services that residents and businesses expect.

At a property tax rate of \$0.609822, the municipal tax paid on the average single-family home will be approximately \$2,333.98 on an annual basis, an increase of \$184.90 over the previous year.

### Appraised Values & Tax Rate



## General Fund

The General Fund accounts for all expenditures for traditional government services (Public Safety, Parks & Recreation, Administration, etc.). General Fund revenue is generated from ad valorem property taxes, a one-cent portion of the sales tax, and a variety of fees for services.

General Fund revenues total approximately \$44.2 million for fiscal year 2023, an increase of 8.4% from the previous year's original budget. We project property tax revenues of approximately \$22.4 million, an increase of approximately 11.8% over the previous year's original budgeted amount and sales tax revenues of approximately \$14.4 million, 5.1% more than the fiscal year 2022 original budget.

General Fund operating expenditures are estimated at \$44.2 million, reflecting an 8.4% increase from the original fiscal year 2022 budget. The available ending fund balance for the General Fund is projected to be approximately \$20.5 million, leaving 46.3% of operating reserves, which exceeds both the Town's policy of 25% and the City Council's goal of 30%.

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

- ▶ One Police Records Clerk – 1.0 Full Time Equivalent position
- ▶ One Development Services Management Analyst- 1.0 Full Time Equivalent position
- ▶ One General Services Management Assistant – 0.5 Full Time Equivalent to 1.0 Full Time Equivalent position

It is important to note that General Fund expected revenues exceed planned expenditures by \$4,836. The proposed property tax revenue equates to a 11.2% increase on existing properties over the prior fiscal year.

When developing this adopted budget, staff conducted a survey of our comparator cities to determine their planned fiscal year 2023 market and merit increases for both general and sworn employees. On average, our comparator cities are planning a market adjustment of 2.00% for general employees, a market adjustment of 2.15% for sworn personnel, and an average merit adjustment of 3.25% for all employees in addition to the market adjustment. This adopted budget includes funding for market and merit adjustments matching the average of the comparator cities as described above which results in a total compensation pool of 5.32% Town-wide with an average of 5.34% for the General Fund and 5.25% for all other funds. Additionally, this adopted budget includes funding for an anticipated 4.5% increase in the Town's group medical insurance premiums.

## Hotel Fund

The Hotel Fund collects funds from a 7% tax on hotel rooms rented in the Town of Addison. These funds are used to support projects that enhance and promote tourism, the arts, and the convention/hotel industry in Addison. The Hotel Fund continues to be the fund that has experienced the greatest financial



impact as a result of the COVID-19 pandemic. While the Hotel Fund revenue has improved since the height of the pandemic, the fund is still recovering. Staff is cautiously optimistic about the fund's recovery.

Fund revenues for fiscal year 2023 are expected to total \$6.0 million, a decrease of approximately \$1.4 million, or 19.4%, due to a decrease in intergovernmental revenue of \$2.0 million as a result of funds received in fiscal year 2022 from the American Rescue Plan. Budgeted operational expenditures of approximately \$6.1 million, an increase of \$0.5 million, or 9.6%, are primarily due to increased costs associated with contractual services. The available ending fund balance for the Hotel Fund is projected to be \$3.7 million, leaving 60.4% of operating reserves, which exceeds the Town's policy of 25%.

The Hotel Fund budget includes the costs associated with the Performing Arts Department. The remaining expenditures in the Performing Arts Department are the grant to the WaterTower Theatre, which is budgeted to increase 15%, and the grant to Outcry Theatre.

In accordance with direction provided by Council during the June 8, 2021 work session, this adopted budget reflects the Addison Conference Centre remaining closed for the entirety of fiscal year 2023 in order to provide the Hotel Fund time to recover from the loss of hotel occupancy taxes that are a result of the effects of COVID-19.

## **Utility Fund**

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

In January 2018, the City Council approved a Utility Rate Policy to adopt utility rates that fully fund a short-term staffing plan and provide a mix of cash and bond funding for capital improvement projects. The fiscal year 2023 adjustments, effective October 1, 2022, will include an increase of 5% to water and sewer rates, which equates to \$3.06 per month for an average residential user of 5,000 gallons of water.

The Council gave direction at the June 14, 2022 Council meeting to continue the policy and adopt utility rates to provide a mix of cash and bond funding for capital improvement projects and maintain a minimum fund balance of 25% of operating expenses by utilizing cost of service adjustments. The new adjustments, which will take effect beginning in fiscal year 2024 will include the following proposed increases to water and sewer rates:

- ▶ Fiscal Year 2024: 5.5%
- ▶ Fiscal Year 2025: 5.5%
- ▶ Fiscal Year 2026: 5.5%
- ▶ Fiscal Year 2027: 4.0%
- ▶ Fiscal Year 2028: 3.5%

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

The total Utility Fund revenues for fiscal year 2023 are expected to be approximately \$15.4 million, with budgeted operational expenses of \$15.3 million. The available ending working capital for the Utility Fund is projected to be \$5.9 million. The projected end-of-year working capital will maintain 38.6% of operating reserves, which exceeds the Town's policy of 25%.



Notable items in the Utility Fund this year include:

- ▶ Increases in water and sewer rates of approximately 5% or \$3.06 per month for an average residential user of 5,000 gallons of water.
- ▶ An update to the water and sewer master plans to provide more current data and information to ensure that all major capital improvement projects are planned appropriately.

A total of \$2.5 million in capital projects are proposed in the Utility Fund for fiscal year 2023. These projects are funded through a combination of authorized bond funds (\$2.4 million) and cash (\$0.1 million) from the Utility Fund. A list of projects can be found in the Capital Improvements Program budget included in this document and submitted for City Council consideration.

## **Stormwater Fund**

The Stormwater Fund is supported by drainage fees added to utility bills. The projected revenues for fiscal year 2023 are \$2.7 million, with budgeted operational expenses totaling \$1.5 million. The available ending working capital for the Stormwater Fund is projected to be \$6.9 million, leaving 470% of operating expenses, which exceeds the Town's policy of 25%.

Fees for the Stormwater Fund will not increase this year for any customer rate class. Staff estimates that current revenue is sufficient to operate the fund within the Town's financial policies over the next five years.

A total of \$2.8 million in capital projects are proposed in the Stormwater Fund for fiscal year 2023. These projects are funded through operating revenue and cash reserves from the Stormwater Fund. Details regarding these projects can be found in the Capital Improvements Program budget included in this document and submitted for City Council consideration. The most significant items include:

- ▶ \$827,000 for Farmers Branch Basin Improvements – Le Grande Drive
- ▶ \$2.0 million for Rawhide Creek Basin Improvements - Les Lacs Area

## **Economic Development Fund**

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

- ▶ An allocation of a portion of the property tax rate equal to \$0.023716 (\$1.3 million)
- ▶ A transfer from the Hotel Fund to cover the Tourism Department activities (\$768,000)
- ▶ Service fees, interest, and other income (\$80,000)

Total revenues for fiscal year 2023 are estimated at \$2.1 million. This budget proposes increasing the transfer from the Hotel Fund to pre-pandemic levels as it was cut in half the last three fiscal years in order to allow the Hotel Fund time to recover from the economic impact of COVID-19.

## Airport Fund

The Airport Fund mainly receives revenues from rental income on Town-owned property and service fees to airport customers. Total projected revenues of approximately \$6.7 million in fiscal year 2023 will allow for budgeted operational expenses of approximately \$5.6 million. The available ending working capital for the Airport Fund is projected to be \$4.7 million, leaving 84.3% of operating expenses, which exceeds the Town's policy of 25%.

A total of \$8.5 million in capital projects are proposed in the Airport Fund for fiscal year 2023. These projects are funded through a combination of grant funding and cash from the Airport Fund including:

- ▶ \$5.8 million for improvements that will expand the Bravo/Golf Taxiways at Addison Airport. (Grant Funded)
- ▶ \$120,000 Airport access and security improvements. (Cash Funded)
- ▶ \$270,000 for Bravo T-Hangar roof replacements. (Cash Funded)
- ▶ \$750,000 for bulk fuel storage design services. (Cash Funded)
- ▶ \$1.6 million for reconstruction of Jimmy Doolittle Drive. (Cash Funded)

## Infrastructure Investment Fund (IIF)

The Infrastructure Investment Fund (IIF) was created in fiscal year 2015 through a \$4 million transfer from General Fund reserves. The intent of this fund is to cash finance infrastructure projects. Annually, a portion of the property tax rate equal to \$0.006201 is deposited into this fund. In fiscal year 2023, \$336,953 is scheduled to be generated by the IIF portion of the tax rate.

A total of \$1.4 million in expenditures for traffic signal ADA improvements are in the IIF for fiscal year 2023.

## Capital Improvement Budget

The proposed Capital Improvement Program (CIP) budget for fiscal year 2023 is approximately \$43.5 million. Projects are funded by a combination of authorized bond funds, grant funding, and cash contributions. The CIP budget provides an all-funds view of the Town's planned capital improvement expenditures on public infrastructure and facilities over the next five years.

For more information related to these capital projects, please reference the fiscal year 2023 CIP budget also submitted to the City Council for consideration.

## Self-Funded Special Project Fund

The purpose of the Self-Funded Special Project Fund is to cash fund important one-time projects. The dollars for these one-time projects comes from positive budget variances in the General Fund transferred at year-end. The anticipated beginning fund balance for fiscal year 2023 is approximately \$4.8M and budgeted expenditures total \$2,238,656. Major expenditures in this fund in fiscal year 2023 include:

- ▶ \$500,000 funding for the creation of an Other Post-Employment Benefits (OPEB) trust.
- ▶ \$7,500 for contract services to implement Governmental Accounting Standards Board (GASB) Statement No. 96.
- ▶ \$2,400 for capital budget and planning software.
- ▶ \$347,000 for Fire facility maintenance.
- ▶ \$82,000 for facility lightening protection.
- ▶ \$4,000 for animal control office space.
- ▶ \$11,517 funding for one-time costs associated with a new Records Clerk position.
- ▶ \$300,000 to utilize available Texas Ambulance Services Supplemental Payment Program (TASSPP) funds.
- ▶ \$3,000 funding for one-time costs associated with a new Management Analyst position.
- ▶ \$5,000 for the purchase of 2021 International Code Adoption books and materials.
- ▶ \$110,000 for the painting of Wheeler Bridge.
- ▶ \$223,000 for Beltway Trail and Greenspace construction documents.
- ▶ \$55,280 for Beckert Park light bollard replacement and electrical improvements.
- ▶ \$260,000 to purchase chipper equipment for the Parks department.
- ▶ \$132,500 for a Park Land Dedication & Development fee study.
- ▶ \$192,459 for Addison Athletic Club fitness wing wall treatments.

## Conclusion

This completes the highlights of the fiscal year 2023 budget. I believe this budget balances the desire to continue to deliver high-quality services with the need to address issues that are important to the future of Addison.

I would like to thank the department directors who have put much time and expertise into the development of the budget. The creation of this budget would not have been possible without the hard work of Chief Financial Officer Steven Glickman, Budget Manager Kristen Solares, Assistant Director of Finance Amanda Turner, and the rest of our Finance Department. In addition, I would like to give a special thanks to all the Town employees who continue to work hard to provide quality services to our residents and businesses in the Addison Way.

Respectfully submitted,



Hamid Khaleghipour, *Interim City Manager*

# Vision Statement

## **Addison Way**

The “Addison Way” is a philosophy that serves as the cornerstone of our service delivery model to our stakeholders. The heart of the “Addison Way” is to:

**Be service-minded and kind.**

**Exceed expectations.**

**Be solution driven.**

**Value employees as partners.**

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

The Town of Addison will be the benchmark of all Texas cities. When a local government wants to emulate best practices, Addison is the first place they look.



## Council's Values

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

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

## Council's Pillars of Success

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

- ▶ Innovation in Entrepreneurship and Business
- ▶ Excellence in Asset Management
- ▶ Excellence in Transportation Systems
- ▶ Gold Standard in Customer Service
- ▶ Gold Standard in Financial Health
- ▶ Gold Standard in Public Safety
- ▶ Optimize the Addison Brand

## Council's Role

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

- ▶ Providing the direction, trust, and support necessary for the City Manager to implement the operations aspects of our vision.
- ▶ Making difficult and sometimes unpopular decisions that preserve our unique culture, safeguard our assets into the future, and effect the positive change necessary to achieve our goals.
- ▶ Identifying future trends, challenges, and opportunities.
- ▶ Being a positive and resourceful representative for the Town.
- ▶ Promoting transparency in communicating with residents, businesses, and regional partners.
- ▶ Being good financial stewards and creating an environment that nurtures a strong, diverse business ecosystem.

# FY2023

## Strategic Pillars

▮ PILLAR

\* MILESTONE

» INITIATIVE

### ▮ Innovation in Entrepreneurship and Business

- \* Attract and retain innovators in target industries.
  - » Emphasize Transit-Oriented Development and existing community assets in Economic Development & Tourism marketing efforts.
  - » Develop marketing strategy specific to new Transit-Oriented Development Office Building Component.
  - » Leverage Hotel Support Program to attract innovative meetings and conferences in Addison.
  - » Focus on targeted industries in Business Retention & Expansion efforts.
- \* Leverage Addison's unique assets to grow and expand placemaking business programs and events that will set Addison apart to attract talent and businesses.
  - » Hire a consultant to develop an ordinance to establish Parkland Dedication and Development Fees for new development projects.
  - » Focus on growing and expanding unique business-related events that target the local business community.
  - » Enhance marketing efforts to promote Addison's quality of life to attract qualified talent local companies desire.
  - » Develop and distribute "Welcome Package" for new businesses to better connect them with the community.
- \* Leverage Airport assets to maximize business growth and expansion.
  - » Jimmy Doolittle Drive Reconstruction Project: Complete final design work and begin construction.
  - » Conduct preliminary engineering review and evaluate feasibility and conceptual design for expansion of the bulk fuel storage facility.
  - » Using grant funding, construct Taxiway Bravo extensions.
  - » Develop layouts, preliminary designs, and cost estimates for reconstruction of Claire Chennault, Glenn Curtiss, and Richard Byrd.
  - » Promote the Addison Airport in Economic Development marketing.

## III Excellence in Asset Management

- ✦ Implement the Asset Management Plan in accordance with the Asset Management Policy, utilizing information systems.
  - » Install lightning protection at Service Center, Police/Courts and Fire Station 1.
  - » Replace the shingle roof sections at the Athletic Club, Police/Courts, and Fire Stations 1 and 2.
  - » Phase 2 Bond Projects: Restore the roof and replace the HVAC at Police/Courts facility.
  - » Surveyor Pump Station Electrical Improvements Project: Begin construction of the upgrades.
  - » Rawhide Creek Basin Drainage and ADA Improvements Project: Begin construction.
  - » Winnwood Bridge Armoring Project: Complete construction of the armoring project.
  - » Facilities Bond Projects: Complete Phase 1 HVAC, Roofing, Gun Range, and ADA projects.
  - » Conduct generator replacement study and replace generators at Police/Courts and Fire Station 1.
  - » Lake Forest Drive water and sewer improvements: Begin construction.
  - » Validate water & sewer Capital Improvement Projects to determine actual needs.
  - » Begin Unregulated Contaminant Monitoring Rule (UCMR) 5 and Lead & Copper Rule Revisions (LCRR).





### III Excellence in Transportation Systems

- \* Effectively utilize and promote the Silver Line development with a first/last mile solution.
  - » Work with selected Master Developer to complete master planning and Phase 1 zoning and development entitlements.
  - » Acquire funding for Cotton Belt Trail Construction.
  - » Identify elements not in the Cotton Belt Trail design funded by NCTCOG. Develop a strategy to include in construction.
- \* Improve all modes of transportation with infrastructure in acceptable condition and well-maintained.
  - » Develop construction documents for Beltway Trail System.
  - » Begin to implement trail wayfinding signage.
  - » Look into strategies for developing a trails map.
  - » Traffic signal improvements Project: Begin Construction.
  - » Keller Springs Road Project: Begin construction.
  - » Bella Lane Extension Project: Complete construction.
  - » Midway Road Rehabilitation Project: Finish the south segment of Midway Road and begin major paving operations on the north segment.

### III Gold Standard in Customer Service

- \* Promote and protect Addison Way.
  - » Complete installation of Outdoor Fitness Court at Vitruvian.
  - » Grow and Expand Addison Outdoor Programs.
  - » Facilitate strategic planning efforts with code enforcement staff and update operating procedures.

### ▮ Gold Standard in Financial Health

- ✦ Continue development and implementation of Long-Term Financial Plan.
  - » Implementation of ABBYY Invoice Automation software.
  - » Implement new software for capital project budgeting.
  - » General Accounting Standards Board #98: 6 Subscription Based Information Technology Arrangements.

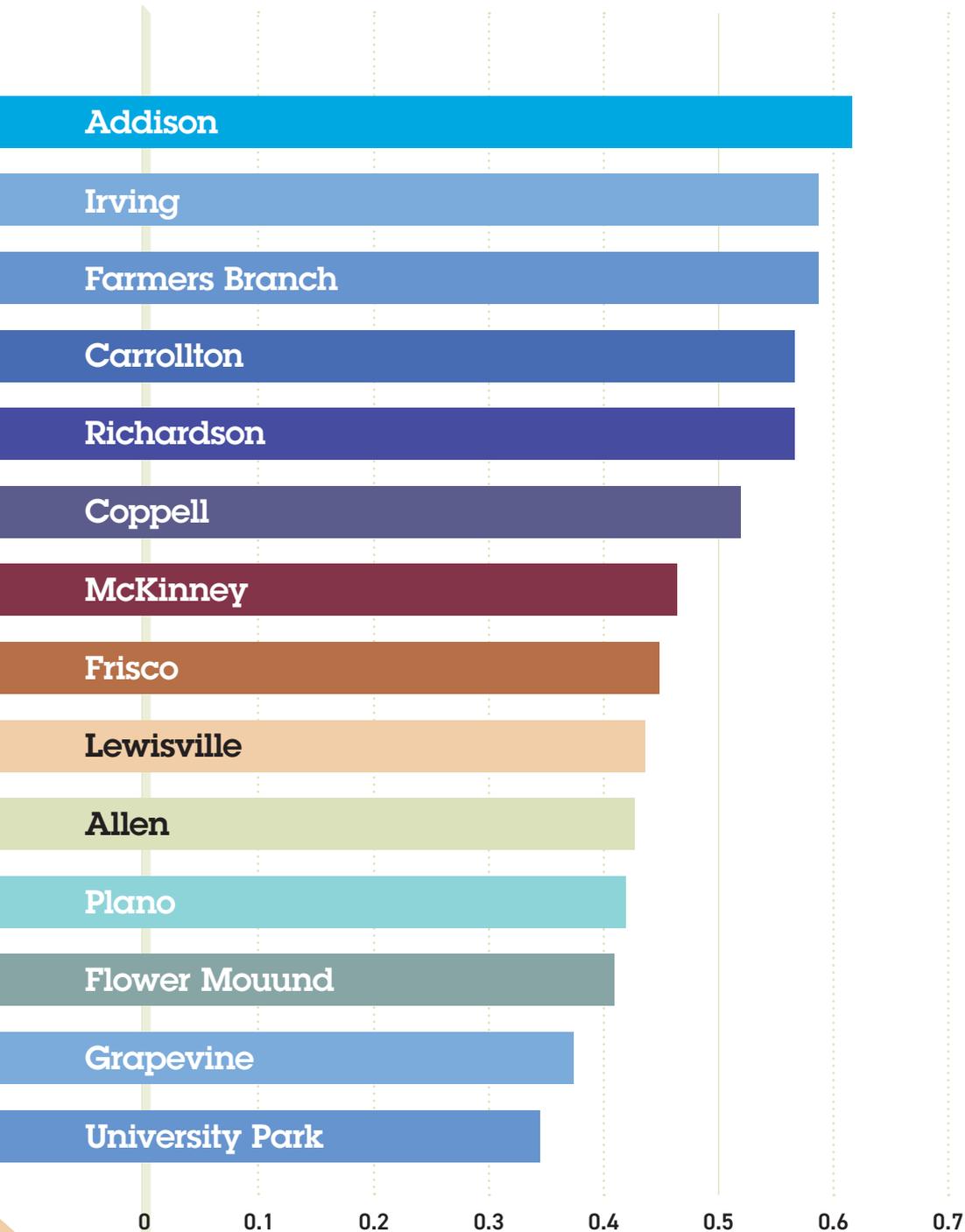
### ▮ Gold Standard in Public Safety

- ✦ Prepare for the impact of new growth and development in Addison.
  - » Install 911 location markers along designated trail corridors.
  - » Implement an Emergency Medical Simulation-Lab to enhance hands on training by March 2023.
  - » Purchase, train staff, and incorporate 3 new ultrasound devices to help paramedics identify internal bleeding on trauma patients by March 2023.
  - » Conduct trial program to provide mental health screening for all Addison Fire Department personnel and include optional counseling.
  - » Install vented overhead doors at both fire stations to allow for ventilation in the bays during daylight hours while maintaining station security.
  - » Hire Police Records Clerk(new position).
  - » Complete renovation of Animal Control office space.

### ▮ Optimize the Addison Brand

- ✦ Define and promote Addison Identity.
  - » Upgrade the core infrastructure of the Town's broadcasting system and PEG channels.
  - » Produce a full calendar of Special Events.
  - » Wheeler Bridge Painting: Complete Painting.
  - » Comprehensive Plan update: Develop a scope, retain a consultant, and begin work with a Comprehensive Plan Advisory Committee.

# Municipal Tax Rate



# Comparative Tax: County, School, & Town Entities

## For an Average Addison Single-Family Residence

**FY22**

**FY23**

### Dallas County

Market Value	\$450,399	\$500,652
Optional Homestead Exemption	20%	20%
Taxable Value	\$349,637	\$382,732
Tax Rate/\$100	0.227946	0.217946
<b>TAX LEVY</b>	<b>\$796.98</b>	<b>\$834.15</b>

### Dallas ISD

Market Value	\$450,399	\$500,652
Optional Homestead Exemption	10%	10%
Mandatory Homestead Option	\$25,000	\$40,000
Taxable Value	\$380,359	\$410,587
Tax Rate/\$100	1.248235	1.184935
<b>TAX LEVY</b>	<b>\$4,747.78</b>	<b>\$4,865.19</b>

### Town of Addison

Market Value	\$450,399	\$500,652
Optional Homestead Exemption	20%	20%
Taxable Value	\$347,576	\$382,732
Tax Rate/\$100	0.61466	0.609822
<b>TAX LEVY</b>	<b>\$2,136.41</b>	<b>\$2,333.98</b>

# Property Tax

## Distribution Calculations

### FY2023 Certified Tax Roll and Levy

Appraised Valuation (100%)	5,630,931,020
Rate Per \$100	0.609822
<b>Total Tax Levy</b>	<b>\$34,338,639</b>
Percent of Current Collection	96.50%

### ESTIMATED CURRENT TAX COLLECTIONS

**\$33,136,787**

### Summary of Tax Collections

Current Tax	\$33,136,787
Delinquent Tax	(246,000)
Penalty and Interest	73,000

### TOTAL FY2022 TAX COLLECTIONS

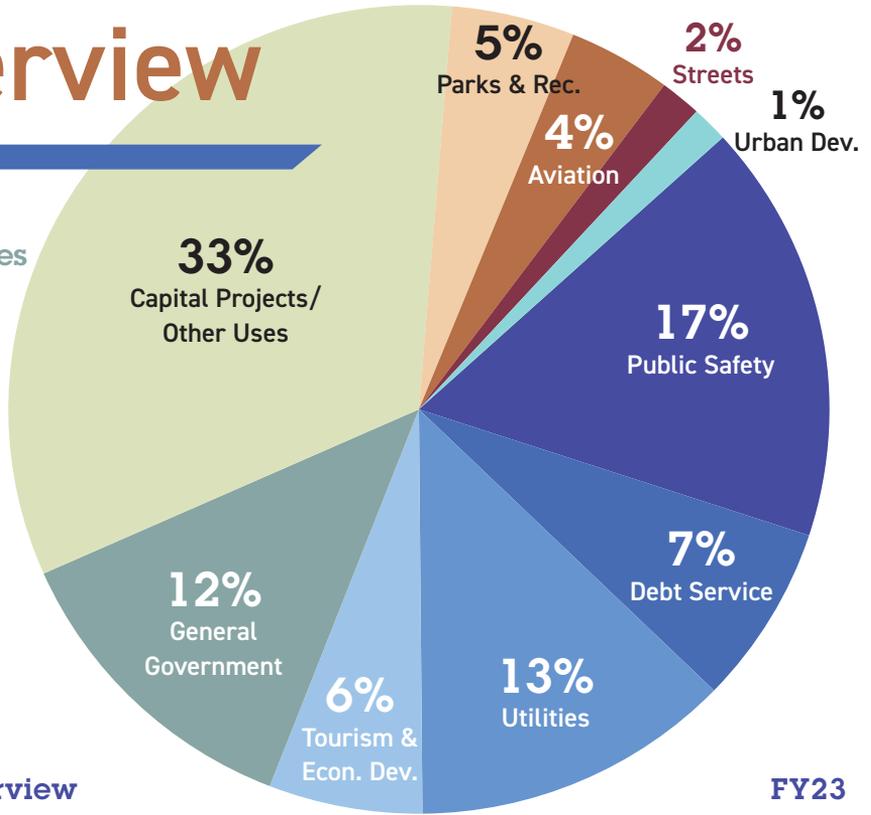
**\$32,963,787**

Distribution of Tax Rate		TAX RATE	% OF TOTAL	AMOUNT
<b>General Fund</b>	Current Tax			\$22,559,394
	Delinquent Tax			(200,000)
	Penalty and Interest			50,000
	<b>Total General Fund</b>	<b>\$0.4152</b>	<b>68.08%</b>	<b>22,409,394</b>
<b>Economic Development Fund</b>	Current Tax			1,288,691
	Delinquent Tax			(11,000)
	Penalty and Interest			3,000
	<b>Total Economic Dev. Fund</b>	<b>\$0.0237</b>	<b>3.89%</b>	<b>1,280,691</b>
<b>Infrastructure Investment Fund</b>	Current Tax			336,953
	Delinquent Tax			-
	Penalty and Interest			-
	<b>Total Infrastructure Investment Fund</b>	<b>\$0.0062</b>	<b>1.02%</b>	<b>336,953</b>
<b>TOTAL OPERATIONS &amp; MAINTENANCE</b>		<b>\$0.4451</b>	<b>72.99%</b>	<b>24,027,038</b>
<b>Debt Service Fund</b>	Current Tax			8,951,749
	Delinquent Tax			(35,000)
	Penalty and Interest			20,000
	<b>Total Debt Service Fund</b>	<b>\$0.1647</b>	<b>27.01%</b>	<b>8,936,749</b>
<b>TOTAL DISTRIBUTION</b>		<b>\$0.6098</b>	<b>100.00%</b>	<b>\$32,963,787</b>

# Fund

## Overview

All Funds Expenditures by Type



### Fund Overview

FY23

#### Governmental Funds

General Fund	\$44,166,648
Special Revenue Funds	
Hotel Fund	\$6,138,049
Economic Development Fund	\$2,176,459
Combined Grant Funds	\$13,700
Combined Other Funds	\$318,171
Self-Funded Project Fund	\$2,238,656
Streets Self-Fund Project Fund	-
General Debt Service Fund	\$9,861,154

#### Proprietary Funds

Airport Fund	\$5,564,259
Utility Fund tax levy	\$15,656,470
Stormwater Fund	\$1,675,756
Combined Replacement Funds	\$4,228,500

#### Capital Project Funds

Combined Bond Funds	\$30,682,641
Cash Reserve Funds	\$6,899,033
Airport Capital Projects	\$5,948,530

**TOTAL ALL FUNDS**

**\$135,568,026**

# Addison Staff Organization Chart

**ADDISON** Citizens

Mayor/City Council

City Manager

City Prosecutor

City Attorney

City Judge

Boards/  
Commissions

## Deputy City Manager

Airport

Marketing

Parks & Recreation

Public Works & Engineering

Special Events

## Deputy City Manager

City Secretary's Offices

Development Services

Economic Development & Tourism

Fire

Police

## Executive Director of Business Performance & Innovation

General Services

Information Technology

Municipal Court

## Administrative Services

City Manager's Office

Volunteer Services

## Finance

## Human Resources

# Budgeted Departmental Staffing Summary

Budgeted Departmental Staffing Summary	2020	2021	2022	2023	DIFF 22-23
<b>General Fund</b>					
City Secretary	1.0	1.0	1.0	1.0	-
City Manager	6.5	5.9	5.5	5.5	-
Finance	13.0	11.8	11.0	11.0	-
General Services	5.5	5.5	5.5	6.0	0.5
Municipal Court	5.0	5.0	5.0	5.0	-
Human Resources	4.0	3.4	3.0	3.0	-
Information Technology	7.0	7.0	7.0	7.0	-
Police	74.0	74.0	74.0	75.0	1.0
Emergency Communications	-	-	-	-	-
Fire	58.0	58.0	58.0	58.0	-
Development Services	13.1	13.1	14.1	15.1	1.0
Streets	7.4	7.4	6.4	6.4	-
Parks	25.0	25.0	25.0	25.0	-
Recreation	15.7	15.7	15.7	15.7	-
<b>TOTAL GENERAL FUND</b>	<b>235.2</b>	<b>232.8</b>	<b>231.2</b>	<b>233.7</b>	<b>2.5</b>
Hotel Fund	17.0	9.0	9.0	10.5	1.5
Economic Development Fund	4.0	4.0	4.0	4.0	-
Airport Fund	4.4	19.6	20.4	21.6	1.2
Utility Fund	25.2	27.4	28.2	28.2	-
Stormwater Fund	4.0	4.0	5.0	5.0	-
Capital Improvements Program	-	3.0	3.0	3.0	-
<b>TOTAL ALL FUNDS</b>	<b>289.8</b>	<b>299.8</b>	<b>300.8</b>	<b>306.0</b>	<b>5.2</b>

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

# Fund

# Summaries

## Combined Summary of Revenues & Expenditures & Changes in Fund Balance

## SPECIAL REVENUE FUNDS COMB

	GEN FUND	HOTEL	ECON DEV	COMBO GRANTS	COMBO OTHER	DEBT SVC FUNDS
<b>Beginning Balance</b>	<b>\$20,453</b>	<b>\$4,616</b>	<b>\$1,610</b>	<b>\$43</b>	<b>\$10,236</b>	<b>\$576</b>
<b>Revenues</b>						
Ad Valorem Taxes	22,409	-	1,281	-	-	8,937
Non-Property Taxes	15,625	4,800	-	-	-	-
Franchise Fees	2,155	-	-	-	40	-
Licenses & Permits	1,170	-	-	-	-	-
Intergovernmental	-	-	-	8	-	-
Service Fees	2,068	1,127	60	-	-	-
Fines & Penalties	245	-	-	-	30	-
Rental Income	8	30	-	-	-	-
Interest & Other Income	491	20	20	0	39	15
<b>TOTAL REVENUES</b>	<b>\$44,171</b>	<b>\$5,977</b>	<b>\$1,361</b>	<b>\$9</b>	<b>\$109</b>	<b>\$8,952</b>
Transfers from Other Funds	-	-	768	-	-	909
Refunding Bond Proceeds						
<b>Total Available Resources</b>	<b>64,624</b>	<b>10,593</b>	<b>3,738</b>	<b>52</b>	<b>10,345</b>	<b>10,437</b>
<b>Expenditures</b>						
Personnel Services	28,784	1,462	578	-	26	-
Supplies	1,563	57	18	-	84	-
Maintenance	3,606	376	31	-	446	-
Contractual Services	8,439	4,082	1,461	14	647	5
Capital Replacement/Lease	1,598	131	13	-	-	-
Debt Service	-	-	-	-	-	9,856
Capital Outlay	178	-	-	-	1,354	-
<b>Total Operating Expenditures</b>	<b>44,167</b>	<b>6,108</b>	<b>2,101</b>	<b>14</b>	<b>2,557</b>	<b>9,861</b>
Transfers to Other Funds	-	768	-	-	-	-
One-Time Decision Package	-	30	75	-	-	-
Capital Improvements	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$44,167</b>	<b>\$6,906</b>	<b>\$2,176</b>	<b>\$14</b>	<b>\$2,557</b>	<b>\$9,861</b>
<b>ENDING FUND BALANCE</b>	<b>\$20,458</b>	<b>\$3,687</b>	<b>\$1,562</b>	<b>\$38</b>	<b>\$7,788</b>	<b>\$576</b>

**City Council FY2023  
Adopted Annual Budget**  
With Comparisons to FY2022  
Estimates and FY2021 Actual

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

Total Revenues 88,105

Decrease in Fund Balance 3,273

**TOTAL APPROPRIABLE FUNDS \$91,378**

\* Totals may not exactly match due to rounding.

CAP PROJ FUNDS	PROPRIETARY FUNDS			INTERNAL SVC	TOTAL ALL FUNDS			
	IIF	AIRPORT	UTILITY	STORM WATER	COMBO RPLC	2022-23 BUD	2021-22 EST	2020-21 ACT
	<b>\$6,000</b>	<b>\$6,658</b>	<b>\$6,245</b>	<b>\$9,129</b>	<b>\$9,393</b>	<b>\$74,958</b>	<b>\$74,278</b>	<b>\$65,585</b>
337	-	-	-	-	-	32,964	29,995	29,870
-	-	-	-	-	-	20,425	20,855	18,489
-	-	-	-	-	-	2,195	2,220	1,990
-	-	-	-	-	-	1,170	1,090	826
-	50	-	-	-	-	58	2,073	1,785
-	1,277	15,269	2,554	2,141	24,496	24,011	22,779	
-	-	-	-	-	-	275	291	240
-	5,302	-	-	-	-	5,340	5,681	4,510
227	60	130	100	80	1,182	2,329	3,545	
<b>\$564</b>	<b>\$6,688</b>	<b>\$15,400</b>	<b>\$2,654</b>	<b>\$2,221</b>	<b>\$88,105</b>	<b>\$88,545</b>	<b>\$84,034</b>	
-	-	-	-	-	-	1,677	1,784	3,845
							9,600	4,315
<b>6,563</b>	<b>13,347</b>	<b>21,644</b>	<b>11,783</b>	<b>11,614</b>	<b>164,740</b>	<b>174,207</b>	<b>157,779</b>	
-	2,517	2,834	417	-	36,618	33,200	31,100	
-	56	232	16	710	2,737	2,092	2,027	
-	672	803	166	624	6,724	5,860	4,645	
-	1,165	9,496	360	-	25,669	24,330	20,993	
-	233	207	10	-	2,191	12,435	12,435	
-	886	1,744	491	-	12,977	12,876	12,790	
-	35	-	-	2,895	4,462	2,018	2,942	
-	<b>5,564</b>	<b>15,316</b>	<b>1,461</b>	<b>4,229</b>	<b>91,378</b>	<b>92,812</b>	<b>86,933</b>	
-	509	-	400	-	1,677	1,784	3,845	
-	-	340	215	-	660	331	-	
1,400	2,582	79	2,838	-	6,899	2,715	119	
-	-	-	-	-	-	9,600	4,262	
<b>\$1,400</b>	<b>\$8,655</b>	<b>\$15,735</b>	<b>\$4,914</b>	<b>\$4,229</b>	<b>\$100,614</b>	<b>\$107,243</b>	<b>\$95,159</b>	
<b>\$5,163</b>	<b>\$4,691</b>	<b>\$5,909</b>	<b>\$6,868</b>	<b>\$7,386</b>	<b>\$64,126</b>	<b>\$66,964</b>	<b>\$62,621</b>	

# Change in Ending Fund Balance

Change in Ending Fund Balance	PROJ APPROP FUND BAL 9/30/22	PROJ APPROP FUND BAL 9/30/23	% CHANGE
<b>General Fund</b>	<b>\$20,452,933</b>	<b>\$20,457,769</b>	<b>0%</b>
General Fund	20,452,933	20,457,769	0%
<b>Enterprise Funds</b>	<b>\$22,031,646</b>	<b>\$17,468,822</b>	<b>-21%</b>
Airport Fund	6,658,419	4,691,494	-30%
Stormwater Fund	9,128,538	6,868,333	-25%
Utility Fund	6,244,689	5,908,995	-5%
<b>Special Revenue Funds</b>	<b>\$15,334,283</b>	<b>\$11,904,211</b>	<b>-22%</b>
Hotel Fund	4,615,668	3,686,719	-20%
Economic Development Fund	1,609,759	1,561,991	-3%
Advanced Funding Grant Fund	43,167	37,967	-12%
Self-Funded Special Projects Fund	4,816,553	2,602,897	-46%
Justice Administration Fund	36,770	35,000	-5%
Child Safety Fund	138,562	148,062	7%
Court Technology Fund	29,701	12,261	-59%
Building Security Fund	43,063	26,274	-39%
Addison Grove Escrow Fund	3,135,634	3,145,634	0%
Public Safety Forfeiture Fund	55,362	5,862	-89%
PEG Fees Fund	234,211	65,711	-72%
General Obligation Debt Service Fund	575,833	575,833	0%
<b>Capital Projects Funds</b>	<b>\$5,999,617</b>	<b>\$5,163,237</b>	<b>-14%</b>
Infrastructure Investment Fund	5,999,617	5,163,237	-14%
<b>Internal Service Funds</b>	<b>\$8,093,415</b>	<b>\$7,385,878</b>	<b>-9%</b>
Capital Replacement Fund	4,464,067	3,697,567	-17%
Info. Technology Replacement Fund	3,629,348	2,652,311	-27%
Facility Maintenance Fund	1,300,000	1,036,000	-20%

## **Explanation of Changes in Fund Balance Greater Than 10%**

### **Airport Fund**

The Airport fund has programmed use of reserves in the amount of \$2.6 million for planned capital projects.

### **Stormwater Fund**

The Stormwater fund has programmed use of reserves in the amount of \$2.8 million for planned capital projects.

### **Hotel Fund**

The Hotel fund has programmed an increase in the transfer to Economic Development Fund back to a pre-pandemic level.

### **Advanced Funding Grant Fund**

The Advanced Funding Grant fund has projected use of reserves for contractual services in FY2023.

### **Self-Funded Special Projects Fund**

The Self-Funded Projects fund has programmed use of reserves for one-time projects.

### **Court Technology Fund**

The Court Technology fund has programmed use of reserves for planned technology service improvements.

### **Building Security Fund**

The Building Security fund has budgeted expenses exceeding revenues by \$16,789 due to a projected decrease in fines and penalties in FY2023.

### **Public Safety Forfeiture Funds**

The Public Safety Forfeiture fund has budgeted use of reserves for public safety training and equipment.

### **PEG Fees Fund**

The PEG Fees fund has programmed use of reserves for planned equipment improvements.

### **Infrastructure Investment Fund**

The Infrastructure Investment Fund has programmed use of reserves for planned capital projects.

### **Capital Replacement Fund**

The Capital Replacement Fund has expenditures exceeding revenues by \$766,500 as a result of an increase in capital outlay expenses, which are cyclical from year to year.

### **Facility Maintenance Fund**

The Facility Maintenance Fund was created in FY 2021. This fund has programmed use of reserves for planned maintenance projects.

# Budgeted Funds Relationships

A matrix is provided below to show the relationships between the Town's funds and various fund types. Funds presented below only represent operational budgeted funds.

FUND	GOVERNMENTAL			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
General Fund	X			X
Hotel Fund		X		
Economic Development Fund		X		
General Obligation Debt Service			X	
Advanced Funding Grant Fund		X		
Justice Administration		X		
Child Safety Fund		X		
Court Technology Fund		X		
Infrastructure Investment Fund		X		X
Building Security Fund		X		
Public Safety Forfeiture Fund		X		
PEG Fees Fund		X		
Self-Funded Special Projects Fund				X
Airport Fund				
Stormwater Fund				
Utility Fund				
Capital Replacement Fund				
Information Technology Fund				
Facility Maintenance Fund				



**PROPRIETARY FUNDS**

**FIDUCIARY FUNDS**

ENTERPRISE

INTERNAL SERVICES

X

X

X

X

X

X





*General*

**Fund**

# General Fund

## Fund Description

The General Fund is the largest governmental fund and accounts for most of the financial resources of the general government. General Fund revenues include property tax, sales tax, licenses and permits, service charges and other types of revenue. The General Fund usually includes most of the basic operating services, such as fire and police protection, parks and recreation, development services, street maintenance, and general government administration.

## Fund Narrative

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

## Concluding Fiscal Year Performance

Revenues for FY2022 are estimated to be \$42,674,996 which represents an increase of \$1,915,000 or 4.7 percent above FY2022 adopted budget revenues and is 1.1 percent above FY2021 actual revenues. The increase in estimated over budgeted FY2022 revenues is the result of higher than anticipated sales tax collections due to COVID-19 recovery. Revenues collected from property taxes are expected to come in at budget.

### General Fund by Major Cost Category

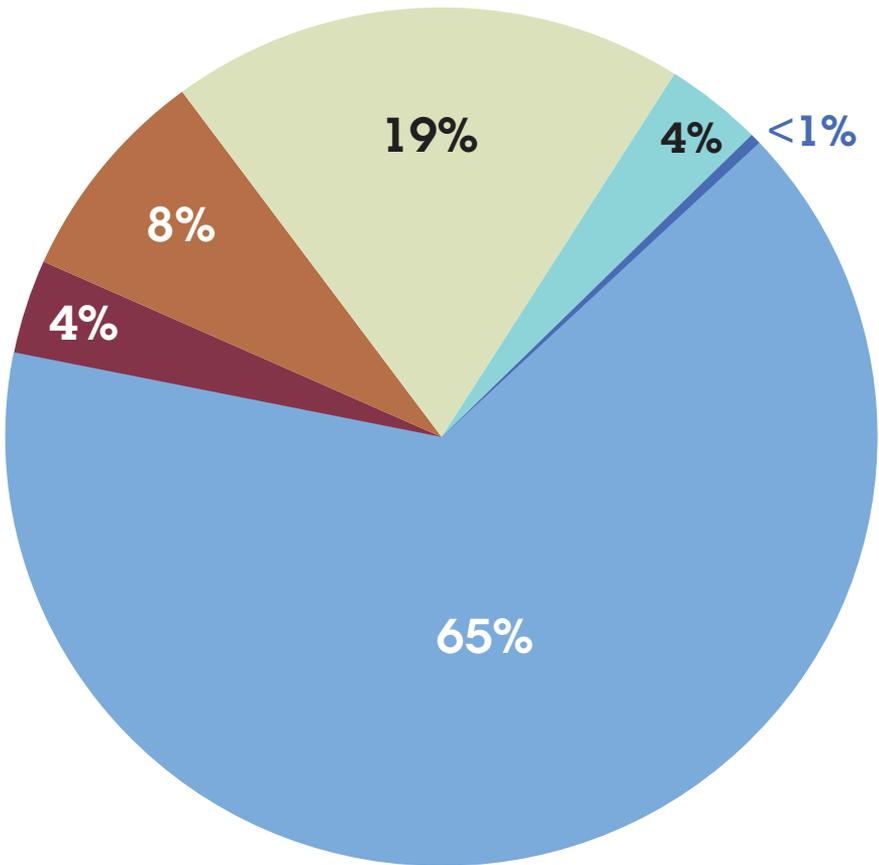
Category	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	25,088,000	26,469,624	26,384,686	28,783,676
Supplies	1,324,798	1,437,825	1,399,095	1,562,696
Maintenance	2,925,428	3,576,374	3,569,386	3,605,759
Contractual Services	7,005,565	7,839,299	7,813,697	8,439,006
Capital Replacement/Lease	1,906,919	1,301,511	1,801,511	1,597,511
Capital Outlay	390,158	107,363	97,363	178,000

**TOTAL FUND BUDGET**                      **\$38,640,868**   **\$40,731,996**   **\$41,065,738**   **\$44,166,648**

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

**General Fund  
Operating  
Expenditures by  
Cost Category**

- ▶ Personnel Services
- ▶ Capital Outlay
- ▶ Capital Replacement/Lease
- ▶ Contractual Services
- ▶ Maintenance
- ▶ Supplies



Expenditures (excluding transfers) are expected to total \$41,065,738 in FY2022. The differences in revenues and a higher beginning fund balance contributed to an estimated ending fund balance of \$20,452,933, which is \$275,172 more than budgeted.

**2022-2023 Budget Narrative**

There are four components that make up the Town’s ad valorem tax rate of \$0.609822 per \$100 of appraised value: operations & maintenance, debt service, economic development, and dedicated funding for the Infrastructure Investment Fund. A tax rate of \$0.415164 is levied to generate revenues to fund the operations and maintenance activities budgeted in the General Fund. The revenue generated from this portion of the tax rate will increase in FY2023 to \$22,559,394. Other major tax revenues are sales taxes and alcoholic beverage taxes. Sales taxes and alcoholic beverage tax are projected to increase slightly from FY2022 to FY2023.

Total fund expenditures for the 2023 fiscal year have been appropriated at \$44,166,648 (excluding transfers) which is \$3,434,652 more than the FY2022 budget.

The ending fund balance of \$20,457,769 is 46.3 percent of operating expenditures, which is above the minimum balance required by the Town’s financial policies. The long-term financial plan for the General Fund anticipates adjusting expenditures for a two percent inflationary increase each year along with moderate increases in revenue.<sup>1</sup>

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

## General Fund Statement of Revenue & Expenditures

**ACT  
20-21**
**BUD  
21-22**

Beginning Balance	\$20,134,439	\$20,149,761
<b>Revenues</b>		
Ad Valorem Taxes	20,172,494	20,037,826
Non-Property Taxes	15,965,385	14,900,000
Franchise Fees	1,946,706	2,105,000
Licenses and Permits	824,908	1,090,100
Service Fees	1,826,274	2,018,070
Fines and Penalties	163,408	245,000
Interest Earnings	21,569	100,000
Rental Income	7,900	8,000
Other	1,282,410	256,000
<b>TOTAL REVENUES</b>	<b>\$42,211,054</b>	<b>\$40,759,996</b>
<b>Total Available Resources</b>	<b>62,345,493</b>	<b>60,909,757</b>
<b>Expenditures</b>		
General Government		
City Secretary	208,900	221,275
City Manager	1,233,580	1,204,501
Finance	1,821,572	1,764,710
General Services	1,182,479	756,057
Municipal Court	646,453	712,737
Human Resources	670,312	740,209
Information Technology	1,897,336	2,257,050
Combined Services	1,073,544	1,362,400
City Council	312,169	245,981
Public Safety		
Police	10,288,616	10,546,045
Emergency Communications	1,392,569	1,594,245
Fire	8,705,861	9,086,845
Development Services	1,560,348	1,807,604
Streets	1,951,588	2,136,422
Parks and Recreation		
Parks	4,066,373	4,505,219
Recreation	1,629,168	1,790,696
<b>TOTAL EXPENDITURES</b>	<b>\$38,640,868</b>	<b>\$40,731,996</b>
Other Financing Sources (Uses)		
Transfer to Other Funds	3,460,950	-
<b>ENDING FUND BALANCE</b>	<b>\$20,243,675</b>	<b>\$20,177,761</b>

<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>\$20,243,675</b>	<b>\$20,452,933</b>

20,037,826	22,409,394
16,700,000	15,625,000
2,180,000	2,155,000
1,090,100	1,170,100
2,018,070	2,068,490
245,000	245,000
100,000	200,000
8,000	8,000
296,000	290,500
<b>\$42,674,996</b>	<b>\$44,171,484</b>
<b>62,918,671</b>	<b>64,624,417</b>

216,275	232,150
1,204,501	1,309,782
1,758,325	1,861,940
1,256,057	1,108,609
712,737	741,479
740,209	758,481
2,215,764	2,418,608
1,362,400	1,485,125
345,981	342,850
10,463,790	11,362,815
1,594,245	1,764,387
9,086,845	9,907,123
1,749,463	1,982,282
2,093,833	2,236,000
4,474,617	4,751,045
1,790,696	1,903,972
<b>\$41,065,738</b>	<b>\$44,166,648</b>

1,400,000	-
<b>\$20,452,933</b>	<b>\$20,457,769</b>



## General Fund Statement of Revenues by Source

**ACT  
20-21**

**BUD  
21-22**

### Ad Valorem Taxes

Current Taxes	20,276,338	20,139,186
Delinquent Taxes	(159,726)	(151,360)
Penalty and Interest	55,882	50,000

### Non-Property Taxes

Sales Tax	14,881,277	13,700,000
Alcoholic Beverages Tax	1,084,108	1,200,000

### Franchise/Right-of-Way Use Fees

Electric Franchise	1,422,617	1,525,000
Gas Franchise	185,638	200,000
Telecommunication Access Fees	211,969	250,000
Cable Franchise	126,482	130,000
Street Rental Fee	-	-

### Licenses and Permits

Business Licenses and Permits	175,825	129,700
Building and Construction Permits	649,083	960,400

### Service Fees

General government	7,900	8,000
Public Safety	918,394	1,006,000
Urban Development	2,090	47,200
Streets and Sanitation	465,456	455,700
Recreation	29,903	70,300
Interfund	410,431	438,870
Court Fines	163,408	245,000
Interest Earnings	21,569	100,000
Rental Income	2,471	500
Intergovernmental Revenue	1,000,000	-
Other	279,939	255,500

**TOTAL REVENUES**

**\$42,211,054**

**\$40,759,996**



**EST  
21-22**

**BUD  
22-23**

---

20,139,186	22,559,394
(151,360)	(200,000)
50,000	50,000
15,500,000	14,400,000
1,200,000	1,225,000
1,525,000	1,575,000
275,000	250,000
250,000	200,000
130,000	130,000
-	-
129,700	209,700
960,400	960,400
8,000	8,000
1,006,000	1,006,000
47,200	47,200
455,700	480,700
70,300	70,300
438,870	444,290
245,000	245,000
100,000	200,000
500	500
-	-
295,500	290,000

**\$42,674,996**

**\$44,171,484**

# City Council Special Projects

## Department Mission

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

## Program Narrative

### Accomplishments of FY2022

- ▶ Communication/Transparency: Provided informative brochure for Charter Election and various other publications/videos on construction projects, health issues/concerns, weather and miscellaneous newsworthy items.
- ▶ Provided administrative support to the City Council.

### Objectives for FY2023

- ▶ Be responsive to the City Council and citizens' needs while ensuring transparency and trust.
- ▶ Provide up-to-date programs and equipment for ease in retrieving of information from website, on council agenda packets, etc.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	28,116	27,603	27,603	27,930
Supplies	13,985	18,000	18,000	18,000
Contractual Services	267,231	200,378	300,378	296,920
Capital Replacement/Lease	2,837	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$312,169</b>	<b>\$245,981</b>	<b>\$345,981</b>	<b>\$342,850</b>

## Non-Profit Funding

- ▶ Addison Arbor Foundation (\$50,000 + up to \$15,000 match)
- ▶ Metrocrest Social Services (\$82,650)
- ▶ Dallas Cat Lady (\$5,000)
- ▶ Metrocare Services (\$2,500)
- ▶ Outcry Theatre (\$2,500)
- ▶ The Family Place (\$2,500)
- ▶ Woven Health Clinic (\$5,000)
- ▶ WaterTower Theatre (\$226,589 + \$150,000 match)<sup>1</sup>

<sup>1</sup> Net value of WaterTower Theatre grant including in-kind amounts



# City Manager's Office

## Department Mission

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

## Program Narrative

### Accomplishments of FY2022

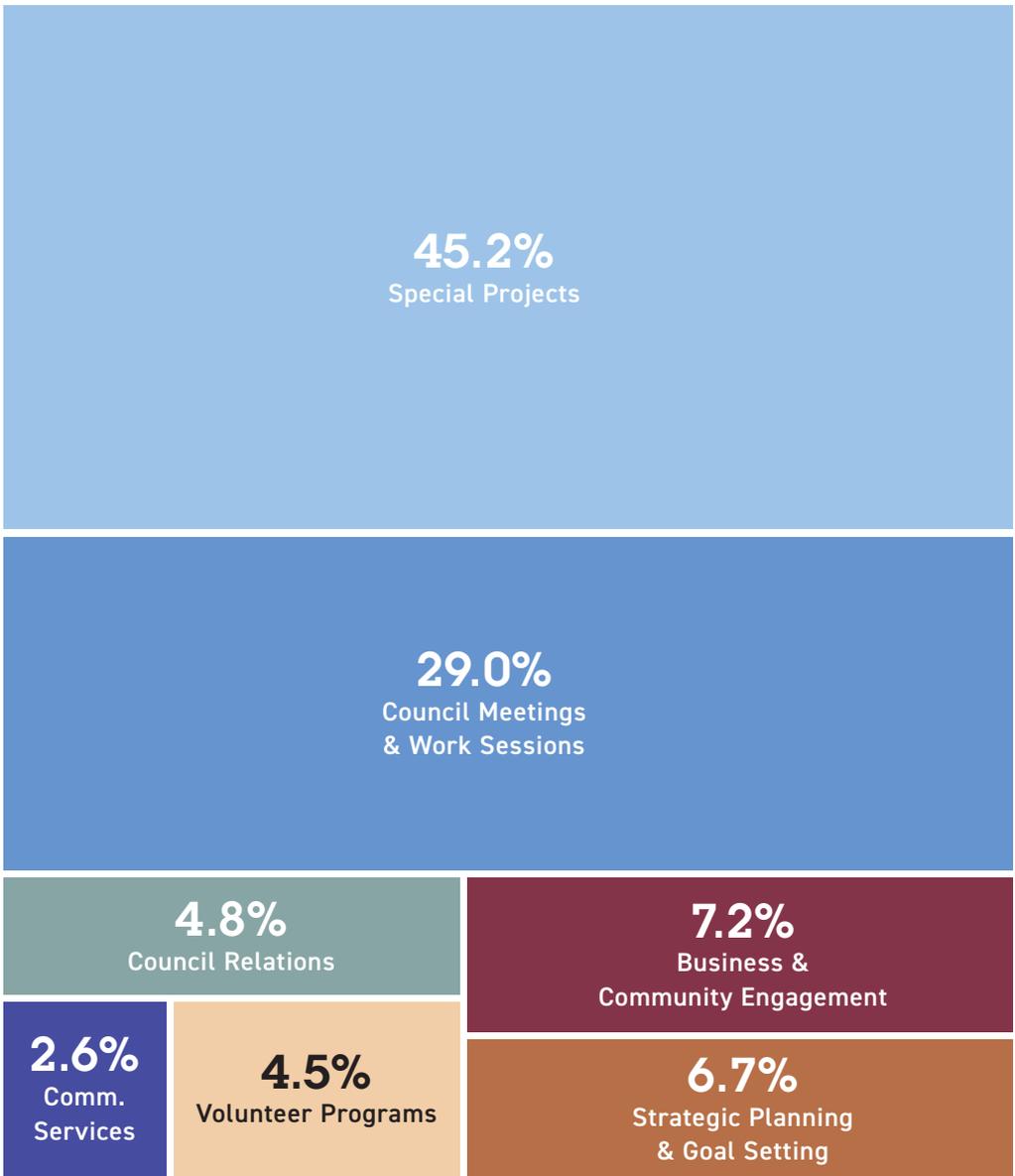
- ▶ Completed the 2021 Resident Survey and acted on the results.
- ▶ Streamlined the Council agenda process with the new City Attorney.
- ▶ Improved Alignment between Council's Strategic Plan and Programs / Projects.
- ▶ Improved communications between the CMO and other departments.

### Objectives for FY2023

- ▶ Monitor the 88th Session of the Texas Legislature and communicate with our Representatives.
- ▶ Work with departments to continue to implement the approved capital projects.

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	1,063,573	1,041,622	1,041,622	1,126,174
Supplies	23,151	21,698	21,698	22,303
Maintenance	25,922	37,097	37,097	42,665
Contractual Services	109,538	87,696	87,696	102,252
Capital Replacement/Lease	11,396	16,388	16,388	16,388
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,233,580</b>	<b>\$1,204,501</b>	<b>\$1,204,501</b>	<b>\$1,309,782</b>

## Percentage of Program Costs



Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
City Manager <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
Deputy City Manager	49	1.4	1.0	1.0	1.0
Director of Administrative Services	42	1.0	1.0	1.0	1.0
Assistant to the City Manager <sup>2</sup>	33	0.0	0.0	0.0	1.0
Management Analyst	28	1.0	1.0	1.0	0.0
Volunteer Coordinator	24	1.0	1.0	1.0	1.0
Executive Assistant	23	0.5	0.5	0.5	0.5
<b>TOTAL</b>		<b>5.9</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>

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

<sup>2</sup> This position was reclassified from Management Analyst to Assistant to the City Manager in FY 2023.

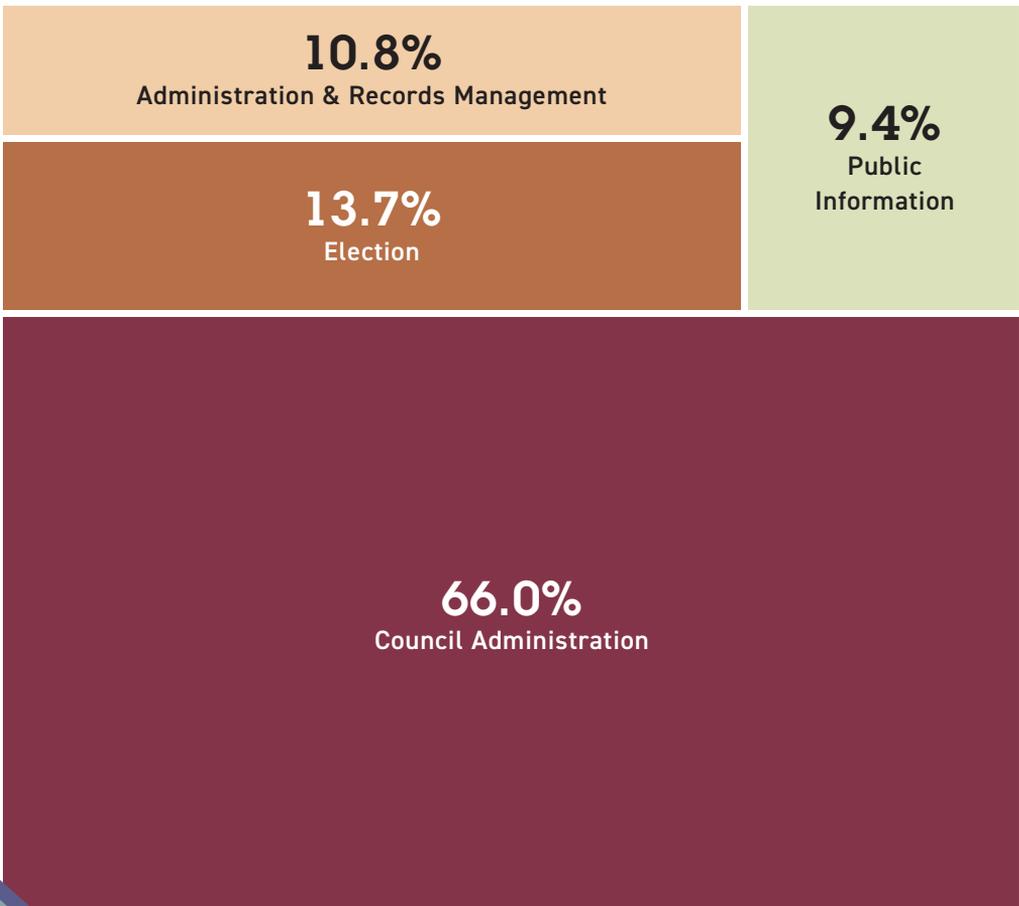
# City Secretary

## Department Mission

The mission of the City Secretary's Office is to serve the City Council, City Staff and the public in a manner that values honesty, integrity, and trust. The City Secretary fulfills the duties and responsibilities of this office in accordance with the City Charter and State law.

The City Secretary's Office provides citizens with information on formal actions of the City Council; meeting dates, time, and places; election data; ordinances, contracts, deeds, and other official town documents. The City Secretary's Office also promotes open and responsive government through proper recording and preservation of the Town's legislative history and official documents; providing responsive customer service to our diverse customer base; and conducting fair and impartial city elections.

## Percentage of Program Costs



## Program Narrative

### Accomplishments of FY2022

- ▶ Established one centralized off-site storage location – Safesite, Inc.
- ▶ Worked with Departments and volunteers to shred/store boxes stored at Airport, Special Events, Conference & Theatre Centre, records from former city attorneys Hill and McDonald law firms and Celestial Pump Station.
- ▶ Added transparency by providing additional information on website that has reduced the number of public information requests.
- ▶ Established procedure for filing documents with County.
- ▶ Worked to establish procedure to process Alcohol and Beverage Applications.
- ▶ Participated in Earth Day Activities to shred those files identified in those departments identified above.

### Objectives for FY2023

- ▶ Provide in-house training for LaserFiche, GovQA, Texas State Library, Notary Public and Attorney General's Office
- ▶ Reduce Staff response time on GovQA, provide monthly/quarterly reports
- ▶ Continue to develop good communications between Town departments, help assess their record needs, and find solutions to improve workflows

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	120,917	131,075	131,075	141,950
Supplies	3,269	10,950	10,950	10,950
Maintenance	-	-	-	-
Contractual Services	84,714	79,250	74,250	79,250
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-

<b>TOTAL DEPT BUDGET</b>	<b>\$208,900</b>	<b>\$221,275</b>	<b>\$216,275</b>	<b>\$232,150</b>
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<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
City Secretary	36	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Combined Services

## Department Mission

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

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	85,505	60,000	60,000	107,500
Supplies	20,486	22,000	22,000	22,225
Maintenance	-	-	-	-
Contractual Services	967,553	1,280,400	1,280,400	1,355,400
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,073,544</b>	<b>\$1,362,400</b>	<b>\$1,362,400</b>	<b>\$1,485,125</b>



# Development Services

## Department Mission

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

## Program Narrative

### Accomplishments of FY2022

- ▶ Planning and Zoning
  - Will complete Sam's Club Special Area Study.
  - Re-initiated UDC project and will have project substantially by end of fiscal year.
  - Facilitated review and development of TOD Master Developer solicitation.
  - Facilitated public review process for major residential and restaurant projects.
  - Managed through extended periods of vacancy for the planning manager position.
  - Adopted planning and development program work plan.
- ▶ Building Inspections
  - Completed complex permit processes for Greenhill MSI, Baumann Office Building.
  - Managed ongoing construction challenges with Galaxy FBO, Addison Grove, and Meridian Square.
- ▶ Environmental Health
  - Managed growing health inspection needs during post-pandemic restaurant boom.
  - Lead effort in the execution of Town Special Events and private events.
  - TML Award for Virtual Health Inspection Program.
  - Sandra Long served as outgoing President for the National Environmental Health Association – continues as leader at national level.
- ▶ Code Enforcement
  - Recruited and onboarded two new code enforcement officers.
  - Transitioned sign permit review duties to new code enforcement officer.
  - Built relationships and substantially improved responsiveness and follow through with enforcement actions.

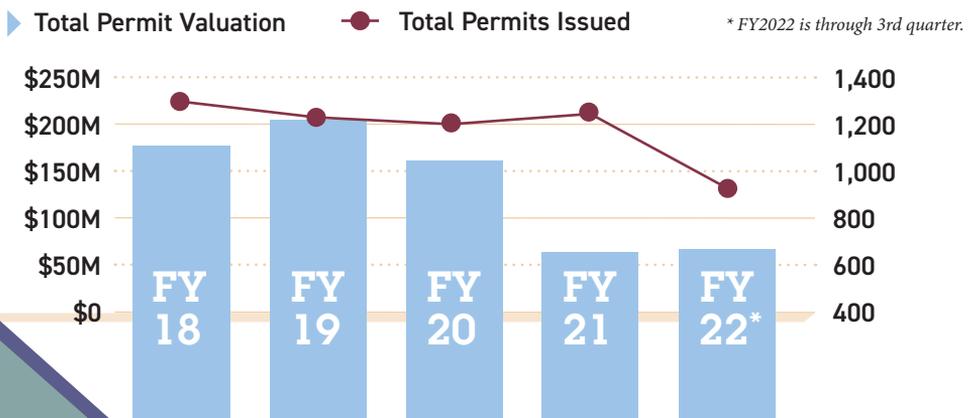
### Objectives for FY2023

- ▶ Complete Unified Development Code update and Implementation Tasks.
- ▶ Initiate Comprehensive Plan Update.
- ▶ Complete all TOD Phase I Entitlements and manage pre-construction process.
- ▶ Overhaul EnerGov Workflows and refine development processes.
- ▶ Adopt 2021 International Codes.
- ▶ Conduct comprehensive review of code enforcement/property maintenance ordinances and make needed updates.
- ▶ Update department website, expand GIS capacity and programming, expand department annual report.
- ▶ Refresh the Development Services’ staff open workspace (bullpen) of the Service Center.
- ▶ Complete staff cross-training, customer service/refresher training.

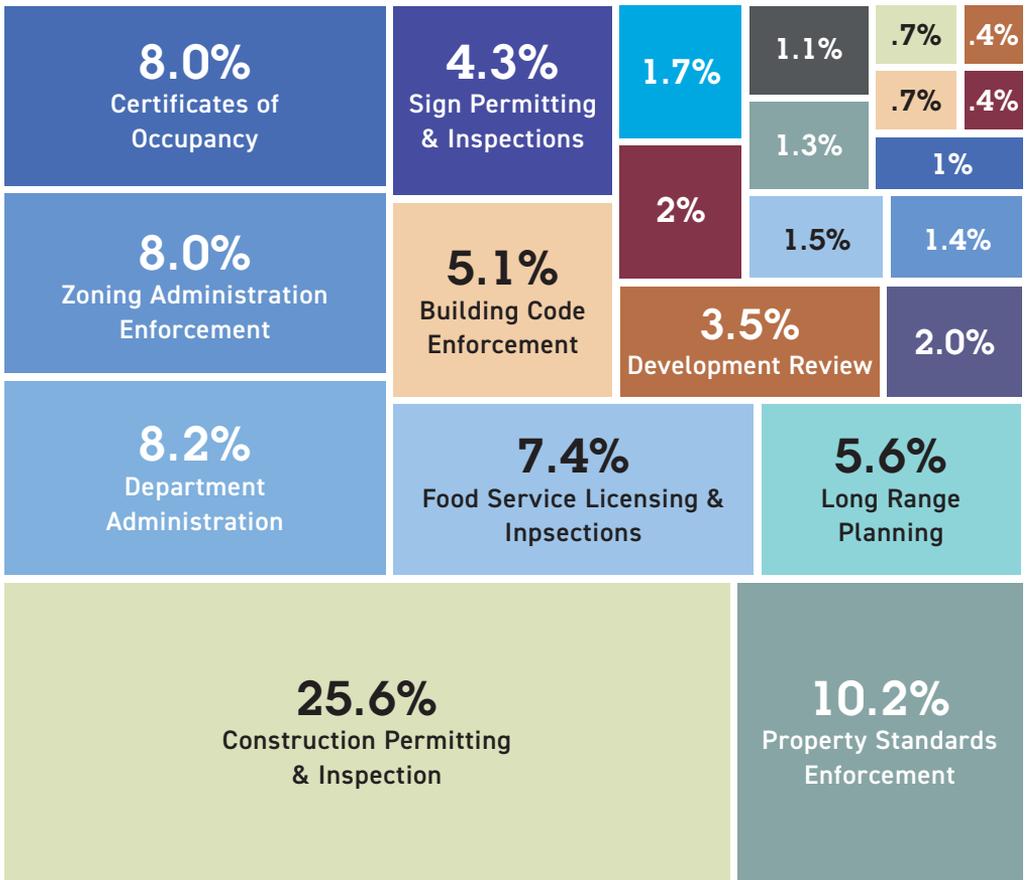
Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Director of Development Services	44	1.0	1.0	1.0	1.0
Building Official	39	1.0	1.0	1.0	1.0
Planning and Development Manager	35	1.0	1.0	1.0	1.0
Environmental Health Manager	34	1.0	1.0	1.0	1.0
Senior Building Inspector	28	2.0	2.0	2.0	2.0
Management Analyst <sup>1</sup>	28	0.0	0.0	0.0	1.0
Plans Examiner	26	1.0	1.0	1.0	1.0
Sr. Environmental Health Specialist	26	1.0	1.0	1.0	1.0
Environmental Health Specialist	25	1.0	1.0	1.0	1.0
Code Enforcement Officer	24	1.0	2.0	2.0	2.0
Combination Building Inspector	24	0.1	0.1	0.1	0.1
Senior Permit Technician	24	0.0	1.0	1.0	1.0
Department Assistant	20	1.0	1.0	1.0	1.0
Records Clerk	20	1.0	1.0	1.0	1.0
Permit Technician	19	1.0	0.0	0.0	0.0
<b>TOTAL</b>		<b>13.1</b>	<b>14.1</b>	<b>14.1</b>	<b>15.1</b>

<sup>1</sup> A Management Analyst (1.0 FTE) position was added in FY2023.

### Number & Dollar Value of Building Permits Issued



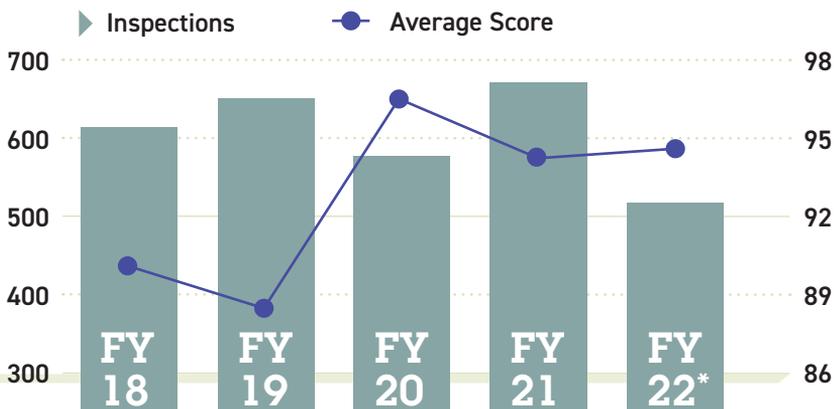
## Percentage of Program Costs



Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	1,204,641	1,461,091	1,461,091	1,617,930
Supplies	26,562	48,954	39,391	60,336
Maintenance	26,318	19,111	13,733	19,350
Contractual Services	270,040	240,754	197,554	246,972
Capital Replacement/Lease	32,787	37,694	37,694	37,694
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,560,348</b>	<b>\$1,807,604</b>	<b>\$1,749,463</b>	<b>\$1,982,282</b>

## Number of Food Inspections & Average Scores

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



\* FY2022 is through 3rd quarter.

# Emergency Communications

## Department Mission

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. Expenses associated with this department are for the North Texas Emergency Communication Center (NTECC) consolidated dispatch.

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Maintenance	70,511	65,167	65,167	65,167
Contractual Services	1,322,058	1,529,078	1,529,078	1,699,220
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,392,569</b>	<b>\$1,594,245</b>	<b>\$1,594,245</b>	<b>\$1,764,387</b>

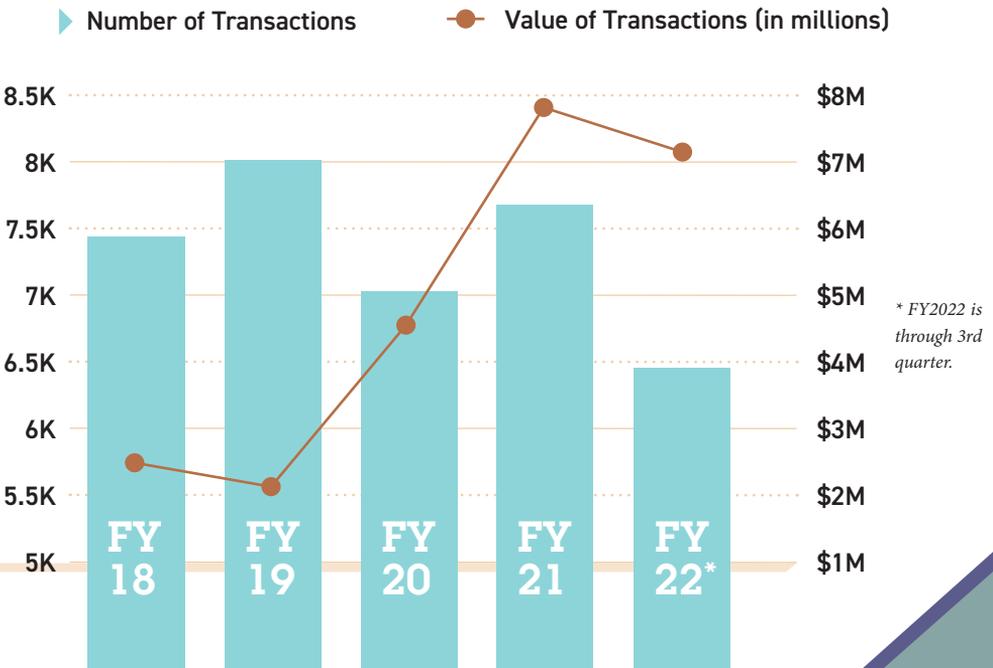


## Department Mission

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

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	1,185,932	1,194,879	1,163,921	1,261,253
Supplies	6,913	15,055	14,678	15,500
Maintenance	19,605	34,936	23,011	42,430
Contractual Services	579,205	491,531	528,406	514,448
Capital Replacement/Lease	29,917	28,309	28,309	28,309
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>1,821,572</b>	<b>\$1,764,710</b>	<b>\$1,758,325</b>	<b>\$1,861,940</b>

## Procurement Card Transactions



## Program Narrative

### Accomplishments of FY2022

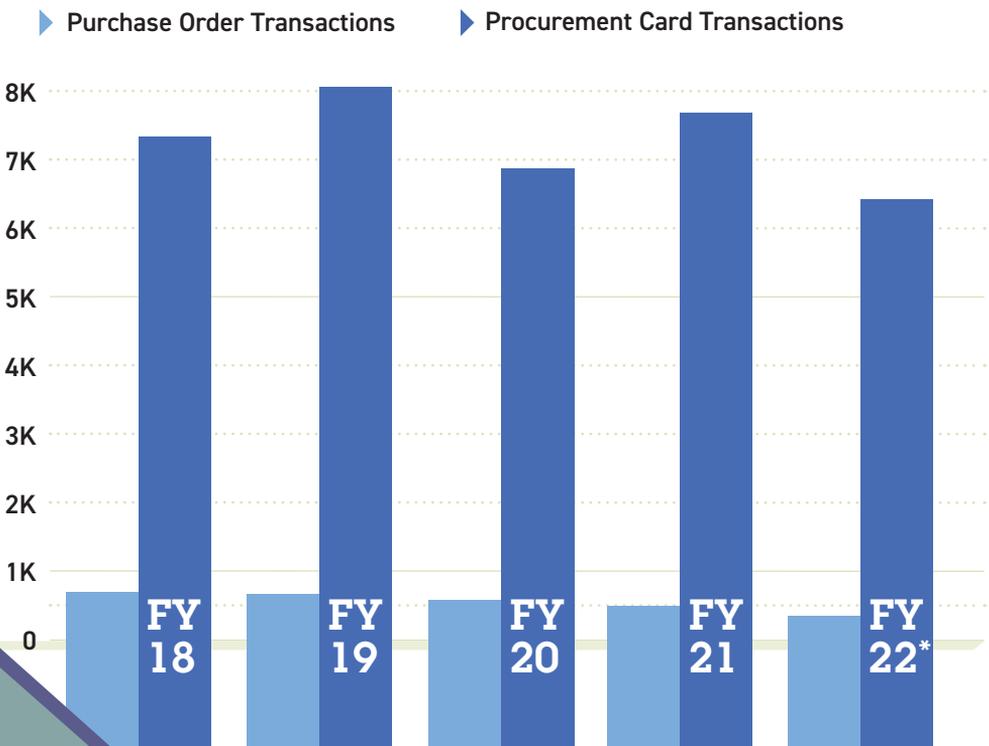
- ▶ Received the 45th consecutive Certificate of Achievement in Financial Reporting from the Government Finance Officers Association (GFOA) for our FY20 Annual Financial Report.
- ▶ Completed the annual financial audit with no proposed or passed audit adjustments.
- ▶ Received the 36th consecutive Distinguished Budget Presentation Award from GFOA for our FY22 Budget.
- ▶ Received the 1st award for Outstanding Achievement in Popular Annual Financial Reporting.
- ▶ Worked with Gradient Solutions to perform a review of treasury management policies and procedures to strengthen internal controls.
- ▶ Added program scoring to program-based budgeting.
- ▶ Updated water and sewer rate study.
- ▶ Implemented FloQast for audit and year-end tasks.
- ▶ Implemented Single Use Account from JPMorgan Chase.
- ▶ Converted the Town’s merchant services processor to JPMorgan Chase generating annual savings of approximately \$50,000 and increasing processing capabilities.
- ▶ Implemented investor relations website through BondLink. ([www.addisonbonds.com](http://www.addisonbonds.com))
- ▶ Refunded the 2012 Certificates of Obligation generating just over \$1 million in debt service savings over the next ten years.

### Objectives for FY2023

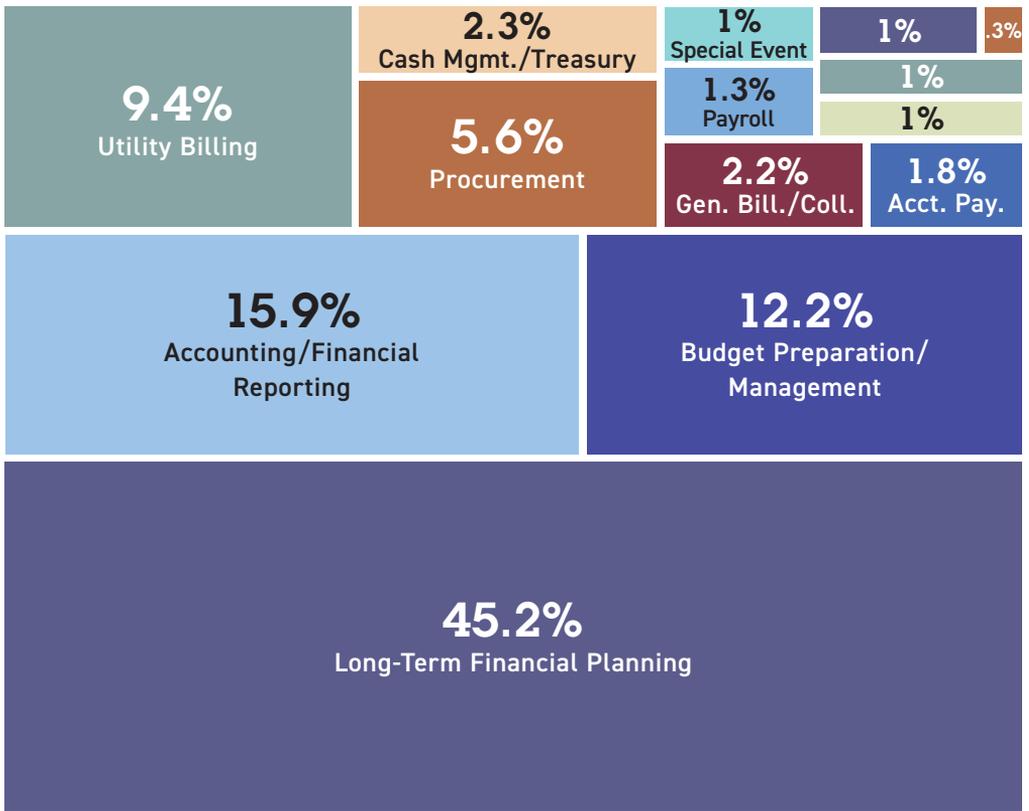
- ▶ Transition airport property accounting into Munis or more integrated software.
- ▶ Implement GASB Statement 96 Subscription Based Information Technology Arrangements.
- ▶ Create a real-time database for CIP project activity.
- ▶ Update the revenue fee manual.

### Procurement Transactions by Method

\* FY2022 is through 3rd quarter.



## Percentage of Program Costs



Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Chief Financial Officer	45	1.0	1.0	1.0	1.0
Assistant Director of Finance <sup>1</sup>	40	0.0	0.0	0.0	0.5
Controller <sup>2</sup>	37	0.7	0.5	0.5	1.0
Accounting Manager	37	1.0	1.0	1.0	0.0
Budget Manager	37	1.0	1.0	1.0	1.0
Purchasing Manager	35	1.0	1.0	1.0	1.0
Accounting Supervisor	33	0.7	0.5	0.5	0.5
Senior Accountant	31	1.0	1.0	1.0	1.0
Senior Budget Analyst	30	1.0	1.0	1.0	1.0
Senior Treasury Analyst	30	1.0	1.0	1.0	1.0
Accountant	28	1.0	1.0	1.0	1.0
Senior Accounting Specialist <sup>3</sup>	25	0.0	0.0	1.0	1.0
Accounting Specialist	22	2.4	2.0	1.0	1.0
<b>TOTAL</b>		<b>11.8</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

<sup>1</sup> This position was reclassified from Controller to Assistant Director of Finance.

<sup>2</sup> This position was reclassified from Accounting Manager to Controller.

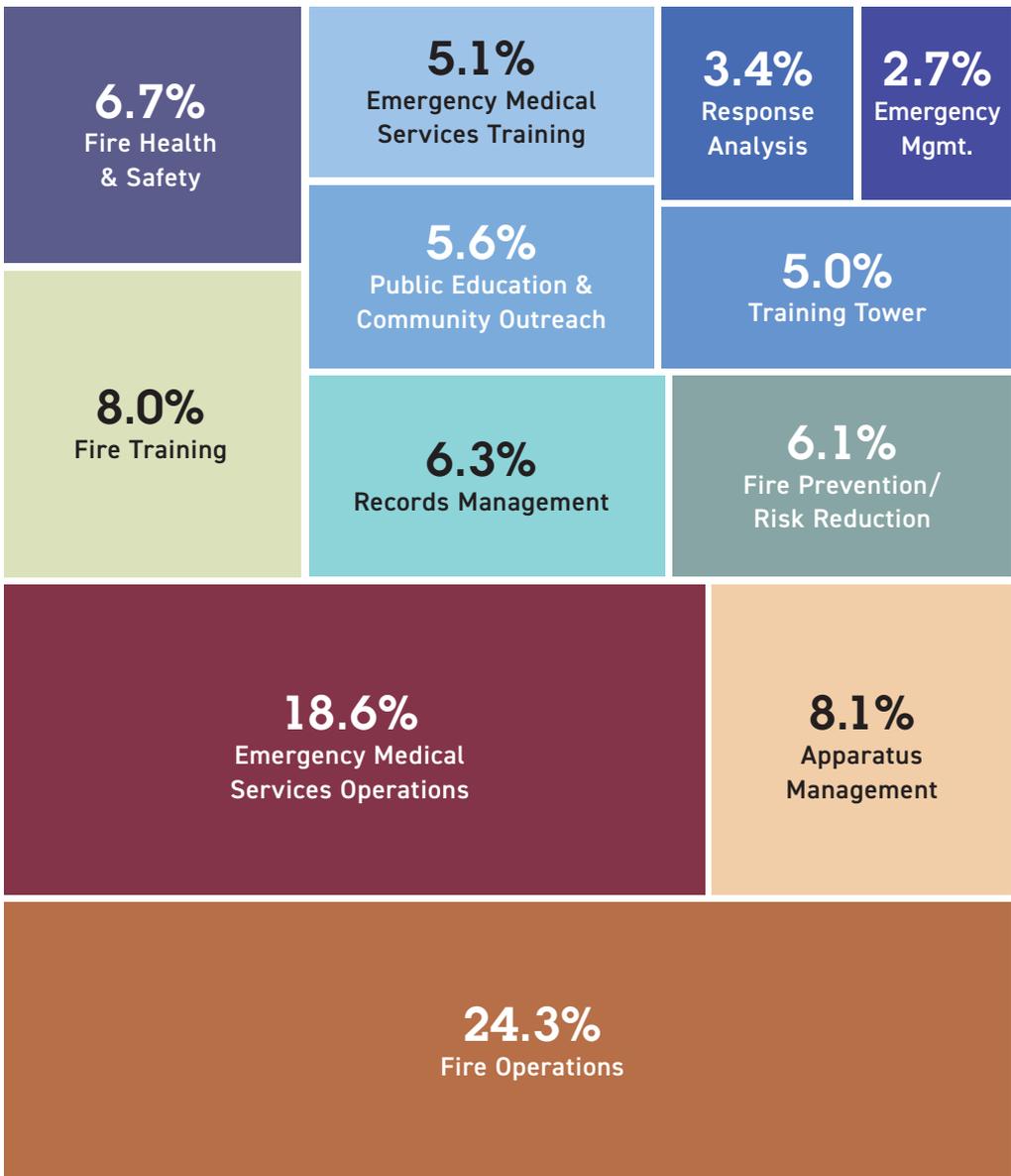
<sup>3</sup> This position was reclassified from Accounting Specialist to Senior Accounting Specialist in FY 2022.

# Fire

## Department Mission

To protect the persons and property in Addison by providing quality and innovative emergency services. The Department performs the following functions: fire suppression, including crash and fire rescue for aircraft utilizing Addison Airport; fire inspection prevention and investigation; and emergency medical services (EMS) with advanced life support capabilities practiced by professionally trained paramedics.

## Percentage of Program Costs



# Program Narrative

## Accomplishments of FY2022

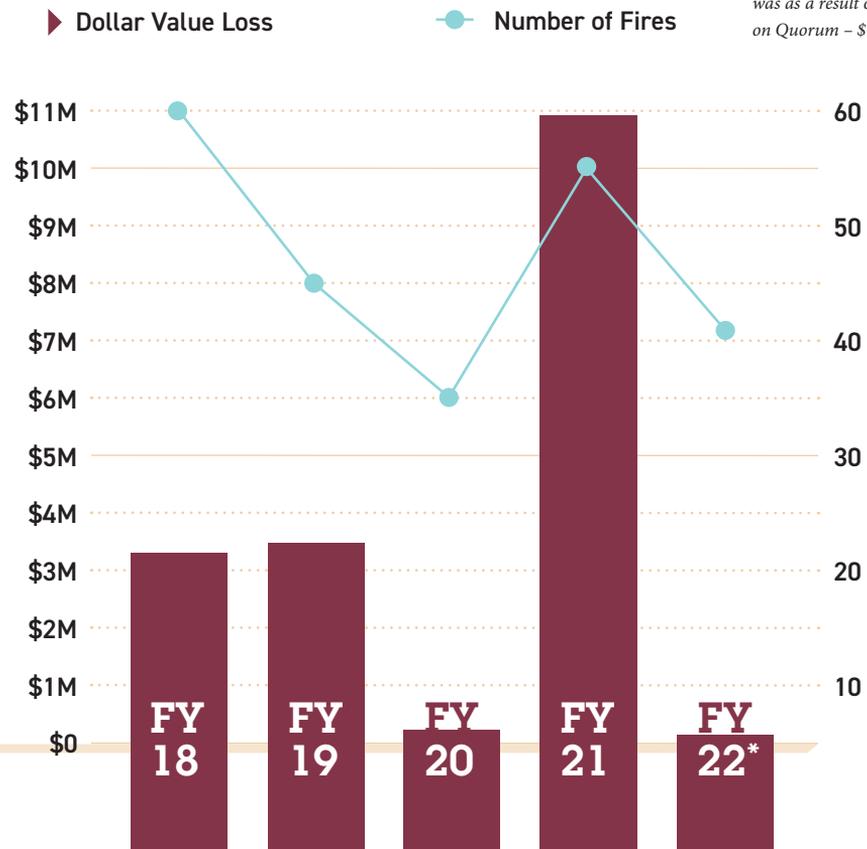
- ▶ Replaced an end-of-life Fire Prevention vehicle.
- ▶ Adjusted for increased cost of Personal Protective Equipment (PPE) and medical supplies.
- ▶ Made “bail-out” kits part of firefighter’s PPE.
- ▶ Maintained Class 1 ISO rating & Texas Best Practices.
- ▶ Fire Prevention addressed nuisance alarms quickly and efficiently.
- ▶ Successfully initiated a High-Performance CPR program.
- ▶ Formally recognized as a “Heart Safe Community”.
- ▶ Five (5) documented life saves including a 20-week pregnancy.

## Objectives for FY2023

- ▶ Adjust for increased cost of uniforms and wearing apparel.
- ▶ Utilize available funds (TASSPP) to make needed improvements in EMS, facility, and mental health resources.
- ▶ Incorporate modern video technology for safety, training and documenting significant incidents.
- ▶ Replace end of life Ambulance with a new one.
- ▶ Replace end of life Fire Inspector vehicle with a new one.
- ▶ Replace three end-of-life thermal imagers with new ones
- ▶ Maintain a Class 1 ISO rating & Texas Best Practices.
- ▶ Where affordable, continue to strive to improve Wellness and Cancer Awareness/Prevention program.
- ▶ Continually seek innovative ways to improve our service levels.

## Number of Fires & Corresponding Property Loss

\* FY2022 is through 3rd quarter.  
 \* Large percentage of loss in FY 2021 was as a result of the third alarm fire on Quorum – \$10,500,000





<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	7,446,897	7,747,282	7,747,282	8,469,631
Supplies	243,487	282,185	282,185	305,154
Maintenance	264,542	285,548	285,548	312,267
Contractual Services	341,802	395,179	395,179	397,420
Capital Replacement/Lease	391,565	376,651	376,651	422,651
Capital Outlay	17,568	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$8,705,861</b>	<b>\$9,086,845</b>	<b>\$9,086,845</b>	<b>\$9,907,123</b>

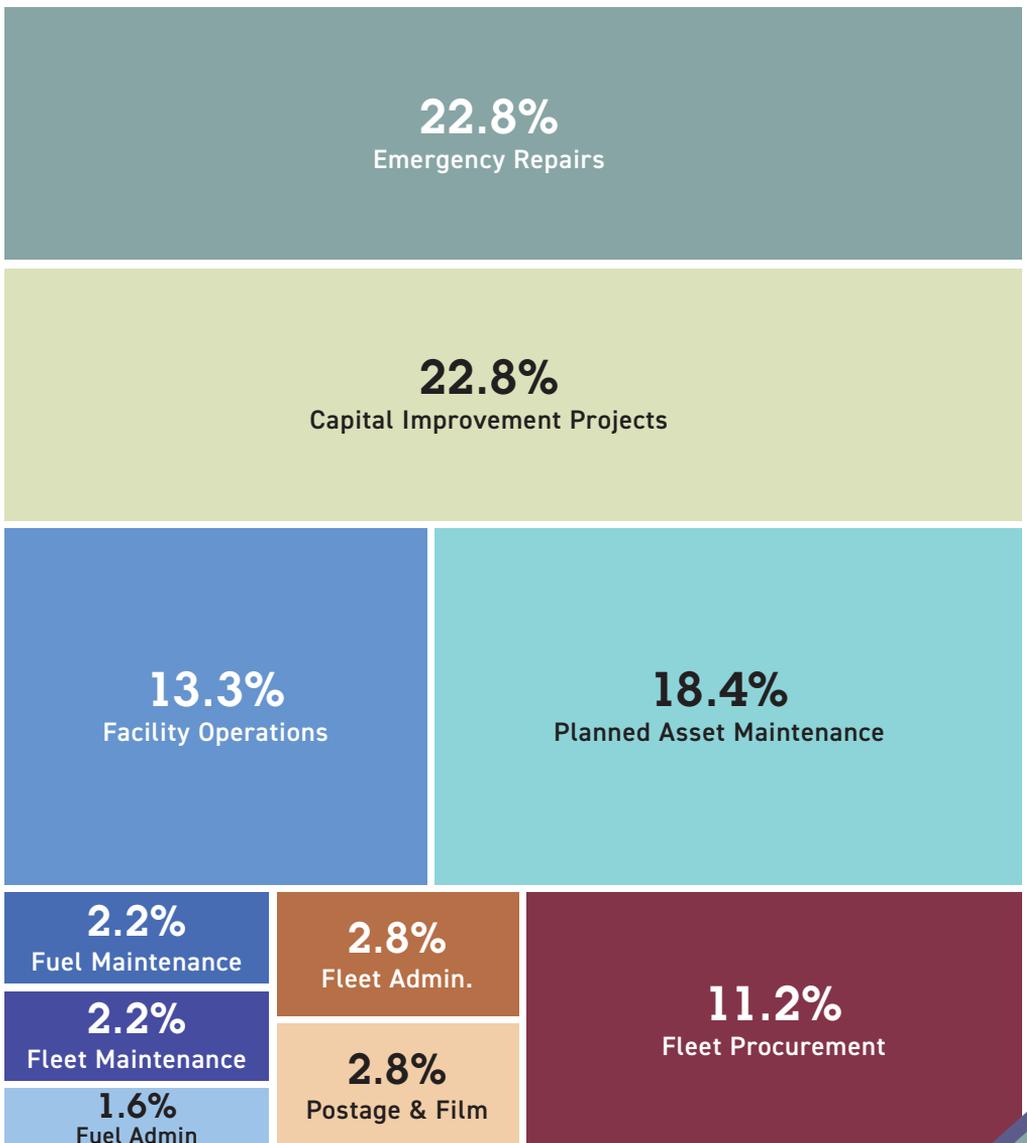
<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Fire Chief	46	1.0	1.0	1.0	1.0
Assistant Fire Chief	F9	1.0	1.0	1.0	1.0
Battalion Chief	F8	3.0	3.0	3.0	3.0
Battalion Chief - Administration	F8	1.0	1.0	1.0	1.0
Fire Marshal	F7	1.0	1.0	1.0	1.0
Fire Captain	F6	6.0	6.0	6.0	6.0
Fire Lieutenant	F5	3.0	3.0	3.0	3.0
Fire Equipment Operator/Paramedic	F4	9.0	9.0	9.0	9.0
Firefighter/Paramedic	F3	30.0	30.0	30.0	30.0
Fire Prevention Technician	F1	1.0	1.0	1.0	1.0
Fire Administrative Supervisor	26	1.0	1.0	1.0	1.0
Department Assistant	20	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>58.0</b>	<b>58.0</b>	<b>58.0</b>	<b>58.0</b>

# General Services

## Department Mission

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

## Percentage of Program Costs



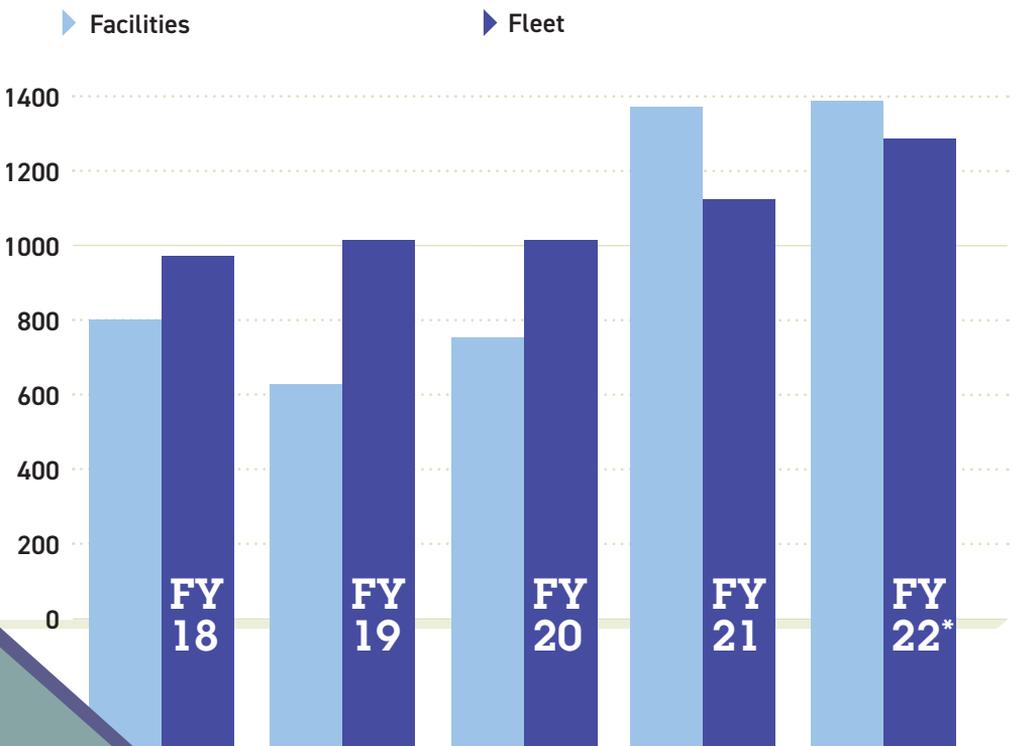
## Program Narrative

### Accomplishments of FY2022

- ▶ Facilities
  - Strong focus on customer service through work order satisfaction follow up and feedback meetings with departments. Our goal is continuous improvement.
  - Improved proactive facility management using IRIS as well as monthly facility inspections
  - Will complete Phase 2 of the Facility Utilization Study.
  - Repaired extensive exterior wall cracking and refurbished the roof at the Vitruvian Restrooms.
  - Modernized and made one of the restrooms at Fire 2 ADA compliant.
  - Modernized the monument sign at the Athletic Club and the above door sign at Fire Station 1.
  - Completed first phase of replacing the cast stone at Fire Station 1.
  - Took over the maintenance operations of the new Airport offices.
  - Replaced the roofs, HVAC, gun range ventilation and ADA improvements at several facility as Phase 1 of the bond program.
  - Began Phase 2 of the bond program to refurbish the roof, replace the HVAC at the Police and Courts Facility.
  
- ▶ Fleet
  - Ordered and made ready 15 vehicles and 12 pieces of weight equipment.
  - Roadside calls 24 (estimated based on 6-month totals).
  - Conducted 906 preventative maintenance and scheduled maintenance repairs (estimated based on 6-month totals).
  - Conducted 232 non-scheduled repairs (estimated based on 6-month totals).
  - Fleet up time at 98.4% where goal is 97%.

### Procurement Transactions by Method

\* FY2022 is through 3rd quarter.





# 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 FY2022

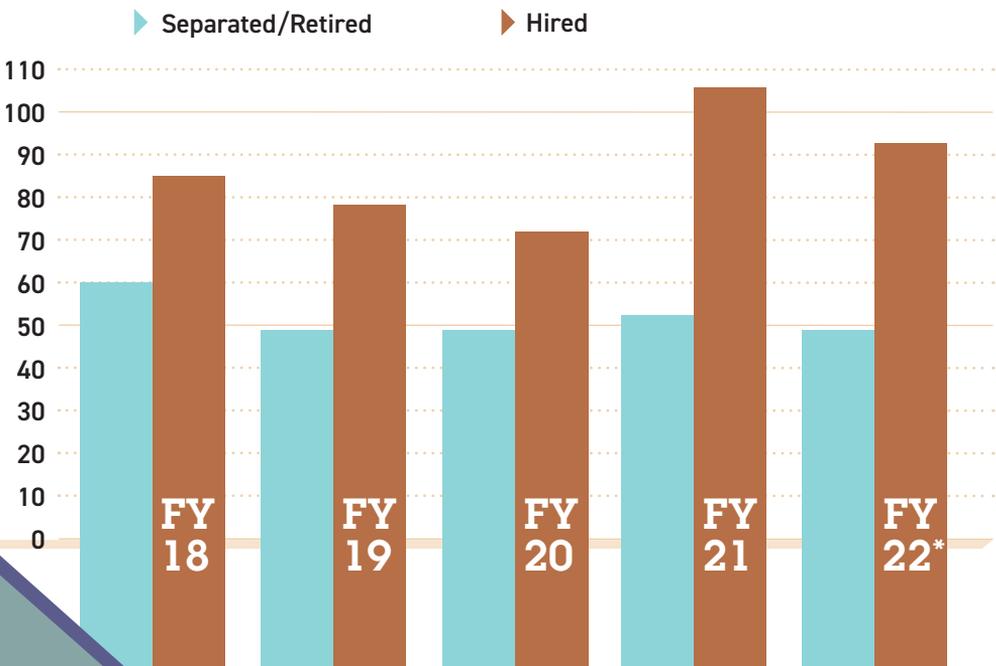
- ▶ Implemented new Town holiday as part of Addison's Total Compensation package.
- ▶ Reviewed Town's 457 Deferred Compensation Plan Offering to enhance service and deliverables to employees and organization.
- ▶ Provided leadership and support to Town staff regarding the coronavirus pandemic.
- ▶ Led review of Town's Employee Handbook for legal and philosophical updates.
- ▶ Led the Town's recruitment and retention process during nationwide hiring crisis.

### Objectives for FY2023

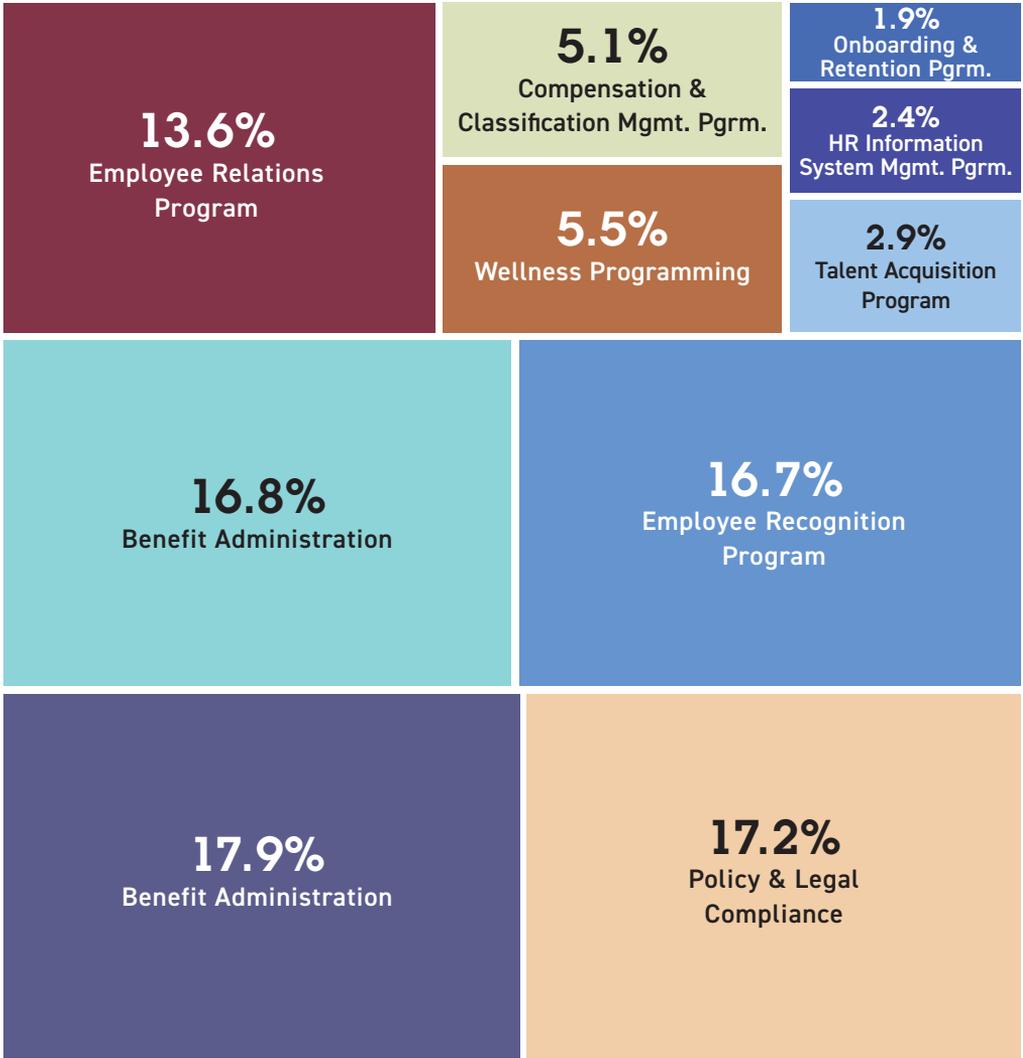
- ▶ Implement increased pay opportunities for technical positions.
- ▶ Offer a third medical plan that decreases premium cost for employees and the Town.
- ▶ Implement market adjustment for hard to fill positions due to increased wages and competitiveness for front line positions.
- ▶ Review employee self-service online benefits enrollment software programs for employees.

## Employees Processed

\* FY2022 is through 3rd quarter.

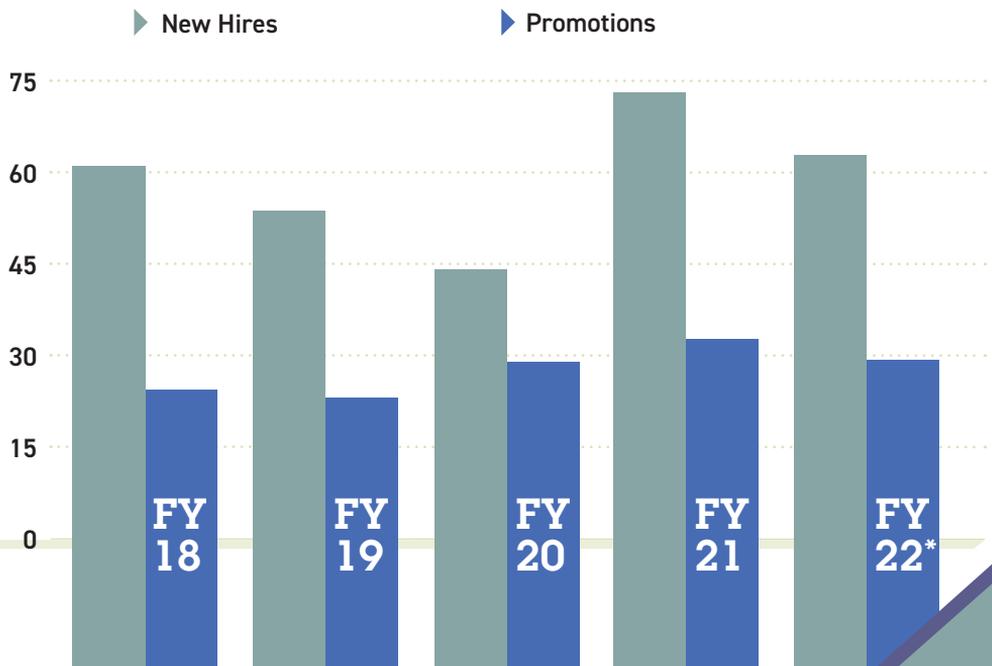


## Percentage of Program Costs



## Hires by Type

\* FY2022 is through 3rd quarter.

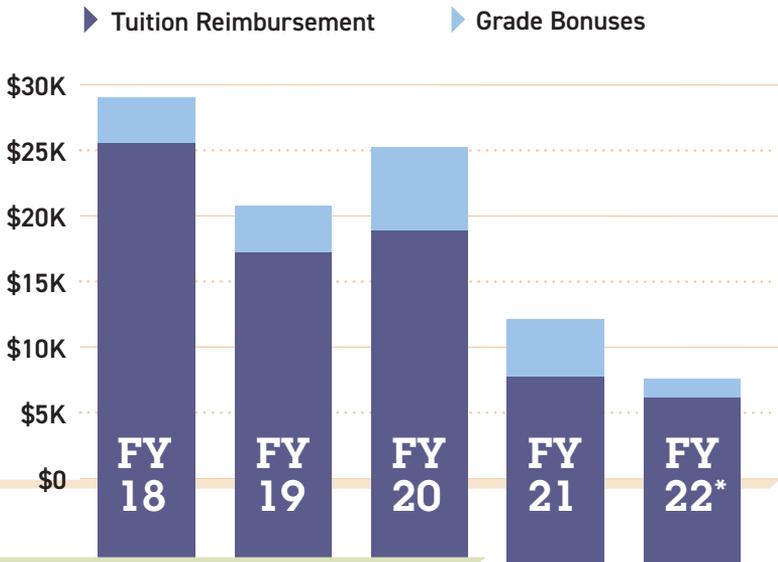


<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	455,747	458,753	458,753	456,105
Supplies	57,979	70,858	70,858	77,490
Maintenance	456	986	986	18,831
Contractual Services	146,849	199,401	199,401	195,844
Capital Replacement/Lease	9,281	10,211	10,211	10,211
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$670,312</b>	<b>\$740,209</b>	<b>\$740,209</b>	<b>\$758,481</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Director of Human Resources	44	1.0	1.0	1.0	1.0
Senior HR Business Partner	32	1.0	1.0	1.0	1.0
Talent Acquisition Partner	28	0.4	0.0	0.0	0.0
Human Resources Coordinator	26	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>3.4</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**Tuition Reimbursement**

\* FY2022 is through 3rd quarter.



# Information Technology

## Department Mission

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

## Program Narrative

### Achievements for FY2022

- ▶ Completed implementation of the CityWorks Airport module – Computerized Maintenance Management System (CMMS).
- ▶ Continued working with North Texas Emergency Communications Center (NTECC).
- ▶ Continued updating the GIS system.
- ▶ Completed installation of an Overhead Sign Bridge over Belt Line Rd.
- ▶ Completed installation of the phase II of License Plate Recognition (LPR) cameras town-wide – 60 cameras.
- ▶ Completed Phase I of digitizing and linking as-builds, plats, easements, and engineering drawings to the town enterprise GIS system.
- ▶ Completed installation of 281 security cameras at the town facilities, parks, and trails.
- ▶ Completed integration of newly installed irrigation system.
- ▶ Expanded the town's network services to newly established Addison Airport Department.
- ▶ Completed testing the Munis v.2021 upgrade.
- ▶ Worked with Kayuga Solution to design ADA dashboard module.
- ▶ Completed testing the Tyler Content Management (TCM) v.2021 upgrade.
- ▶ Began upgrading the public, educational, and government access broadcasting system.
- ▶ Completed testing the Tyler Cashiering v.2021 upgrade.
- ▶ Completed testing the EnerGov v.2021 upgrade.

**Objectives for FY2023**

- ▶ Continue working with NTECC.
- ▶ Continue upgrading the In-Car Video Cameras.
- ▶ Upgrade the Mobile Data Computers (MDCs).
- ▶ Upgrade the Phone System.
- ▶ Upgrade PCs, iPads, and Laptops.
- ▶ Replace Anti-Virus Application.
- ▶ Upgrade Munis v.2021.
- ▶ Upgrade Tyler Content Management (TCM) v.2021.
- ▶ Upgrade Tyler Cashiering v.2021.
- ▶ Facilitate the CAD system upgrade and integration with Town systems.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	1,155,062	1,239,603	1,198,317	1,311,358
Supplies	30,218	55,430	55,430	55,655
Maintenance	587,327	851,110	851,110	923,615
Contractual Services	73,772	93,015	93,015	110,088
Capital Replacement/Lease	30,806	17,892	17,892	17,892
Capital Outlay	20,151	-	-	-

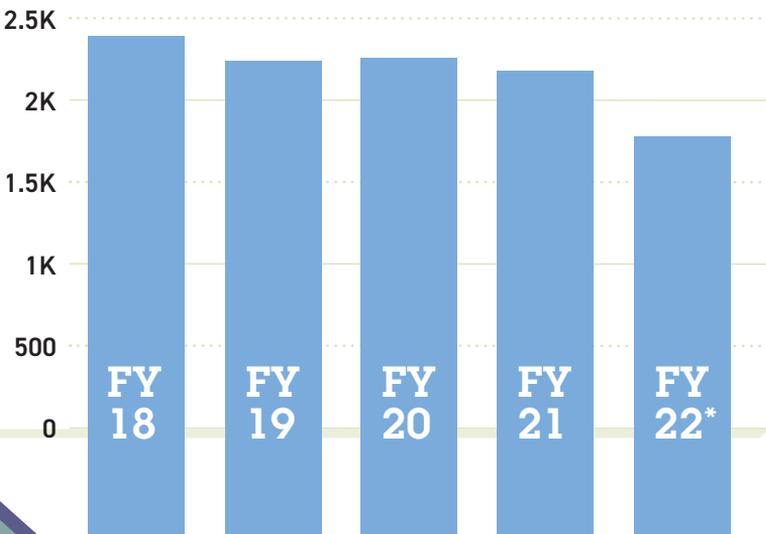
**TOTAL DEPT BUDGET**                      \$1,897,336    \$2,257,050    \$2,215,764    \$2,418,608

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Executive Dir. of Bus. Performance	47	1.0	1.0	1.0	1.0
Assistant Dir. of Info. Technology <sup>1</sup>	40	0.0	0.0	0.0	1.0
Senior Software Developer	38	1.0	1.0	1.0	0.0
Network Specialist	38	5.0	5.0	5.0	5.0

**TOTAL**    7.0                      7.0                      7.0                      7.0

**Number of Service Calls**

*\* FY2022 is through 3rd quarter.*



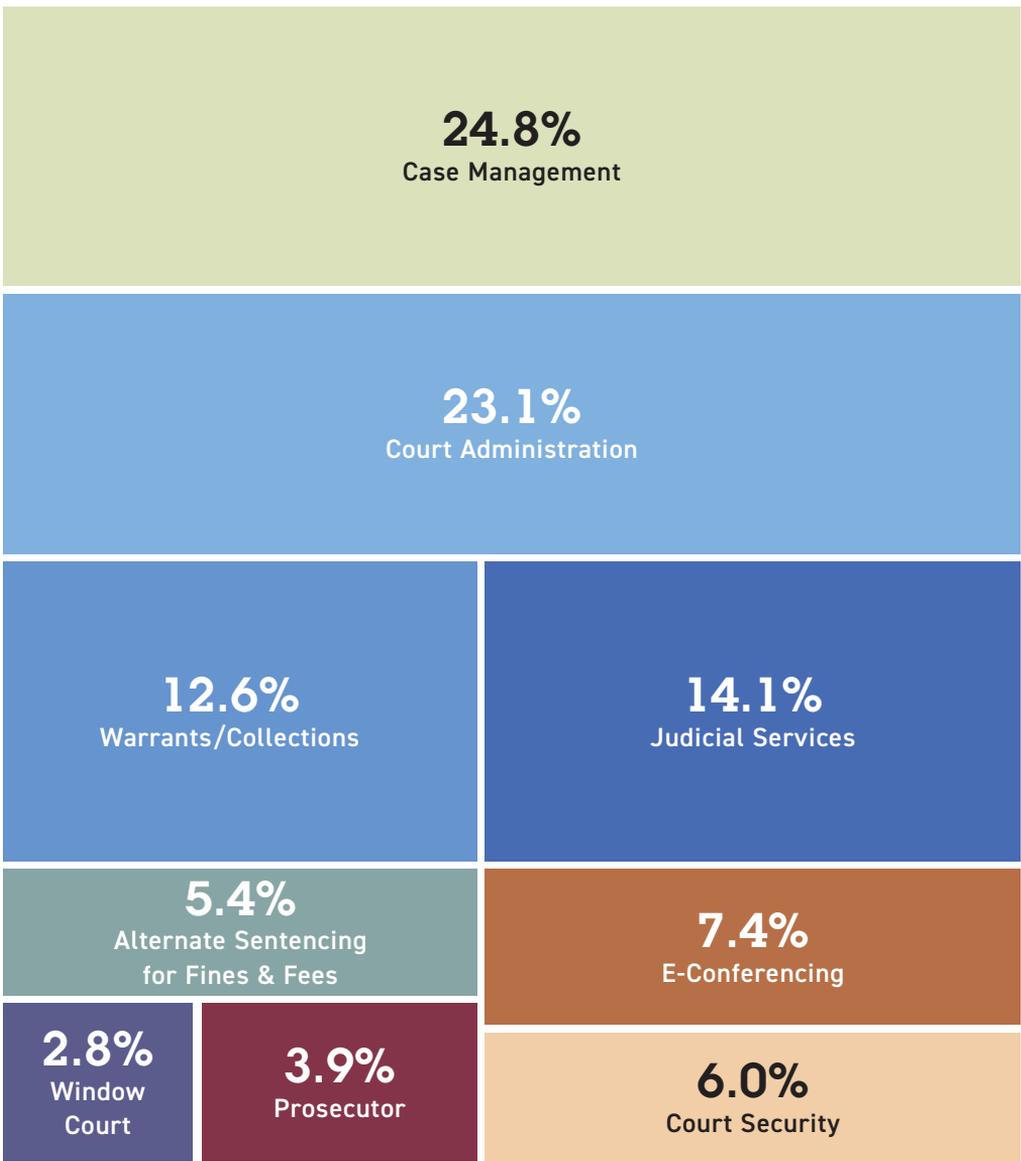


# Municipal Court

## Department Mission

Provide an impartial forum to adjudicate the charges brought by the State against an individual, provide a high level of integrity, professionalism, and customer service so that trust and accountability is exemplified to the public.

## Percentage of Program Costs



<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	497,195	516,729	516,729	544,946
Supplies	5,147	8,137	8,137	8,436
Maintenance	66,863	79,259	79,259	77,600
Contractual Services	48,236	81,439	81,439	83,324
Capital Replacement/Lease	29,012	27,173	27,173	27,173
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$646,453</b>	<b>\$712,737</b>	<b>\$712,737</b>	<b>\$741,479</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Municipal Judge <sup>1</sup>	N/C	1.0	1.0	1.0	1.0
Municipal Court Administrator	35	1.0	1.0	1.0	1.0
Lead Court Clerk	23	1.0	1.0	1.0	1.0
Deputy Court Clerk	21	2.0	2.0	2.0	2.0
<b>TOTAL</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

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

## Program Narrative

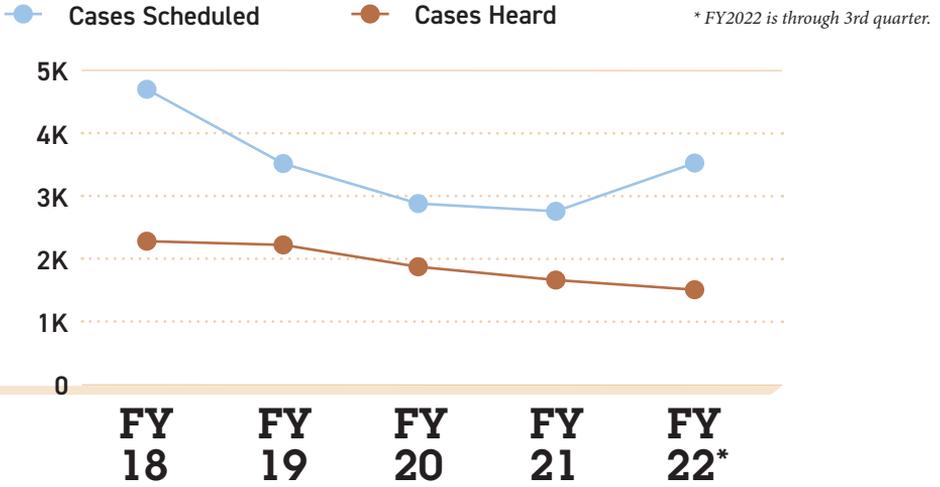
### Accomplishments of FY2022

- ▶ Utilized and improved technology to permit video conferences with the Judge and Prosecutor to resolve cases without appearing in person. Processed all paperwork through email.
- ▶ Cross-trained two court employees.
- ▶ Ensured that all employees were up to date on continuing education.
- ▶ Evaluated new laws passed during the 2021 Texas Legislative Session to determine their impact on court procedures and implement necessary changes.
- ▶ All Court Clerks have obtained Level I court clerk's certification.

### Objectives for FY2023

- ▶ Bi-yearly audit of active warrants by comparing regional list with Incode list.
- ▶ House Bill 569 increased the minimum daily allowance for time serve to \$150 per day and requires the Court to notify the defendant that they may be entitled to a credit toward any fine or costs owed to the Court if the defendant was confined in jail after the commission of the Class C offense.
- ▶ Update the policy and procedure manual.
- ▶ Ensure that all employees stay up to date on continuing education.

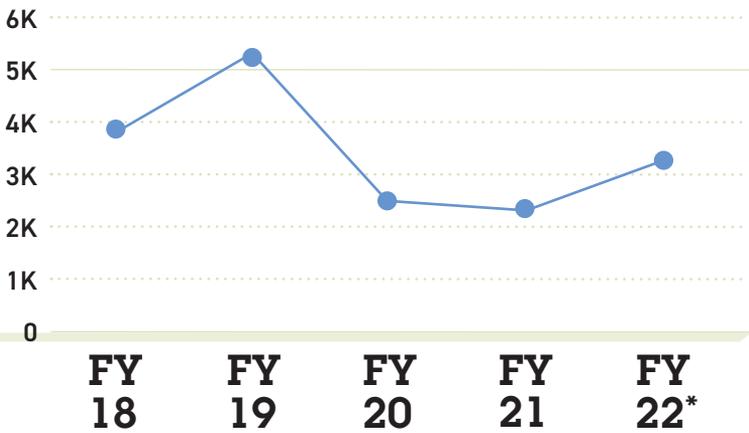
### Court Cases



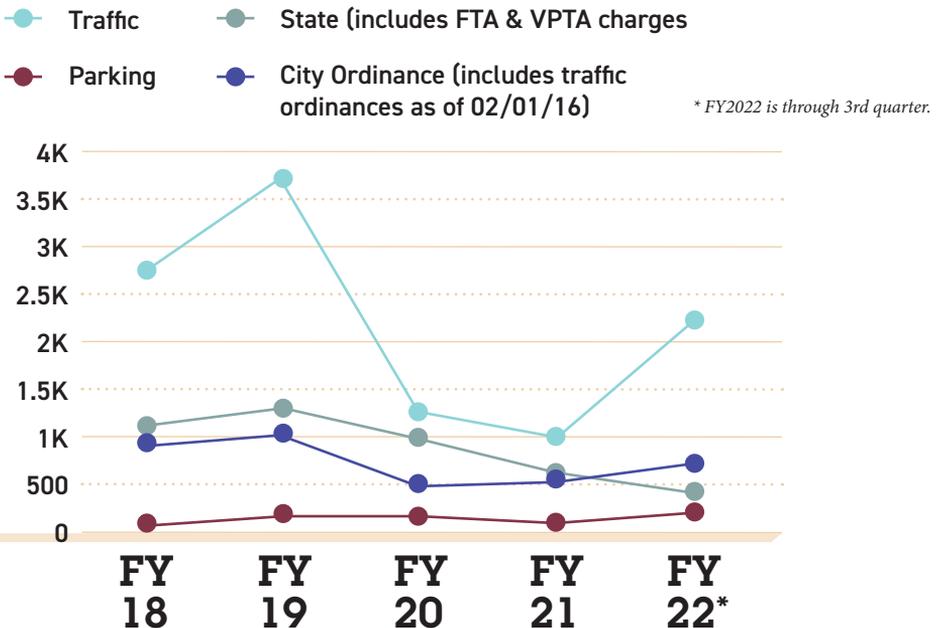
### Citations Issued

(doesn't include FTA & VPTA charges)

\* FY2022 is through 3rd quarter.



### Violations Issues by Type



# Parks & Rec:

## Parks

### Department Mission

To preserve and enhance Addison's exceptional quality of life and work-life environment by maximizing the recreational, social, economic, environmental and placemaking benefits of the community's parks, trails, green spaces, and recreation facilities.

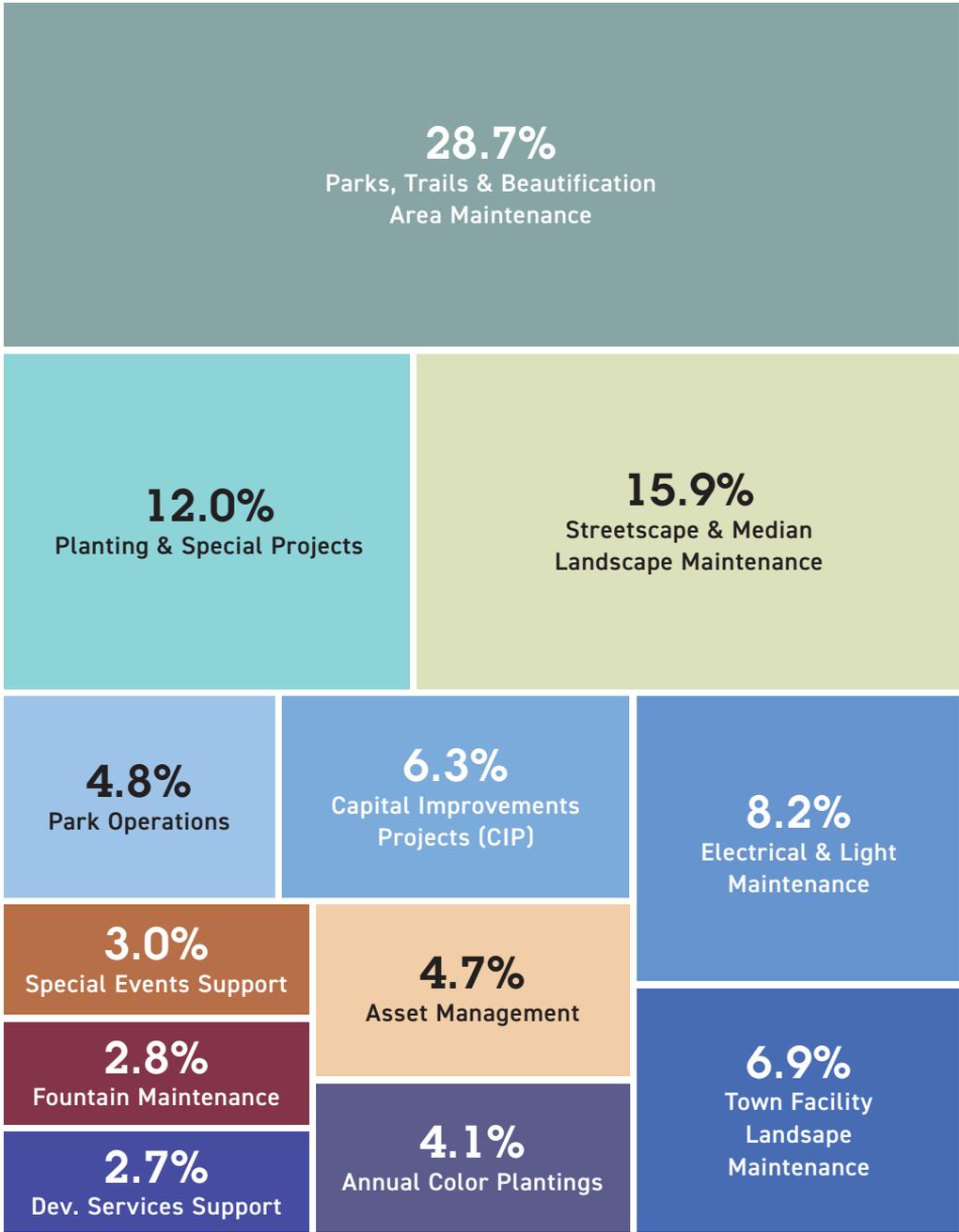
Parks is responsible for maintaining and stewarding 113+ acres of land that is comprised of 15 public parks, 5 greenbelts, 1 school recreation facility, and 65 acres of beautification areas and the associated fixed assets for each.

### Program Narrative

#### Accomplishments of FY2022

- ▶ Continued to implement the Central Control Irrigation System and convert North Addison, Quorum, Bosque, and Spruill Parks.
- ▶ Continued to restore landscape areas:
  - Replaced shrubs and trees that were lost from February 2021 freeze, this weather event caused damaged throughout Addison Parks, ROW and Beautification areas.
  - Restored Belt Line Road Landscape from Montfort Drive to Preston,
  - Completed the pruning and survey for the Vitruvian Park Erosion Control Project and will start to develop a grading plan and site cross sections,
  - Currently planning to restore Celestial Station and Quorum Park Landscape Improvements and will be completed by the end of the budget year
- ▶ Continued to implement and update park assets that are categorized as red in the Asset Management Plan.
- ▶ Formed a crew and is successfully addressing litter issues in the Parks, ROW and Beautification areas.
- ▶ Partnered with Recreation to increase programming and held events such as Pop-up Play, Yoga in the Park, Touch a Truck, and supported Special Events at the Rec the Night and Pints and Pups
- ▶ Began converting Les Lacs Park Basketball Court to Pickleball Courts.
- ▶ Improved in house process for documenting and tracking tree mitigation for all town managed sites.
- ▶ Completed replacement of trees lost in the February 2020 storm.
- ▶ Continued the implementation of the City-Wide Trails Master Plan and began working on the schematic design of the Beltway Trail Project.

## Percentage of Program Costs



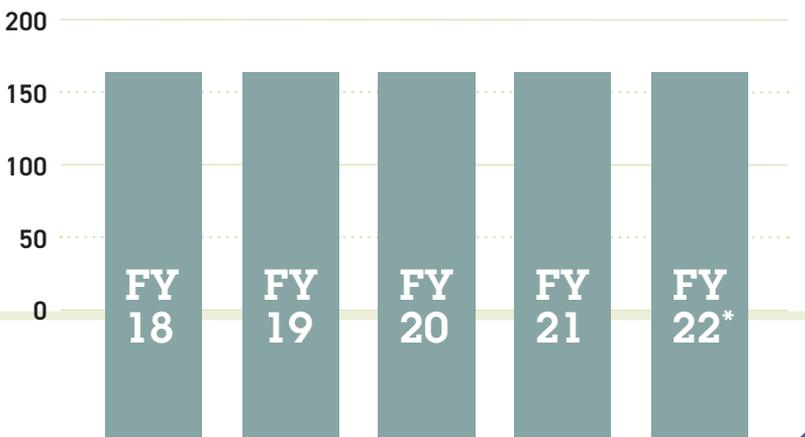
Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	1,750,999	1,928,745	1,943,087	2,149,516
Supplies	380,279	363,102	347,384	417,388
Maintenance	717,748	798,525	798,554	650,106
Contractual Services	1,052,457	1,186,750	1,167,495	1,235,301
Capital Replacement/Lease	79,632	120,734	120,734	120,734
Capital Outlay	85,258	107,363	97,363	178,000
<b>TOTAL DEPT BUDGET</b>	<b>\$4,066,373</b>	<b>\$4,505,219</b>	<b>\$4,474,617</b>	<b>\$4,751,045</b>

## Objectives for FY2023

- ▶ Continue to implement central control irrigation system at North Addison, Quorum, Bosque, Spruill, Beckert, and Parkview Park.
- ▶ Continue to restore landscape areas that have been impacted by increased shade caused by mature tree canopies at Quorum Park, Vitruvian Park Erosion Control, Beltway Medians, Les Lacs Park and Addison Circle Park.
- ▶ Continue to implement the Asset Management Plan with a focus on Les Lacs Park pavilion and playground tables, bollard replacement in Addison Circle District, and concrete repairs various parks trails.
- ▶ Form a Trash and Projects crew to address growing park demands. Crew would work Tuesday-Saturday, help with Imagination Playground programming and work on asset management projects.
- ▶ Continue to implement Parks, Recreation, and Open Space (PROS) Master Plan by:
  - Partnering with recreation to increase programming schedule to activate the northern edge of the park
  - Implementing improvements in Addison Circle Park to activate the northern edge of the park
  - Development of a conceptual plan for Town Park based on priorities identified in PROS
  - Providing more pickleball opportunities to meet the growing demands of the sport.
- ▶ Continue to identify and apply for grant funding with a specific focus on:
  - Submission of Beltway Trail conceptual design for Texas Parks and Wildlife Grant request by February 1, 2022 (maximum grant amount \$200,000).
  - Submission of Town Park conceptual design for Texas Parks and Wildlife Grant request by October 1, 2021 (maximum grant amount \$750,000).
- ▶ Continue to develop and implement a Forestry Management Plan, specifically focusing on:
  - Updating trees in GIS that have been removed and including new trees that have been planted since the last tree survey was conducted.
  - Continue efforts to replace trees lost during the June 2020 storm.
  - Improving in-house processes for tree mitigation.
- ▶ Begin to implement the City-Wide Trails Master plan and develop conceptual plans for Beltway Road and Westgrove Road trail corridors.
- ▶ Improve response time to Fix it App requests and reduce response time from approximately 9 days to 7 days.

## Acres Maintained

\* FY2022 is through 3rd quarter.



Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Director of Parks and Recreation	44	1.0	1.0	1.0	1.0
Assistant Director of Parks <sup>1</sup>	38	0.0	0.0	1.0	1.0
Parks Superintendent	35	1.0	1.0	1.0	1.0
Parks Contracts & Forestry Manager <sup>2</sup>	33	1.0	1.0	2.0	2.0
Landscape Architect	32	1.0	1.0	0.0	0.0
Parks Supervisor	27	4.0	5.0	4.0	4.0
Parks Supervisor Trainee <sup>3</sup>	26	0.0	0.0	1.0	1.0
Electrician	25	1.0	1.0	1.0	1.0
Management Assistant	25	0.0	1.0	1.0	1.0
Electrician Apprentice	23	1.0	1.0	1.0	1.0
Licensed Irrigator II	23	1.0	1.0	1.0	1.0
Groundskeeper – III	22	1.0	0.0	0.0	0.0
Licensed Irrigator I	21	2.0	2.0	1.0	1.0
Department Assistant	20	1.0	0.0	0.0	0.0
Groundskeeper – II <sup>4</sup>	20	2.0	2.0	4.0	4.0
Groundskeeper – I	18	8.0	8.0	6.0	6.0
<b>TOTAL</b>		<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

<sup>1</sup> This position was reclassified from Landscape Architect to Assistant Director of Parks mid-year in FY 2022.

<sup>2</sup> This position was reclassified from Licensed Irrigator I to Parks Contracts and Forestry Manager mid-year in FY 2022.

<sup>3</sup> This position was reclassified from Parks Supervisor to Parks Supervisor Trainee mid-year in FY 2022.

<sup>4</sup> This position was reclassified from Groundskeeper I to Groundskeeper II mid-year in FY 2022.



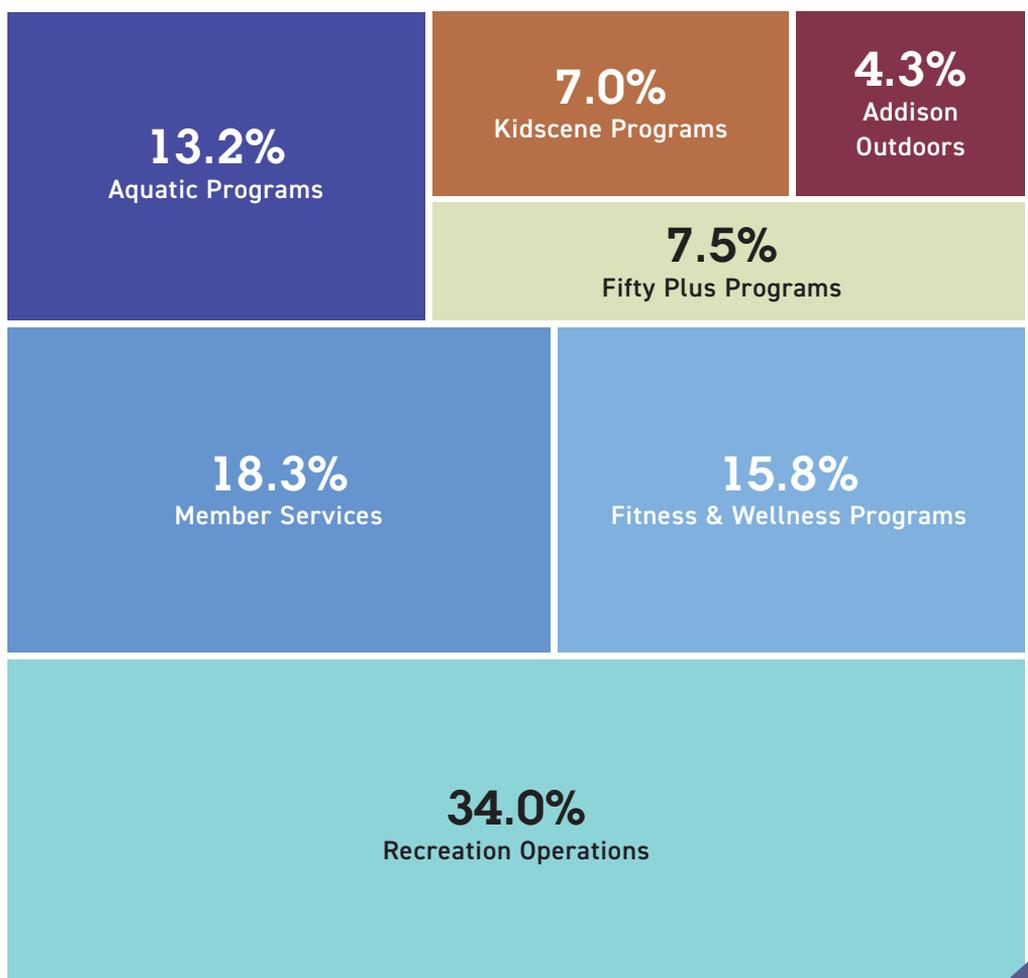
# Parks & Rec: Recreation

## Department Mission

To preserve and enhance Addison's exceptional quality of life and work-life environment by maximizing the recreational, social, economic and environmental benefits of the community's award-winning parks, trails, green spaces and recreation facilities.

Recreation is responsible for staffing and stewarding the Addison Athletic Club (AAC). Approximately 60 fitness, senior, adult and children's programs are offered within the Addison Athletic Club. Addison Athletic Club staff also coordinate and promote fitness opportunities outside of the AAC including Addison Outdoors and other community-based events.

## Percentage of Program Costs



## Program Narrative

### Accomplishments of FY2022

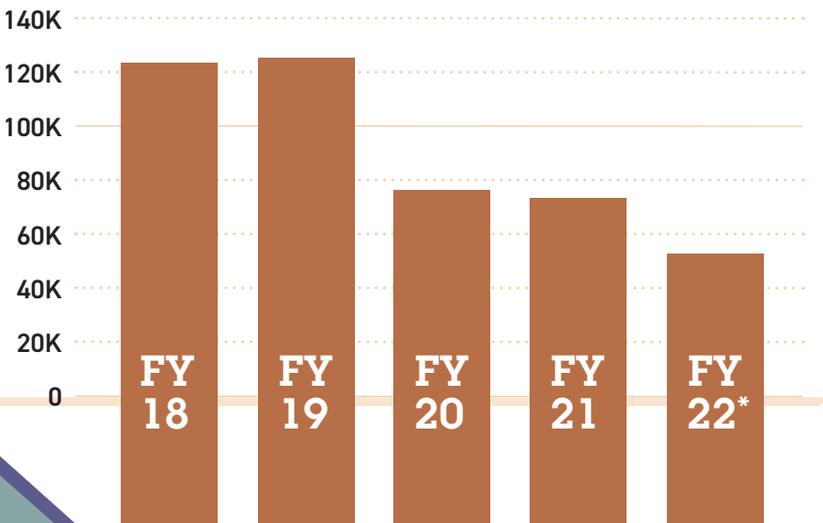
- ▶ Coordinated 20-30 Addison Outdoor classes per week such as Camp Gladiator, Goat Yoga, Addison Circle Yoga, and dog training.
- ▶ Expanded annual Corporate Field Day by growing sponsorship opportunities and bringing the business community together.
- ▶ Oversaw the completion of construction for building renovations. During construction staff continued to keep Athletic Club open while offering fitness classes and recreation programs.
- ▶ Recreation Manager focused on re-emphasizing programs for all ages as we returned to normal operations.
- ▶ Conducted a recreation programs survey with over 230 members participating in the survey.
- ▶ Upgraded Member Services by hiring new Member Services Supervisor to supervise Club memberships, front line staff, and issuing of cards and parks reservations. Began leadership training for supervisors.

### Objectives for FY2023

- ▶ Grow Recreation and Fitness program offerings, while adjusting programs in response to member survey feedback.
- ▶ Work with General Services to replace weight room treadmills.
- ▶ Monitor and plan for future needs including gym and racquetball court floor refinishing, indoor pool filter replacement, and outdoor pool facelift.
- ▶ Complete supervisor leadership training.
- ▶ Develop promotional video to help attract seasonal help. Stay abreast of market trends related to seasonal positions.
- ▶ Expand staff safety training and develop training documentation log.
- ▶ Continue Parks and Recreation holiday team building party.
- ▶ Continue to grow and expand Addison Outdoors Programs.
- ▶ Expand participation of Corporate Field Day.
- ▶ Continue to analyze and improve sustainability plans for operation and maintenance of the AAC.
- ▶ Identify ways to maximize the utilization of the fitness wing post renovation.

### Athletic Club Facility Usage (Visits)

\* FY2022 is through 3rd quarter.



<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	931,031	1,017,816	1,017,816	1,100,427
Supplies	151,392	176,872	176,872	180,894
Maintenance	182,906	201,980	201,980	205,530
Contractual Services	293,710	357,301	357,301	380,394
Capital Replacement/Lease	59,161	36,727	36,727	36,727
Capital Outlay	10,968	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,629,168</b>	<b>\$1,790,696</b>	<b>\$1,790,696</b>	<b>\$1,903,972</b>

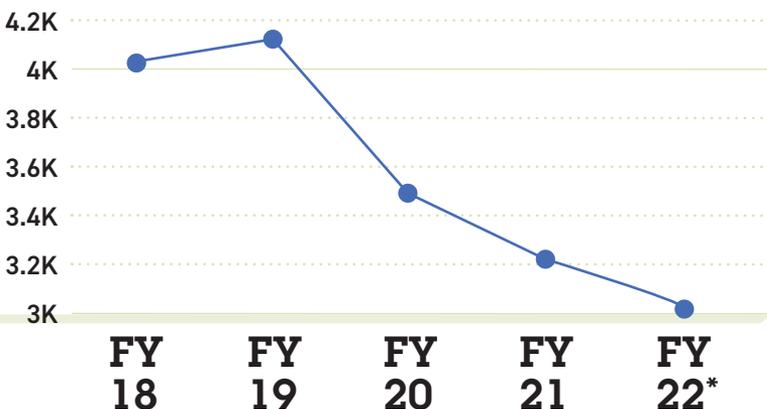
<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Assistant Director of Recreation	38	1.0	1.0	1.0	1.0
Recreation Manager	33	0.0	1.0	1.0	1.0
Fitness Supervisor <sup>1</sup>	27	0.0	0.0	1.0	1.0
Rec. Member Services Supervisor <sup>2</sup>	27	0.0	0.0	1.0	1.0
Recreation Supervisor	27	2.0	1.0	1.0	1.0
Recreation Coordinator	23	2.0	2.0	1.0	1.0
Department Assistant	20	1.0	1.0	1.0	1.0
Childcare Assistant	18	1.0	1.0	1.0	1.0
Pool Supervisor	18	0.2	0.2	0.2	0.2
Recreation Assistant	18	3.5	3.5	3.5	3.5
Senior Lifeguard	16	0.2	0.2	0.2	0.2
Custodian	15	1.0	1.0	1.0	1.0
Facility Attendant	15	1.0	1.0	1.0	1.0
Camp Counselor	13	0.8	0.8	0.8	0.8
Lifeguard	11	2.0	2.0	2.0	2.0
<b>TOTAL</b>		<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>

<sup>1</sup> This position was reclassified from Department Assistant to Fitness Supervisor mid-year in FY 2022.

<sup>2</sup> This position was reclassified from Recreation Coordinator to Recreation Member Services Supervisor mid-year in FY 2022.

### Active Members

\* FY2022 is through 3rd quarter.



# Police

## Department Mission

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

## Program Narrative

### Accomplishments of FY2022

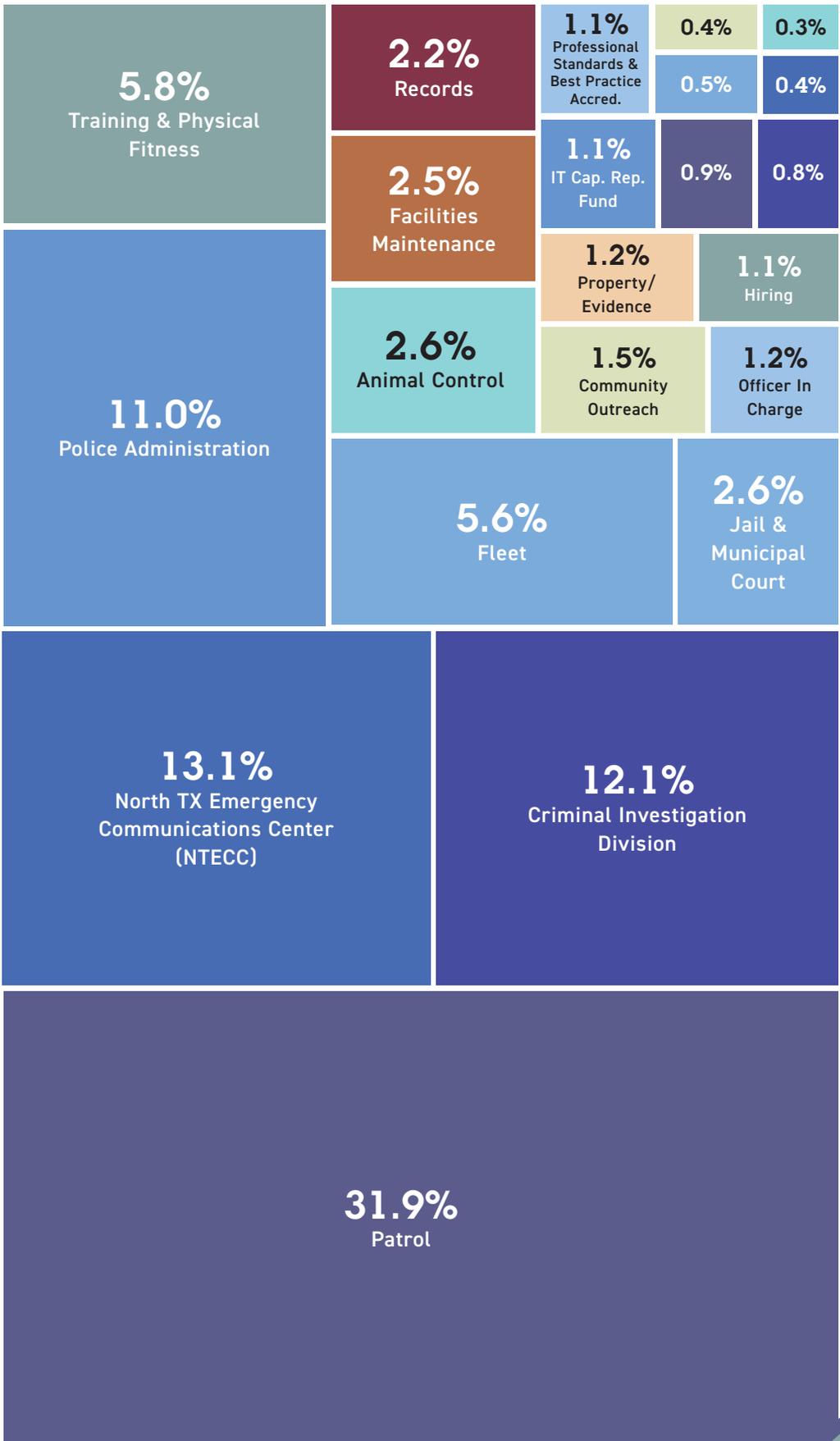
- ▶ Completed Phase 2 of License Plate Recognition/Optical Camera System.
- ▶ Maintained a high level of service during the COVID pandemic.
- ▶ Replaced In-Car and Body-Worn camera systems.
- ▶ Assisted NTECC in the selection of CAD (Computer-Aided Dispatch) System.
- ▶ Implementation of Peer Support Program.

### Objectives for FY2023

- ▶ Assist NTECC in the replacement of CAD (Computer-Aided Dispatch) System.
- ▶ Rectify Animal Control office/storage space dilemma.
- ▶ Continue to work with Metrocrest Social Services and partner cities to address homelessness and community mental health issues.
- ▶ Complete firearms range ventilation project (approved bond project).
- ▶ Receive completed Meadows Mental Health Policy Institute Metrocrest Quad Cities Report.
- ▶ Transition Detention Services to a new partner city.
- ▶ Expand Mental Health Services for employees.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	8,332,305	8,723,393	8,723,393	9,398,070
Supplies	291,779	267,174	254,674	274,428
Maintenance	287,451	275,607	285,366	306,943
Contractual Services	660,995	847,319	767,805	950,822
Capital Replacement/Lease	641,719	432,552	432,552	432,552
Capital Outlay	74,367	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$10,288,616</b>	<b>\$10,546,045</b>	<b>\$10,463,790</b>	<b>\$11,362,815</b>

## Percentage of Program Costs



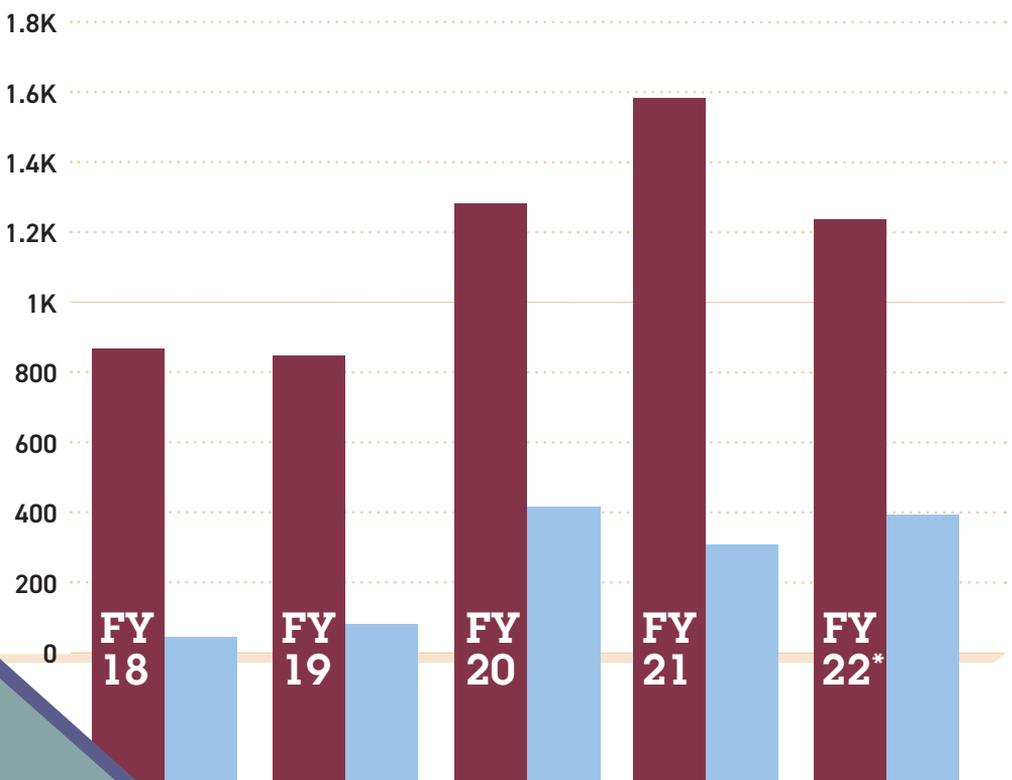
Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Police Chief	46	1.0	1.0	1.0	1.0
Assistant Police Chief	P6	1.0	1.0	1.0	1.0
Captain	P5	1.0	1.0	1.0	1.0
Lieutenant	P4	5.0	5.0	5.0	5.0
Sergeant	P3	8.0	8.0	8.0	8.0
Police Officer	P2	47.0	47.0	47.0	47.0
Police Records Supervisor	27	1.0	1.0	1.0	1.0
Animal Control Supervisor	26	1.0	1.0	1.0	1.0
Management Assistant	25	0.0	1.0	1.0	1.0
Crime Analyst	25	1.0	1.0	1.0	1.0
Animal Control Officer	21	2.0	2.0	2.0	2.0
Property & Evidence Technician	21	1.0	1.0	1.0	1.0
Department Assistant	20	3.0	2.0	2.0	2.0
Police Records Clerk <sup>1</sup>	20	2.0	2.0	2.0	3.0
<b>TOTAL</b>		<b>74.0</b>	<b>74.0</b>	<b>74.0</b>	<b>75.0</b>

<sup>1</sup> An additional Police Records Clerk (1.0 FTE) position was added in FY2023.

### Historical UCR Property & Persons Crimes

- ▶ Crimes Against Property
- ▶ Crimes Against Persons

\* In 2020 the National Incident Based Reporting System (NIBRS) made a change in its crime reporting structure. The increase in crimes in FY 2020 and FY 2021 are reflective of the change in methodology for counting crimes, not an increase in crime.  
\* FY2022 is through 3rd quarter.



# Public Works & Engineering: Streets

## Department Mission

The mission of the Public Works and Engineering Services Department is to provide quality services related to the provision of water and sanitary sewer services, street maintenance, and stormwater drainage in a compliant, proactive, and professional manner.

The Streets Division of the Public Works and Engineering Services Department is responsible for:

- ▶ Maintaining streets, sidewalks, traffic signals, Town-owned street lighting, signs, and pavement markings.
- ▶ Picking up and disposing of brush, bulk, and household hazardous waste.
- ▶ Managing, inspecting, and implementing all street/signal related capital projects.

## Program Narrative

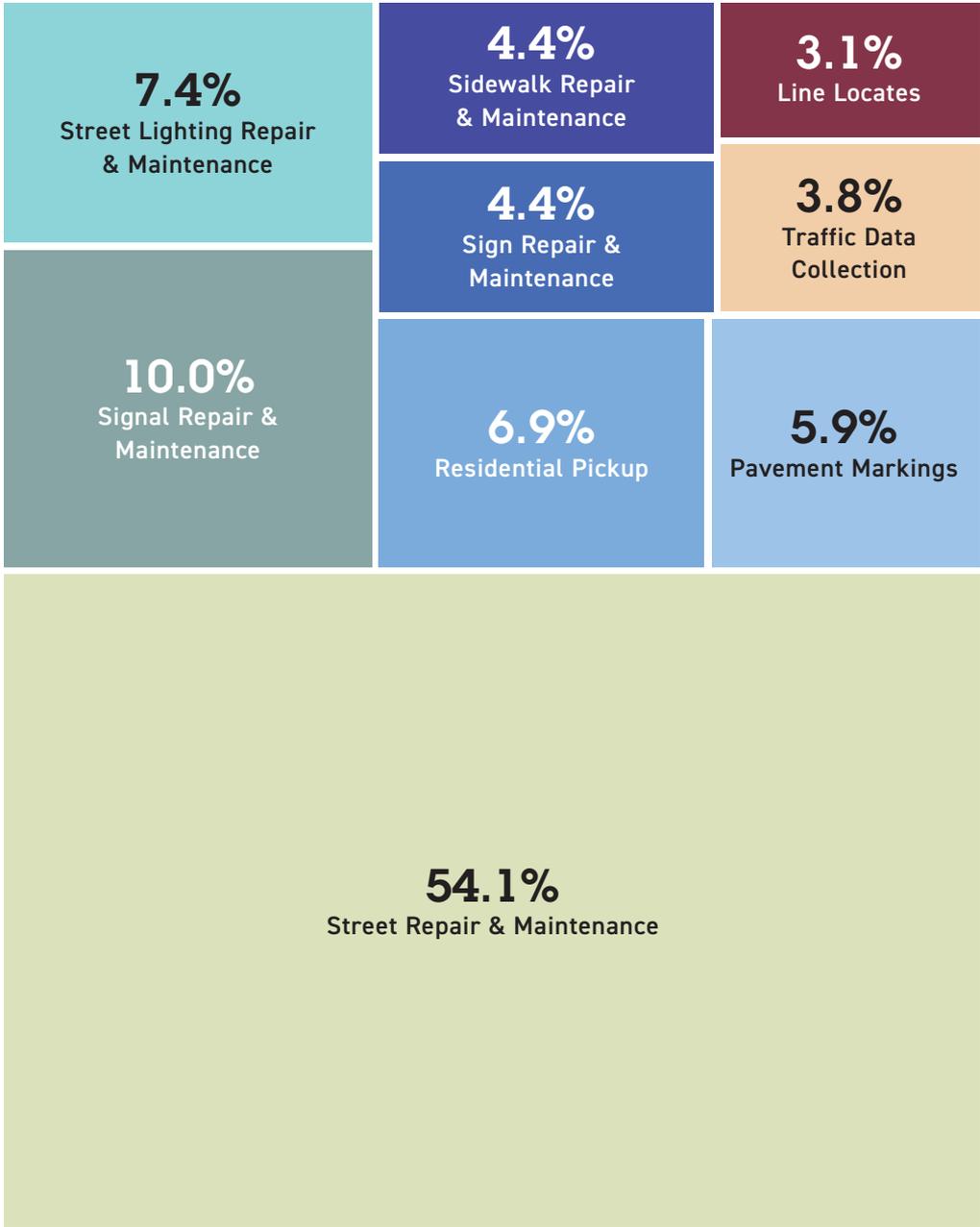
### Accomplishments of FY2022

- ▶ Began construction on Bella Lane Extension with Farmers Branch and Dallas County College.
- ▶ Finished design and of Keller Springs Road Reconstruction.
- ▶ Began construction of three traffic signals and ADA improvements on Belt Line Road and Addison Road.
- ▶ Finished design of Airport Parkway Reconstruction.
- ▶ Continued Construction on Midway Road.
- ▶ Additional \$1.9M for maintenance for Addison Road / Belt Line and various other areas.
- ▶ Dallas County PSA for Addison Road maintenance worth up to \$500,000.
- ▶ Painted blue span arches on the Wheeler Bridge.

### Objectives for FY2023

- ▶ Continue outstanding service on bulk trash service requests.
- ▶ Finish the south segment of Midway Road and begin major pavement operations on the north segment.
- ▶ Begin construction on Keller Spring Road.

## Percentage of Program Costs



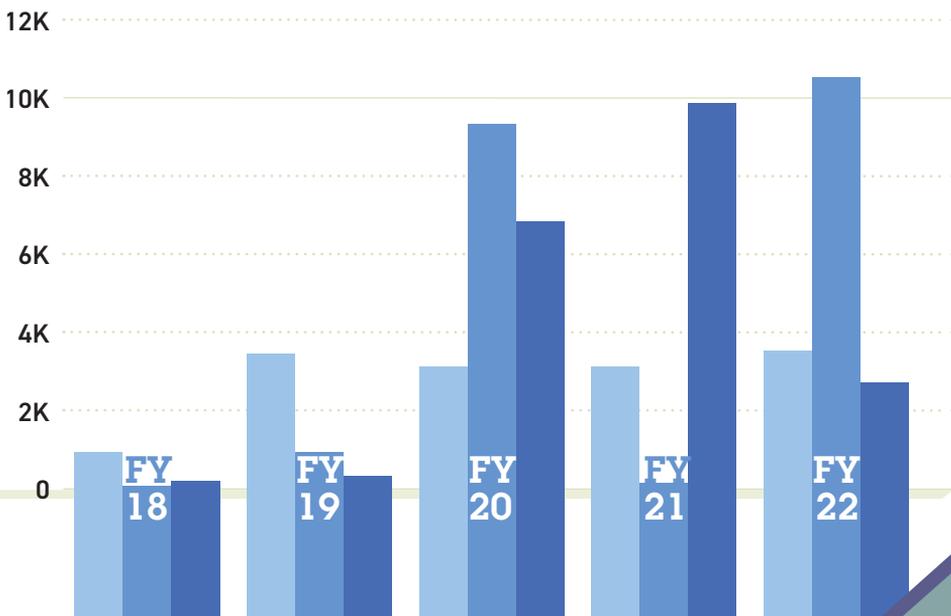
Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	375,259	428,404	401,368	483,739
Supplies	40,233	45,090	44,518	59,250
Maintenance	565,136	819,300	819,827	832,840
Contractual Services	725,290	701,427	685,919	717,970
Capital Replacement/Lease	63,824	142,201	142,201	142,201
Capital Outlay	181,846	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$1,951,588</b>	<b>\$2,136,422</b>	<b>\$2,093,833</b>	<b>\$2,236,000</b>



Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Streets & Traffic Operations Manager	34	0.4	0.4	0.4	0.4
Street Maintenance Crew Leader	23	1.0	1.0	1.0	1.0
Signs and Signals Technician	23	2.0	2.0	2.0	2.0
Street Maintenance Worker	18	4.0	3.0	3.0	3.0
<b>TOTAL</b>		<b>7.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>

## Street Maintenance

- ▶ Concrete Repairs (SY)
- ▶ Asphalt Repairs (SY)
- ▶ Lane Marking Replacements (LF, in 00's)





The background features a pattern of overlapping light blue triangles and polygons on the left side. A dark maroon banner with a diagonal cutout on the right side is positioned in the upper half. At the bottom, there is a teal-colored banner with a diagonal cutout on the left side.

Hotel

Fund

# Hotel Fund

## Fund Description

The Hotel Fund accounts for the use of hotel/motel occupancy tax revenue generated by Addison's 22 hotels (representing over 3,600 rooms) and which is restricted by State legislation to directly enhancing and promoting tourism and the convention and hotel industry.

## Fund Narrative

### Concluding Fiscal Year Performance

At the time of budget adoption, FY2022 revenues were expected to total \$5,429,508. Hotel occupancy tax receipts are expected to increase 64.6 percent from actual FY2021.

### 2022-2023 Budget Narrative

Fund Revenues for fiscal year 2023 are expected to total \$6.0 million, a decrease of approximately \$1.4 million, or 19.4%. The primary reason for the decrease in revenue is due to a decrease in intergovernmental revenue of \$2.0 million that received from the American Recovery Plan Act Coronavirus Local Fiscal Recovery Fund (CLFRF) in FY2022. The Hotel Fund budget for FY2023 anticipates hotel occupancy tax collections to increase \$645,000 from the FY2022 budget. Barring inclement weather during scheduled events, special event income is expected to generate approximately \$1.13 million. Rental income from Theatre Centre rental income is projected at \$30,000. The Addison Conference Centre will remain closed for the entirety of fiscal year 2023 in order to provide the Hotel Fund time to recover from the loss of hotel occupancy taxes that are as a result of the effects of the pandemic.

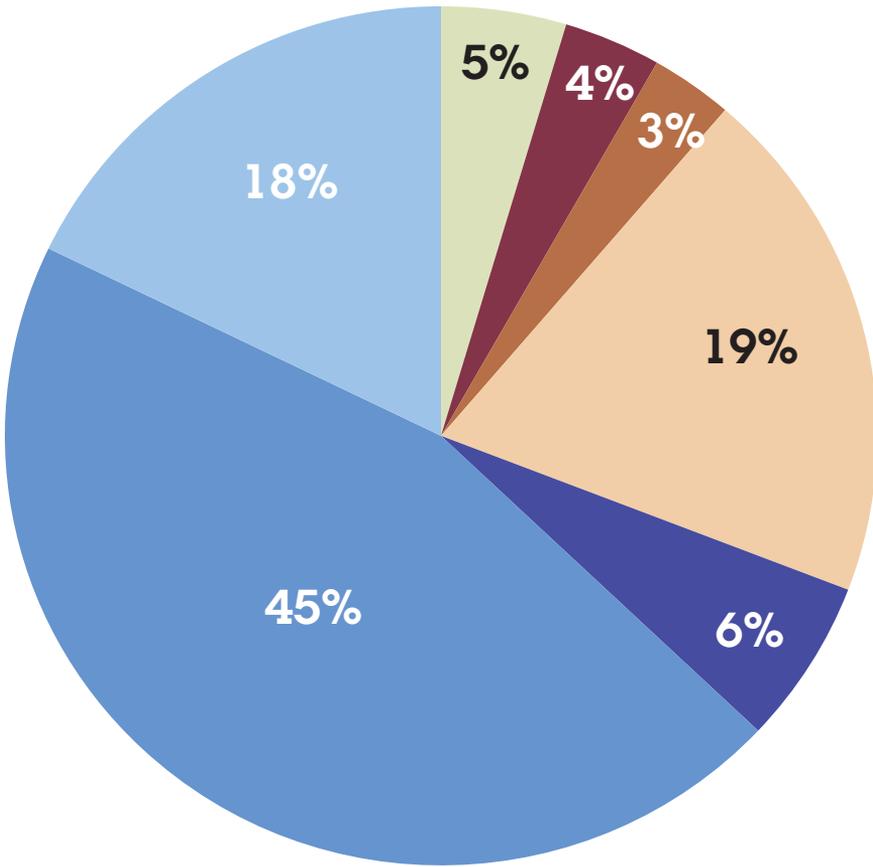
### Hotel Fund by Major Cost Category

Category	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	1,081,678	1,257,905	1,232,447	1,462,181
Supplies	38,023	57,005	53,505	57,259
Maintenance	285,255	341,543	337,733	376,166
Contractual Services	3,140,942	3,786,812	3,675,255	4,081,875
Capital Replacement/Lease	74,078	130,568	130,568	130,568
Capital Outlay	10,155	-	-	-

<b>TOTAL FUND BUDGET</b>	<b>\$4,630,131</b>	<b>\$5,573,833</b>	<b>\$5,429,508</b>	<b>\$6,108,049</b>
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**Hotel Fund Expenditures by Department**

- ▶ Addison Theatre Centre
- ▶ Comm. & Marketing
- ▶ Conference Centre
- ▶ General Hotel Op.
- ▶ Performing Arts
- ▶ Special Events
- ▶ Special Events Op.



Total fund operating expenditures excluding transfers for FY2023 are budgeted at \$6,138,049 which represents a 10.3 percent increase over the FY2022 budget. The budget increase is the result of higher contractual services costs for Special Event Operations and a \$30,000 increase for the funding of major theatre projects in Performing Arts.

The Hotel Fund budget includes a transfer of \$768,000 to the Economic Development Fund for Tourism department expenses. Fund balance for FY2023 is projected to be \$3,686,719, which is 60.4 percent of operating expenditures and exceeds the minimum balance required by the Town's financial policies.

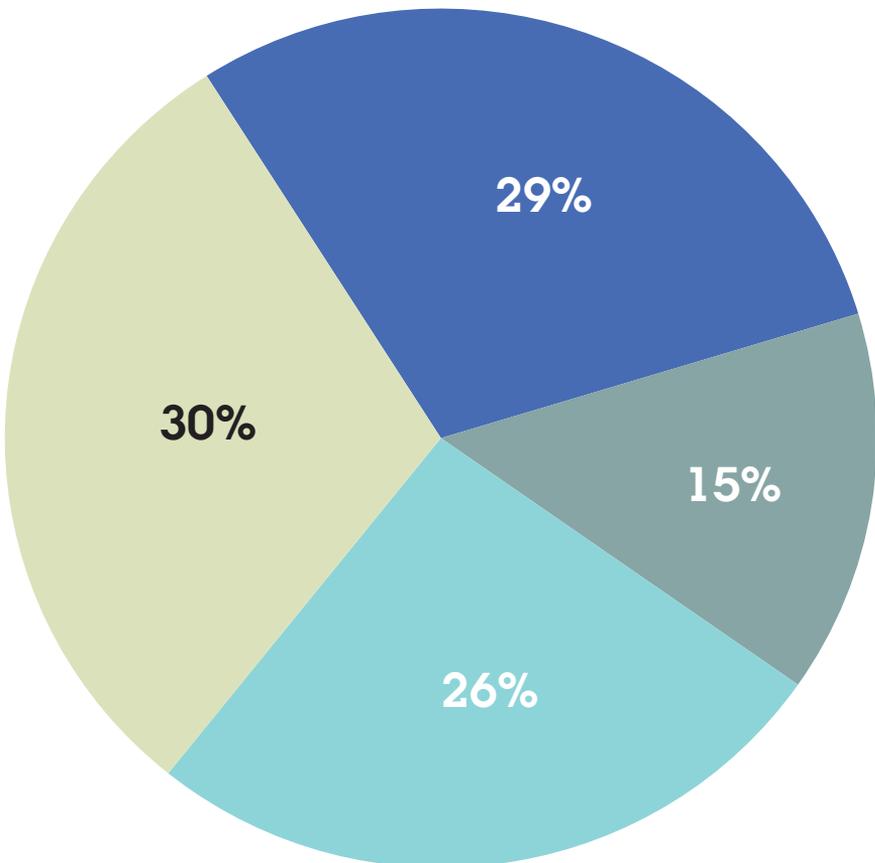


<b>Hotel Fund Statement of Revenue &amp; Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$3,449,095</b>	<b>\$2,285,310</b>	<b>\$3,008,840</b>	<b>\$4,615,668</b>
<b>Revenues</b>				
Hotel/motel occupancy taxes	2,523,560	4,155,000	4,155,000	4,800,000
Proceeds from special events	897,005	1,155,500	1,155,500	1,127,000
Conference Centre rental	86,403	85,000	85,000	30,000
Theatre Centre rental	1,014,871	2,014,736	2,014,736	-
Interest earnings and other	67,509	10,100	10,100	20,100
<b>TOTAL REVENUES</b>	<b>\$4,589,349</b>	<b>\$7,420,336</b>	<b>\$7,420,336</b>	<b>\$5,977,100</b>
<b>Total Available Resources</b>	<b>8,038,444</b>	<b>9,705,646</b>	<b>10,429,176</b>	<b>10,592,768</b>
<b>Expenditures</b>				
Addison Theatre Centre	261,323	275,208	275,208	283,279
Conference Centre	242,199	200,977	212,138	220,510
General Hotel Operations	23,085	198,129	164,114	186,197
Marketing	859,612	1,139,905	1,139,905	1,193,362
Performing Arts	375,989	329,089	329,089	379,089
Special Events	2,001,576	2,425,736	2,425,736	2,757,275
Special Events Operations	866,347	993,628	883,318	1,088,337
<b>Total Operational Expenditures</b>	<b>4,630,131</b>	<b>5,562,672</b>	<b>5,429,508</b>	<b>6,108,049</b>
<b>Other Financing Sources(Uses)</b>				
Transfer to Hotel Debt Service	-	-	-	-
Transfer to Economic Development	384,000	384,000	384,000	768,000
One-Time Decision Packages	-	-	-	30,000
<b>Capital Projects (Cash Funded)</b>				
Addison Circle Fountain Repair	15,473	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$5,029,604</b>	<b>\$5,946,672</b>	<b>\$5,813,508</b>	<b>\$6,906,049</b>
<b>ENDING FUND BALANCE</b>	<b>\$3,008,840</b>	<b>\$3,758,974</b>	<b>\$4,615,668</b>	<b>\$3,686,719</b>



Percentage  
of Rooms by  
Hotel Category

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

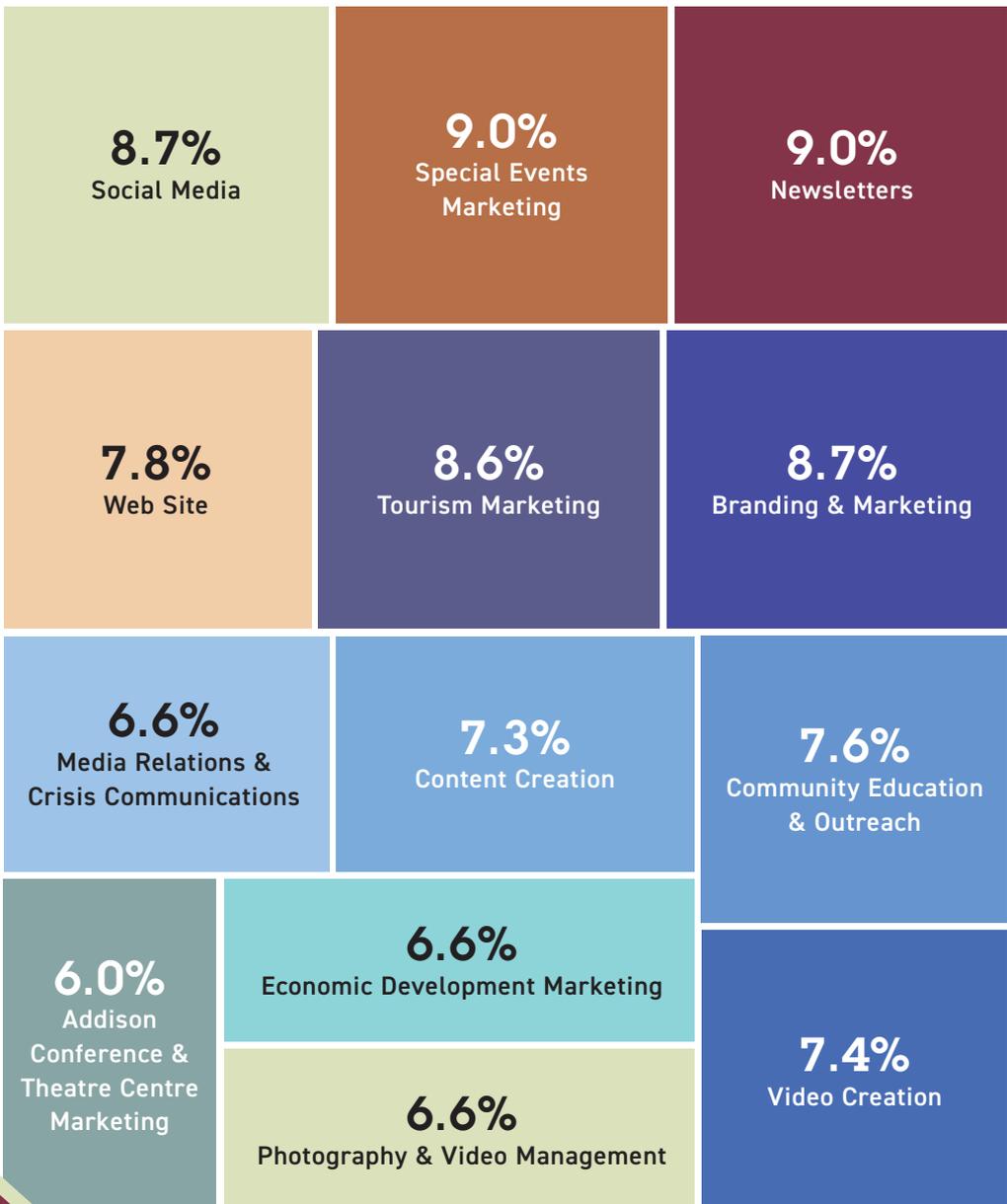


# Communications and Marketing

## Department Mission

To serve as the central point of contact for communications and marketing activities within the organization, as well as coordinate the Town's multi-tiered communication efforts externally to businesses, residents, and visitors to ensure they promote Addison's brand.

## Percentage of Program Costs



## Program Narrative

### Accomplishments of FY2022

- ▶ Launched Addison's first "Restaurant Month" with the Economic Development and Tourism (EDT) Department.
- ▶ Hosted two Town Meetings at the Renaissance Hotel.
- ▶ Engaged Crowdriff and completed training on the new user generated content platform.
- ▶ Created the second Popular Annual Financial Report.
- ▶ Together with EDT, won two Texas Association of Convention & Visitor Bureaus awards: first place video, Addison: At the Center of It All and second place local awareness campaign, Destination Addison.
- ▶ Awarded two Texas Association of Municipal Information Officer Awards of Excellence for the Tag-a-Kid Branding at Special Events and the 2019 Bond Brochure.
- ▶ Hosted a restaurateur meeting to provide a recap of Restaurant Month and updates on Special Events, Midway Road construction and marketing opportunities.
- ▶ Produced 52 weekly newsletters and 12 tourism newsletters.
- ▶ Supported other departments in marketing events such as Coworking in the Park, Earth Day, and Corporate Field Day.
- ▶ Executed the contract with Sunwest Communications and TruePoint Communications and completed onboarding for the TruePoint team.
- ▶ Worked with Economic Development and Sunwest to create and distribute a press release about the new Addison Circle transit-oriented development.
- ▶ Created two new videos for the Midway Road Revitalization Project and produced regular updates that were emailed and texted to subscribers, shared on Nextdoor and in the Town's weekly newsletter, and posted on social media.
- ▶ Created two new videos for the Athletic Club renovation and produced regular updates that were emailed and texted to subscribers and shared in the Town's weekly newsletter.
- ▶ Promoted Taste Addison, Kaboom Town!, Oktoberfest, and Addison After Dark, including video creation, public relations efforts, paid media placement, and social media posts. The efforts resulted in Addison being included in CNN's Fourth of July special production.
- ▶ Launched new marketing campaign promoting Addison Airport and the new U.S. Customs Facility for international travel. Also produced a U.S. Customs News Release to help generate additional exposure for the new facility.
- ▶ Updated the Town's Three-Year Strategic Communications Plan.
- ▶ Created brand standards for the new Belt Line Road electronic sign and updated use policies to include it.

**Objectives for FY2023**

- ▶ Continue to find new ways to stand out as a destination for leisure and business travel.
- ▶ Implement year one of the Three-Year Communication Plan.
- ▶ Collect data from Placer A.I. to get better understanding of who Addison’s visitors are and how to attract others that are similar.
- ▶ In collaboration with Tourism Department, create a welcome packet for new restaurants and hotels including information from several town departments applicable to restaurants.
- ▶ Continue to increase engagement on social media through use of paid writers/influencers, user-generated content, videos, reels, and stories.
- ▶ Work with TruePoint to create a new crisis communications plan.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	244,715	264,927	264,927	286,498
Supplies	2,678	2,533	2,533	3,227
Maintenance	10,047	2,246	2,246	15,460
Contractual Services	599,268	847,871	847,871	865,849
Capital Replacement/Lease	2,904	22,328	22,328	22,328
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$859,612</b>	<b>\$1,139,905</b>	<b>\$1,139,905</b>	<b>\$1,193,362</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Director of Public Comm. & Mktg.	42	1.0	1.0	1.0	1.0
Marketing & Public Comm. Specialist	27	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>



# Conference Centre

## Department Mission

To promote the meeting and tourism industry in Addison, providing a quality venue and supporting local hotels by generating overnight visits.

## Program Narrative

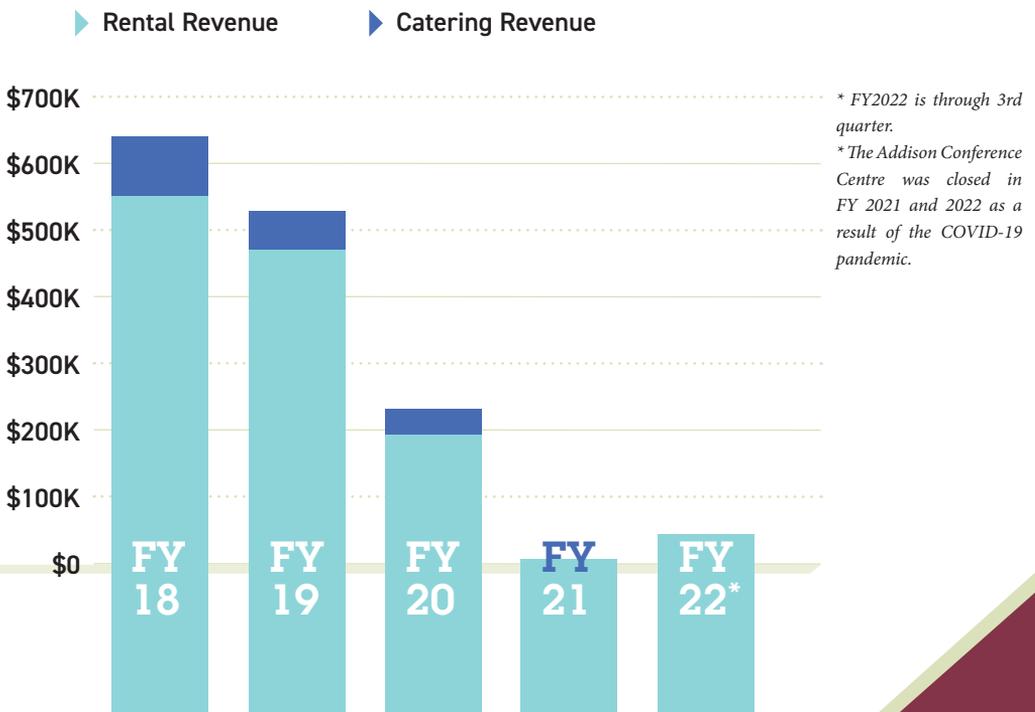
### Accomplishments of FY2022

- ▶ Facility was closed to the public for the entirety of FY2022.
- ▶ Used for VIP guests at Taste Addison, Addison Kaboom Town! and a third music stage at Addison Oktoberfest.
- ▶ Provided a meeting and training space for Addison Staff, used primarily by HR and Police.

### Objectives for FY2023

- ▶ Continue to offer a meeting and training space for Addison staff during standard business hours.
- ▶ Provide an indoor venue during Addison's three major festivals.

## Conference Centre Revenue



<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	-	-	-	-
Supplies	1,156	4,500	4,500	4,000
Maintenance	72,022	90,500	90,500	85,701
Contractual Services	135,080	100,417	100,417	114,088
Capital Replacement/Lease	23,786	16,721	16,721	16,721
Capital Outlay	10,155	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$242,199</b>	<b>\$212,138</b>	<b>\$212,138</b>	<b>\$220,510</b>

*In FY2021 8.0 FTEs were eliminated due to the closure of the Conference Centre. The Conference Centre will remain closed through FY 2023 in order to provide the Hotel Fund time to recover from the loss of hotel occupancy taxes as a result of the effects of COVID-19.*

### Percentage of Program Costs



# General Hotel Operations

## Department Mission

To verify and review that local hotels have properly remitted hotel occupancy taxes; coordinate cash management and proper internal control procedures for all Special Events; and coordinate non-profit organization grant funding from the Town of Addison.

## Program Narrative

Addison currently imposes a 7% municipal hotel tax on the cost of hotel accommodations. The objective is to determine if local hotels have properly collected, reported, and remitted hotel occupancy taxes to Addison. Addison also holds three major events throughout the year: Taste Addison, Kaboom Town!, and Oktoberfest. The objective is to accurately report and reconcile all transactions related to these events, while monitoring internal controls and cash management procedures. Addison currently funds certain non-profit organizations through a grant funding agreement. The objective is to assure compliance by monitoring the funding process, policies, and grant payments to the organizations.

## Accomplishments of FY2022

- ▶ Completed three hotel tax audits to ensure proper collection and administration of the Hotel Occupancy Tax.
- ▶ Coordinated with the City Manager’s Office in updating the current non-profit organization funding process to align with Council’s goal and vision for FY2023’s process.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	666	111,372	85,914	98,705
Supplies	253	3,700	1,700	3,700
Maintenance	-	-	-	-
Contractual Services	22,167	33,057	26,500	33,792
Capital Replacement/Lease	-	50,000	50,000	50,000
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$23,085</b>	<b>\$198,129</b>	<b>\$164,114</b>	<b>\$186,197</b>



**Objectives for FY2023**

- ▶ Coordinate and complete five on-site or remote hotel occupancy tax audits.
- ▶ Assure that cash management and appropriate processes are consistently followed for all special events and continue to monitor internal controls.
- ▶ Assure that the application process and funding payouts for non-profit organization grant funding are consistently followed.

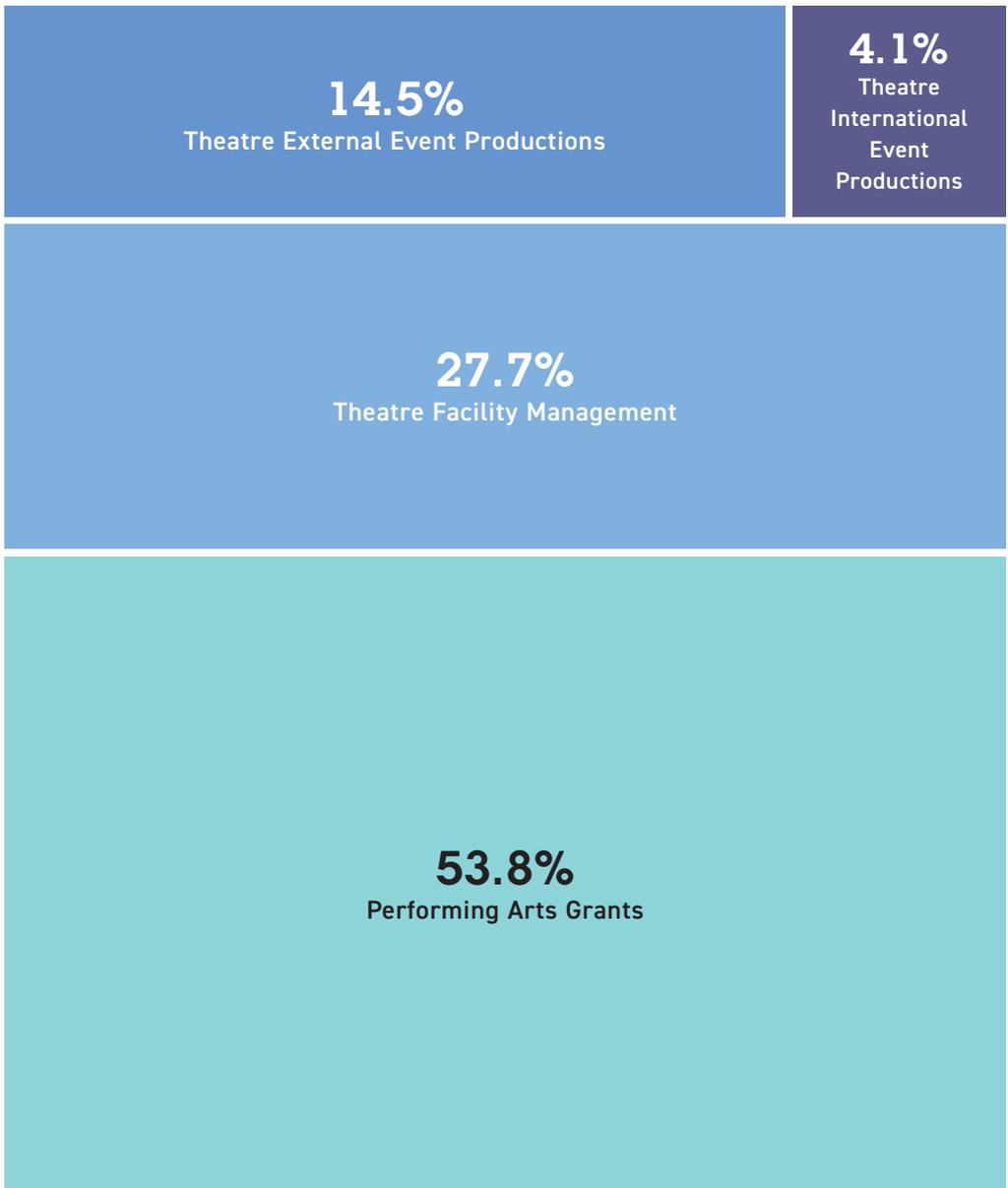
Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Senior Accountant	31	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Addison Theatre Centre

## Program Narrative

To enrich lives and enhance tourism to Addison by hosting and producing exceptional displays of the performing arts.

## Percentage of Program Costs



### Accomplishments of FY2022

- ▶ Increased bookings in the Studio Theatre to pre-pandemic levels.
- ▶ Used the PT Theatre Attendant position to successfully support an increase in non-resident Main Stage bookings.
- ▶ Worked with Marketing Department to better promote shows within the space.
- ▶ Developing the 2nd annual Addison Laugh Fest comedy weekend.

### Objectives for FY2023

- ▶ Revise fee structure to support ongoing increase in non-resident group bookings in both spaces.
- ▶ Expand the venue marketing plan to enhance brand awareness, attendance and rentals.
- ▶ Continue to grow Addison Laugh Fest.
- ▶ Address issues with aging equipment and facility.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	103,760	116,488	116,488	125,023
Supplies	16,742	27,000	27,000	27,300
Maintenance	52,035	47,371	47,371	45,311
Contractual Services	76,415	70,971	70,971	72,267
Capital Replacement/Lease	12,371	13,378	13,378	13,378
Capital Outlay	-	-	-	-
One-Time Decision Packages	-	-	-	30,000
<b>TOTAL DEPT BUDGET</b>	<b>\$261,323</b>	<b>\$275,208</b>	<b>\$275,208</b>	<b>\$313,279</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Technical Specialist	31	1.0	1.0	1.0	1.0
Theatre Centre Attendant	16	0.5	0.5	0.5	0.5
<b>TOTAL</b>		<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

# Performing Arts

## Department Mission

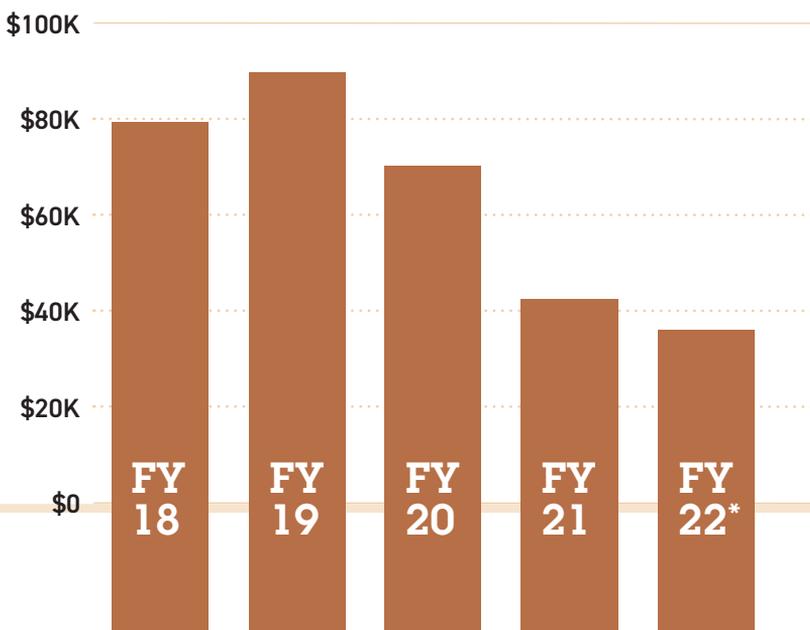
To promote a culture of performing arts in the Town of Addison; by doing so, we strengthen Addison as an arts and tourism destination.

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	375,989	329,089	329,089	379,089
Capital Replacement/Lease	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$375,989</b>	<b>\$329,089</b>	<b>\$329,089</b>	<b>\$379,089</b>

## Total Rental Revenue

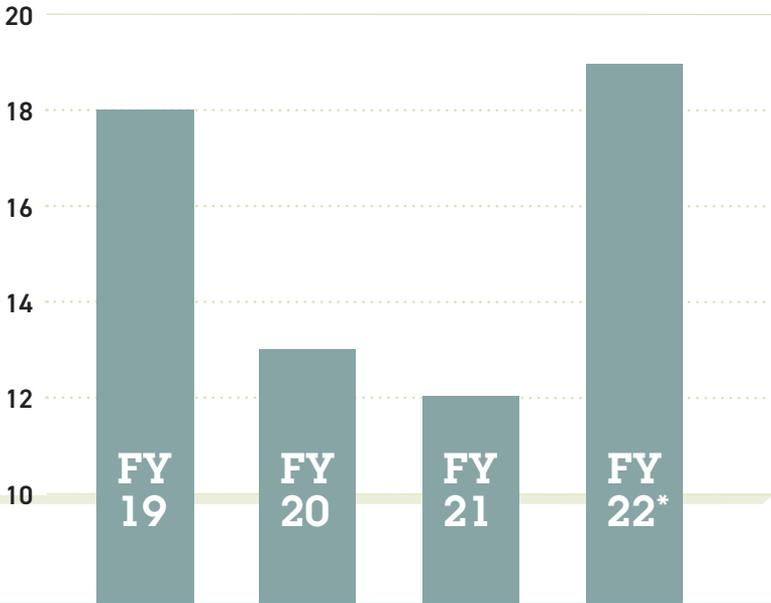
\* FY2022 is through 3rd quarter.

\* In FY 2021 the WaterTower Theatre was provided \$48,000 in in-kind rent through the grant process. As a result, Addison did not receive this revenue.



### Number of Organizations Renting Space

\* FY2022 is through 3rd quarter.

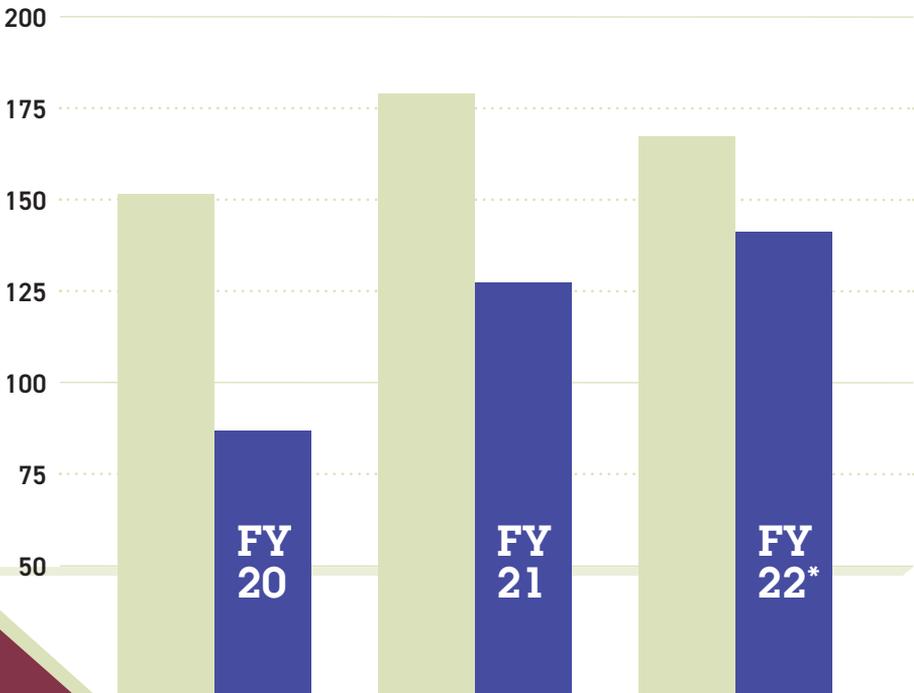


### Total Rental Days

▶ Main Stage

▶ Studio Theatre

\* FY2022 is through 3rd quarter.



# Special Events

## Department Mission

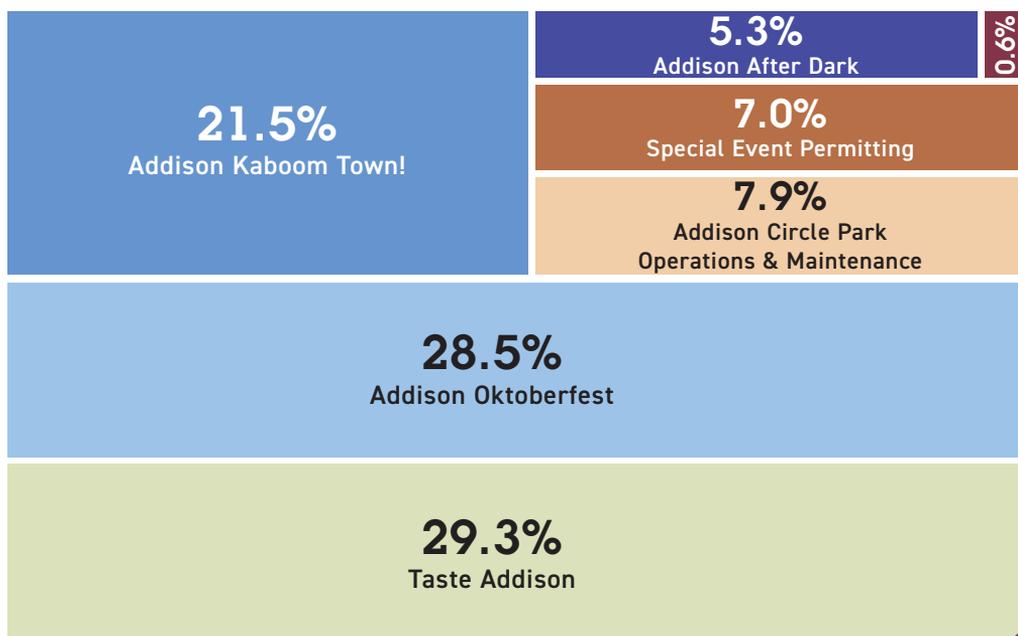
To develop, produce and support quality events that promote Addison as a destination of choice, enhance the quality of life for residents and support the local business community.

## Program Narrative

### Accomplishments of FY2022

- ▶ Continued to hold Holiday in the Park outdoors, increasing the number of activities at the event and doubling attendance over FY2021.
- ▶ Continued the Addison After Dark event series, which resumes April 16.
- ▶ Welcomed 24 Addison food and beverage establishments to Taste Addison, including 8 that are either new to the event or have not participated in over 5 years.
- ▶ Brought the sponsorship sales program in-house, providing enhanced communication for sponsors and almost tripling Taste Addison sponsorship sales over 2021.
- ▶ Supported other departments in producing events such as Coworking in the Park, Earth Day, and Corporate Field Day.
- ▶ Worked with outside event producers to bring multiple new permitted events to Addison, including Dallas Reggae Festival, Vegandale, and the Muslim Food Festival.

## Percentage of Program Costs



Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	334,951	346,124	346,124	374,663
Supplies	-	-	-	-
Maintenance	-	-	-	-
Contractual Services	1,666,625	2,079,612	2,079,612	2,382,612
Capital Replacement/Lease	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$2,001,576</b>	<b>\$2,425,736</b>	<b>\$2,425,736</b>	<b>\$2,757,275</b>

### Objectives for FY2023

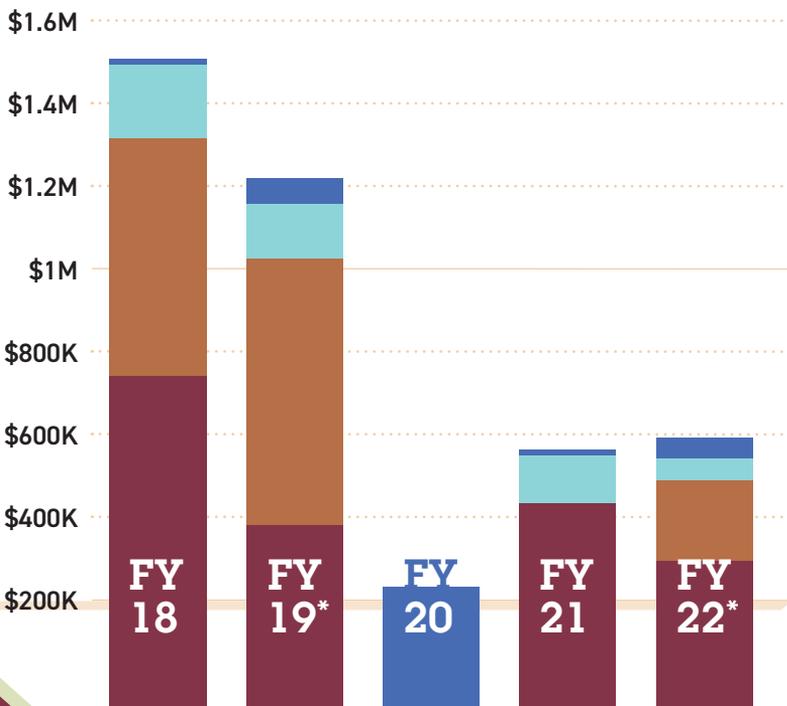
- ▶ Implement the enhanced, centralized Special Event Permit process.
- ▶ Identify and recruit existing 3rd party events that would be a good fit for Addison Circle Park.
- ▶ Work with Fire and Police to redesign the emergency management plan for each festival.
- ▶ Work to overcome the ongoing impacts of COVID-19 on sponsorship revenues:
  - Build new sponsor relationships to replace expired contracts.
  - Identify partnership opportunities for Addison businesses, both cash and in-kind.
- ▶ Enhance the branding impact of Addison festivals through expanded social media presence.
- ▶ Determine and address the impacts of the TOD on both produced and permitted events at Addison Circle Park.

### Proceeds by Event

- ▶ Taste Addison
- ▶ Kaboom Town!
- ▶ Oktoberfest
- ▶ Other Events

*\* FY2019 revenues reflect the elimination of Tasty Bucks and conversion to a point-of-sale system.*

*\* FY2022 is through 3rd quarter.*



# Special Events Operations

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	397,586	418,994	418,994	577,292
Supplies	17,194	19,272	17,772	19,032
Maintenance	151,152	201,426	197,616	229,694
Contractual Services	265,398	325,795	220,795	234,178
Capital Replacement/Lease	35,017	28,141	28,141	28,141
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$866,347</b>	<b>\$993,628</b>	<b>\$883,318</b>	<b>\$1,088,337</b>

Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Director of Special Events	41	1.0	1.0	1.0	1.0
Special Events Supervisor	31	1.0	1.0	1.0	1.0
Sponsorship & Mktg. Specialist <sup>1</sup>	27	0.0	0.0	0.0	1.0
Special Events Coordinator	25	2.0	2.0	2.0	2.0
Department Assistant <sup>2</sup>	20	0.5	0.5	0.5	1.0
<b>TOTAL</b>		<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>6.0</b>

<sup>1</sup> A new Sponsorship & Marketing Specialist (1.0 FTE) position was added in FY2023.

<sup>2</sup> This position was modified from a full-time position split between two departments (0.5 FTE in Special Events and 0.5 FTE in General Services) to a full-time position (1.0 FTE).





The image features a white background with a pattern of light blue and green geometric shapes, primarily triangles and polygons, scattered across the surface. A prominent dark blue banner with a diagonal cutout on the right side is positioned in the upper half. The word "Other" is written in a white, cursive font within this banner. Below the banner, the word "Funds" is written in a bold, blue, sans-serif font. At the bottom of the image, there is a solid green shape with a diagonal cutout on the left side.

Other

Funds

# Debt Service Funds

## General Obligation Debt Service Fund

### Fund Description

The General Obligation Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Payments of principal and interest are made for general obligation bonds, certificates of obligation, and tax notes. General obligation bonds of Addison carry an “Aaa” rating from Moody’s Investors Service and a “AAA” rating from Standard and Poor’s Ratings Service.

### Fund Narrative

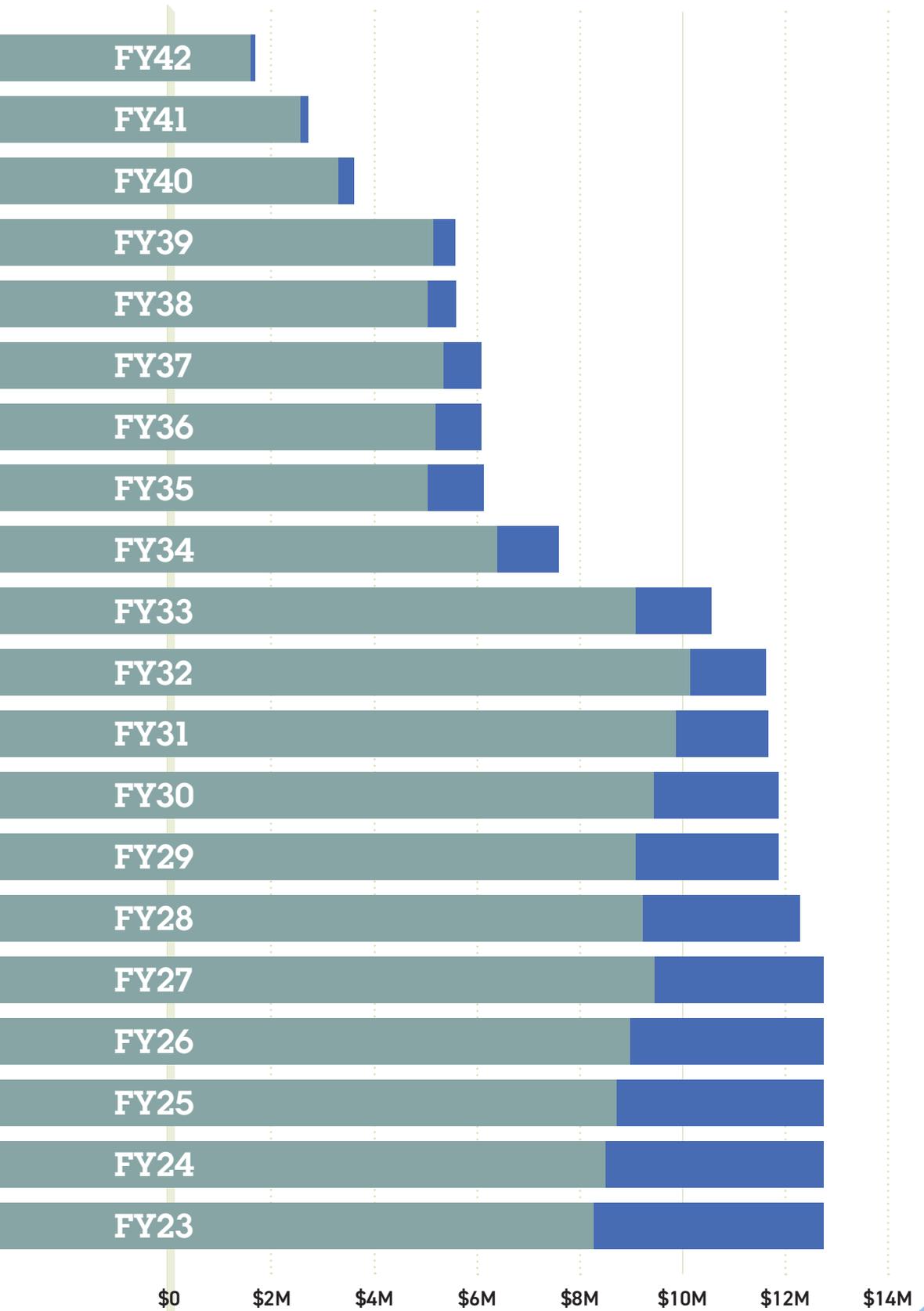
Current tax supported debt principal outstanding is approximately \$110.15 million. This amount includes general obligation bonds, general obligation refunding bonds, and certificates of obligation issued from 2012 through 2021. The projected FY2023 requirements are \$9,861,154. The total amount of outstanding tax supported debt represents 2.3% of taxable assessed value. \$10.14 million in General Obligation Bonds were issued August 1, 2022.

Addison’s legal capacity for additional debt is very large. The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. Addison’s rate of \$0.609822 falls well under this limit. The following table reflects the allocation of the property tax levy between debt service and General Fund operations for FY2023 and previous years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Debt Service	0.142648	0.149383	0.167567	0.173551	0.164741
O & M	0.407352	0.434117	0.441109	0.441109	0.445081
<b>TOTAL</b>	<b>0.550000</b>	<b>0.583500</b>	<b>0.608676</b>	<b>0.614660</b>	<b>0.609822</b>

# General Obligation Debt Service Outstanding

▶ Principal  
▶ Interest



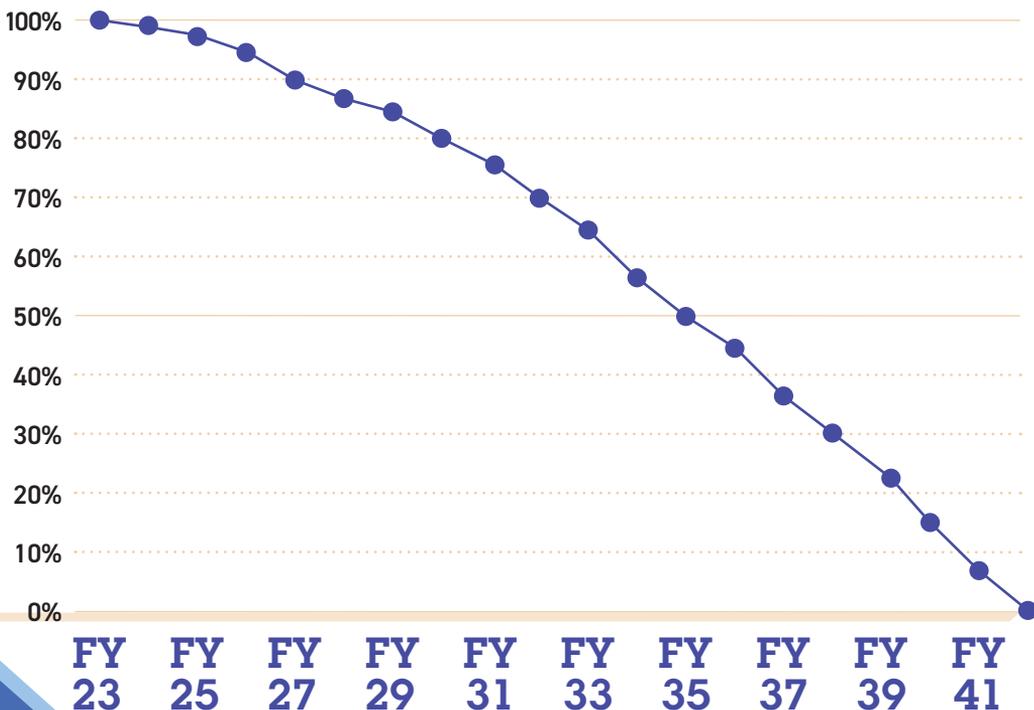
**General Obligation  
Debt Service Fund Statement  
of Revenues & Expenditures**

**ACT  
20-21**

**BUD  
21-22**

Beginning Balance	\$6,335	\$402,070
<b>Revenues</b>		
Ad Valorem Taxes	8,229,693	8,500,108
Interest Earnings and Other	2,941	2,500
Transfers from Other Funds	-	-
<b>Total Operational Revenues</b>	<b>8,232,634</b>	<b>8,502,608</b>
Refunding Bond Proceeds	4,315,000	-
<b>TOTAL REVENUES</b>	<b>\$12,547,634</b>	<b>\$8,502,608</b>
<b>Total Available Resources</b>	<b>12,553,969</b>	<b>8,904,678</b>
<b>Expenditures</b>		
Contractual Services	8,092	5,000
Debt Service	7,710,605	8,495,186
<b>Total Operational Expenditures</b>	<b>7,718,697</b>	<b>8,500,186</b>
Payment to Escrow Agent	4,261,861	-
<b>TOTAL EXPENDITURES</b>	<b>\$11,980,558</b>	<b>\$8,500,186</b>
<b>ENDING FUND BALANCE</b>	<b>\$573,411</b>	<b>\$404,492</b>

**Percent Cumulative Debt  
Outstanding Until Maturity**



EST 21-22	BUD 22-23
\$573,411	\$575,833
8,500,108	8,936,749
2,500	15,000
-	909,405
<b>8,502,608</b>	<b>9,861,154</b>
9,600,000	-
<b>\$18,102,608</b>	<b>\$9,861,154</b>
<b>18,676,019</b>	<b>10,436,987</b>
5,000	5,000
8,495,186	9,856,154
<b>8,500,186</b>	<b>9,861,154</b>
9,600,000	-
<b>\$18,100,186</b>	<b>\$9,861,154</b>
<b>\$10,175,833</b>	<b>\$575,833</b>



# Economic Development Fund

## Fund Description

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

### Economic Development Fund Statement of Revenues & Expenditures

	ACT 20-21	BUD 21-22
Beginning Balance	\$1,968,832	\$1,718,980
<b>Revenues</b>		
Ad Valorem Taxes	1,163,539	1,153,552
Service Fees	27,165	60,000
Interest and Other Income	2,249	10,000
<b>Total Operational Revenue</b>	<b>1,192,953</b>	<b>1,223,552</b>
Transfers from Other Funds	384,000	384,000
<b>TOTAL REVENUES</b>	<b>\$1,576,953</b>	<b>\$1,607,552</b>
<b>Total Resources Available</b>	<b>3,545,785</b>	<b>3,326,532</b>
<b>Expenditures</b>		
Personnel Services	496,774	516,217
Supplies	10,551	20,301
Maintenance	24,407	29,602
Contractual Services	984,837	1,430,520
Capital Replacement/Lease	16,997	13,372
<b>Total Operational Expenditures</b>	<b>1,533,566</b>	<b>2,010,012</b>
One-Time Decision Package	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,533,566</b>	<b>\$2,010,012</b>
<b>ENDING FUND BALANCE</b>	<b>\$2,012,219</b>	<b>\$1,316,520</b>

## Fund Narrative

The Economic Development fund was created in the FY2011 budget to build capacity to conduct economic development activities; support existing commercial base through business retention and expansion; focus business attraction on priority growth sectors; raise the profile of Addison regionally and nationally; support business start-ups; and maintain and enhance Addison's quality of place.

	<b>EST 21-22</b>	<b>BUD 22-23</b>
	<b>\$2,012,219</b>	<b>\$1,609,759</b>
	1,153,552	1,280,691
	60,000	60,000
	10,000	20,000
	<b>1,223,552</b>	<b>1,360,691</b>
	384,000	768,000
	<b>\$1,607,552</b>	<b>\$2,128,691</b>
	<b>3,619,771</b>	<b>3,738,450</b>
	516,217	577,836
	20,301	18,371
	29,602	30,720
	1,430,520	1,461,160
	13,372	13,372
	<b>2,010,012</b>	<b>2,101,459</b>
	-	75,000
	<b>\$2,010,012</b>	<b>\$2,176,459</b>
	<b>\$1,609,759</b>	<b>\$1,561,991</b>

# Economic Development

## Department Mission

The mission of the Economic Development fund is to encourage economic prosperity and growth in the community and to improve the quality of life for citizens, corporate residents, and visitors by strengthening the community’s economic competitive position and increase business and leisure travel to Addison.

## Program Narrative

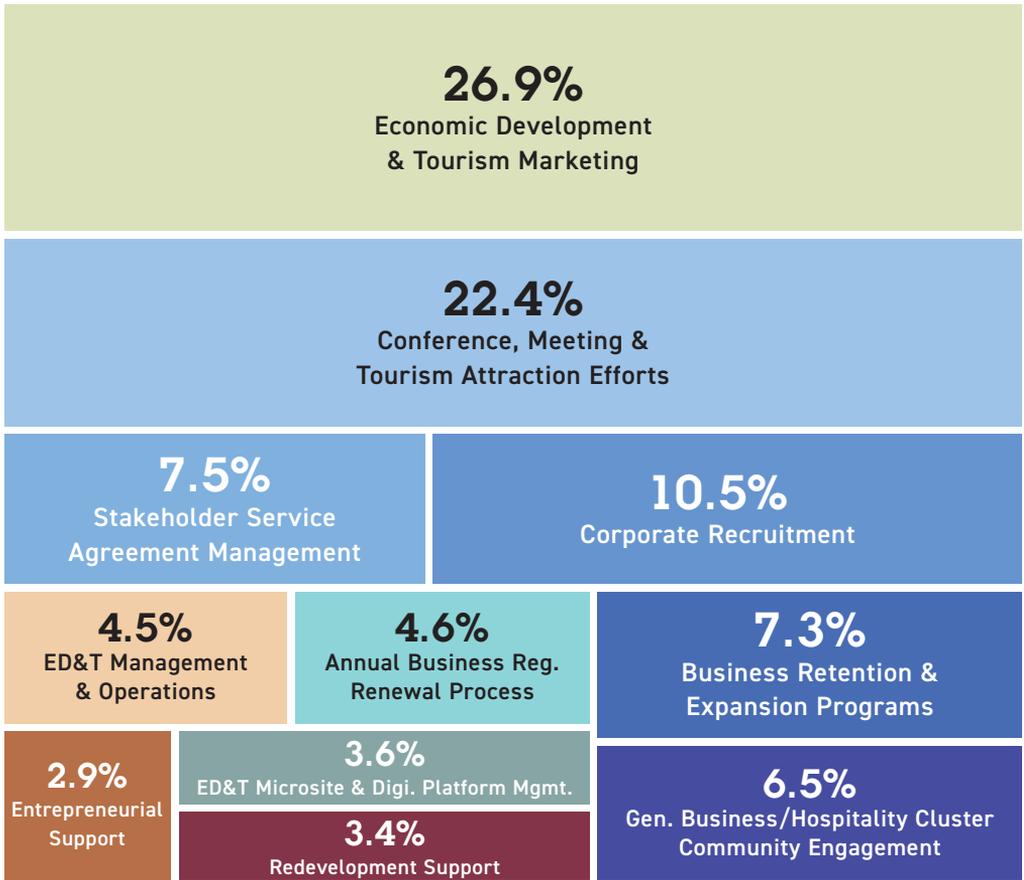
### Accomplishments of FY2022

- ▶ Relunched office meet and greet events.
- ▶ Relunched one on one business visits.
- ▶ Relunched Annual Economic Development Luncheon.
- ▶ Managed the Metrocrest Chamber Service Agreement and participated in Chamber’s economic development update event.
- ▶ Hosted two CEO Networking Receptions.
- ▶ Provided support to the Addison Circle TOD Development Project.
- ▶ Successfully negotiated incentives for El Rancho and AQRD.
- ▶ Launched new marketing campaign promoting Addison Airport and the new US Customs Facility for international travel.
- ▶ Hosted two Coworking Days in the Park.
- ▶ Sponsored BISNOW’s DFW Mixed-Use & Retail Update event.
- ▶ Participated in Sam’s Club Area Study.

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	416,011	431,212	431,212	474,177
Supplies	10,253	15,585	15,585	14,571
Maintenance	24,407	29,449	29,449	30,540
Contractual Services	536,107	704,777	704,777	719,931
Capital Replacement/Lease	15,279	9,715	9,715	9,715
Capital Outlay	-	-	-	-
One-Time Decision Packages	-	-	-	75,000
<b>TOTAL DEPT BUDGET</b>	<b>\$1,002,057</b>	<b>\$1,190,738</b>	<b>\$1,190,738</b>	<b>\$1,323,934</b>

Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Director of Economic Development	46	1.0	1.0	1.0	1.0
Economic Development Manager	35	1.0	1.0	1.0	1.0
Economic Development Coordinator	21	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

## Percentage of Program Costs

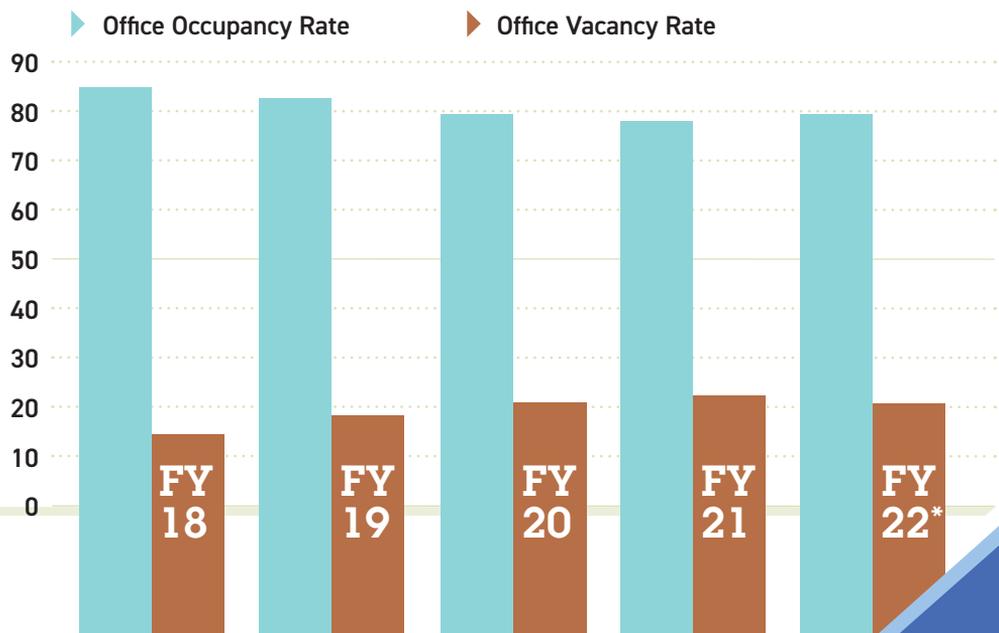


### Objectives for FY2023

- ▶ Increase marketing of Addison Circle TOD project to attract new tenants to office building component.
- ▶ Continue to actively recruit new office tenants to back-fill vacated spaces.
- ▶ Grow and explore placemaking events to cater to people working remotely to attract highly skilled employees to Addison.
- ▶ Provide support to redevelopment areas to attract quality tenants.
- ▶ Re-evaluate future of Addison TreeHouse.

### Occupancy Rate

\* FY2022 is through 3rd quarter.



# Tourism

## Department Mission

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

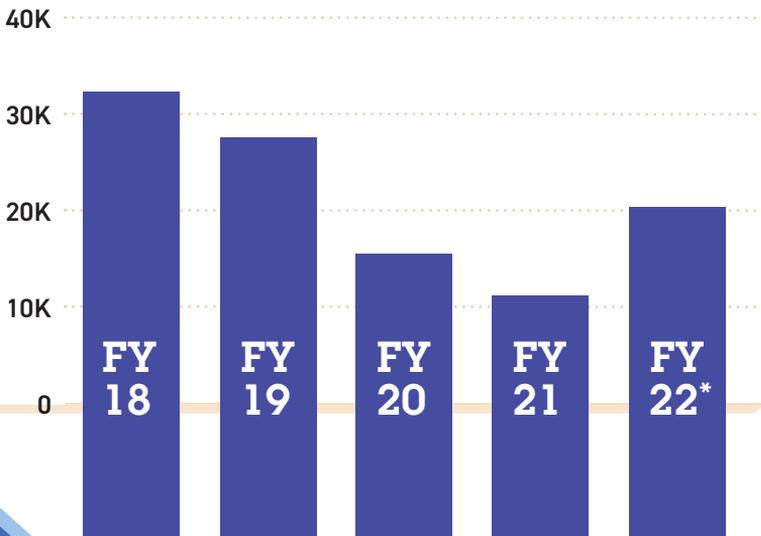
## Program Narrative

### Accomplishments of FY2022

- ▶ Won two Texas Association of Convention & Visitor Bureaus awards; first place video, Addison: At the Center of It All and second place local awareness campaign, Destination Addison.
- ▶ Awarded eight of 11 Travel Texas US Economic Development Administration grant co-op marketing opportunities, which include a variety of social, digital, and content integration placements.
- ▶ In collaboration with the Marketing department, organized and executed Addison Restaurant Month in October 2021.
- ▶ Hosted a restaurateur meeting to provide a recap of Restaurant Month and updates on Special Events, Midway Road construction and marketing opportunities.
- ▶ Responded to 77 meeting RFPs through CVENT as of April 8, 2022.
- ▶ Conducted six FAM tours as of April 8, 2022.
- ▶ Continued to grow the Where \_\_\_\_ Happens campaign with nine new ad options.
- ▶ Redesigned and updated the Addison Visitor & Restaurant guide.

Hotel Room Nights Generated by the Tourism Department

\* FY2022 is through 3rd quarter.





### Objectives for FY2023

- ▶ Continue to find new ways to stand out as a destination for leisure and business travel.
- ▶ Explore sponsorship opportunities focused on conference planners to familiarize them with Addison.
- ▶ Explore event sponsorships that will drive hotel room nights in Addison.
- ▶ Collect data from Placer A.I. to get a better understanding of who Addison’s visitors are and how to attract others that are similar.
- ▶ In collaboration with Marketing department, create a welcome packet for new restaurants including information from several town departments applicable to restaurants.

Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Personnel Services	80,763	85,005	85,005	103,659
Supplies	298	4,716	4,716	3,800
Maintenance	-	153	153	180
Contractual Services	448,730	725,743	725,743	741,229
Capital Replacement/Lease	1,718	3,657	3,657	3,657
Capital Outlay	-	-	-	-
<b>TOTAL DEPT BUDGET</b>	<b>\$531,509</b>	<b>\$819,274</b>	<b>\$819,274</b>	<b>\$852,525</b>

Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Tourism Manager <sup>1</sup>	33	0.0	1.0	1.0	1.0
Tourism Coordinator	28	1.0	0.0	0.0	0.0
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

<sup>1</sup> This position was reclassified in FY 2022 from Tourism Coordinator to Tourism Manager.

# Grant Funds

## Fund Description

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

## Fund Narrative

The budget includes funding for police department travel and training that will be paid by a grant.

<b>Advanced Funding Grant Fund Statement of Revenues &amp; Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$49,251</b>	<b>\$38,833</b>	<b>\$48,367</b>	<b>\$43,167</b>
<b>Revenues</b>				
Intergovernmental	663,495	8,100	8,100	8,100
Interest and Other Income	28,559	400	400	400
<b>TOTAL REVENUES</b>	<b>\$692,054</b>	<b>\$8,500</b>	<b>\$8,500</b>	<b>\$8,500</b>
<b>Total Resources Available</b>	<b>741,305</b>	<b>47,333</b>	<b>56,867</b>	<b>51,667</b>
<b>Expenditures</b>				
Personnel Services	-	-	-	-
Supplies	87,164	-	-	-
Maintenance	7,940	-	-	-
Contractual Services	381,931	13,700	13,700	13,700
Capital Outlay	215,903	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$692,938</b>	<b>\$13,700</b>	<b>\$13,700</b>	<b>\$13,700</b>
<b>ENDING FUND BALANCE</b>	<b>\$48,367</b>	<b>\$33,633</b>	<b>\$43,167</b>	<b>\$37,967</b>

# Infrastructure Investment Fund

## Fund Description

The Infrastructure Investment Fund (IIF) accumulates resources to support pay-as-you-go capital projects or significant non-routine capital expenditures of not less than \$500,000, building a reserve to reduce Addison's reliance on debt for capital projects.

## Fund Narrative

This fund was created in FY2015 to set aside resources for a reserve for years of economic decline, to cash-fund capital projects that would have otherwise been funded by debt financing, or to fund significant non-routine capital outlay expenditures. The FY2023 budget allocates \$0.006201 of the property tax rate to fund the IIF for future appropriations. The FY2023 beginning fund balance in the Infrastructure Investment Fund is estimated to be \$6.0 million.

For FY2023, planned expenditures for the Infrastructure Investment Fund total \$1.4 million. The projected fund balance at the end of FY2023 is approximately \$5.2 million.

Infrastructure Investment Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$5,242,962	\$5,057,729	\$5,569,240	\$5,999,617
<b>Revenues</b>				
Ad Valorem Taxes	304,227	303,710	303,710	336,953
Interest and Other Income	22,051	226,667	226,667	226,667
<b>TOTAL REVENUES</b>	<b>\$326,278</b>	<b>\$530,377</b>	<b>\$530,377</b>	<b>\$563,620</b>
<b>Total Resources Available</b>	<b>5,569,240</b>	<b>5,588,106</b>	<b>6,099,617</b>	<b>6,563,237</b>
<b>Expenditures</b>				
Capital Projects (Cash Funded)				
Traffic Signal & ADA Improvements	-	1,500,000	100,000	1,400,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$1,500,000</b>	<b>\$100,000</b>	<b>\$1,400,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$5,569,240</b>	<b>\$4,088,106</b>	<b>\$5,999,617</b>	<b>\$5,163,237</b>

# Other Special Revenue Funds

## Addison Grove Escrow Fund

### Fund Description

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

### Fund Narrative

No expenditures are planned for the Addison Grove Escrow Fund in FY2023. The projected ending fund balance is \$3,145,634.

Addison Grove Escrow Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$3,130,222	\$3,131,722	\$3,133,634	\$3,135,634
<b>Revenues</b>				
Interest and Other Income	3,412	2,000	2,000	2,000
<b>TOTAL REVENUES</b>	<b>\$3,412</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>
<b>Total Resources Available</b>	<b>3,133,634</b>	<b>3,133,722</b>	<b>3,135,634</b>	<b>3,145,634</b>
<b>Expenditures</b>				
Capital Improvements	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$3,133,634</b>	<b>\$3,133,722</b>	<b>\$3,135,634</b>	<b>\$3,145,634</b>

## Building Security Fund

### Fund Description

The building security fees in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified security or technology improvements for Addison's municipal court.

### Fund Narrative

For FY2023, budgeted expenses total \$25,671 for bailiffs and other costs associated with security. The available ending fund balance is projected at \$26,274, leaving 102.3% of operating expenditures.

Building Security Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$32,841	\$34,591	\$38,503	\$43,063
<b>Revenues</b>				
Fines and Penalties	5,627	7,410	7,410	8,582
Interest and Other Income	35	750	750	300
<b>TOTAL REVENUES</b>	<b>\$5,662</b>	<b>\$8,160</b>	<b>\$8,160</b>	<b>\$8,882</b>
<b>Total Resources Available</b>	<b>38,503</b>	<b>42,751</b>	<b>46,663</b>	<b>51,945</b>
<b>Expenditures</b>				
Personnel Services	-	25,151	3,600	25,671
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$25,151</b>	<b>\$3,600</b>	<b>\$25,671</b>
<b>ENDING FUND BALANCE</b>	<b>\$38,503</b>	<b>\$17,600</b>	<b>\$43,063</b>	<b>\$26,274</b>

## Child Safety Fund

### Fund Description

This is a special court cost under Art. 102.014 Code of Criminal Procedure for convictions of moving traffic violations in school crossing zones and passing a school bus. For cities under 850,000 population, it shall be used first to fund school crossing guards, with any excess expended for programs designed to enhance public safety and security. Because Addison does not have a school crossing program, the funds are used for other child safety expenses.

### Fund Narrative

For FY2023, the budget anticipates that fees generated in this fund will pay for expenses related to traffic safety education for children. The available ending fund balance is projected at \$148,062, leaving 5922.5% of operating expenditures.

<b>Child Safety Fund Statement of Revenues &amp; Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$110,713</b>	<b>\$102,712</b>	<b>\$126,062</b>	<b>\$138,562</b>
<b>Revenues</b>				
Fines and Penalties	17,970	11,000	14,000	11,000
Interest and Other Income	119	1,000	1,000	1,000
<b>TOTAL REVENUES</b>	<b>\$18,089</b>	<b>\$12,000</b>	<b>\$15,000</b>	<b>\$12,000</b>
<b>Total Resources Available</b>	<b>128,802</b>	<b>114,712</b>	<b>141,062</b>	<b>150,562</b>
<b>Expenditures</b>				
Supplies	240	-	-	-
Contractual Services	2,500	2,500	2,500	2,500
<b>TOTAL EXPENDITURES</b>	<b>\$2,740</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>ENDING FUND BALANCE</b>	<b>\$126,062</b>	<b>\$112,212</b>	<b>\$138,562</b>	<b>\$148,062</b>

# Court Technology Fund

## Fund Description

The court technology fees in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified security or technology improvements for Addison's municipal court.

## Fund Narrative

For FY2023, budgeted expenses total \$25,000 for technology improvements at the Municipal Court. The available ending fund balance is projected at \$12,261, or 49.0% of operating expenditures.

### Court Technology Fund Statement of Revenues & Expenditures

	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$27,651	\$24,821	\$32,421	\$29,701
<b>Revenues</b>				
Fines and Penalties	4,939	6,780	6,780	7,260
Interest and Other Income	29	500	500	300
<b>TOTAL REVENUES</b>	<b>\$4,968</b>	<b>\$7,280</b>	<b>\$7,280</b>	<b>\$7,560</b>
<b>Total Resources Available</b>	<b>32,619</b>	<b>32,101</b>	<b>39,701</b>	<b>37,261</b>
<b>Expenditures</b>				
Supplies	198	-	-	-
Contractual Services	-	25,000	10,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>\$198</b>	<b>\$25,000</b>	<b>\$10,000</b>	<b>\$25,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$32,421</b>	<b>\$7,101</b>	<b>\$29,701</b>	<b>\$12,261</b>

## Justice Administration Fund

### Fund Description

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

### Fund Narrative

For FY2023, the budget anticipates that funds generated by the Justice Administration Fund fee will pay for maintenance costs associated with the courtroom and clerk's office. The available ending fund balance is projected at \$35,000, leaving 700.0% of operating expenditures.

Justice Administration Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$27,994	\$26,204	\$33,404	\$36,770
<b>Revenues</b>				
Fines and Penalties	5,390	2,566	7,566	3,030
Interest and Other Income	20	800	800	200
<b>TOTAL REVENUES</b>	<b>\$5,410</b>	<b>\$3,366</b>	<b>\$8,366</b>	<b>\$3,230</b>
<b>Total Resources Available</b>	<b>33,404</b>	<b>29,570</b>	<b>41,770</b>	<b>40,000</b>
<b>Expenditures</b>				
Supplies	-	4,000	4,000	4,000
Maintenance	-	1,000	1,000	1,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$33,404</b>	<b>\$24,570</b>	<b>\$36,770</b>	<b>\$35,000</b>

## PEG Fund

### Fund Description

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

### Fund Narrative

For FY2023, planned expenditures for the PEG fund total \$210,000. The projected ending fund balance is \$65,711, leaving 31.3% of operating expenditures.

PEG Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$359,096	\$200,596	\$402,711	\$234,211
<b>Revenues</b>				
Franchise Fees	43,232	50,000	40,000	40,000
Interest and Other Income	383	1,500	1,500	1,500
<b>TOTAL REVENUES</b>	<b>\$43,615</b>	<b>\$51,500</b>	<b>\$41,500</b>	<b>\$41,500</b>
<b>Total Resources Available</b>	<b>402,711</b>	<b>252,096</b>	<b>444,211</b>	<b>275,711</b>
<b>Expenditures</b>				
Capital Outlay	-	210,000	210,000	210,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$210,000</b>	<b>\$210,000</b>	<b>\$210,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$402,711</b>	<b>\$42,096</b>	<b>\$234,211</b>	<b>\$65,711</b>

## Public Safety Fund

### Fund Description

Police forfeiture funds are awards of monies or property by the courts related to cases that involve the Addison Police department. According to Chapter 59, Article 6, Paragraph (d) of the Texas Code of Criminal Procedure, "Proceeds awarded under this chapter to a law enforcement agency may be spent by the agency after a budget for the expenditures of the proceeds has been submitted to the governing body of the municipality."

### Fund Narrative

In FY 2023, budgeted expenses for the Public Safety Fund total \$50,000. The available ending fund balance is projected at \$5,862.

Public Safety Fund Statement of Revenues & Expenditures	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$66,445	\$66,074	\$64,362	\$55,362
<b>Revenues</b>				
Fines and Penalties	42,260	-	10,000	-
Interest and Other Income	59	1,000	1,000	500
<b>TOTAL REVENUES</b>	<b>\$42,319</b>	<b>\$1,000</b>	<b>\$11,000</b>	<b>\$500</b>
<b>Total Resources Available</b>	<b>\$108,764</b>	<b>\$67,074</b>	<b>\$75,362</b>	<b>\$55,862</b>
<b>Expenditures</b>				
Supplies	44,402	64,149	20,000	50,000
Maintenance	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$44,402</b>	<b>\$64,149</b>	<b>\$20,000</b>	<b>\$50,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$64,362</b>	<b>\$2,925</b>	<b>\$55,362</b>	<b>\$5,862</b>

# Self-Funded Project Fund

## Fund Description

The purpose of the Self-Funded Special Project Fund is to cash-fund important one-time projects. The dollars for these one-time projects are intended to come from the savings from previous fiscal years that are transferred from the General Fund along with contributions from other funds when the project will service multiple funds. Separating out recurring sources of revenue from one-time sources is considered a best practice for fiscal sustainability.

## Fund Narrative

Major expenditures in this fund in FY2023 include:

- ▶ OPEB Trust Funding \$500,000
- ▶ Consulting Fees – GASB 96 \$7,500
- ▶ Capital Budget Planning Software \$2,400
- ▶ Fire Facility Maintenance \$347,000
- ▶ Facility Lightening Protection \$82,000
- ▶ Animal Control Office Space \$4,000
- ▶ Police Department Records Clerk Office Supplies \$11,517
- ▶ Utilization of TASSPP Funds \$300,000
- ▶ Development Service Management Analyst Computer Equipment \$3,000
- ▶ 2012 International Code Adoption \$5,000
- ▶ Wheeler Bridge Painting \$110,000
- ▶ Beltway Trail and Greenspace Construction Documents \$223,000
- ▶ Beckert Park Light Bollard Replacement and Electrical \$55,280
- ▶ Chipper Equipment \$260,000
- ▶ Park Land Dedication and Development Fee Study \$132,500
- ▶ AAC Fitness Wing Wall Treatments \$192,459

### Self-Funded Special Project Fund Statement of Revenues & Expenditures

	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
<b>Beginning Balance</b>	<b>\$1,995,597</b>	<b>\$3,011,548</b>	<b>\$4,809,068</b>	<b>\$4,816,553</b>
<b>Revenues</b>				
Interest and Other Income	473,109	-	-	25,000
Transfers from Other Funds	3,460,950	-	1,400,000	-
<b>TOTAL REVENUES</b>	<b>\$3,934,059</b>	<b>-</b>	<b>\$1,400,000</b>	<b>\$25,000</b>
<b>Total Resources Available</b>	<b>5,929,656</b>	<b>3,011,548</b>	<b>6,209,068</b>	<b>4,841,553</b>
<b>Expenditures</b>				
Supplies	58,882	31,800	56,800	30,000
Maintenance	429,962	26,000	76,000	444,517
Contractual Services	214,717	393,000	988,000	619,900
Capital Outlay	417,027	255,715	271,715	1,144,239
Capital Improvements	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,120,588</b>	<b>\$706,515</b>	<b>\$1,392,515</b>	<b>\$2,238,656</b>
<b>ENDING FUND BALANCE</b>	<b>\$4,809,068</b>	<b>\$2,305,033</b>	<b>\$4,816,553</b>	<b>\$2,602,897</b>

## Streets Self-Funded Projects Fund

### Fund Description

The Streets Self-Funded Projects Fund accumulates resources to support pay-as-you-go streets capital projects or significant non-routine streets capital and maintenance expenditures, building a reserve to reduce Addison's reliance on debt for streets capital projects. The dollars for these one-time projects are intended to come from interest income generated, one-time reimbursements, and contributions from the General Fund.

### Fund Narrative

This fund was created in FY2013 to set aside resources for a reserve for years of economic decline, to cash-fund streets capital projects that would have otherwise been funded by debt financing, or to fund significant non-routine capital and maintenance expenditures. The FY2023 beginning fund balance in the Streets Self-Funded Projects Fund is estimated to be \$1.74 million.

For FY 2023, there are no planned expenditures. The projected fund balance at the end of FY2023 is approximately \$1.75 million.

<b>Streets Self-Funded Projects Fund Statement of Revenues &amp; Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$1,776,312</b>	<b>\$2,827,966</b>	<b>\$2,829,474</b>	<b>\$1,746,174</b>
<b>Revenues</b>				
Interest and Other Income	1,053,162	-	1,846,700	5,000
<b>TOTAL REVENUES</b>	<b>\$1,053,162</b>	<b>-</b>	<b>\$1,846,700</b>	<b>\$5,000</b>
<b>Total Resources Available</b>	<b>2,829,474</b>	<b>2,827,966</b>	<b>4,676,174</b>	<b>1,751,174</b>
<b>Expenditures</b>				
Maintenance	-	1,980,000	2,930,000	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$1,980,000</b>	<b>\$2,930,000</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$2,829,474</b>	<b>\$847,966</b>	<b>\$1,746,174</b>	<b>\$1,751,174</b>







Proprietary

**Funds**

# Airport Fund

## Fund Description

Addison owns a general aviation airport, which the Town considers to be one of the community's greatest assets. Addison Airport is a single runway facility and is classified by the Federal Aviation Administration (FAA) as a "National" category General Aviation (GA) airport, the highest-level category given to just 92 of 2,908 "non-primary" airports in the National Plan of Integrated Airport Systems (NPIAS). Addison is also designated by FAA as a Reliever for Dallas – Fort Worth International Airport (DFW). Addison Airport's primary customer base is business aviation; the airport is used extensively by corporate executives who conduct business in offices located in the North Dallas area. The airport is financed and operated as an enterprise fund, in a manner like private business enterprises where costs of providing services to the public are financed primarily through rentals, leases, and user charges; the airport is completely self-supporting, it receives no funding at all from the Town's General Fund.

## Fund Narrative

From its opening in October 1957 through 1976, Addison Airport was privately owned and operated. In 1976, the Town of Addison acquired the airport at the urging of and with financial assistance from the FAA. At that time, the Town elected to leave the management and operations of the airport in the hands of Henry Stuart, Airport Manager since the opening of the airport in 1957, and his company Addison Airport of Texas, Inc. (AATI). AATI operated the airport through the end of 2000, after which a joint venture of Washington Group International (WGI) and The Staubach Companies assumed control. The joint venture – known as the Washington-Staubach Addison Airport Venture (WSAAV) – managed and operated the airport under contract to the Town from January 1, 2001 through September 30, 2010. Towards the end of WSAAV's tenure, the Town began negotiating separate contracts with their successor companies (URS Energy & Construction for Airport Operator services, and SAMI Management, Inc. for Real Estate operator services); those contracts became effective October 1, 2010, with the same personnel from the joint venture continuing to manage and operate the airport. In spring of 2020, the Town of Addison elected to early terminate the Airport Operating Agreement with AECOM (formerly URS Energy & Construction) and to allow the Real Estate Operator Agreement with SAMI Management, Inc. to expire, with both contracts ending on September 30, 2020. Effective October 1, 2020, all of the former AECOM and SAMI staff became Town of Addison employees. Now, for the first time in its 63-year history, Addison Airport is owned by the Town of Addison and operated by Addison municipal employees.

Airport staff—who are now all Town of Addison employees—perform all functions directly associated with the management, operation, and maintenance of the airport and related facilities. Staff also develops the capital improvement program and obtains capital grant funding from the FAA and the Texas Department of Transportation (TxDOT) Aviation Division. Grant funding is essential for the ongoing capital improvement of the airport. Airport staff also perform all real estate functions, including rental of Addison facilities and the management of ground leases, as well as the billing and collection of all revenue related to rentals, leases, fuel flowage fees, and miscellaneous income.

### Concluding Fiscal Year Performance

Operating revenue for FY2022 is projected to total \$6,756,040, a 4.3 percent decrease from the original budget of \$7,061,845. Operating expenses are estimated to total \$5,193,115, which is \$9,729 more than budgeted.

### 2022-2023 Budget Narrative

For FY2023, the budget anticipates operating revenue of \$6,688,300, a 5.3 percent decrease from the FY2022 budget. The projected decrease is based on conservative assumptions regarding anticipated fuel flowage fee revenue and rental income stemming from the opening of the Galaxy fixed-base operator.

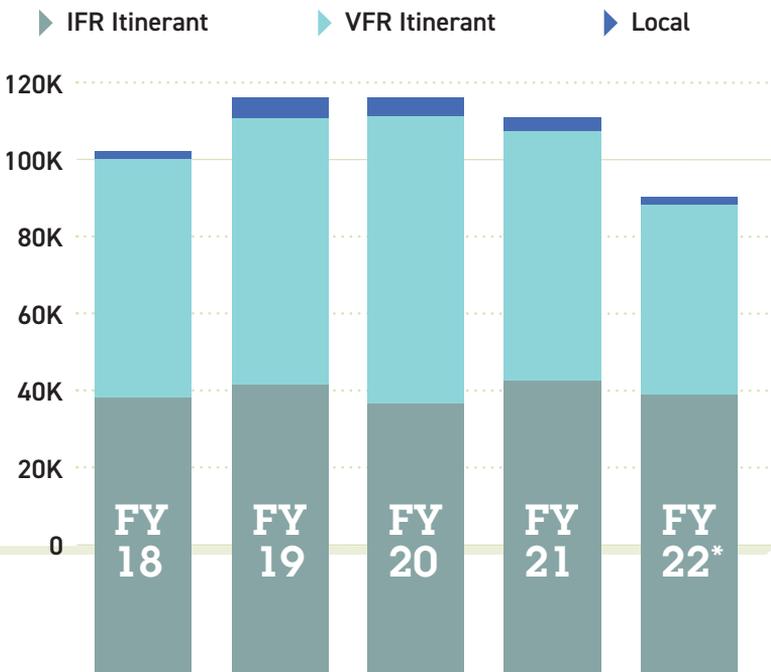
### Vision

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

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

### Airport Operations

\* FY2022 is through 3rd quarter.





Airport Fund Statement of Income	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$5,711,003	\$5,152,471	\$6,946,145	\$6,658,419
<b>Revenues</b>				
Intergovernmental				
Operating Grants	107,000	50,000	50,000	50,000
Service Fees	1,172,785	1,320,272	1,450,000	1,276,600
Rental Income	4,415,499	5,635,534	5,200,000	5,301,700
Interest and Other Income	168,982	56,040	56,040	60,000
<b>TOTAL REVENUES</b>	<b>\$5,864,266</b>	<b>\$7,061,846</b>	<b>\$6,756,040</b>	<b>\$6,688,300</b>
<b>Total Resources Available</b>	<b>11,575,269</b>	<b>12,214,317</b>	<b>13,702,185</b>	<b>13,346,719</b>
<b>Expenditures</b>				
Personnel Services	1,963,122	2,114,862	2,114,862	2,517,439
Supplies	41,731	57,200	64,700	56,381
Maintenance	368,803	745,119	744,416	671,801
Contractual Services	977,028	1,062,750	1,065,682	1,164,992
Capital Replacement/Lease	467,258	257,928	257,928	232,928
Debt Service	749,768	910,527	910,527	885,718
Capital Outlay	46,664	35,000	35,000	35,000
<b>Total Operational Expenditures</b>	<b>4,614,374</b>	<b>5,183,386</b>	<b>5,193,115</b>	<b>5,564,259</b>
Transfer to Debt Service Fund	-	-	-	508,966
One-Time Decision Packages	-	16,000	16,000	-
Capital Improvements	14,750	1,583,070	1,834,651	2,582,000
<b>TOTAL EXPENDITURES</b>	<b>\$4,629,124</b>	<b>\$6,782,456</b>	<b>\$7,043,766</b>	<b>\$8,655,225</b>
<b>ENDING BALANCE</b>	<b>\$6,946,145</b>	<b>\$5,431,861</b>	<b>\$6,658,419</b>	<b>\$4,691,494</b>

## Program Narrative

### Accomplishments of FY2022

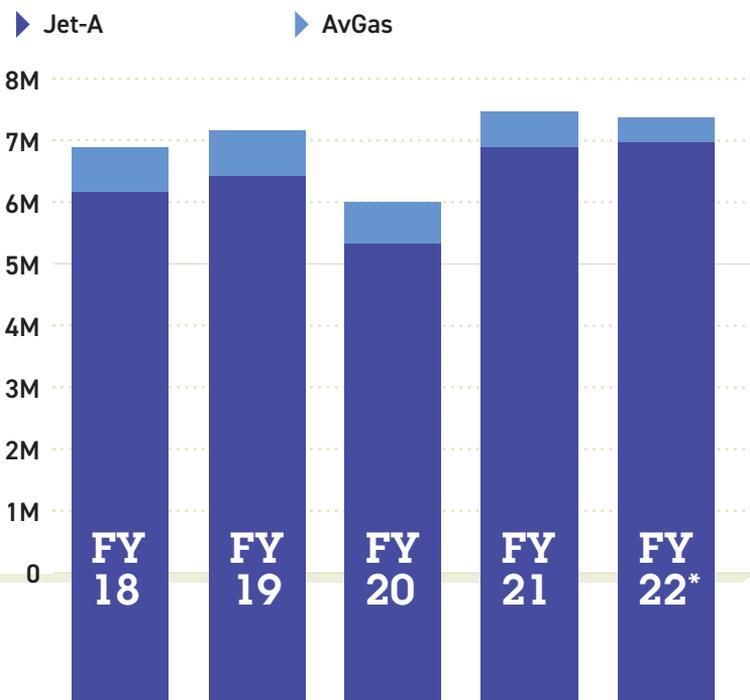
- ▶ Commenced Customs operations following construction of the new U.S. Customs & Border Protection (CBP) and held a Grand Opening event in April 2022.
- ▶ Completed Runway and Taxiway Alpha Pavement Preservation and Runway Designation Change Project including crack sealing and application of seal coat products on the runway, Taxiway Alpha, and all asphalt connector taxiways. Project also included changing runway designation from 15-33 to 16-34, which formally occurred on March 24, 2022, in conjunction with the FAA chart publication cycle.
- ▶ Request for Qualifications (RFQ) advertised through TX-DOT Aviation for selection of the Engineer of Record (EOR) for Airport Improvement Program (AIP) funded projects for the next 5 years.
- ▶ Conducted Preliminary Engineering Report (PER) and design of Phase 1 Taxiway Bravo extension and advertised for bids.
- ▶ Awarded FY2022 AIP Grant totaling an estimated \$7,255,300 for construction of Taxiway Bravo Extension which includes a local matching share of \$1,414,770 for the 50-50 cost share for construction of the vehicle service road.
- ▶ Galaxy FBO commenced operations in late summer 2022.
- ▶ Atlantic Aviation Redevelopment in planning stage.
- ▶ Released three RFQs for redevelopment sites which includes pending redevelopment proposals for the site immediately south of the new CBP facility.
- ▶ Managed ground lease reversions with two hangars in the Cavanaugh Flight Museum complex reverted to commercial leases and a hangar located on Taxilane Tango reverted to airport ownership.

### Objectives for FY2023

- ▶ Commence construction of Phase 1 Taxiway Bravo extensions.
- ▶ Complete PER and design of the Fuel Farm Expansion project.
- ▶ Reconstruct Jimmy Doolittle Drive.
- ▶ Continue management of ground lease reversions and redevelopment opportunities.
- ▶ Conduct and airport cost allocations compliance study.

### Fuel Flowage

\* FY2022 is through 3rd quarter.

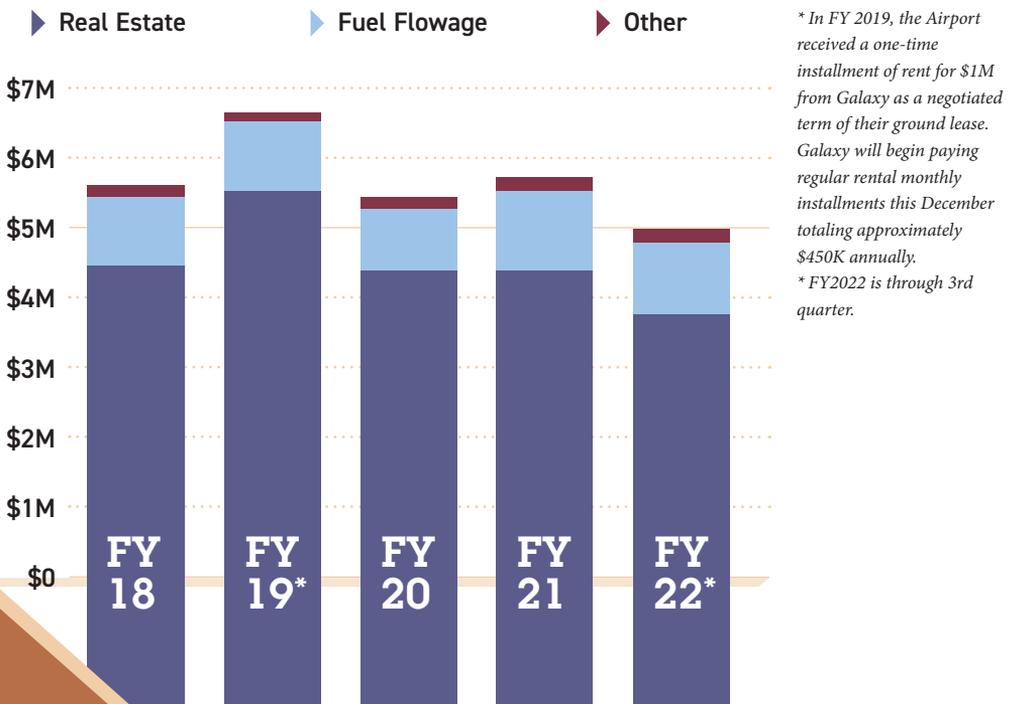


Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Deputy City Manager	49	0.3	0.5	0.5	0.5
Airport Director	44	1.0	1.0	1.0	1.0
Airport Assistant Director	40	2.0	2.0	2.0	2.0
GIS Manager	38	0.4	0.4	0.4	0.4
Airport Asset Manager	35	1.0	1.0	1.0	1.0
Airport Maintenance Manager	34	1.0	1.0	1.0	1.0
Airport Operations Manager	34	1.0	1.0	1.0	1.0
Airport Accounting Manager	33	1.0	1.0	1.0	1.0
Accounting Supervisor	33	0.3	0.5	0.5	0.5
Police Officer	P2	3.0	3.0	3.0	3.0
Airport Leasing Manager	29	1.0	1.0	1.0	1.0
Talent Acquisition Partner	28	0.3	0.5	0.5	0.5
Management Assistant	25	1.0	1.0	1.0	1.0
Airport Operations Specialist <sup>1</sup>	24	0.0	0.0	0.0	0.0
Accounting Specialist – CIP	22	0.3	0.5	0.5	0.5
Airport Maintenance Technician III	22	1.0	1.0	1.0	1.0
Airport Maintenance Technician II	21	3.0	3.0	3.0	3.0
Department Assistant	20	1.0	1.0	1.0	1.0
Janitorial & Light Maintenance Worker	18	1.0	1.0	1.0	1.0
Airport Summer Mgmt. Intern <sup>2</sup>	15	0.0	0.0	0.0	0.2
<b>TOTAL</b>		<b>19.6</b>	<b>20.4</b>	<b>20.4</b>	<b>21.6</b>

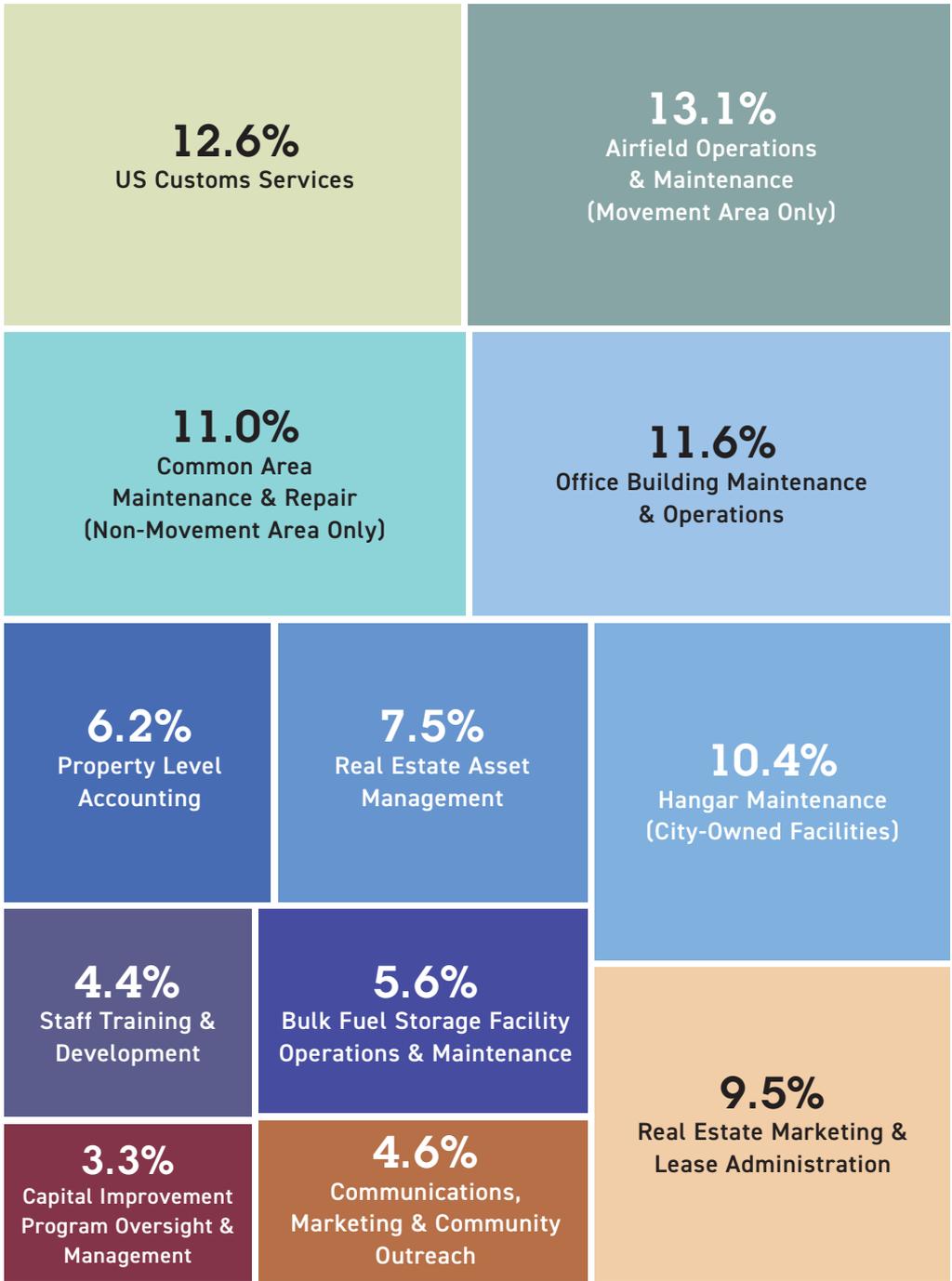
<sup>1</sup> A new Airport Operations Specialist (1.0 FTE) position was added in FY2023.

<sup>2</sup> A new Intern (0.2 FTE) position was added in FY2023.

### Revenue



## Percentage of Program Costs



# Capital Replacement Fund

This internal service fund was established to accumulate sufficient resources to replace existing capital rolling stock and heavy equipment that has reached or exceeded its useful life. Resources are acquired through charges to operating departments. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected life.

## Fund Narrative

Estimated expenses in FY2022 were primarily associated with the following purchases:

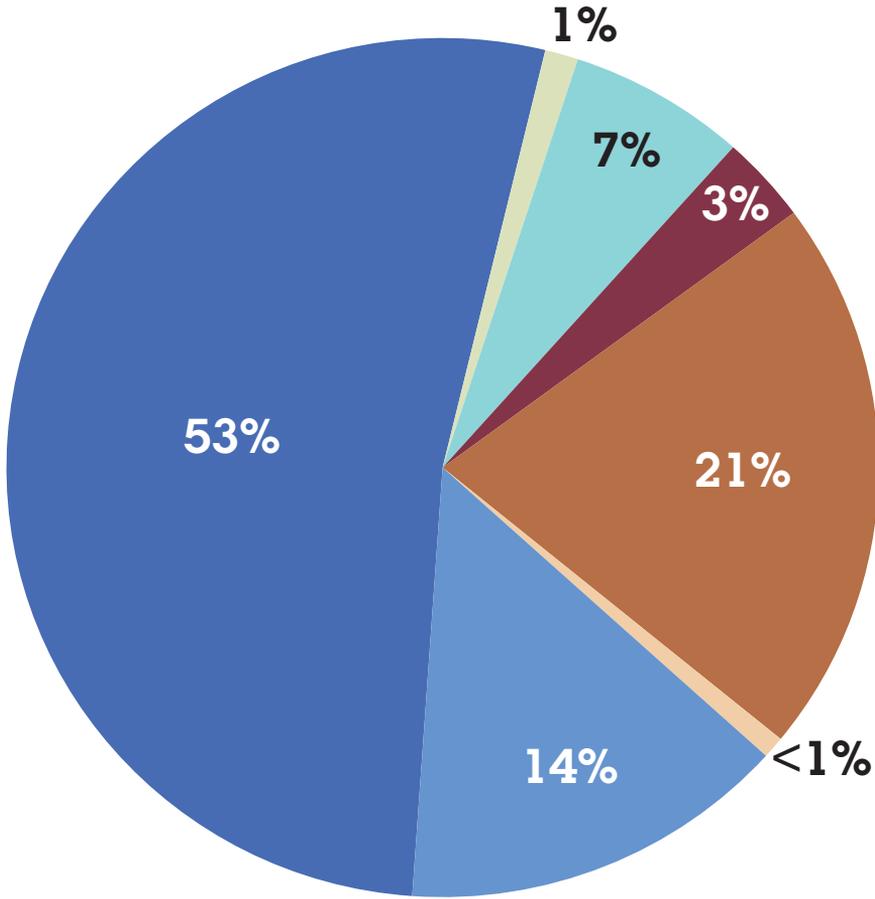
- ▶ Development Services – F150 Supercab (\$32,100)
- ▶ Fire – Ford Interceptor (\$48,000)
- ▶ General Services – F150 Crew Cab (\$39,100)
- ▶ General Services – F250 Service Body (\$59,500)
- ▶ Parks – Ford F350 Extended Cab (\$58,350)
- ▶ Police – Motorcycles (\$60,000)
- ▶ Recreation – Life Fitness Weight Circuit (\$61,500)
- ▶ Streets – Backhoe (\$54,000)
- ▶ Streets – Ford F750 Aerial Body (\$165,033)
- ▶ Utilities – Ford F150 (\$32,700)
- ▶ Utilities – Pipehunter Vacuum Truck (\$150,000)

Equipment purchases included in the FY2023 budget include:

- ▶ Development Services – F150 Supercab (\$32,100)
- ▶ Fire – Ford Interceptor (\$48,000)
- ▶ General Services – F150 Crew Cab (\$39,100)
- ▶ General Services – F250 Service Body (\$59,500)
- ▶ Parks – Ford F350 Extended Cab (\$58,350)
- ▶ Police – Motorcycles (\$60,000)
- ▶ Recreation – Life Fitness Weight Circuit (\$61,500)
- ▶ Streets – Backhoe (\$54,000)
- ▶ Streets – Ford F750 Aerial Body (\$165,033)
- ▶ Utilities – Ford F150 (\$32,700)
- ▶ Utilities – Pipehunter Vacuum Truck (\$150,000)

**Contributions to the Capital Replacement Fund by Function**

- ▶ General Government
- ▶ Utility/Streets
- ▶ Stormwater
- ▶ Airport
- ▶ Public Safety
- ▶ Urban Development



**Capital Equipment Replacement Fund Statement of Income**

	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$3,744,000	\$3,877,750	\$3,974,350	\$4,464,067
<b>Revenues</b>				
Service Fees				
Department Contributions	1,288,000	1,215,000	1,215,000	1,215,000
Interest and Other Income	301,744	35,000	35,000	50,000
<b>TOTAL REVENUES</b>	<b>\$1,589,744</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,265,000</b>
<b>Total Resources Available</b>	<b>5,333,744</b>	<b>5,127,750</b>	<b>5,224,350</b>	<b>5,729,067</b>
<b>Expenditures</b>				
Contractual Services	2,751	-	-	-
Capital Outlay	1,356,643	760,283	760,283	2,031,500
<b>TOTAL EXPENDITURES</b>	<b>\$1,359,394</b>	<b>\$760,283</b>	<b>\$760,283</b>	<b>\$2,031,500</b>
<b>ENDING BALANCE</b>	<b>\$3,974,350</b>	<b>\$4,367,467</b>	<b>\$4,464,067</b>	<b>\$3,697,567</b>

# Facility Maintenance Fund

This internal service fund was established to provide dedicated funding to maintain the Town's aging facilities through planned maintenance and emergency repairs. Resources are acquired through charges to operating departments. The charges are guided by the Asset Management Plan and determined on an as-needed basis.

## Fund Narrative

Maintenance projects included in the FY 2023 budget include:

- ▶ Central Fire Cast Stone Repair (\$53,000)
- ▶ Finance Wood Deck Repair (\$12,000)
- ▶ Police Range Flooring Replacement (\$5,000)
- ▶ Central Fire Sewer Drain Repair (\$15,000)
- ▶ Shingle Roofing Replacement (\$155,000)
- ▶ Police Metal Roof Dormer Replacement (\$40,000)
- ▶ Pavilion Exterior Drinking Fountains (\$45,000)
- ▶ Theatre Center Water Heater Replacement (\$17,000)
- ▶ Celestial Garage Water Heater Replacement (\$7,000)

## Facility Maintenance Fund Statement of Income

	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
<b>Beginning Balance</b>	-	\$1,000,000	\$1,000,000	\$1,300,000
<b>Revenues</b>				
Service Fees				
Department Contributions	1,000,000	150,000	650,000	350,000
Interest and Other Income	-	-	-	10,000
<b>TOTAL REVENUES</b>	<b>\$1,000,000</b>	<b>\$150,000</b>	<b>\$650,000</b>	<b>\$360,000</b>
<b>Total Resources Available</b>	<b>1,000,000</b>	<b>1,150,000</b>	<b>1,650,000</b>	<b>1,660,000</b>
<b>Expenditures</b>				
Maintenance	-	327,500	327,500	579,000
Capital Outlay	-	22,500	22,500	45,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$624,000</b>
<b>ENDING BALANCE</b>	<b>\$1,000,00</b>	<b>\$800,000</b>	<b>\$1,300,000</b>	<b>\$1,036,000</b>

# Information Technology Replacement Fund

## Fund Description

This internal service fund was established in 1998 to accumulate sufficient resources to allow the Town to replace systems, including hardware and software with values in excess of \$5,000, on a regular basis or as needed in order to be adequately responsive to the increasing demands on the Town's network. 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. Information Technology department calculates each department's contribution to this fund on an annual basis.

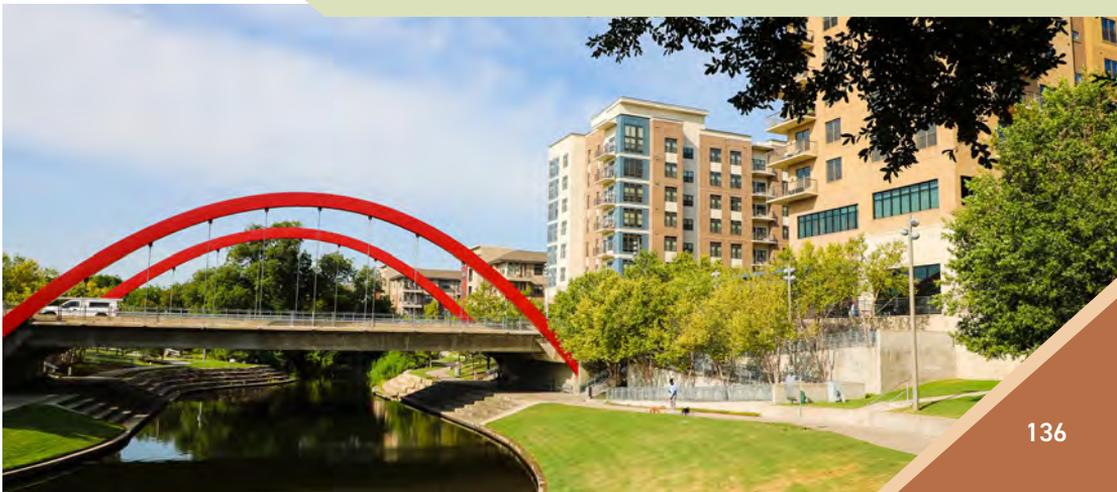
## Fund Narrative

Estimated expenses in FY2022 were:

- ▶ Replace Mobile Device Computers (\$260,000)
- ▶ Microsoft Licenses Upgrade (\$100,000)
- ▶ In-car video and bodycam system upgrades (\$510,000)

Scheduled purchases through FY2023 are:

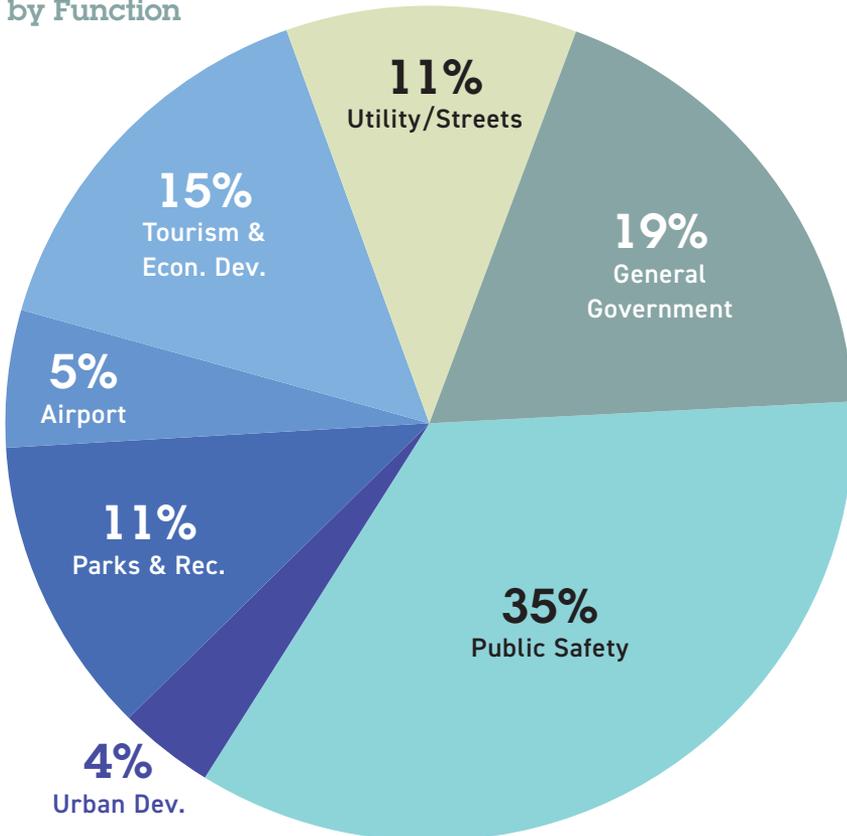
- ▶ Police Replace In-Car Video/Body Cams (\$383,000)
- ▶ Replace Mobile Device Computers (\$260,000)
- ▶ Phone System Upgrade (\$300,000)
- ▶ EnerGov System Upgrade (\$150,000)
- ▶ PCs, iPads, and Laptops Upgrade (\$300,000)
- ▶ Anti-Virus Application Upgrade (\$50,000)
- ▶ Upgrade Managed Security Services (\$85,000)
- ▶ Security Camera Network Annual Support (\$45,000)



**Information Technology Replacement Fund Statement of Income**

	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Beginning Balance	\$49,251	\$38,833	\$48,367	\$43,167
<b>Revenues</b>				
Service Fees				
Department Contributions	756,863	575,963	575,963	575,963
Interest and Other Income	15,625	-	-	20,000
<b>TOTAL REVENUES</b>	<b>\$772,488</b>	<b>\$575,963</b>	<b>\$575,963</b>	<b>\$595,963</b>
<b>Total Resources Available</b>	<b>4,359,380</b>	<b>3,780,983</b>	<b>4,499,348</b>	<b>4,225,311</b>
<b>Expenditures</b>				
Supplies	109,054	260,000	260,000	710,000
Maintenance	16,421	100,000	100,000	45,000
Contractual Services	1,102	-	-	-
Capital Outlay	309,417	510,000	510,000	818,000
<b>TOTAL EXPENDITURES</b>	<b>\$435,995</b>	<b>\$870,000</b>	<b>\$870,000</b>	<b>\$1,573,000</b>
<b>ENDING BALANCE</b>	<b>\$3,923,385</b>	<b>\$2,910,983</b>	<b>\$3,629,348</b>	<b>\$2,652,311</b>

**Contributions to the IT Replacement Fund by Function**



# Stormwater Fund

## Fund Description

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

## Fund Narrative

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

## Concluding Fiscal Year Performance

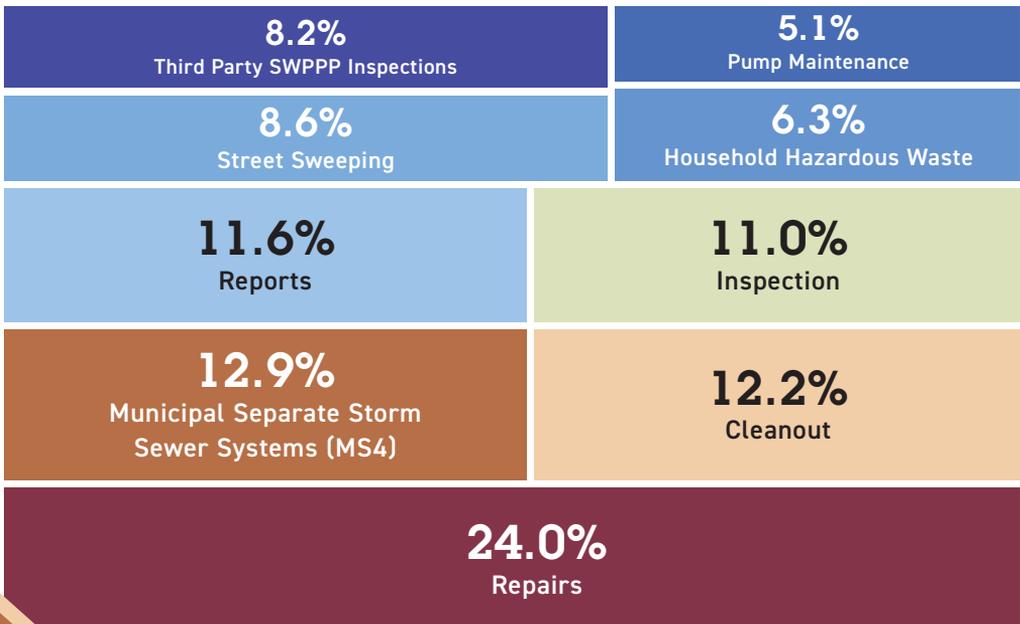
Operating revenues for FY2022 are projected to total \$2,574,023, which is equal to the budget for FY2022 and \$81 thousand more than was generated in FY2021. Operating expenses in FY2022 are projected to be \$25 thousand less than budgeted amounts. The anticipated ending working capital for FY2022 is projected at \$9,128,538.

## 2022-2023 Budget Narrative

FY2023 budgeted operating revenues are projected at \$2,654,023, an increase of \$80 thousand from actual FY2022. The FY2023 budget maintains the same stormwater rates as the previous fiscal year. Operating expenses are budgeted at \$1,460,756. Also included in the FY2023 budget is cash funding of \$2,838,033 for capital projects.

<b>Stormwater Fund Statement of Income</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$7,734,397</b>	<b>\$8,840,951</b>	<b>\$8,975,956</b>	<b>\$9,128,538</b>
<b>Revenues</b>				
Licenses and Permits	1,475	-	-	-
Drainage Fees	2,457,241	2,554,023	2,554,023	2,554,023
Interest and Other Income	33,911	20,000	20,000	100,000
<b>TOTAL REVENUES</b>	<b>\$2,492,627</b>	<b>\$2,574,023</b>	<b>\$2,574,023</b>	<b>\$2,654,023</b>
<b>Total Resources Available</b>	<b>10,227,024</b>	<b>11,414,974</b>	<b>11,549,979</b>	<b>11,782,561</b>
<b>Expenditures</b>				
Personnel Services	324,658	396,777	396,777	417,276
Supplies	11,637	13,000	12,364	16,100
Maintenance	59,377	116,240	114,619	166,280
Contractual Services	256,804	327,351	304,596	359,710
Capital Replacement / Lease	-	10,000	10,000	10,000
Debt Service	542,616	545,266	545,266	491,390
Capital Outlay	53,796	146,000	146,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,248,888</b>	<b>\$1,554,634</b>	<b>\$1,529,622</b>	<b>\$1,460,756</b>
One-Time Decision Packages	-	73,000	70,000	215,000
Transfers to Other Funds	-	-	-	400,439
Capital Improvements	2,180	847,491	821,819	2,838,033
<b>Total Expenditures</b>	<b>1,251,068</b>	<b>2,475,125</b>	<b>2,421,441</b>	<b>4,914,228</b>
<b>ENDING BALANCE</b>	<b>\$8,975,956</b>	<b>\$8,939,849</b>	<b>\$9,128,538</b>	<b>\$6,868,333</b>

### Percentage of Program Costs



Staffing	LVL	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
GIS Manager	38	0.3	0.3	0.3	0.3
Stormwater & Operations Manager <sup>1</sup>	34	1.0	1.0	1.0	1.0
Streets & Traffic Operations Manager	34	0.3	0.3	0.3	0.3
Utility Billing Supervisor	28	0.2	0.2	0.2	0.2
Stormwater Operator	23	2.0	2.0	2.0	2.0
Accounting Specialist - UB	22	0.2	0.2	0.2	0.2
Street Maintenance Worker <sup>1</sup>	18	1.0	1.0	1.0	1.0
<b>TOTAL</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

<sup>1</sup> This position (1.0 FTE) was moved from the General Fund to the Stormwater Fund in FY 2022.

## Stormwater Operations

### Department Description

The mission of the Public Works and Engineering Services Department is to provide quality services related to the provision of water and sanitary sewer services, street maintenance, and stormwater drainage in a compliant, proactive, and professional manner.

The Stormwater Division of the Public Works and Engineering Services Department is responsible for:

- ▶ Maintaining the safe and efficient flow of stormwater through the drainage collection system.
- ▶ Maintaining the drainage system components and associated infrastructure.
- ▶ Identifying, reviewing, managing, inspecting, and implementing all stormwater capital projects.
- ▶ Complying with Texas Commission on Environmental Quality (TCEQ) regulations.

### Program Narrative

#### Accomplishments of FY2022

- ▶ Compiled detailed stormwater reports for various types of illicit discharges.
- ▶ Hosted Earth Day and Sustainability Day events.
- ▶ Cleared debris from over 100 inlets.
- ▶ Continued design of the Rawhide Creek Basin Improvements. Anticipate construction beginning in late summer of 2022.
- ▶ Completed design and began construction of the Winnwood Bridge Armoring Project.
- ▶ Completed year three of five for the Town's Municipal Separate Storm Sewer System (MS4) permit.
- ▶ Repaired 6 inlet tops.

#### Objectives for FY2023

- ▶ Continue to monitor and perform inspections of stormwater infrastructure.
- ▶ Continue inlet repair program.
- ▶ Begin construction of Rawhide Basin improvements.
- ▶ Develop maintenance plans for detention areas and open drainage ditches.
- ▶ Continue successful sustainability and earth day events.

# Utility Fund

## Fund Description

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

## Fund Narrative

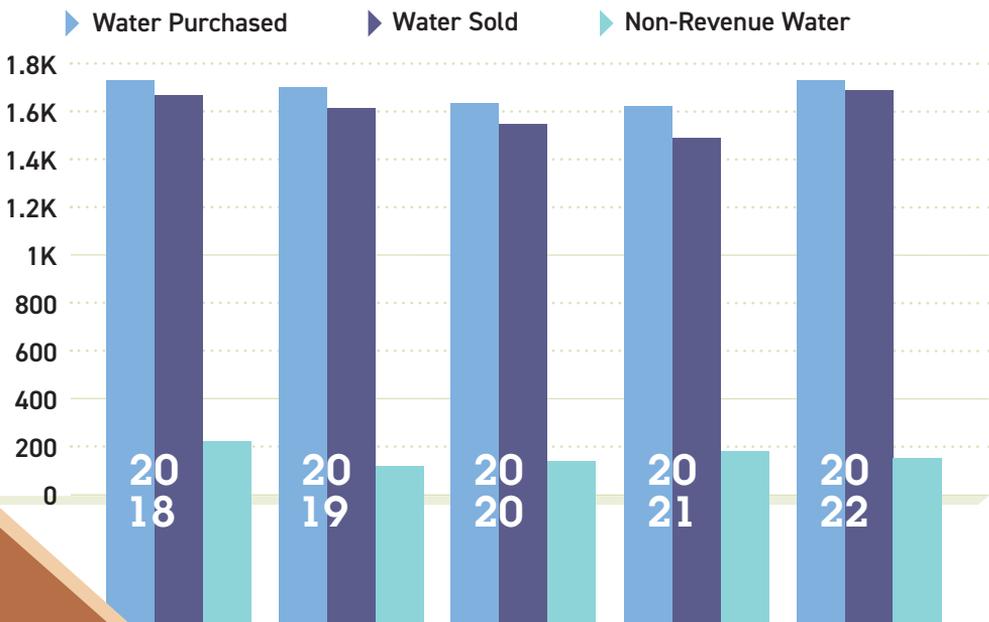
### Concluding Fiscal Year Performance

Operating revenues for FY2022 are projected to total \$14,400,755, which is equal to the budget for FY2022 and \$1.0 million more than was generated in FY2021. Operating expenses in FY2022 are projected to be \$6,474 more than budgeted amounts. The anticipated ending working capital for FY2022 is projected at \$6,244,689.

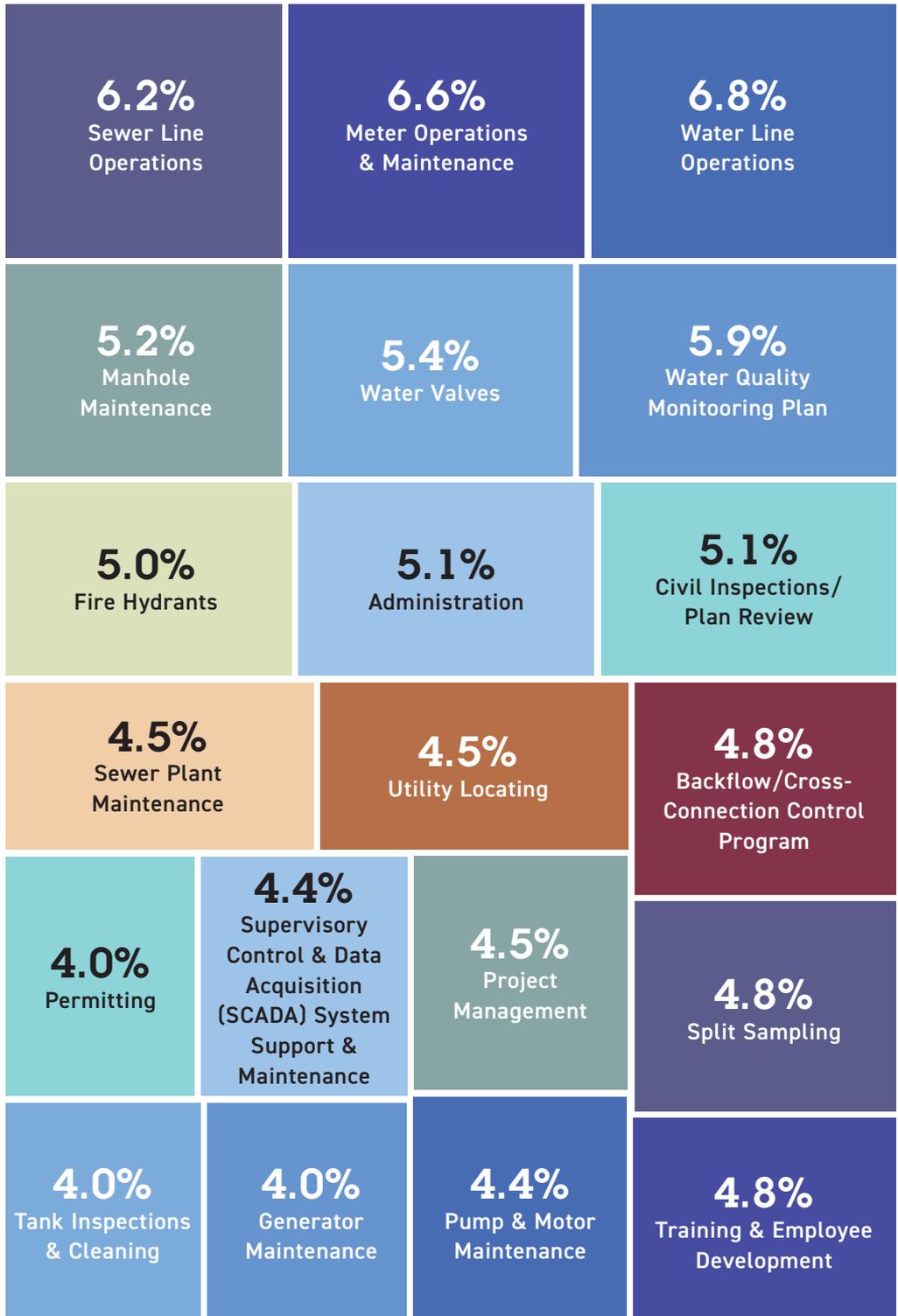
### 2022-2023 Budget Narrative

FY2023 budgeted operating revenues are projected at \$15,399,776, an increase of \$959 thousand from the FY2022 budget. Operating expenses are budgeted at \$15,316,470, an increase of \$885 thousand over the FY2022 budget. Also included in the FY2023 budget is cash funding of \$79 thousand for cash-funded capital projects.

## Water Audit



## Percentage of Program Costs



Utility Fund Statement of Income	ACT 20-21	BUD 21-22	EST 21-22	BUD 22-23
Beginning Balance	\$6,431,088	\$5,956,407	\$6,532,715	\$6,244,689
<b>Revenues</b>				
Service Fees				
Water Sales	7,518,421	7,738,852	7,738,852	8,452,239
Sewer Charges	5,808,866	6,500,903	6,500,903	6,709,962
Tap Fees & Other	10,683	17,500	17,500	15,345
Fines and Penalties	15,958	75,000	75,000	91,874
Interest and Other Income	67,114	108,500	108,500	130,356
<b>TOTAL REVENUES</b>	<b>\$13,421,042</b>	<b>\$14,440,755</b>	<b>\$14,440,755</b>	<b>\$15,399,776</b>
<b>Total Resources Available</b>	<b>19,852,130</b>	<b>20,397,162</b>	<b>20,973,470</b>	<b>21,644,465</b>
<b>Expenditures</b>				
Personnel Services	2,145,882	2,549,211	2,551,512	2,833,900
Supplies	300,455	202,232	201,032	232,112
Maintenance	527,646	892,356	892,356	803,462
Contractual Services				
Water Purchases	3,242,450	4,224,277	4,224,277	4,327,486
Wasterwater Treatment	3,486,904	3,727,622	3,727,622	3,831,839
Other Services	1,286,970	1,077,191	1,069,616	1,337,058
Capital Replacement/Lease	581,857	231,584	231,584	206,584
Debt Service	1,517,681	1,526,782	1,526,782	1,744,029
Capital Outlay	142,533	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$13,232,378</b>	<b>\$14,431,255</b>	<b>\$14,424,781</b>	<b>\$15,316,470</b>
One-Time Decision Packages	-	245,000	245,000	340,000
Capital Improvements	87,037	59,000	59,000	79,000
<b>Total Expenditures</b>	<b>13,319,415</b>	<b>14,735,255</b>	<b>14,728,781</b>	<b>15,735,470</b>
<b>ENDING BALANCE</b>	<b>\$6,532,715</b>	<b>\$5,661,907</b>	<b>\$6,244,689</b>	<b>\$5,908,995</b>



## Utility Billing

### Department Description

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

### Program Narrative

#### Accomplishments of FY2022

- ▶ Updated the water and sewer rate study.
- ▶ Assisted with CityWorks implementation by integrating Utility Billing work orders with the website.

#### Objectives for FY2023

- ▶ Transition credit card payments to new credit card processor.
- ▶ Collaborate with Airport department to determine if billing process is feasible and assist with the setup process.
- ▶ Evaluate customer payment portal options to improve customer experience.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	163,808	197,311	199,612	213,432
Supplies	13,624	15,500	14,300	15,500
Contractual Services	152,714	164,500	156,925	168,100
<b>TOTAL DEPT BUDGET</b>	<b>\$330,146</b>	<b>\$377,311</b>	<b>\$370,837</b>	<b>\$397,032</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Assistant Director of Finance	40	0.3	0.5	0.5	0.5
Utility Billing Supervisor	28	0.8	0.8	0.8	0.8
Accounting Specialist – UB	22	0.8	0.8	0.8	0.8
<b>TOTAL</b>		<b>1.9</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>

## Utility Operations

### Department Description

The mission of the Public Works and Engineering Services Department is to provide quality services related to the provision of water and sanitary sewer services, street maintenance, and stormwater drainage in a compliant, proactive, and professional manner.

The Utility Division of the Public Works and Engineering Services Department is responsible for:

- ▶ Supplying safe, uninterrupted water and wastewater service to Addison residents and businesses.
- ▶ Maintaining water and wastewater facilities and infrastructure.
- ▶ Reviewing, managing, inspecting, and implementing all utility related capital projects.
- ▶ Maintaining regulatory compliance with the Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) water and wastewater systems requirements.
- ▶ Processing and permitting requests for the use of the public right-of-way.

### Program Narrative

#### Accomplishments of FY2022

- ▶ Completed Emergency Preparedness Plans for Senate Bill 3.
- ▶ Completed Environmental Protection Agency's Emergency Response Plan.
- ▶ Updated the Town's cross connection control ordinance.
- ▶ Completed design and began construction of the Lake Forest Drive Water and Sewer Improvements.
- ▶ Began and completed construction of Kellway Lift Station Bypass.
- ▶ Began and completed construction of the Surveyor Chloramine Booster Station.
- ▶ Began design of Surveyor Pump Station Electrical Improvements.
- ▶ Created and developed detailed maintenance programs for main line repairs, rehabilitation of lines and manholes, fire hydrants, pumps, motors, and valves.

#### Objectives for FY2023

- ▶ Complete construction of Lake Forest Drive Water and Sewer Improvements.
- ▶ Complete construction of Surveyor Pump Station Electrical Improvements.
- ▶ Complete replacement of Surveyor #2 pump, motor, and baseplate.
- ▶ CIP validation for all upcoming utility projects.
- ▶ Required fifth Unregulated Contaminant Monitoring Rule (UCMR 5) and lead copper testing.

<b>Expenditures</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Personnel Services	1,982,074	2,351,900	2,351,900	2,620,468
Supplies	286,831	186,732	186,732	216,612
Maintenance	527,646	892,356	892,356	803,462
Contractual Services	1,134,256	912,691	912,691	1,168,958
Capital Replacement/Lease	581,857	231,584	231,584	206,584
Capital Outlay	142,533	-	-	-
One-Time Decision Packages	-	245,000	245,000	340,000
<b>TOTAL DEPT BUDGET</b>	<b>\$4,655,197</b>	<b>\$4,820,263</b>	<b>\$4,820,263</b>	<b>\$5,356,084</b>

<b>Staffing</b>	<b>LVL</b>	<b>ACT 20-21</b>	<b>BUD 21-22</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
Deputy City Manager	49	0.3	0.5	0.5	0.5
Director of Public Works & Engr.	45	1.0	1.0	1.0	1.0
Asst. Director of Public Works & Engr.	40	1.0	1.0	1.0	1.0
GIS Manager	38	0.3	0.3	0.3	0.3
Cap. Improvement Project Manager	36	1.0	1.0	1.0	1.0
Streets & Traffic Operations Manager	34	0.3	0.3	0.3	0.3
Utilities Manager	34	2.0	2.0	2.0	2.0
Right of Way Construction Manager <sup>1</sup>	34	0.0	0.0	0.0	1.0
Talent Acquisition Partner	28	0.3	0.5	0.5	0.5
Line Maintenance Utility Supervisor	28	1.0	1.0	1.0	1.0
Water Quality Utility Supervisor	28	1.0	1.0	1.0	1.0
Senior Construction Inspector	26	1.0	1.0	1.0	0.0
Construction Inspector	24	2.0	2.0	2.0	2.0
Utility Crew Leader	24	1.0	1.0	1.0	1.0
Water Quality Specialist	23	2.0	2.0	2.0	2.0
Accounting Specialist – CIP	22	0.3	0.5	0.5	0.5
Utility Operator III	22	3.0	3.0	3.0	3.0
Department Assistant	20	1.0	1.0	1.0	1.0
Records Clerk <sup>2</sup>	20	0.0	0.0	1.0	1.0
Utility Operator II <sup>3</sup>	20	1.0	1.0	2.0	2.0
Utility Operator I	19	6.0	6.0	5.0	5.0
<b>TOTAL</b>		<b>25.5</b>	<b>26.1</b>	<b>26.1</b>	<b>26.1</b>

<sup>1</sup> This position was reclassified from Senior Construction Inspector to Right of Way Construction Manager (1.0 FTE) in FY 2023.

<sup>2</sup> This position was reclassified from Utility Crew Leader to Public Works and Engineering Records Clerk (1.0 FTE) mid-year in FY 2022.

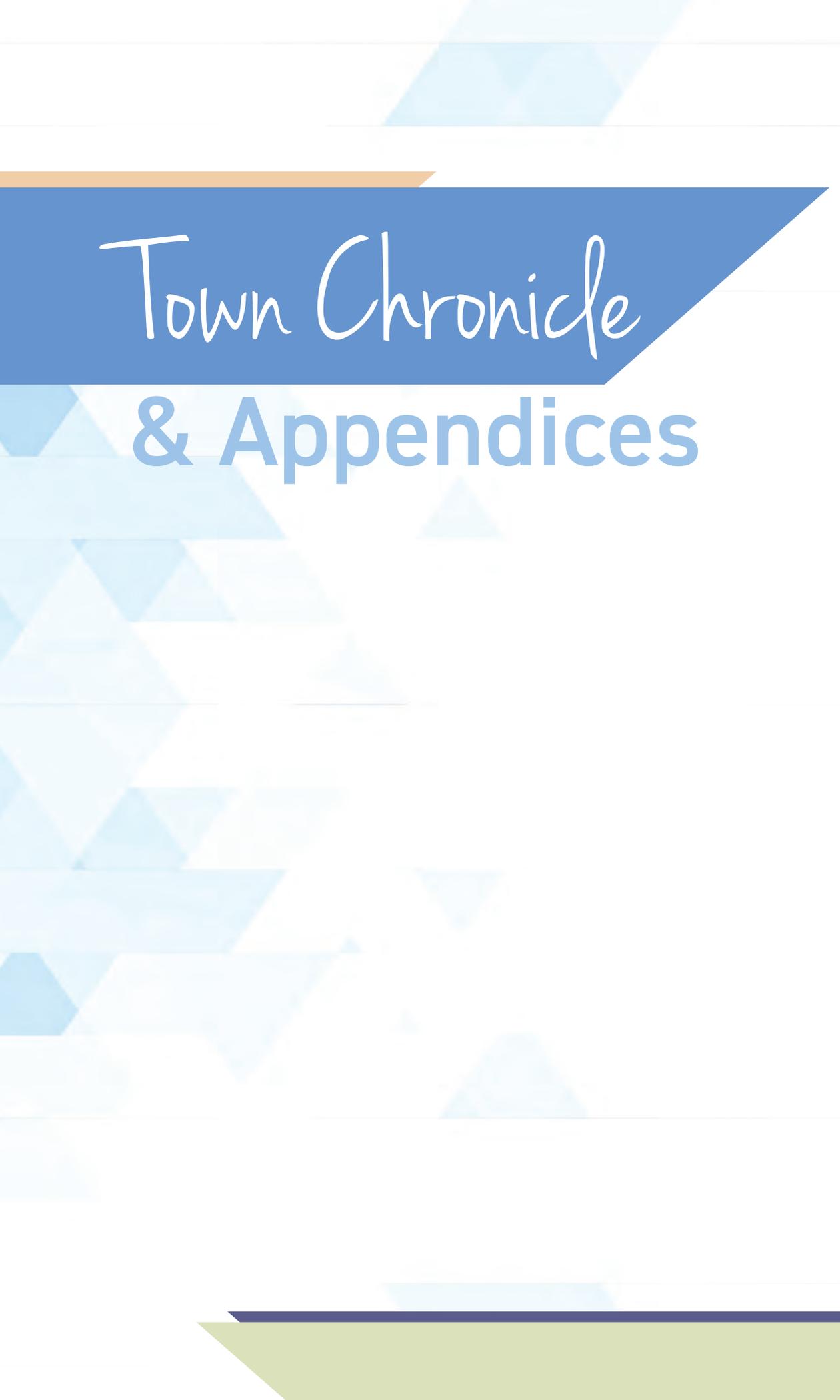
<sup>3</sup> This position was reclassified from Utility Operator I to Utility Operator II (1.0 FTE) mid-year in FY 2022.



Insert or Swipe to Pay

\$8.76

Avocado Toast	\$5.50
Coffee	\$2.50
Tax	\$0.76

The background features a pattern of overlapping, semi-transparent blue triangles of various sizes and orientations. A solid blue banner with a diagonal cut on the right side is positioned in the upper third of the page. A thin orange horizontal line is located just above the banner. At the bottom, a green banner with a diagonal cut on the left side is visible.

Town Chronicle

**& Appendices**

# Addison

## Fast Facts

**4.38**  
Square Miles

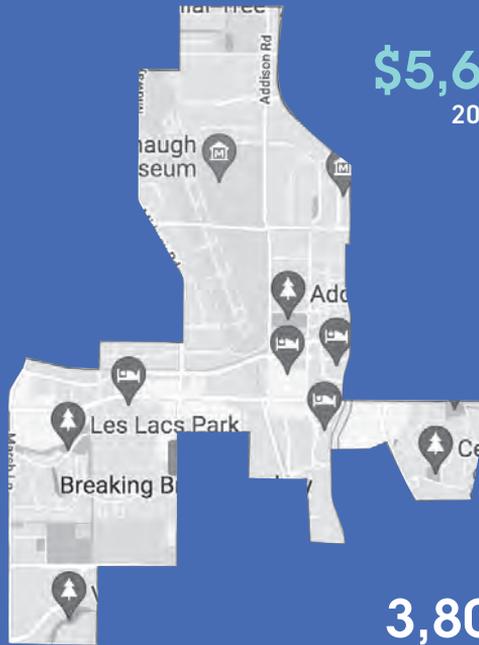
**\$5,630,931,020**  
2022 Taxable Value

**17,720**  
2022 Population<sup>1</sup>

**\$75,235**  
Median Household  
Income<sup>3</sup>

**33.2**  
years  
Median Age<sup>2</sup>

**3,803.9**  
Population per Square Mile<sup>5</sup>



### Top 10 Employers in Addison<sup>8</sup>

- ▶ Mary Kay Cosmetics, Inc.
- ▶ Bank of America Home Loans
- ▶ Homeward Residential, Inc.
- ▶ Regus Texas
- ▶ Barrett Daffin Frappier Turner & Engel
- ▶ Expense Reduction Analysts
- ▶ Maxim Integrated Products
- ▶ InterContinental Hotel Dallas
- ▶ National Bankruptcy Services
- ▶ Zurich American Insurance Company

<sup>1</sup> 2022 North Central Texas Council of Governments Estimate

<sup>2</sup> 2011-2020 American Community Survey, US Census

<sup>3</sup> 2020 American Community Survey, US Census

<sup>4</sup> Dallas Central Appraisal District

**1,293**  
Single-Family  
Residences<sup>4</sup>

**19.1%**  
Owner-Occupied  
Housing Unit Rate<sup>5</sup>

**43,669**  
Total Employment  
in Addison<sup>6</sup>

**56.4%**  
Education Level  
(Persons with a  
Bachelor's Degree,  
Age 25 & above)<sup>7</sup>

## Top 10 Property Tax Payers (2022)<sup>9</sup>

- ▶ Post Apartment Homes LP
- ▶ FPG Colonnade LP
- ▶ Savoye 2 LLC
- ▶ DCO Realty Inc
- ▶ Mary Kay Inc
- ▶ VOP Partners LLC
- ▶ VPDEV 1 LLC
- ▶ Fiori LLC
- ▶ COP Sepectrum Center LLC
- ▶ GS Addison Circle LLC

<sup>5</sup> 2020 US Census Quick Facts

<sup>6</sup> NCTCOG 2020 Daytime Population, Workers Working

<sup>7</sup> Census Quick Facts

<sup>8</sup> North Central Texas Council of Governments

<sup>9</sup> Dallas County Tax Office

# Addison

## Town Chronicle

### **Town Description**

The Town of Addison is located in the Dallas North Parkway area that encompasses the Dallas suburbs of Carrollton, Farmers Branch, and Plano. The area was first settled by Peters colony residents in the 1840s. The area, which developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, and scores of quality restaurants. Because of Addison's overwhelming commercial atmosphere, residents of Addison enjoy a unique lifestyle not common in other suburbs. Though Addison has only 17,720 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business- persons, shoppers, and visitors daily. The area commands a central location in proximity to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area.





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

Addison's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to nearly 10 million square feet of quality office space, and an additional 169 retail buildings representing approximately 2.5 million square feet of space. Most of Addison's office buildings are designated "Class A" due to the amenities they offer. Addison boasts 22 hotels with over 3,600 rooms and over 180 restaurants, or an average of 46 per square mile.

With its concentration of commercial and retail development, Addison is strongly influenced by the region's economic climate. Much attention is given to the occupancy rates of buildings in Addison. Addison's office occupancy rate reached nearly 80% and retail occupancy exceeded 92% in 2022. The Town experienced a 11.0 percent increase in taxable property values for the 2022 certified levy compared to the 2021 certified levy.

Addison takes a proactive approach to develop a town with a strong sense of place that would attract a highly skilled labor force. Developments such as Addison Circle and Vitruvian Park have not only become a desired location to live but a focal point for some of North Texas' major events such as nationally recognized Addison Kaboom Town!, Oktoberfest, and Taste Addison.

# Appendix A:

## The Budget Process

1

### **FY2023 Budget Kickoff**

March 2022

City Manager presents the Town with budget guidance. Departments review their budget and tie to Council priorities identified by Strategic Pillars & Milestones.

### **Budget Requests Submitted and Reviewed**

April 15, 2022

2

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

3

### **Work Sessions with City**

May 2022

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

### **Preliminary Budget Discussions**

June 2022

4

A series of discussions are conducted by the Budget Team to go over information included in the proposed budget.

5

### **Certified Estimated Tax Rolls Received**

July 25, 2022

Certified estimated appraisal rolls from the Dallas Central Appraisal District are received showing taxable values of \$5,630,931,020.

### **FY2023 City Manager's Proposed Budget**

July 30, 2022

6

City Manager's proposed budget is filed with the City Secretary and made available to the public as required by the City Charter. The budget reflects total appropriations of \$135,914,754 and a tax rate of 59.7031 cents.

**7****Work Session with Council**  
August 3, 2022

Council attends FY2023 Budget Retreat to discuss various aspects of the City Manager's proposed budget.

**Publish Notice of Proposed Tax Rate**  
August 26, 2022**8**

Upon receipt of the certified appraisal rolls, the Dallas County Tax Assessor/Collector performs the net effective tax rate calculation as required by State Law. The no new revenue tax rate is calculated to be 56.3865 cents with a voter approval rate of 68.9157 cents.

**9****Public Hearings Held**  
September 6 & September 13, 2022

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

**Council Adopts the FY2023 Budget**  
September 13, 2022**10**

Council approves ordinances adopting the budget for the fiscal year beginning October 1, 2022 with total appropriations of \$137,245,431 and a tax rate of 60.9822 cents.

**11****FY2023 Budget Document is Published**  
November 2022

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

**Budget is Implemented, Monitored,  
& Amended**  
October 2022 – September 2023**12**

Throughout the fiscal year, Town staff closely monitors and tracks the budget. If an amendment becomes necessary, a work session is conducted with Council, and any budget amendments are adopted by ordinance at a regularly scheduled Council meeting.

# Appendix B:

# Financial Policies

## Introduction

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

## Annual Budget

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

1. The fiscal year of the Town of Addison shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.
2. The City Manager, prior to August first of each year, shall prepare and submit to the City Secretary the annual budget covering the next fiscal year, which shall contain the following information:
  - a. The City Manager's budget message shall outline the proposed financial policies for the next fiscal year with explanations of any changes from previous years in expenditures and any major changes of policy and a complete statement regarding the financial condition of the Town.
  - b. An estimate of all revenue from taxes and other sources, including the present tax structure rates and property valuations for the ensuing year.
  - c. A carefully itemized list of proposed expenses by office, department, agency, and project for the budget year, as compared to actual expenses of the last ended fiscal year, and estimated expenses for the current year compared to adopted budget.
  - d. A description of all outstanding bonded indebtedness of the Town.
  - e. A statement proposing any capital expenditure deemed necessary for undertaking during the next budget year and recommended provision for financing.
  - f. A list of capital projects which should be undertaken within the next five succeeding years.
  - g. A five-year financial plan for the General, Hotel, Airport, and Utility Funds.
3. The City Manager's budget should assume, for each fund, operating revenues that are equal to or exceed operating expenditures. The City Manager's budget message shall explain the reasons for any fund that reflects operating expenditures exceeding operating revenues.

4. At least one public hearing shall be conducted before the City Council, allowing interested citizens to express their opinions concerning items of expenditure, giving their reasons for wishing to increase or decrease any items of expense. The notice of hearing shall be published in the official newspaper of the Town not less than 15 days or more than 30 days following date of notice.
5. Following the public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least three days prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote. If the City Council fails to adopt the budget, the Town shall continue to operate under the existing budget until such time as the City Council adopts a budget for the ensuing fiscal year.
6. On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise, the City Council may amend or change the budget to provide for any additional expense.
7. The annual budget document shall be published in a format that satisfies all criteria established by the Government Finance Officers Association's Distinguished Budget Program. The final budget document shall be published no later than 90 days following the date of the budget's adoption by the City Council.

### **Basis of Accounting and Budgeting**

1. The Town's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).
  - a. The accounts of the Town are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.
  - b. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until

actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

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



## Budget Administration

1. All expenses of the Town shall be made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
2. The following represents the Town's budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer (CFO). Transfers between operating departments may occur with the approval of the City Manager and CFO provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

## Financial Reporting

1. Following the conclusion of the fiscal year, the Town's CFO shall cause to be prepared an Annual Comprehensive Financial Report in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
2. The Annual Comprehensive Financial Report shall show the status of the Town's finances on the basis of GAAP. The Annual Comprehensive Financial Report shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In all but two cases this reporting conforms to the way the Town prepares its budget. Compensated absences (accrued but unused sick leave) are not reflected in the budget but are accounted for in the Annual Comprehensive Financial Report'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 Annual Comprehensive 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 60 days following the conclusion of each calendar quarter, issue a report to the City Council reflecting the Town's financial condition for that quarter. The quarterly report format shall be consistent with the format of the annual budget document.

## Revenues

1. To protect the Town's financial integrity, the Town will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the Town will attempt to reduce its dependence on sales tax revenue.
2. For every annual budget, the Town shall levy four property tax rates: debt service, operation/maintenance, infrastructure investment and economic development. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the Town's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. The operation and maintenance levy will be established within the eight percent rollback rate as defined by the State of Texas Property Tax Code. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures. The infrastructure investment will be appropriated \$0.006201 of the operation and maintenance levy to support pay-as-you-go capital projects or significant non-routine capital expenditures of not less than \$500,000.00. In addition, the economic development fund will be appropriated \$0.023716 of the operation and maintenance levy.
3. The Town will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions will be provided to homeowners, senior citizens, and disabled veterans. The Town may consider providing tax abatements or other incentives to encourage development.
4. The Town will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
  - a. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
  - b. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
  - c. The Town will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).
5. The Town will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
6. The Town will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
7. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.



## Operating Expenditures

1. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
  - a. Operating, Recurring Expenditures
    - i. Personnel Services
    - ii. Supplies
    - iii. Maintenance
    - iv. Contractual Services
    - v. Capital Replacement/Lease
  - b. Operating, Non-Recurring Expenditures
    - i. Capital Equipment
2. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.
3. The Town will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.
4. Personal service expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the Town shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
5. Supply expenditures shall be sufficient for ensuring the optimal productivity of Town employees.
6. Maintenance expenditures shall be sufficient for addressing the deterioration of the Town's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.
7. The Town will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the Town. The Town will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the Town.

8. Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least three years. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of Town employees. Existing capital equipment associated with General Fund operations will be depreciated by charges to the departments using the equipment. The depreciation charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The depreciation charges and application of those funds will be accounted for in the Capital Replacement Fund.
9. Capital improvement is defined as an enhancement that exceeds \$25,000 and has a useful life of at least ten years.
10. Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service. Capital assets received by the Town as a donation must be measured at acquisition value in accordance with GASB guidelines.
11. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within a ceiling calculated by the CFO. Projected expenditures that exceed the ceiling must be submitted as separate budget adjustment requests. The City Manager will recommend the adjustment requests to the City Council, which will vote on the requests.

## Fund Balance

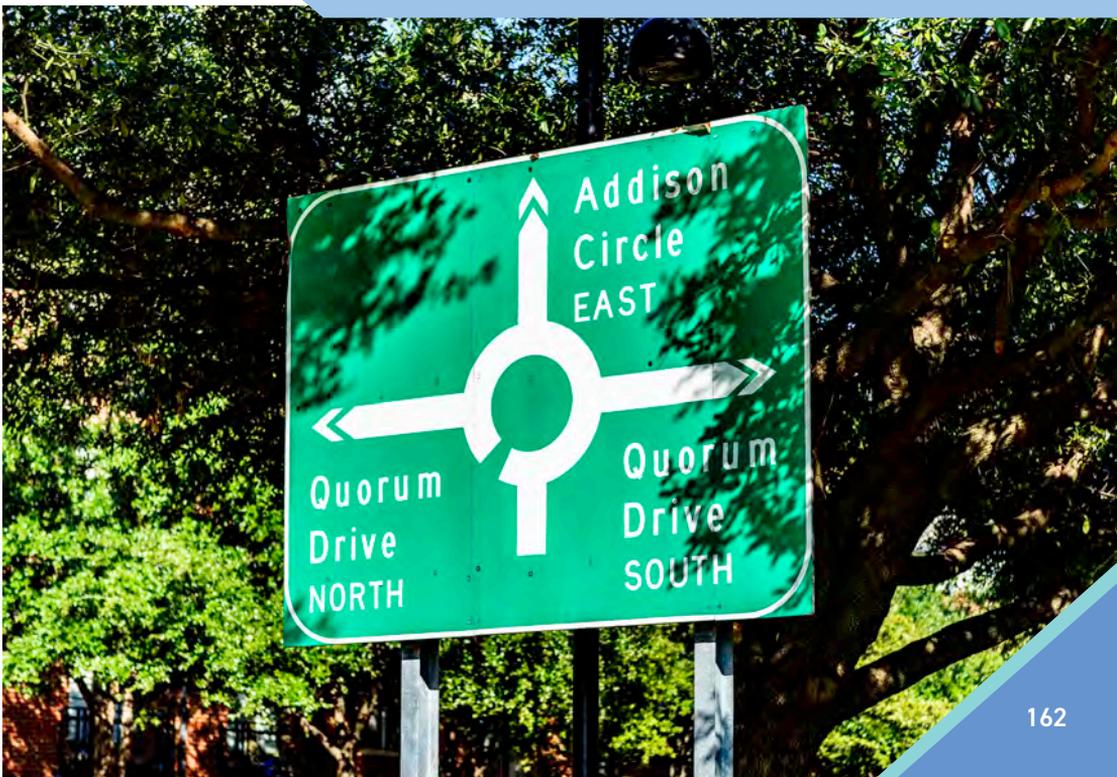
1. The annual budget shall be presented to City Council with each operating fund (i.e., general fund, utility, hotel, economic development, airport, stormwater and debt service funds) reflecting an ending fund balance which is no less than 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, ending fund balances may be established which exceed the 25 percent minimum. It is a goal of the City Council to maintain a General Fund ending fund balance of 30 percent.
2. The annual budget shall be presented to City Council with each special revenue fund (i.e., PEG, court technology, building security, child safety, justice administration and public safety) - not be less than 10 percent of that fund's annual revenues.
3. Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs.
4. The Town will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Addison community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to arrest the future use of fund balance for operating expenditures.

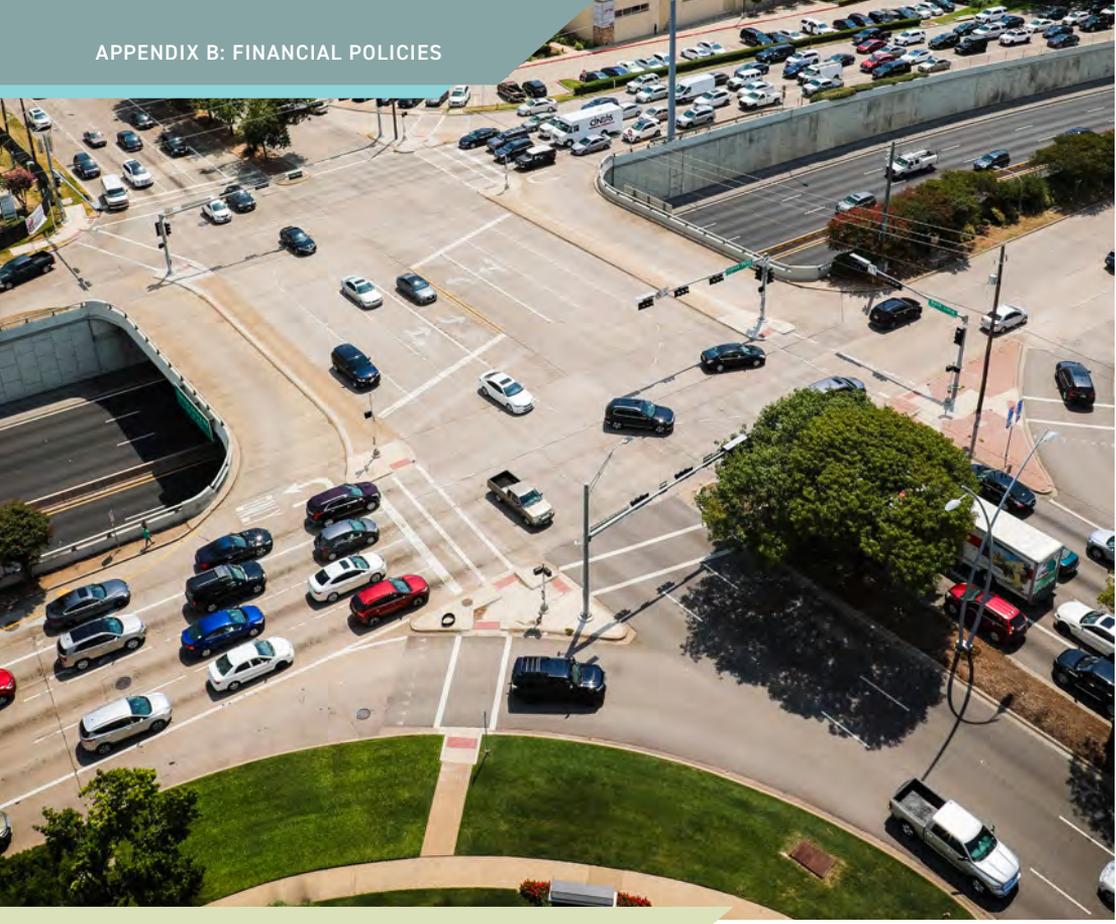
## Fund Transfers

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

## Debt Expenditures

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





## Capital Project Expenditures

1. The Town will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.
2. Capital projects will be constructed to:
  - a. Protect or improve the community's quality of life.
  - b. Protect or enhance the community's economic vitality.
  - c. Support and service new development.
3. To minimize the issuance of debt, the Town will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

## Utility Capital Expenditures

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

## Facility Construction

### Best Value Methods for Entering Into Contract

1. For purposes of this section, the term “facility” means buildings the design and construction of which are governed by accepted building codes; such term does not include (i) highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects, or related types of projects associated with civil engineering construction, or (ii) buildings or structures that are incidental to projects that are primarily civil engineering construction projects.
2. In entering into and awarding a contract for the construction, rehabilitation, alteration, or repair of a facility, the city shall use one of the following methods that provides the best value for the city (such methods being those set forth in Section 271.113(a) of the Texas Local Government Code):
  - a. Competitive bidding;
  - b. Competitive sealed proposals for construction services;
  - c. A design-build contract;
  - d. A contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager; or
  - e. A job order contract for the minor repair, rehabilitation, or alteration of a facility.
  - f. The use or implementation of any such methods shall comply in all respects with Chapter 271, Subchapter H of the Texas Local Government Code and any other applicable law.
3. The determination of which of the best value methods set forth in subparagraph (b) shall be used shall be made before advertising as required by law. The authority of the city council to make such determination is hereby delegated to the city manager (or the city manager’s designee), and the city manager (and any designee of the city manager) is hereby authorized to make such determination.

# Appendix C: Compensation Plan

## N = Non-Exempt Position (hourly)

Eligible for overtime pay when overtime is requested or approved by the supervisor in excess of 40 hours in any work week.

## E = Exempt Position (salaried)

Not eligible for overtime wages.

## P = Police, Non-Exempt Position (hourly)

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

## F = Fire, Non-Exempt Position (hourly)

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

## Wage & Salary Scale

POLICE DEPARTMENT			FIRE DEPARTMENT		
Level	Base Salary	Top Salary	Level	Base Salary	Top Salary
P1-N	62,881	-	F1-N	61,728	77,531
P2-N	70,769	91,339	F2-N	61,726	-
P3-N	98,772	108,133	F3-N	69,515	86,841
P4-E	113,167	123,789	F4-N	87,965	94,303
P5-E	121,564	135,144	F5-N	100,779	105,131
P6-E	135,718	162,856	F6-N	108,324	115,547
			F7-E	118,167	142,524
			F8-N	123,168	132,027
			F9-E	132,781	162,696

## Merit and Market Pay Plan

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

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

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

Included in the FY2023 budget is \$1.8 million to fund a 5.32% merit pool for salary adjustments that are in line with the Town's compensation philosophy. Council defined "better than average" as 1% better than the average pay of the Town's comparison cities.

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

DEPARTMENTS					
Level	Base Salary	Top Salary			
11-N	24,350	36,525	30-E	61,532	92,297
12-N	25,568	38,352	31-E	64,608	96,912
13-N	26,845	40,269	32-E	67,838	101,758
14-N	28,189	42,282	33-E	71,230	106,845
15-N	29,598	44,396	34-E	74,792	112,188
16-N	31,077	46,616	35-E	78,531	117,797
17-N	32,631	48,946	36-E	82,458	123,687
18-N	34,264	51,394	37-E	86,581	129,871
19-N	35,976	53,965	38-E	90,910	136,365
20-N	37,776	56,662	39-E	95,456	143,183
21-N	39,664	59,495	40-E	100,228	150,342
22-N	41,647	62,470	41-E	105,240	157,859
23-N	43,729	65,594	42-E	110,502	165,753
24-N	45,916	68,874	43-E	116,027	174,040
25-N	48,212	72,316	44-E	121,828	182,742
25-E	48,212	72,316	45-E	127,920	191,879
26-N	50,622	75,932	46-E	134,316	201,473
26-E	50,622	75,932	47-E	141,031	211,547
27-E	53,153	79,730	48-E	148,083	222,124
28-E	55,811	83,716	49-E	155,487	233,231
29-E	58,602	87,902	50-E	163,261	244,892

# Appendix D:

## Major Revenue Sources

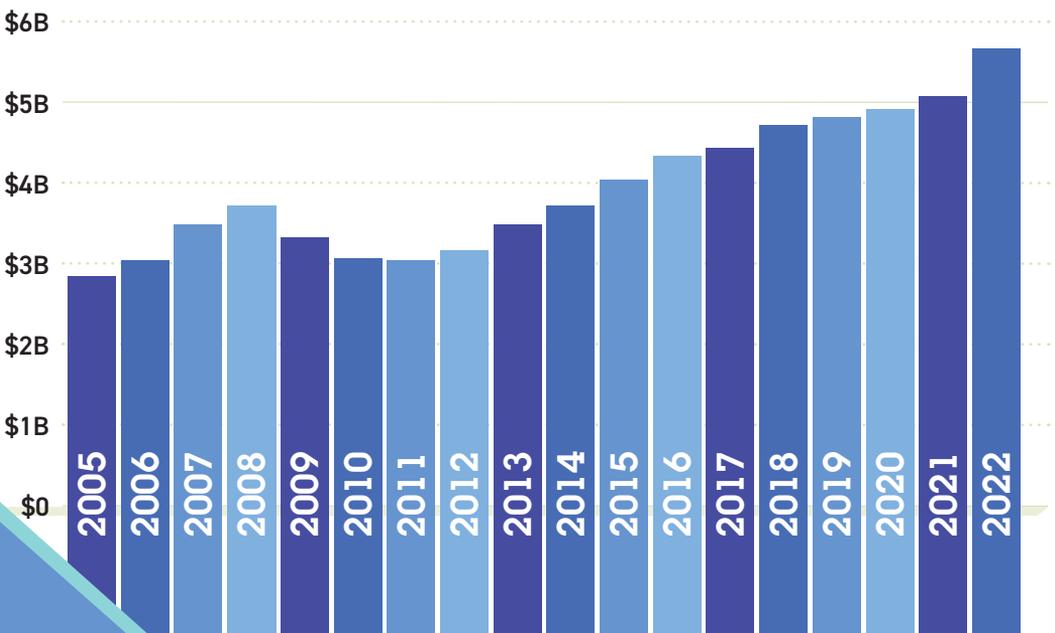
The revenue sources described in this section account for \$71,442,586 or 81 percent of Addison's total operating revenues (excluding interfund transfers).

### Property Taxes

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

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

### Taxable Property Values as of January 1st of Levy Year





The assessed taxable value for the roll as of January 1, 2022, upon which the FY2023 levy is based, is \$5,630,931,020. In new construction, Addison has experienced a slowdown in growth over last year. New construction is valued at \$43,684,948 on the 2022 certified tax roll, which is a decrease of 31 percent over the previous year. Addison has experienced growth in economic development but recognizes that the local economy is cyclical. The Town continues to realize increased values, particularly those related to the Vitruvian Park, and expects continued growth as the nation's economy continues to improve.<sup>1</sup>

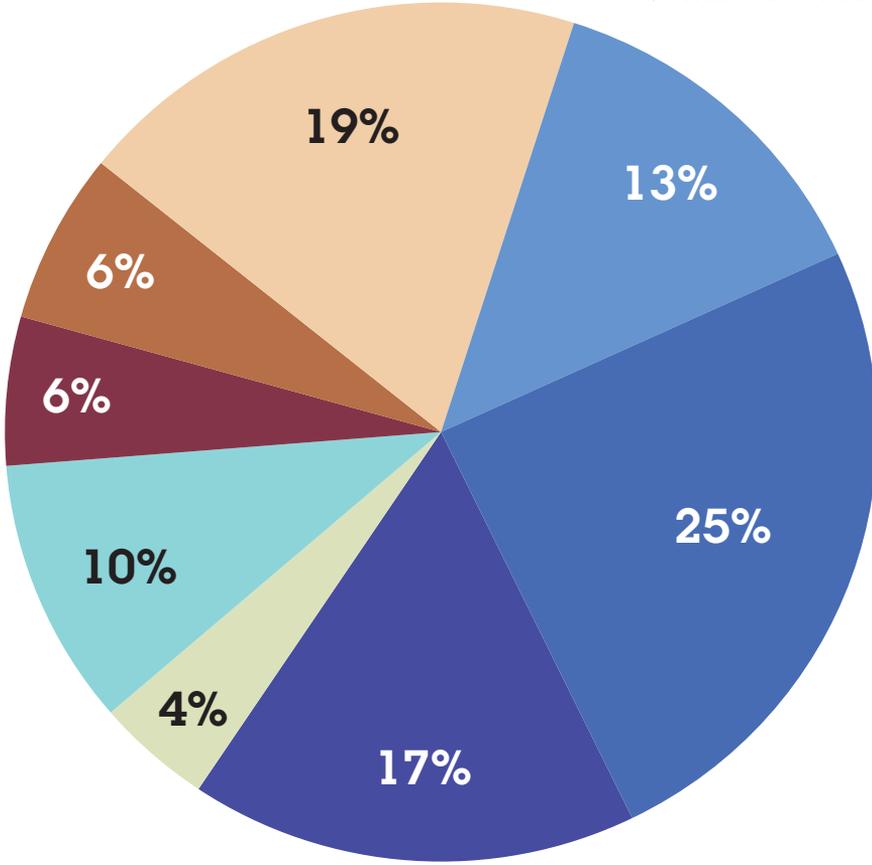
Property taxes are levied through two rates: the maintenance and operations (M&O) rate and the interest and sinking (I&S) rate, which is dedicated to debt service. If the M&O tax rate, adjusted for new improvements, exceeds the no new revenue rate (the rate needed to raise the same amount of revenue as the prior year) by more than 3.5 percent, the Town must hold an automatic election. The tax rate that equates to a 3.5 percent increase above the prior year rate is known as the “voter approval rate”. The FY2023 tax rate adopted by Addison is less than the calculated 68.9157¢ voter approval rate. The tax rate for the year ending September 30, 2023 is 60.9822¢ per \$100 of valuation, of which 44.1109¢ is allocated for general government maintenance and operations and 17.3551¢ is allocated for retirement of general obligation long-term debt. Of the 44.1109¢ allocated for operations and maintenance, 2.3716¢ is committed to economic development and 0.6201¢ is committed to the Infrastructure Investment Fund.

Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the year ending September 30, 2023 are estimated to be 96.5 percent of the levy and will generate \$33,136,787 in revenues.

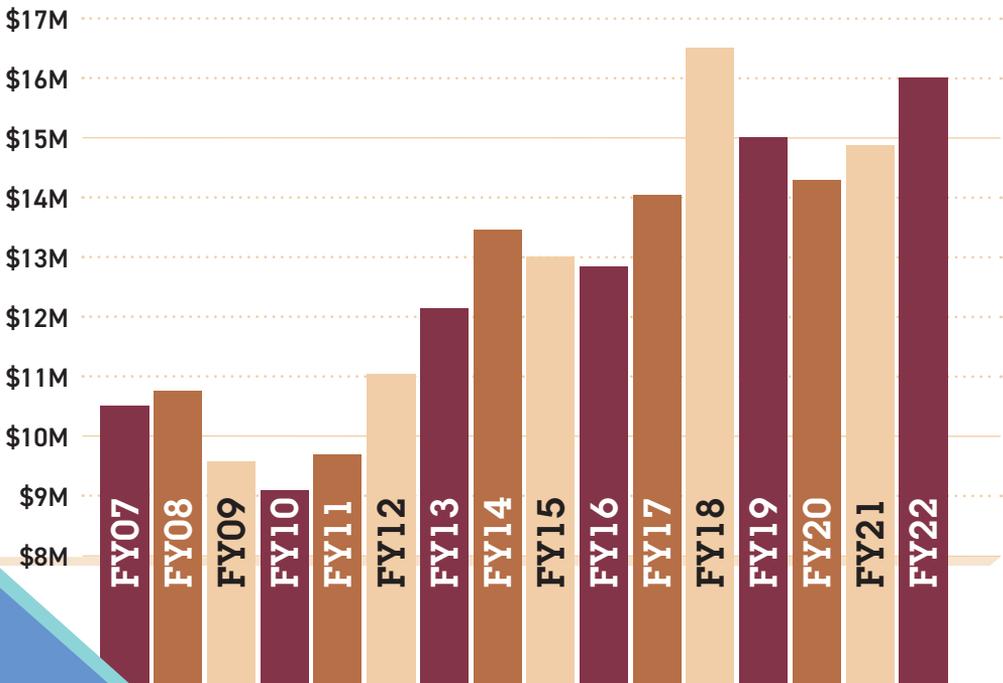
<sup>1</sup> For more information related to the Town's current projects and development, please refer to the Town Chronicle section of this document.

Breakdown of  
FY2022 Sales  
Tax by Economic  
Category

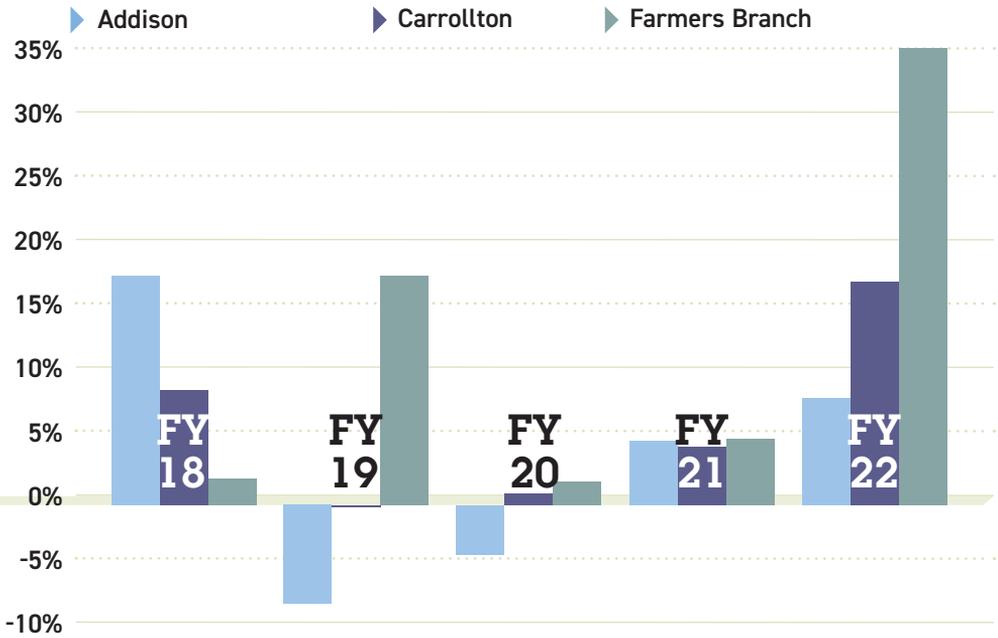
- ▶ Information
- ▶ Other
- ▶ Accomodations & Food Svcs.
- ▶ Manufacturing
- ▶ Professional/Scientific/  
Technical Svcs.
- ▶ Retail
- ▶ Construction
- ▶ Wholesaler Trade



Sales Tax Revenue



## Sales Tax Receipts Year-Over-Year Percentage Change



## Sales Tax

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

For the year ending September 30, 2023, Addison expects to receive \$14,400,000 in sales and use tax revenue. The Town's General Fund long-term plan assumes a 2.0 percent growth in sales tax for FY2023 through FY2025.

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

Although Addison has 17,720 residents, its concentration of hotels and restaurants make it the 13th highest city in Texas for alcoholic beverage sales, surpassing Frisco with a population of 217,470 and Denton with a population of 146,750 (NCTCOG 2022 Population Estimates). Revenues from mixed beverage gross receipts tax combined with the mixed beverage sales tax are projected at \$1,225,000 for FY2023.



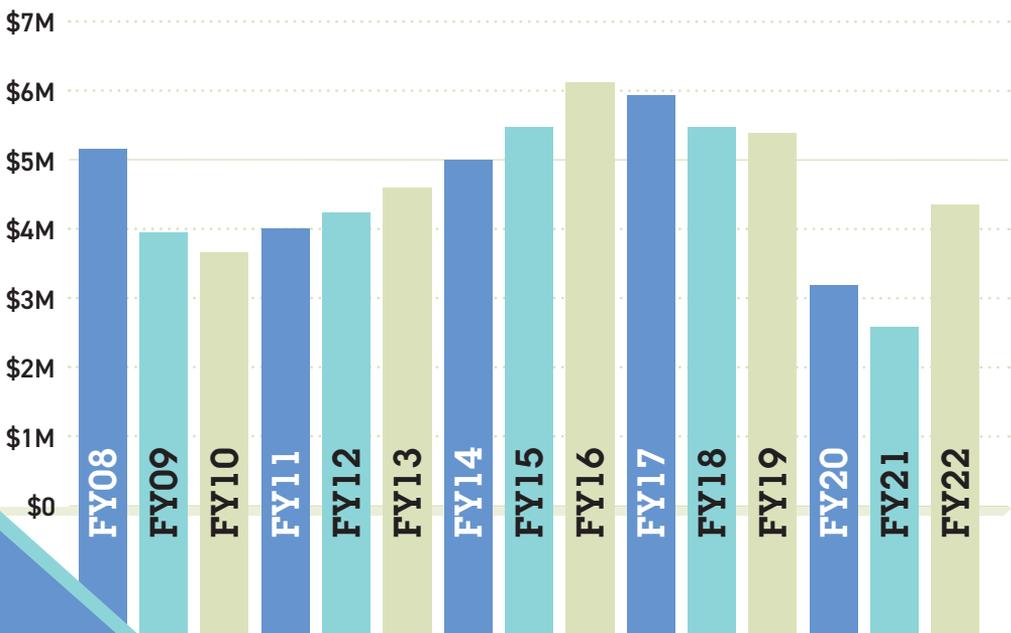
### Hotel/Motel Occupancy Tax

The occupancy tax is levied by both Addison and the State against a hotel or motel’s gross occupancy receipts on a monthly basis. The state collects its own hotel occupancy tax at the rate of 6 percent and plays no part in collecting or enforcing the Town’s hotel occupancy tax. The Town’s tax is 7 percent, the maximum allowed by law.

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

For the year ending September 30, 2023, the Town hotel occupancy tax is budgeted at \$4,800,000, a \$645,000 increase over FY 2022. This is largely due to an estimated increase in hotel occupancy as business travel increases in Addison’s market following the COVID-19 pandemic.

### Hotel Occupancy Tax Revenue



**Percentage of FY2022 Hotel Occupancy  
Tax Receipts by Establishment**

**# OF  
ROOMS      % OF  
REVENUE**

**Full Service**

Marriott Quorum	547	15%
Renaissance	528	14%
	<b>1,075</b>	

**Extended Stay**

Budget Suites	344	9%
Mainstay Suites	70	2%
Marriott Residence Inn	150	4%
Hyatt House	132	4%
Homewood Suites	120	3%
Home2Suites	132	4%
Springhill Suites	159	4%
	<b>1,107</b>	

**Business Moderate**

Marriott Courtyard Quorum	176	5%
LaQuinta Inn	152	4%
Marriott Courtyard Midway	145	4%
Radisson – Addison	101	3%
Hilton Garden Inn	96	3%
Holiday Inn Express	97	3%
Holiday Inn Beltway	102	3%
Best Western Plus	84	2%
	<b>953</b>	

**Economy**

Motel 6	127	3%
Hampton Inn	158	4%
Red Roof Inn	105	3%
Quality Suites North Galleria	78	2%
America's Best Value Inn	60	2%
	<b>528</b>	

<b>TOTAL</b>	<b>3,663</b>	<b>100%</b>
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## Franchise Fees

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

Compensation for use of rights-of-way and city land by electricity providers is based on kilowatt hours of electricity delivered within the city. The Town expects to receive \$1,575,000 in electric franchise fee payments in FY2023.

Franchise fees on telecommunication are calculated by multiplying the access line fee rate by the number of end use local exchange lines within the city. The FY2023 budget anticipates \$200,000 from telecommunication access line fees. This revenue source has seen significant decline in past years with the movement away from traditional land line telephone service.

In 2019, the legislature passed Senate Bill 1152, which authorizes a cable or phone company to stop paying the lesser of cable franchise or telephone access line fees, whichever are less for the company statewide. For FY2023, cable franchise fees are budgeted at \$130,000, which is flat from the FY2022 budget and the FY2021 budget. Other franchise fees paid to Addison include natural gas and street rental fees. Gas franchise fees for FY2023 are budgeted at \$250,000.

## Utility Fees

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

### Utility Accounts by User Type

FY2022–2023 CUSTOMER CLASSIFICATION	WATER		SEWER	
	# OF ACCOUNTS	%	# OF ACCOUNTS	%
Single Family	1,839	48.2%	1,835	68.0%
Multi-Family	156	4.1%	145	5.4%
Municipal/School	33	0.9%	31	1.1%
Irrigation	663	17.4%	-	0.0%
Hotel/Motel	33	0.9%	30	1.1%
Commercial	675	17.7%	646	23.9%
Fire Meter	405	10.6%	-	0.0%
Industrial	11	0.3%	11	0.4%
<b>TOTAL</b>	<b>3,815</b>	<b>100.0%</b>	<b>2,698</b>	<b>100.0%</b>

In reviewing the fiscal health of the Utility Fund during the FY2023 budget process, staff determined the need for an updated utility rate structure. A rate model consultant was engaged, and on July 12, 2022, the City Council approved a utility rate policy to adopt utility rates that fully fund a short-term staffing plan and provide a mix of cash and bond funding for capital improvement projects. The FY2023 adjustments, effective October 1, 2022, included an increase of 5% to water and sewer rates, which equates to \$1.49 per month for an average residential user of 5,000 gallons of water. Future increases to water and sewer rates included in the policy are:

- ▶ October 2024: 5.5%
- ▶ October 2025: 5.5%
- ▶ October 2026: 5.5%
- ▶ October 2027: 4.0%
- ▶ October 2028: 3.5%

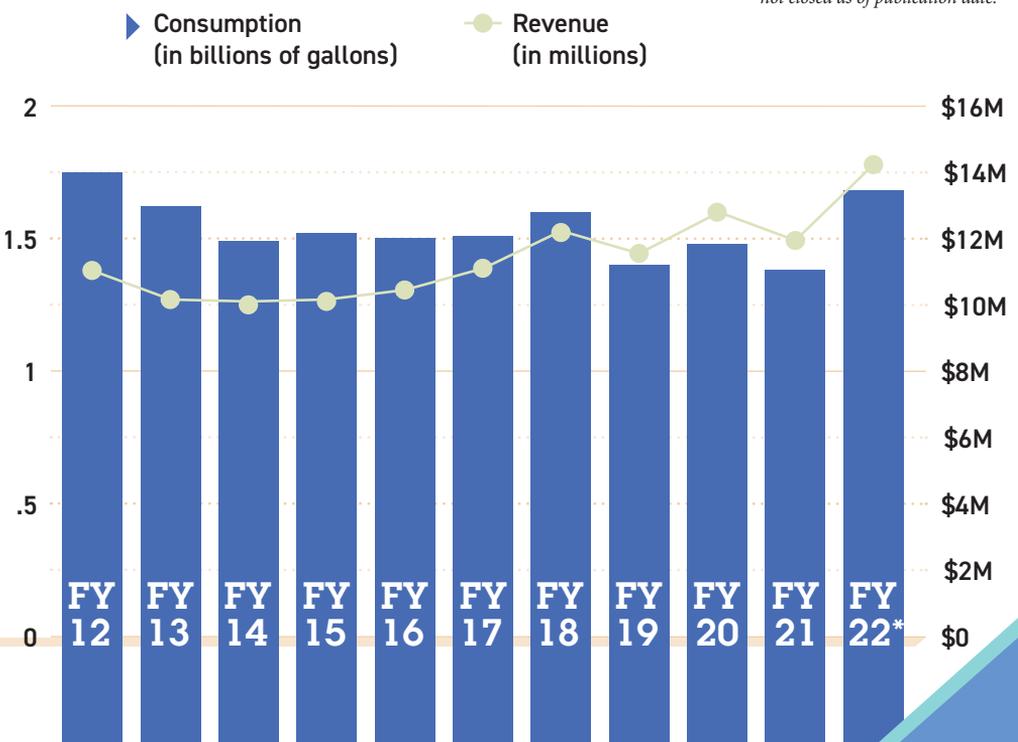
Staff will review the utility rate model on an annual basis to ensure the rate adjustments are in line with the needs identified in the new rate model adopted by the City Council. For the 2023 budget year, the Town’s Utility Fund anticipates receiving \$8,452,239 from the sale of water and \$6,709,962 from sewer fees.

### Stormwater Fees

Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town’s federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund the capital improvements to the Town’s drainage infrastructure. The Town’s Stormwater Fund anticipates receiving \$2,554,023 in stormwater fees in FY2023.

### Water Consumption & Water/Sewer Revenue

*\* Reflects an estimate as FY2022 has not closed as of publication date.*



# Appendix E:

## Long-Term Financial Plans

### Narrative

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

Plans have been developed for all of Addison's major operating funds: General, Hotel, Airport, Utility and Stormwater. Each plan presents the fund over seven FYs: one previous year actuals, an estimation of the FY2022 budget, the adopted "base year" budget for FY2023, and four projected years. Many governments, including the Town of Addison, have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

Finally, the plans help the Town in absorbing the impact of economic booms and busts. Addison is particularly susceptible to economic fluctuations due to its dense commercial base. The Town has 17,720 residents (2022 North Central Texas Council of Governments estimate) but because of its office buildings, hotels, restaurants, and shops, it is estimated that Addison serves a daytime population in excess of 125,000.<sup>1</sup> By establishing funding ceilings, revenue generated by an economic "boom" is added to fund balance so that funds are available to support city services when the inevitable economic "bust" arrives. This aspect of the plan is exercised in all five operating funds with the planning horizon beginning with FY2023. The FY2023 budget shows a healthy balance well above the 25 percent threshold for all operating funds.

These financial controls are premised on the principle of balancing Addison's budget. To ensure fiscal stability of the Town's operations, Addison relies on a balanced budget to ensure responsible spending of public funds. A balanced budget occurs when the total sum of revenues collected in a FY is equal to or more than its

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

expenditures. This principle ensures adequate resources and funding to cover ongoing city operational expenditures.

## General Fund Long-Term Plan

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

1. Non-property taxes increased 4.6 percent from FY2021 actual to the estimated FY2022 total. The FY2023 budget assumes 4.9% growth in sales tax compared to the FY2022 budget. The General Fund long-term plan assumes non-property tax revenues is anticipated to grow 2% from FY 2024 to FY2027.
2. Property tax revenue is dependent on two variables: appraised value and the tax rate. Property values for 2022 (used for the FY2023 levy) increased 10.9 percent. From 2015 through 2022, values have increased a cumulative 33.4 percent. Addison's focus on expanding economic development efforts has improved economic conditions throughout the community and has helped spur the majority of new construction and redevelopment. The tax rate for FY2023 is 60.9822 cents per \$100 assessed values. The tax rate and appraised values will generate an additional \$2.2 million in revenue for the General Fund in FY2023. The General Fund long-term plan assumes 12 percent growth in property tax revenues for FY2023 and assumes 3.5 percent growth from FY2024 to FY2027
3. Service fees are expected to remain flat from FY2024 through FY2027. Major fees in this category include 911 fees, ambulance fees, and refuse collection fees.
4. All other revenues during the planning horizon are expected to remain flat.
5. More than two-thirds of the General Fund's expenditures are associated with personnel costs. The FY2023 budget for personnel services is \$2,398,990 more than the estimated FY2022 budget primarily due to the funding of the 5.34% compensation pool. The long-term plan assumes that personnel costs will increase 3% annually in years FY2024 through FY2027. The increase is primarily due to increases in employee compensation and health insurance costs.
6. The General Fund makes contributions to Addison's Capital Replacement and Information Technology Funds that essentially amortize capital equipment used by General Fund operations so that when the equipment needs to be replaced, resources have been accumulated to purchase replacement equipment.
7. All non-personnel operating expenditures for FY2024 through FY2027 are adjusted for a 1.0 percent inflationary increase. When Addison experiences revenues that do not support programs, departments will accommodate for this inflationary increase in supplies or contractual services through operational efficiencies or reductions to scope of services delivered to the public.

<b>General Fund Long-Term Financial Plan</b>	<b>ACT 20-21</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$20,134,439</b>	<b>\$20,243,675</b>	<b>\$20,452,933</b>
<b>Revenues</b>			
Ad Valorem Taxes	20,172,494	20,037,826	22,409,394
Non-Property Taxes	15,965,385	16,700,000	15,625,000
Franchise Fees	1,946,706	2,180,000	2,155,000
Licenses & Permits	824,908	1,090,100	1,170,100
Service Fees	1,826,274	2,018,070	2,068,490
Fines & Penalties	163,408	245,000	245,000
Rental Income	7,900	8,000	8,000
Interest & Other Income	1,303,979	396,000	490,500
<b>TOTAL REVENUES</b>	<b>\$42,211,054</b>	<b>\$42,674,996</b>	<b>\$44,171,484</b>
<b>Expenditures</b>			
<b>Operating</b>			
Personnel Services	25,088,000	26,384,686	28,783,676
Supplies	1,324,798	1,399,095	1,562,696
Maintenance	2,925,428	3,569,386	3,605,759
Contractual Services	7,005,565	7,813,697	8,439,006
Capital Replacement/Lease	1,906,919	1,801,511	1,597,511
Capital Outlay	390,158	97,363	178,000
<b>Total Operating Expenditures</b>	<b>38,640,868</b>	<b>41,065,738</b>	<b>44,166,648</b>
Fund Transfer Out	3,460,950	1,400,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$42,101,818</b>	<b>\$42,465,738</b>	<b>\$44,166,648</b>
<b>ENDING FUND BALANCE</b>	<b>\$20,243,675</b>	<b>\$20,452,933</b>	<b>\$20,457,769</b>
<b>ENDING BALANCE AS A % OF EXP</b>	<b>52.4%</b>	<b>49.8%</b>	<b>46.3%</b>

Addison's Council has set a goal of maintaining the General Fund reserves at a level of 30 percent of operating expenditures. The FY2023 General Fund budget has a projected ending fund balance of 46.3 percent; additionally, the long-term plan assumes that fund balances will remain above 30 percent FY2024 through FY2027. Financial planning uses forecasts to provide insight into future financial capacity to meet service objectives and financial challenges. The long-term planning nature of the model will allow for steps to be taken to maintain the 30 percent fund balance goal.

	YR 1 PROJ 23-24	YR 2 PROJ 24-25	YR 3 PROJ 25-26	YR 4 PROJ 26-27
	\$20,457,769	\$20,935,842	\$21,541,596	\$22,281,393
	23,193,723	24,005,503	24,845,696	25,715,295
	15,937,500	16,256,250	16,581,375	16,913,003
	2,176,550	2,198,316	2,220,299	2,242,502
	1,181,801	1,193,619	1,205,555	1,217,611
	2,089,175	2,110,067	2,131,167	2,152,479
	247,450	249,925	252,424	254,948
	8,080	8,161	8,242	8,325
	495,405	500,359	505,363	510,416
	<b>\$45,329,684</b>	<b>\$46,522,199</b>	<b>\$47,750,121</b>	<b>\$49,014,578</b>
	29,647,186	30,536,602	31,452,700	32,396,281
	1,578,323	1,594,106	1,610,047	1,626,148
	3,641,817	3,678,235	3,715,017	3,752,167
	8,523,396	8,608,630	8,694,716	8,781,663
	1,460,889	1,498,872	1,537,842	1,577,826
	-	-	-	-
	<b>44,851,611</b>	<b>45,916,445</b>	<b>47,010,323</b>	<b>48,134,086</b>
	-	-	-	-
	<b>\$44,851,611</b>	<b>\$45,916,445</b>	<b>\$47,010,323</b>	<b>\$48,134,086</b>
	\$20,935,842	\$21,541,596	\$22,281,393	\$23,161,886
	46.7%	46.9%	47.4%	48.1%

## Hotel Fund Long-Term Plan

Addison's hotels cater to the business traveler and therefore are tied to the national and regional economies. The Hotel Fund has been the most impacted by the COVID-19 pandemic. Despite the contraction created by the pandemic, economic activity in North Texas has experienced growth and recovery. Hotel occupancy rates are expected to increase slowly over the next few years. The plan reflects the following assumptions:

1. Hotel occupancy tax revenue for the FY2023 budget is expected to increase from the estimated FY2022 numbers by 15.5 percent. For FY2024, revenues from the tax are expected to increase 5 percent, then increase at 2 percent for FY2025 through FY2027. The inventory of hotel rooms is currently 3,663 rooms.

2. All other revenues during the planning horizon are expected to decrease 1 percent in FY2024, then increase 1 percent in FY2025 through FY2027.
3. The long-term plan assumes that personnel costs will increase 3% in years FY2024 through FY2027.
4. The Hotel Fund will transfer \$768,000 in FY2023 to fund the Tourism department in the Economic Development Fund. This transfer is scheduled to continue throughout the forecast period to fully fund the Tourism department.

The FY2023 Hotel Fund budget has a projected ending fund balance of 60.8 percent; this percentage is above the 25 percent required by the Town’s financial policies. Additionally, the long-term plan assumes that fund balances will remain above 25 until FY2026. Unlike other funds where expenditures are directly related to critical public

**Hotel Special Revenue  
Fund Long-Term  
Financial Plan**

	<b>ACT 20-21</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$3,449,095</b>	<b>\$3,008,840</b>	<b>\$4,615,668</b>
<b>Revenues</b>			
Hotel/Motel Occupany Taxes (HOT)	2,523,560	4,155,000	4,800,000
Proceeds from Special Events	897,005	1,155,500	1,127,000
Rental Income	86,403	85,000	30,000
Intergovernmental – Federal	1,014,871	2,014,736	-
Interest & Other Income	67,509	10,100	20,100
<b>TOTAL REVENUES</b>	<b>\$4,589,349</b>	<b>\$7,420,336</b>	<b>\$5,977,100</b>
<b>Expenditures</b>			
Addison Theatre Centre	261,323	275,208	283,279
Conference Centre	242,199	212,138	220,510
General Hotel Operations	23,085	164,114	186,197
Marketing	859,612	1,139,905	1,193,362
Performing Arts	375,989	329,089	379,089
Special Events	2,001,576	2,425,736	2,757,275
Special Events Operations	866,347	883,318	1,088,337
<b>Total Operating Expenditures</b>	<b>4,630,131</b>	<b>5,429,508</b>	<b>6,108,049</b>
Fund Transfer Out	384,000	384,000	768,000
Capital Projects (Cash Funded)	15,473	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$5,029,604</b>	<b>\$5,813,508</b>	<b>\$6,876,049</b>
<b>ENDING FUND BALANCE</b>	<b>\$3,008,840</b>	<b>\$4,615,668</b>	<b>\$3,716,719</b>
<b>ENDING BALANCE AS A % OF EXP</b>	<b>65.0%</b>	<b>85.0%</b>	<b>60.8%</b>

services, hotel occupancy tax revenues are “dedicated revenues” that may only be spent on directly promoting tourism and the convention and hotel industry. The Town is monitoring these activities and they can be reduced should hotel occupancy taxes not grow in future years.

### Airport Fund Long-Term Plan

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

	<b>YR 1 PROJ 23-24</b>	<b>YR 2 PROJ 24-25</b>	<b>YR 3 PROJ 25-26</b>	<b>YR 4 PROJ 26-27</b>
	<b>\$3,716,719</b>	<b>\$2,924,154</b>	<b>\$2,119,841</b>	<b>\$1,303,441</b>
	5,040,000	5,140,800	5,243,616	5,348,488
	1,115,545	1,126,700	1,137,967	1,149,347
	30,000	30,900	31,827	32,782
	-	-	-	-
	20,100	20,100	20,100	20,100
	<b>\$6,205,645</b>	<b>\$6,318,500</b>	<b>\$6,433,510</b>	<b>\$6,550,717</b>
	288,945	294,723	300,618	306,630
	224,920	229,419	234,007	238,687
	189,921	193,719	197,594	201,546
	1,217,229	1,241,574	1,266,405	1,291,733
	386,671	394,404	402,292	410,338
	2,812,421	2,868,669	2,926,042	2,984,563
	1,110,104	1,132,306	1,154,952	1,178,051
	<b>6,230,210</b>	<b>6,354,814</b>	<b>6,481,910</b>	<b>6,611,549</b>
	768,000	768,000	768,000	768,000
	-	-	-	-
	<b>\$6,998,210</b>	<b>\$7,122,814</b>	<b>\$7,249,910</b>	<b>\$7,379,549</b>
	<b>\$2,924,154</b>	<b>\$2,119,841</b>	<b>\$1,303,441</b>	<b>\$474,609</b>
	<b>46.9%</b>	<b>33.4%</b>	<b>20.1%</b>	<b>7.2%</b>

<b>Airport Fund Long-Term Financial Plan</b>	<b>ACT 20-21</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$5,711,003</b>	<b>\$6,946,145</b>	<b>\$6,658,419</b>
<b>Revenues</b>			
Intergovernmental			
Operating Grants	107,000	50,000	50,000
Service Fees			
Customs Fees	108,408	150,000	157,000
Fuel Flowage Fees	1,064,377	1,300,000	1,119,600
Rental Income	4,415,499	5,200,000	5,301,700
Interest & Other Income	168,982	56,040	60,000
Transfers from Other Funds	-	-	-
<b>TOTAL REVENUES</b>	<b>\$5,864,266</b>	<b>\$6,756,040</b>	<b>\$6,688,300</b>
<b>Expenditures</b>			
<b>Operating</b>			
Personnel Services	1,963,122	2,114,862	2,452,144
Supplies	41,731	64,700	56,381
Maintenance	368,803	744,416	671,801
Contractual Services	977,028	1,065,682	1,164,992
Capital Replacement/Lease	467,258	257,928	232,928
Debt Service	749,768	910,527	885,718
Capital Outlay	46,664	35,000	35,000
<b>Total Operating Expenses</b>	<b>4,614,374</b>	<b>5,193,115</b>	<b>5,498,964</b>
One-Time Decision Packages	-	16,000	-
Transfer to Debt Service Fund	-	-	508,966
Capital Projects (Cash Funded)	14,750	1,834,651	2,570,000
<b>TOTAL EXPENSES</b>	<b>\$4,629,124</b>	<b>\$7,043,766</b>	<b>\$8,577,930</b>
<b>ENDING WORKING CAPITAL</b>	<b>\$6,946,145</b>	<b>\$6,658,419</b>	<b>\$4,768,789</b>
<b>ENDING BALANCE AS A % OF EXP</b>	<b>150.5%</b>	<b>128.2%</b>	<b>86.7%</b>

1. Operating revenue increased 15.0 percent from actual FY2021, excluding transfers, to re-estimated FY2022. The revenue projection from FY2024 through FY2027 is expected to remain relatively flat.
2. The budget for personnel services pays for three Police Officers, a Management Assistant, an Airport Director, two Assistant Airport Directors, an Airport Maintenance Manager, an Airport Operations Manager, a Department Assistant, an Airport Maintenance Technician III, three Airport Maintenance Technician II, a Janitor/Maintenance Worker, an Asset Manager, a Leasing

	YR 1 PROJ 23-24	YR 2 PROJ 24-25	YR 3 PROJ 25-26	YR 4 PROJ 26-27
	\$4,768,789	\$4,909,004	\$5,220,783	\$5,789,179
	50,000	50,000	50,000	50,000
	157,000	157,000	157,000	157,000
	1,153,188	1,187,784	1,223,417	1,260,120
	5,301,700	5,301,700	5,301,700	5,301,700
	60,600	61,206	61,818	62,436
	-	-	-	-
	<b>\$6,722,488</b>	<b>\$6,757,690</b>	<b>\$6,793,935</b>	<b>\$6,831,256</b>
	2,550,230	2,652,239	2,758,329	2,868,662
	57,509	58,659	59,832	61,029
	685,237	698,942	712,921	727,179
	1,188,292	1,212,058	1,236,299	1,261,025
	232,928	232,928	232,928	232,928
	871,434	689,809	692,909	694,134
	35,000	35,000	35,000	35,000
	<b>5,620,629</b>	<b>5,579,634</b>	<b>5,728,217</b>	<b>5,879,956</b>
	-	-	-	-
	397,644	395,276	399,323	396,388
	564,000	471,000	98,000	-
	<b>\$6,582,273</b>	<b>\$6,445,910</b>	<b>\$6,225,540</b>	<b>\$6,276,344</b>
	<b>\$4,909,004</b>	<b>\$5,220,783</b>	<b>\$5,789,179</b>	<b>\$6,344,090</b>
	<b>87.3%</b>	<b>93.6%</b>	<b>101.1%</b>	<b>107.9%</b>

Manager, an Airport Accounting Manager, an Airport Operations Specialist, and an Airport Summer Management Intern. The personnel services budget also pays for a portion of the Town's GIS Manager, a Deputy City Manager, a Talent Acquisition Partner, an Accounting Supervisor, and an Accounting Specialist. The budget in FY2023 includes a 5.25% compensation pool. The long-term plan assumes that personnel costs will increase 3% in years FY2024 through FY2027.

3. All non-personnel operating expenditures for FY2023 through FY2026 are adjusted for a 1.0 percent inflationary increase.

4. The plan includes payment of the debt service associated with four debt issuances. In 2018 certificates of obligation were issued for construction of the new U.S. Customs and Border Protection facility. The 2013 certificates of obligation were issued for improvements to the airport's fuel farm and other various capital projects. The 2014 general obligation refunding bonds, which replaced the portion of 2004 combination tax and revenue certificates of obligation, were supported by the Airport Fund. In 2021, general obligation refunding bonds were issued to refund the 2013 certificates of obligation.
5. The plan projects revenues exceeding expenditures in FY2023 with funding for one-time capital projects included.

Utility Fund Long-Term Financial Plan	ACT 20-21	EST 21-22	BUD 22-23
<b>Beginning Balance</b>	<b>\$6,431,088</b>	<b>\$6,532,715</b>	<b>\$6,244,689</b>
<b>Revenues</b>			
Water Sales	7,518,421	7,738,852	8,452,239
Sewer Charges	5,808,866	6,500,903	6,709,962
Tap Fees & Other	10,683	17,500	15,345
Interest & Other Income	67,114	108,500	130,356
<b>TOTAL REVENUES</b>	<b>\$13,421,042</b>	<b>\$14,440,755</b>	<b>\$15,399,776</b>
<b>Expenditures</b>			
Personnel Services	2,145,882	2,551,512	2,755,991
Supplies	300,455	201,032	232,112
Maintenance	527,646	892,356	803,462
Contractual Services			
Water Purchases	3,242,450	4,224,277	4,327,486
Wastewater Treatment	3,486,904	3,727,622	3,831,839
Other Services	1,286,970	1,069,616	1,337,058
Capital Replacement/Lease	581,857	231,584	206,584
Debt Service	1,517,681	1,526,782	1,744,029
Capital Outlay	142,533	-	-
<b>Total Operating Expenses</b>	<b>13,232,378</b>	<b>14,424,781</b>	<b>15,238,561</b>
One-Time Decision Packages	-	245,000	340,000
Capital Projects (Cash Funded)	87,037	59,000	79,000
<b>TOTAL EXPENSES</b>	<b>\$13,319,415</b>	<b>\$14,728,781</b>	<b>\$15,657,561</b>
<b>ENDING WORKING CAPITAL</b>	<b>\$6,532,715</b>	<b>\$6,244,689</b>	<b>\$5,986,904</b>
<b>ENDING BALANCE AS A % OF EXP</b>	<b>49.4%</b>	<b>43.3%</b>	<b>39.3%</b>

## Utility Fund Long-Term Plan

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

Operating revenues are determined by the water and sewer rates as well as the volume of water sold, and sewer treated. These revenues are highly influenced by weather patterns. Hot, dry summers result in high water sales, which to a certain extent also generate higher sewer revenues. Seasons of heavy precipitation, on the other hand, result in reduced water sales and the corresponding sewer revenues.

	YR 1 PROJ 23-24	YR 2 PROJ 24-25	YR 3 PROJ 25-26	YR 4 PROJ 26-27
	\$5,986,904	\$6,305,170	\$6,463,778	\$7,004,060
	8,930,630	9,420,153	9,941,936	10,337,797
	7,100,399	7,491,460	7,835,836	8,147,904
	13,952	14,925	14,740	14,539
	135,790	129,815	129,815	131,987
	<b>\$16,274,482</b>	<b>\$17,151,939</b>	<b>\$18,016,051</b>	<b>\$18,726,567</b>
	2,838,671	2,923,831	3,011,546	3,101,892
	239,075	246,248	253,635	261,244
	811,497	819,612	827,808	836,086
	4,543,860	4,771,053	5,009,606	5,260,086
	4,023,431	4,224,602	4,435,833	4,657,624
	1,350,429	1,363,933	1,377,572	1,391,348
	206,584	206,584	206,584	206,584
	1,743,669	2,194,469	2,202,185	2,203,838
	-	-	-	-
	<b>15,757,216</b>	<b>16,750,332</b>	<b>17,324,768</b>	<b>17,918,702</b>
	-	-	-	-
	199,000	243,000	151,000	-
	<b>\$15,956,216</b>	<b>\$16,993,332</b>	<b>\$17,475,768</b>	<b>\$17,918,702</b>
	\$6,305,170	\$6,463,778	\$7,004,060	\$7,811,925
	40.0%	38.6%	40.4%	43.6%

**Stormwater Fund Long-Term Financial Plan**

	<b>ACT 20-21</b>	<b>EST 21-22</b>	<b>BUD 22-23</b>
<b>Beginning Balance</b>	<b>\$7,734,397</b>	<b>\$8,975,956</b>	<b>\$9,128,538</b>
<b>Revenues</b>			
Licenses & Permits	1,475	-	-
Service Fees			
Drainage Fees	2,457,241	2,554,023	2,554,023
Interest & Other Income	33,911	20,000	100,000
<b>TOTAL REVENUES</b>	<b>\$2,492,627</b>	<b>\$2,574,023</b>	<b>\$2,654,023</b>
<b>Expenditures</b>			
Personnel Services	324,658	396,777	417,276
Supplies	11,637	12,364	16,100
Maintenance	59,377	114,619	166,280
Contractual Services	256,804	304,596	359,710
Capital Replacement/Lease	-	10,000	10,000
Debt Service	542,616	545,266	491,390
Capital Outlay	53,796	146,000	-
<b>Total Operating Expenses</b>	<b>1,248,888</b>	<b>1,529,622</b>	<b>1,460,756</b>
One-Time Decision Packages	-	70,000	215,000
Transfer to Debt Service Fund	-	-	400,439
Capital Projects (Cash Funded)	2,180	821,819	2,838,033
<b>TOTAL EXPENSES</b>	<b>\$1,251,068</b>	<b>\$2,421,441</b>	<b>\$4,914,228</b>
<b>ENDING WORKING CAPITAL</b>	<b>\$8,975,956</b>	<b>\$9,128,538</b>	<b>\$6,868,333</b>
<b>ENDING BALANCE AS A % OF EXP</b>	<b>718.7%</b>	<b>596.8%</b>	<b>470.2%</b>

In FY2022 the Town hired a utility rate consultant to review the rate structure and to assist in updating the utility rate model originally created in FY2018.

1. The FY2023 budget increases water and wastewater rates 5.0 percent as planned in the utility rate model. A rate increase of 5.5 percent is planned for FY2024. The utility rate policy adopted by City Council during FY2018 and FY2022 will fully fund a staffing plan and provide a mix of cash and bond funding for capital projects. The utility rate model will be reviewed on an annual basis to ensure long-term sustainability.
2. Payments to other entities for the purchase of water and the treatment of sewage are expected to increase by an average of 5.0 percent per year. These assumptions are based primarily on expected growth of water rates from wholesale suppliers.

	YR 1 PROJ 23-24	YR 2 PROJ 24-25	YR 3 PROJ 25-26	YR 4 PROJ 26-27
	\$6,868,333	\$4,118,446	\$3,870,290	\$4,570,760
	-	-	-	-
	2,554,023	2,554,023	2,554,023	2,554,023
	100,000	100,000	100,000	100,000
	<b>\$2,654,023</b>	<b>\$2,654,023</b>	<b>\$2,654,023</b>	<b>\$2,654,023</b>
	433,967	451,326	469,379	488,154
	16,422	16,750	17,085	17,427
	169,606	172,998	176,458	179,987
	366,904	374,242	381,727	389,362
	10,000	10,000	10,000	10,000
	494,815	495,340	490,503	494,695
	-	-	-	-
	<b>1,491,714</b>	<b>1,520,656</b>	<b>1,545,152</b>	<b>1,579,625</b>
	-	-	-	-
	406,196	408,523	408,401	408,288
	3,506,000	973,000	-	-
	<b>\$5,403,910</b>	<b>\$2,902,179</b>	<b>\$1,953,553</b>	<b>\$1,987,913</b>
	<b>\$4,118,446</b>	<b>\$3,870,290</b>	<b>\$4,570,760</b>	<b>\$5,236,870</b>
	<b>276.1%</b>	<b>254.5%</b>	<b>295.8%</b>	<b>331.5%</b>

3. The FY2023 budget for personnel services is approximately \$282 thousand more than estimated for FY2022 due to the 5.25% compensation pool. The long-term plan assumes that personnel costs will continue to increase 3% in years FY2024 through FY2027.
4. All expenses other than personnel and water purchases and sewer treatment are adjusted for a 1.0 percent inflationary increase in FY2024.
5. The plan also includes an anticipated debt issuance in FY2025 for ongoing water and sewer infrastructure projects.

## Stormwater Fund Long-Term Plan

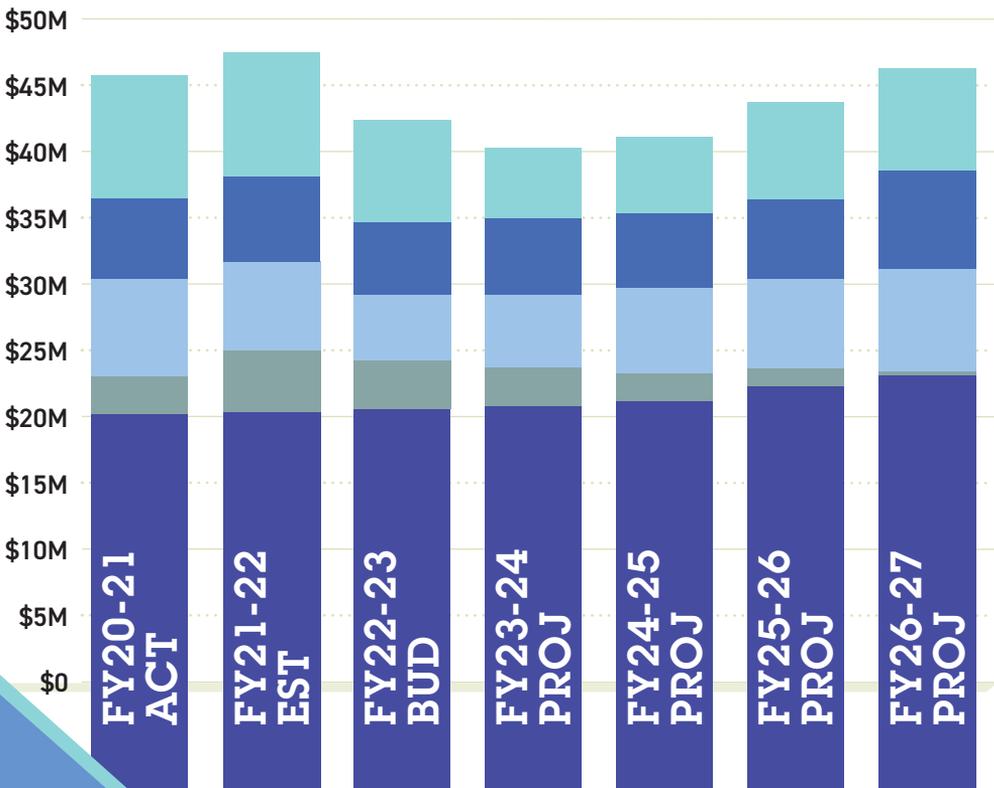
Addison charges a stormwater fee to fund the costs to build and maintain stormwater infrastructure such as curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program. Additionally, the stormwater fee will fund capital improvements to the Town's drainage infrastructure. Features of the plan are as follows:

1. Operating revenue increased in FY2023 because interest and other income is expected to increase. Stormwater fees will remain flat this year for each customer rate class. For FY2024 through FY2027, revenues are projected to remain flat.
2. The long-term plan assumes that personnel costs will increase 3% in years FY2024 through FY2027.
3. All non-personnel operating expenditures for FY2024 through FY2027 are adjusted for a 1.0 percent inflationary increase.
4. The plan projects revenues exceeding operating expenditures in FY2023. Funding for one-time capital projects is included with the use of working capital.

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

### Ending Fund Balance – Four Major Funds Over the Long-Term Planning Horizon

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



## Capital Project Long-Term Plan

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



# Appendix F:

## Capital Projects Highlights

### Streets Capital Projects – Bond Funded (Total: \$23.6M)

#### Vitruvian West Streetscape & Bella Lane Extension (\$2.3M)

Continue build out of the planned development at Vitruvian and the associated public infrastructure. In FY2021, public infrastructure construction was the streetscape associated with Vitruvian West 2. The Town was also responsible for the design and construction of a well pad for a well into Trinity Aquifer in FY2021. Phase IV, which includes the extension of Bella Lane to Alpha Road, began in FY2022 and is anticipated to be completed in FY 2023.

- ▶ **PHASE:** Well pad construction and Vitruvian West 2 streetscape is complete while Vitruvian West 3 Streetscape and the Bella Lane extension projects are currently in the construction phase.
- ▶ **STATUS:** Vitruvian West 2 streetscape and well construction has been completed. A contract for construction for the Bella Lane extension was awarded on January 11, 2022, with construction anticipated to be completed in fiscal year 2023 along with Vitruvian West 3 streetscape.

#### Midway Road (\$10.4M)

Reconstruction of Midway Road to include replacement in kind of wet utilities, compliance with Americans with Disabilities Act (ADA) requirements, traffic signal upgrades, and sidewalk, median, and lighting improvements along with inclusion of the new Master Transportation Plan standards.

- ▶ **PHASE:** This project is under construction.
- ▶ **STATUS:** On December 8, 2020, a construction contract was approved. This project is anticipated to be completed in early fiscal year 2024.

#### Keller Springs Reconstruction (\$10.2M)

Reconstruction of Keller Springs Road from Dallas North Tollway to Addison Road including replacing asphalt roadway with concrete, upsizing existing facilities, installing Master Transportation Plan elements, acquiring right-of-way for medians, sidewalks, and landscaping, and replacing traffic signals.

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** A contract for professional engineering services was approved on December 10, 2019. Construction is anticipated to begin late summer of 2022/early fall of 2022 and be completed in fiscal year 2023.

### Quorum Drive Reconstruction (\$750K)

Reconstruction of Quorum Drive from Dallas North Tollway to DART rail-of-way by rebuilding concrete roadway and upsizing existing utilities. Additionally, install Master Transportation Plan elements including South of Belt Line, sidewalks will be 8-foot wide with a 6-foot parkway buffer and North of Belt Line, sidewalks will be 15 foot back of curb. Acquire right-of-way medians, sidewalks, and landscaping and replace 3 traffic signals.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to be designed in fiscal year 2023 and 2024 and constructed in fiscal years 2025 and 2026.

## Parks Capital Projects – Bond Funded (Total: \$2.1M)

### Les Lacs Pond Improvements (\$1.3M)

Les Lacs pond improvements include the replacement of concrete edge & pond liner, ADA improvements, enhancements to the lake edge that is a combination of natural, concrete and stone edges, landscape beds and rain garden, retaining walls, fountain lights, and tree up-lights.

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** This project is anticipated to be designed beginning in fiscal year 2022 and constructed in fiscal years 2023 and 2024.

### Vitruvian Park Phase 9, Block 701 (\$841K)

Demolition and paving improvements, water and sewer improvements, street lighting, and landscape improvements for Vitruvian Park Phase 9, Block 701 (Townhomes).

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** This project is anticipated to be designed in fiscal year 2022 and constructed in fiscal year 2023.

## General Services Capital Projects – Bond Funded (Total: \$2.6M)

### Improvements to Existing Buildings (\$2.6M)

Replacements of the heating, ventilation, air conditioning (HVAC) system to existing municipal buildings. Replace 15-to 30-year-old roofs that have deferred maintenance issues on existing municipal buildings. Replace all related roof elements including decking, flashing, joints, and coping. Improvements are needed to address Americans with Disabilities Act compliance. Parking lot modifications are needed at Town Hall, Central Fire, Fire Station #2, Service Center, and Finance. Locker rooms are in need of improvements at Central Fire, Fire Station #2, Service Center, and Police buildings. Additionally, a Pavilion ramp was identified for improvements at the Conference Center and concrete at the Stone Cottage. Improvements to the air filtration system at the Police Gun Range propose to separate the systems and install a HEPA filtration system that would filter out contaminants.

- ▶ **PHASE:** Phase 1 of this project is currently under construction.
- ▶ **STATUS:** A contract for professional engineering services was approved on April 13, 2021, for phase one projects. The phase one projects are anticipated to be completed in fiscal year 2022. Phase two projects are anticipated to be completed in fiscal year 2023.

## Capital Projects Summary

## LIFE TO DATE EXPENDITURES

### Bond Funded

#### Streets

Vitruvian West Streetscape & Bella Lane Extension	802,615
Belt Line Electronic Signage	300,965
Midway Road Reconstruction	10,471,212
Keller Springs Reconstruction	698,432
Quorum Drive Reconstruction	-
Montfort Drive Reconstruction	-
Airport Parkway Reconstruction	551,350

#### Parks

Pedestrian Connectivity – Cotton Belt/Silver Line	-
Athletic Club Improvements	427,288
Trail Rehab, Expansion, Wayfinding	6,830
Les Lacs Pond Improvements	-
Vitruvian Park Phase 9, Block 701	-

#### Public Safety

License Plate Recognition System Expansion	1,671,297
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#### General Services

Improvements to Existing Buildings	113,524
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### SUBTOTAL

**\$15,043,513**

### Combination Cash & Bond Funded

#### Parks

Pedestrian Connectivity – Quorum	43,490
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### SUBTOTAL

**\$43,490**

### Combination Bonds, Cash & Grant Funded

#### Airport

Customs Facility Construction	8,989,708
Bravo/Golf Taxiway Improvements	-
Airport Access & Security Improvements	-
Runway 15/33 Redesignation & Taxiway Alpha Rejuvenation	14,750

### SUBTOTAL

**\$9,004,458**

EST FY22 BUD	FY23 BUD	FY24 BUD	FY25 BUD	FY26 BUD
2,115,000	2,252,645	-	-	-
199,035	-	-	-	-
15,784,204	10,375,000	4,225,622	-	-
2,000,000	10,201,568	-	-	-
-	750,000	2,410,000	10,000,000	13,142,000
-	-	900,000	3,400,000	3,000,000
130,587	-	1,500,000	7,218,063	-
307,469	-	-	-	-
4,650,343	-	-	-	-
405,895	-	-	-	-
69,108	1,265,000	1,948,000	-	-
193,483	841,230	-	-	-
328,703	-	-	-	-
2,711,766	2,582,498	-	-	-
<b>\$28,895,593</b>	<b>\$28,267,941</b>	<b>\$10,983,622</b>	<b>\$20,618,063</b>	<b>\$16,142,000</b>

-	-	-	-	-
-	-	-	-	-

166,331	-	-	-	-
1,414,770	5,840,530	-	-	-
-	120,000	1,120,000	-	-
1,560,250	-	-	-	-
<b>\$3,141,351</b>	<b>\$5,960,530</b>	<b>\$1,120,000</b>	-	-

## Capital Projects Summary Continued

## LIFE TO DATE EXPENDITURES

### Cash Funded

#### Airport

Bravo T-Hangar Roof Replacements	-
Bulk Fuel Storage Design	-
Jimmy Doolittle Drive Reconstruction	-
<b>SUBTOTAL</b>	-

## Airport Capital Projects – Combination Bonds, Cash & Grant Funded (Total: \$8.5M)

### Bravo/Golf Taxiway Improvements (\$5.8M)

Extend Taxiway B north from Taxiway F to Taxiway G; extend Taxiway G west from the Runway to Taxiway B; extend Taxiway B south to connect with south end of Runway; construct westside vehicle service road. To give access to more than 4 acres of developable land on the airport westside. To improve traffic flow and safety.

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** This project is currently being designed by the Texas Department of Transportation. Construction is anticipated to begin in fiscal year 2023.

### Airport Access and Security Improvements (\$120K)

Phase two of three. Implement access and security design plan. Design to take place in FY2023 with construction in FY2024.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to be completed in fiscal year 2024.

### Bravo T-Hangar Roof Replacements (\$270K)

The airport owns three T-hangar structures in the southwest corner of the airport, known as the Bravo T-hangars and designated B1, B2, and B3. This project will replace the roofs on these three T-hangar structures.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to begin in 2023.

### Bulk Fuel Storage Design (\$750K)

This project would primarily add additional fuel storage capacity - particularly for jet fuel - at the bulk fuel storage facility. Specifically, three 60,000-gallon Jet-A tanks are proposed to be added, with possibly additional (smaller) tanks. The project would also improve existing infrastructure, adding a utility building for the motor control center with a restroom and a back-up generator. This is for the planning phase of the project.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to begin in fiscal year 2023.

EST FY22 BUD	FY23 BUD	FY24 BUD	FY25 BUD	FY26 BUD
-----------------	-------------	-------------	-------------	-------------

-	270,000	-	-	-
-	750,000	-	-	-
-	1,550,000	-	-	-
-	<b>\$2,570,000</b>	-	-	-

### Jimmy Doolittle Drive Reconstruction (\$1.6M)

Jimmy Doolittle Road is an airport-owned access street that serves as the landside access route for the new U.S. Customs and Airport Administration building. The street is failed. This project is to completely reconstruct the street, adding underground storm drainage, curbs, and a sidewalk while bringing the roadway up to city standards.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to begin in fiscal year 2023.

## Utilities Capital Projects – Combination Cash & Bond Funded (Total: \$2.5M)

### Lake Forest Drive Utility Improvements (\$868K)

Replacing 1,300 feet of 6-inch cast iron (CI) water main and 1,047 feet of clay wastewater main with 8-inch polyvinyl chloride (PVC) pipes along Lake Forest Drive. The water line exceeds the maximum allowable velocity at 1,000 gallons per minute and the wastewater main is nearing the end of its lifecycle.

- ▶ **PHASE:** The project is currently in the engineering/design phase.
- ▶ **STATUS:** On August 24, 2021, the City Council approved an agreement with Dannenbaum Engineering Company for the design of the Lake Forest Drive Utility Improvements Project. Construction is anticipated to be completed in fiscal year 2023.

### Beltway Drive/Belt Line Road Water Main Replacement (\$641K)

Replacing an 8-inch cast iron (CI) water main installed in 1973 with an 8-inch polyvinyl chloride (PVC) pipe along the intersection of Beltway Drive and Belt Line Road. This water main exceeds the maximum allowable head loss.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to be completed in fiscal year 2024.

### Celestial Pumpstation Pump #3 Replacement (\$225K)

Replacement of pump #3 at the Surveyor Pumpstation. Capital projects have been identified using information from assessments that were done in 2014. These improvements are needed to extend the life of these facilities, pumps, motors, and associated equipment to ensure an adequate supply of water.

- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to be completed in fiscal year 2023.

## Capital Projects Summary Continued

## LIFE TO DATE EXPENDITURES

### Combination Cash & Bond Funded

#### Utilities

Celestial Ground Storage Tank Rehabilitation	1,363,291
Kellway Lift Station Rehabilitation & Repair	405,698
Chlorine Booster Station	199,774
Marsh Lane/Spring Valley Road Water Main Replacement	-
Lake Forest Drive Utility Improvements	-
Addison Road/Westgrove Drive Water Main Replacement	-
Excel Parkway/Addison Road Water Main Upsizing	-
New Water Main Loop – Excel Parkway / Addison Road	-
Beltway Drive/Belt Line Road Water Main Replacement	-
Sydney Drive/Marsh Lane Water Main Upsizing	-
Lindbergh Drive Water Main Upsizing	-
Water Main Upsizing From Belt Line Road/George Bush Elementary	-
Pipe Bursting - Julian Street to Addison Circle	-
Excel Parkway/Addison Road Sewer Improvements	-
Addison Road/Belt Line Road and Addison Road/Edwin Lewis Drive Sewer Improvements	-
Quorum Drive/Belt Line Road Sewer Improvements	-
Rive Lane Sewer Improvements	-
Wiley Post Road/Midway Road Sewer Improvements	-
Surveyor Pumpstation Pump #2 Replacement	-
Celestial Pumpstation Pump #3 Replacement	-
Celestial Pumpstation Pump #1 Replacement	-
Surveyor Pump Station Electrical Upgrades	-

#### SUBTOTAL

**\$1,968,763**

### Surveyor Pump Station Electrical Upgrades (\$760K)

Overhaul of the electrical components that control Surveyor Pump Station. The electrical system and Surveyor Pump Station is over forty years old. These electrical components are the highest risk of failure at the pump station. There are no longer parts available for some of the current components and would require significant upgrades if they were to fail.

- ▶ **PHASE:** The project is currently in the engineering/design phase.
- ▶ **STATUS:** On January 11, 2022, a design contract was awarded to Kleinfelder, Inc. Construction is anticipated to be completed in fiscal year 2023.

EST FY22 BUD	FY23 BUD	FY24 BUD	FY25 BUD	FY26 BUD
16,919	-	-	-	-
1,104,302	-	-	-	-
1,133,795	-	-	-	-
-	-	567,000	-	-
331,200	867,800	-	-	-
-	-	-	633,300	400,000
-	-	-	-	268,500
-	-	-	-	495,000
-	640,900	500,000	-	-
-	-	667,700	400,000	-
-	-	-	-	2,500,000
-	-	-	1,188,000	1,000,000
-	-	-	-	416,000
-	-	-	-	390,000
-	-	-	-	400,000
-	-	341,000	-	-
-	-	660,000	-	-
-	-	-	150,000	-
187,000	-	-	-	-
-	225,000	-	-	-
-	-	205,000	-	-
220,000	760,000	-	-	-
<b>\$2,993,216</b>	<b>\$2,493,700</b>	<b>\$2,940,700</b>	<b>\$2,371,300</b>	<b>\$5,869,500</b>



## Capital Projects Summary Continued

## LIFE TO DATE EXPENDITURES

### Combination Cash & Bond Funded

#### Stormwater

Rawhide Creek Basin Improvements – Les Lacs Area	188,967
Winnwood Road Bridge Class Culvert Outlet Armoring	41,575

#### SUBTOTAL

**\$230,542**

### Cash Funded

#### Stormwater

Whiterock Creek Basin Improvements – Bellbrook Drive	-
Farmer's Branch Basin Improvements – LeGrande Drive	-
Whiterock Creek Basin Improvements – Maiden Court	-
Whiterock Creek Basin Improvements – Montfort Drive	-
Automated Flood Alert System	-

#### SUBTOTAL

-

### Infrastructure Investment Fund

Traffic Signal & ADA Improvements	-
-----------------------------------	---

#### SUBTOTAL

-

### TOTAL CAPITAL PROJECTS

**\$26,290,766**

## Stormwater Capital Projects – Combination Cash & Bond Funded (Total: \$2.8M)

### Rawhide Creek Basin Improvements – Les Lacs Area (\$2.0M)

This project includes the design of drainage improvements along the residential streets of Waterside Court, Waterford Drive, Les Lacs Avenue, Beau Park Lane, and Brookwood Lane. The drainage improvements will follow the trail south from Brookwood Lane and run west along the linear park connecting to the existing storm drain system at Marsh Lane.

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** A contract for professional engineering services was approved on January 12, 2021. Construction is anticipated to begin in 2022 and be completed by the end of 2023.

EST FY22 BUD	FY23 BUD	FY24 BUD	FY25 BUD	FY26 BUD
1,150,000	2,011,033	-	-	-
408,425	-	-	-	-
<b>\$1,558,425</b>	<b>\$2,011,033</b>	-	-	-
-	-	2,900,000	-	-
-	827,000	-	-	-
-	-	606,000	-	-
-	-	-	136,000	-
-	-	-	837,000	-
-	<b>\$827,000</b>	<b>\$3,506,000</b>	<b>\$973,000</b>	-
\$100,000	1,400,000	-	-	-
<b>\$100,000</b>	<b>1,400,000</b>	-	-	-
<b>\$36,688,585</b>	<b>\$43,530,204</b>	<b>\$18,550,322</b>	<b>\$23,962,363</b>	<b>\$22,500,909</b>

### Farmers Branch Basin Improvements – Le Grande Drive (\$827K)

This project includes the addition of inlets and diversion of flow to the existing system along Midway Road. The proposed diversion will consist of a 30-inch reinforced concrete pipe.

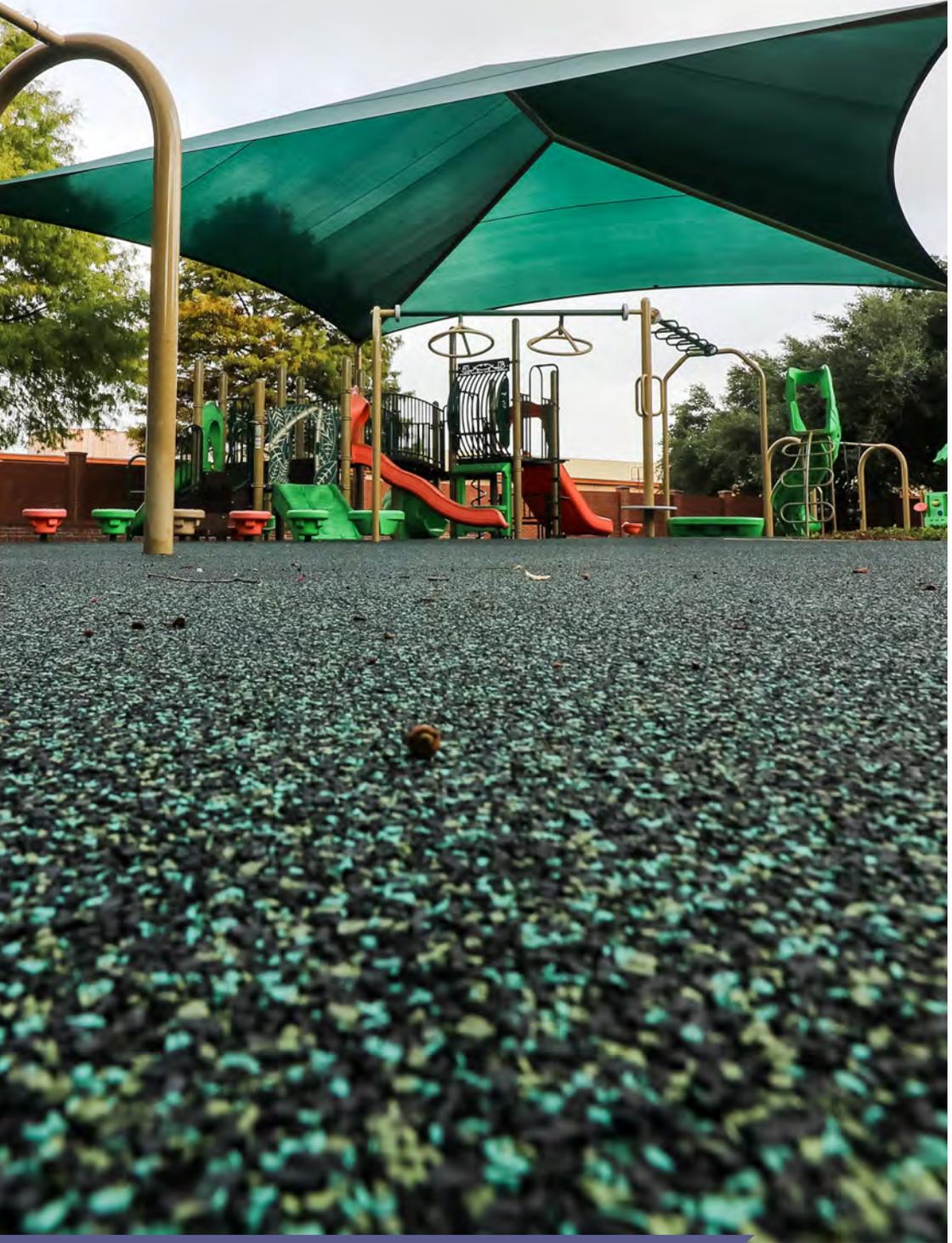
- ▶ **PHASE:** The project is currently in the planning phase.
- ▶ **STATUS:** This project is anticipated to be completed in fiscal year 2023.

## Infrastructure Investment Fund Projects – Cash Funded (\$1.4M)

### Traffic Signal & ADA Improvements

Intersections of Belt Line Road and Addison Road, Belt Line Road and Beltway Road, and Addison Road and Sojourn Drive traffic signal and ADA pedestrian ramp improvements. This includes a complete replacement and redesign of the traffic signals and ramps at the intersections. These improvements were identified in the asset management plan and the ADA transition plan.

- ▶ **PHASE:** The project is currently in engineering design phase.
- ▶ **STATUS:** This project is anticipated to be completed in fiscal year 2023.



## Capital Projects Operating Impacts

The Town of Addison's Capital Improvement Program (CIP) plans for the acquisition and maintenance of capital assets. Projects included in the plan are capital improvement enhancements of significant value, generally over \$25,000 and have a useful life of at least ten years. These enhancements are designed to improve and maintain the value of the Town's assets. Projects are categorized by programs that include General, Airport, Utilities, Stormwater, and Infrastructure Investment.

Resources for the CIP are generated from voter authorized bonds, federal and state grants, or unrestricted working capital. Although capital improvements are considered significant nonrecurring expenditures and funded from capital projects funds, they can have a direct effect on the Town's operating budget. The costs of future operations and maintenance for new CIP projects are estimated based on past expenditures and anticipated increase in materials, labor and other related costs.

Below is the anticipated operating impact for those CIP projects currently budgeted in FY2023.

### General Capital Projects

- ▶ Trail Rehab, Expansion, and Wayfinding project anticipates increased maintenance costs.
- ▶ The project for Les Lacs Pond Improvements anticipates increased maintenance costs.

### Airport Capital Projects

- ▶ The Bulk Fuel Storage Facility project anticipated maintenance costs of the building of approximately \$250,000. Once storage capacity expansion is completed, the new tanks are estimated to generate lease revenue of approximately \$100,000.

### Utilities Capital Projects

- ▶ No anticipated operating impact

### Stormwater Capital Projects

- ▶ No anticipated operating impact

### Infrastructure Investment Capital Projects

- ▶ No anticipated operating impact

**OP COSTS  
ANTICIPATED  
FY2023**

**Capital Projects Anticipated Operating Impact**

**General Capital Projects**

Vitruvian West Streetscape & Bella Lane Extension	-
Midway Road Reconstruction	-
Keller Springs Reconstruction	-
Improvements to Existing Buildings	-
Quorum Drive Reconstruction	-
Trail Rehab, Expansion, Wayfinding	4,500
Les Lacs Pond Improvements	-
Vitruvian Park Phase 9, Block 701	-
<b>SUBTOTAL</b>	<b>\$4,500</b>

**Airport Capital Projects**

Bravo/Golf Taxiway Improvements	-
Airport Access & Security Improvements	-
Bravo T-Hangar Roof Replacements	-
Bulk Fuel Storage Design	-
Jimmy Doolittle Drive Reconstruction	-
<b>SUBTOTAL</b>	<b>-</b>

**Utilities Capital Projects**

Lake Forest Drive Utility Improvements	-
Beltway Drive/Belt Line Road Water Main Replacement	-
Celestial Pumpstation Pump #3 Replacement	-
Surveyor Pump Station Electrical Upgrades	-
<b>SUBTOTAL</b>	<b>-</b>

**Stormwater Capital Projects**

Rawhide Creek Basin Improvements - Les Lacs Area	-
Farmers Branch Basin Improvements - Le Grande Drive	-
<b>SUBTOTAL</b>	<b>-</b>

**Infrastructure Investment Fund**

Traffic Signal and ADA Improvements	-
<b>SUBTOTAL</b>	<b>-</b>

<b>TOTAL ANTICIPATED OPERATING COSTS</b>	<b>\$4,500</b>
--	----------------

OP COSTS  
ANTICIPATED  
FY2024

OP COSTS  
ANTICIPATED  
FY2025

OP COSTS  
ANTICIPATED  
FY2026

OP COSTS  
ANTICIPATED  
FY2027

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-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,000	5,500	6,000	6,500
-	-	4,000	4,500
-	-	-	-
<b>\$5,000</b>	<b>\$5,500</b>	<b>\$10,000</b>	<b>\$11,000</b>

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-	-	-	-
-	-	-	-
-	-	-	-
-	150,000	150,000	150,000
-	-	-	-
-	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>

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-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

---

-	-	-	-
-	-	-	-
-	-	-	-

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-	-	-	-
-	-	-	-

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<b>\$5,000</b>	<b>\$155,500</b>	<b>\$160,000</b>	<b>\$161,000</b>
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# Appendix G:

## Glossary of Terms

### A

#### Accounts Payable

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

#### Accounts Receivable

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

#### Accrual Accounting

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

#### ACRGP

Acronym for Airport Coronavirus Response Grant Program.

#### ADA

Acronym for Americans with Disabilities Act.

#### Ad Valorem

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

#### Amortization

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

#### Appropriation

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

#### Arbitrage

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

## **ARPA**

Acronym for American Rescue Plan Act, an act enacted by Congress and signed into law by the President to provide economic relief during the coronavirus pandemic.

## **Assessed Valuation**

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

# **B**

## **Balance Sheet**

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

## **Balanced Budget**

Annual financial plan in which expenses do not exceed revenues.

## **Bond**

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

## **Budget**

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

# **C**

## **Capital Expenditures**

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

## **Capital Improvement Program Budget (CIP)**

Construction projects or very large capital purchases designed to improve and maintain the value of the city's assets, usually separate from the operating budget.

## **Capital Outlays**

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

## **Capital Replacement/Lease**

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

**CBP**

Acronym for U.S. Customs and Border Protection; refers to the Customs and Border Protection facility which provides security and facilitation operations and is charged with clearing international aircraft arrivals at the Addison Airport.

**Certificates of Obligation (COs)**

Similar to general obligation bonds except the certificates do not require voter approval.

**CARES Act**

The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on signed into law on March 27, 2020 and provided fast and direct economic assistance for American workers, families, small businesses, and industries. The CARES Act implemented a variety of programs to address issues related to the onset of the COVID-19 pandemic.

**CLFRF**

Acronym for the Coronavirus Local Fiscal Recovery Funds which under Title IX of the American Rescue Plan Act of 2021, the CLFRF were created. This is a \$350 billion appropriation used to make payments for specified uses to states, Tribal governments, territories, and units of local government. Funding is allocation based on population and provides substantial flexibility for each government to meet local needs. These funds can also be used to make necessary investment in water, sewer, and broadband infrastructure.

**Contractual Services**

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

**Cost**

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

**CRRSAA**

The Coronavirus Response and Relief Supplemental Appropriations Act, signed into law on December 27, 2020, includes nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic.

**Current Assets**

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

## Current Liabilities

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

## D

### **DART**

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

### **DCAD**

Acronym for Dallas Central Appraisal District, an agency that is responsible for appraising property for the purpose of ad valorem property tax assessment on behalf of the 61 local governing bodies in Dallas County.

### **Decision Package**

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

### **Debt Service**

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

### **Delinquent Taxes**

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

### **Depreciation**

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

### **DISD**

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

### **DWU**

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

## E

### Encumbrances

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

### Enterprise Fund

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

### EOR

Acronym for Engineer of Record, refers to the person responsible for design and construction phases of a project.

### Exempt

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

### Expenditures

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

## F

### FAA

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

### Fixed Assets

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

### Franchise

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

## **FTE**

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

## **Fund**

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

## **Fund Balance**

The excess in a fund of current assets over current liabilities; sometimes called working capital in enterprise funds. A negative fund balance is often referred to as a deficit.

## **FY**

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

# **G**

## **GAAP**

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

## **GASB**

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

## **General Fund**

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

## **General Obligation Bonds**

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

**GIS**

Acronym for Geographic Information System which is any system that captures, stores, analyzes, manages, and presents data that are linked to location.

**GFOA**

Acronym for Government Finance Officers Association.

**Governmental Funds**

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

**M****Maintenance**

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

**Modified Accrual Accounting**

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

**N****NCTCOG**

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

**NNR**

Acronym for No-New-Revenue Rate. Previously referred to as the effective tax rate, this is the tax rate that would provide a taxing authority approximately the same amount of revenue it received the previous year on properties taxed in both years. This tax rate is expressed in dollars per \$100 of taxable value calculated.

**Non-Exempt**

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

## **NTTA**

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

## **NTECC**

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



## **Operating Expenditure**

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

## **Ordinance**

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



## **PVC**

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

## **Personnel Services**

The costs associated with compensating employees for their labor.

## **P-Card**

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

## **Proprietary Fund**

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

## **Purchase Order (PO)**

A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

## R

**Revenues**

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

**Request for Proposal (RFP)**

A solicitation requesting a submittal of a proposal in response to the required scope of services that usually includes some form of cost proposal. An RFP requires published evaluation criteria. Price may be negotiated with firms to ensure the best value for the organization and may include a provision for the negotiation of Best and Final Offers. This may be a single step or multi-step process.

**Request for Qualifications (RFQ)**

Used to allow firms and individuals the opportunity to propose demonstrated competence and qualifications for the type of professional services to be performed at fair and reasonable prices.

## S

**Slip Lining**

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

**Special Assessment**

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

**Special Revenue Fund**

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

**Streetscape**

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

## **Supplies**

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

## **Sustainability**

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

# **T**

## **Taxes**

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

## **TCEQ**

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

## **TOD**

Acronym for Transit-Oriented Development. References the creation of compact, walkable, pedestrian-oriented, mixed-use communities centered around high-quality train systems.

## **TMRS**

Acronym for Texas Municipal Retirement System.

## **TRA**

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

## **TxDOT**

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

# **V**

## **VAR**

Acronym for Voter Approval Rate. Previously referred to as the rollback tax rate, the voter-approval tax rate is the maximum tax rate above the no-new-revenue tax rate that is allowed by law before voters must approve that new tax rate. This tax rate is expressed in dollars per \$100 of taxable value calculated.

# GFOA Award

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, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

The Town was also awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA for its annual comprehensive financial report (ACFR) for the fiscal year ending September 30, 2021. The certificate is the highest form of recognition for excellence in state and local government financial reporting.

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Addison  
Texas**

For the Fiscal Year Beginning

**October 01, 2021**

*Christopher P. Morill*

Executive Director

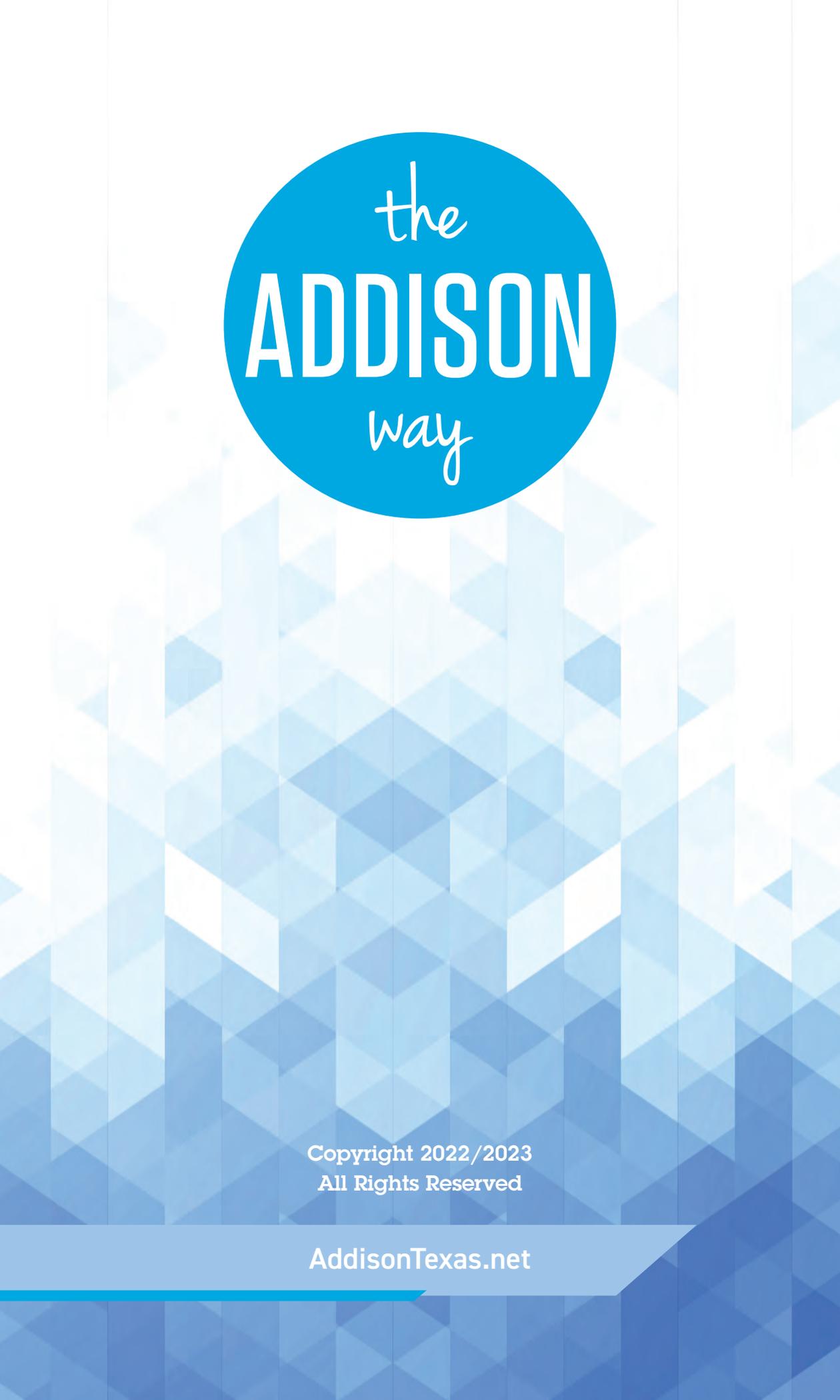
# Town Staff and Consultants

MAYOR & COUNCIL	NAME	PROFESSION	TERM OF OFFICE
Mayor	Joe Chow	Restaurant Owner	05/21–05/23
Mayor Pro Tempore	Kathryn Wheeler	Interior Designer	05/21–05/23
Deputy Mayor Pro Tempore	Lori Ward	Branch Manager	05/21–05/23
Council Member	Darren Gardner	Business Consultant	05/22–05/24
Council Member	Eileen Resnik	Program Officer	05/22–05/24
Council Member	Guillermo Quintanilla	Mechanical Designer	05/22–05/24
Council Member	Tom Braun	General Contractor	05/21–05/23

CONSULTANTS	NAME & POSITION	CONTACT
Auditors	<b>Forvis</b>	972-702-8262
Bond Counsel	<b>Bracewell, LLP</b> <i>Julie Partain</i>	214-758-1606
City Attorney	<b>Wood Banowsky, LLC</b> <i>Whitt Wyatt</i>	972-762-6418
Financial Advisors	<b>Hilltop Securites Inc.</b> <i>Nick Bulaich</i>	817-332-9710

**TOWN STAFF****NAME & POSITION****CONTACT**

Mayor's Office	<b>Joe Chow</b> <i>Mayor</i>	972-450-7000
City Secretary	<b>Irma Parker</b> <i>City Secretary</i>	972-450-7017
City Manager's Office	<b>Hamid Khaleghipour</b> <i>Interim City Manager</i>	972-450-2868
City Manager's Office	<b>John Crawford</b> <i>Deputy City Manager</i>	972-450-7036
City Manager's Office	<b>Ashley Shroyer</b> <i>Deputy City Manager</i>	972-450-7010
City Manager's Office	<b>Bill Hawley</b> <i>Director</i>	972-450-7016
Development Services	<b>Ken Schmidt</b> <i>Director</i>	972-450-7027
Economic Development	<b>Orlando Campos</b> <i>Director</i>	972-450-7034
Finance	<b>Steven Glickman</b> <i>Chief Financial Officer</i>	972-450-7050
Fire	<b>David Jones</b> <i>Fire Chief</i>	972-450-7201
General Services	<b>Rob Bourestom</b> <i>Director</i>	972-450-6203
Human Resources	<b>Passion Hayes</b> <i>Director</i>	972-450-2817
Information Technology	<b>Hamid Khaleghipour</b> <i>Interim City Manager</i>	972-450-2868
Marketing & Communications	<b>Mary Rosenbleeth</b> <i>Director</i>	972-450-7032
Parks & Recreation	<b>Janna Tidwell</b> <i>Director</i>	972-450-2869
Police	<b>Paul Spencer</b> <i>Police Chief</i>	972-450-7100
Public Works and Engineering	<b>Shannon Hicks</b> <i>Director</i>	972-450-2878
Special Events	<b>Yesenia Saldivar</b> <i>Interim Director</i>	972-450-6251



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