



Post Office Box 9010 Addison, Texas  
75001-9010  
5300 Belt Line Road  
(972) 450-7000 Fax: (972) 450-7043

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## AGENDA

### REGULAR MEETING OF THE CITY COUNCIL

AND / OR

### WORK SESSION OF THE CITY COUNCIL

6:30 PM

OCTOBER 25, 2011

TOWN HALL

**ADDISON TOWN HALL, 5300 BELT LINE, DALLAS, TX 75254**

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### WORK SESSION

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Item            Discussion regarding practices and procedures of the  
#WS1 -            Town of Addison's library card program.

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### REGULAR MEETING

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#### Pledge of Allegiance

Item #R1- Announcements and Acknowledgements regarding Town  
and Council Events and Activities

Introduction of Employees

Discussion of Events/Meetings

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Item #R2- Consent Agenda.

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#2a- Approval of Minutes for the October 11, 2011 Regular Council Meeting.

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#2b- Approval of Minutes for the October 17, 2011 Regular Council Meeting.

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#2c- Approval of annual contract for Fiscal Year 2012 with Dallas County Health & Human Services (DCHHS) for the Town of Addison to participate in a portion of the cost of providing selected public health services at reduced prices to Addison residents.

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#2d- Approval of annual contract for Fiscal Year 2012 with the Trinity River Authority to provide inspection, sampling and laboratory analysis on certain industries in Addison to comply with wastewater pretreatment laws as required by EPA.

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#2e- Approval of an agreement with Dallas County creating an investigative repository for Dallas County law enforcement information that will be shared within agencies, be used in information sharing and automate Dallas County intake booking and electronic case filing.

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#2f- Approval of an agreement with Dallas County for using Dallas Sheriff's Office Prisoner Transport Unit.

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#2g- Approval to enter into interlocal agreement with the City of Dallas and Town of Addison for radio back-up services for public safety radio.

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#2h- Approval of an amendment to the Code of Ordinance of the City by amending Chapter 66 (Solid Waste) Article II (Collection And Disposal), Division 2 (Service Charge) by amending Section 66-52 increasing from \$11.42 to \$12.24 the monthly fee for single family residential garbage and recycling collection.

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Item #R3 Discussion and consideration of approval of an agreement with Intellacuity for the purchase, installation and configuration of the WebFOCUS business intelligence (BI) platform, coding/programming and designing of an Integrated Strategic Application Management Solution supporting A3 methodology in the amount of \$114,900.

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Attachment(s):

1. A3 Project Metrics

Recommendation:

Staff recommends approval subject to the final review of the City Attorney and City Manager.

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Item #R4 Discussion and consideration of approval of an ordinance authorizing the issuance and sale of Town of Addison, Texas, General Obligation Refunding Bonds, Series 2011; levying a tax in payment thereof; approving the official statement; approving execution of a purchase contract and escrow agreement; and enacting other provisions relating thereto.

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Attachment(s):

1. Refunding Bond Ordinance
2. Preliminary Official Statement

Recommendation:

Staff recommends approval.

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Item #R5 Discussion and consideration of approval of an agreement  
- with ACS Inc. for the purchase, installation and configuration of the FireHouse software system.

Attachment(s):

1. Itemized Cost

Recommendation:

Staff recommends approval, subject to the final review of the City Attorney and City Manager.

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Item #R6 Discussion and consideration for approval of the capital  
- purchase and replacement of fire department's cache of 26-self contained breathing apparatus (SCBA) in the amount not to exceed \$170,000.

Attachment(s):

1. Quote

Recommendation:

Staff recommends approval.

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Item #ES1 - Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a

business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

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Item #R7 - Consideration of any action regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or any action regarding the offer of a financial or other incentive to such business prospect or business prospects.

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Adjourn Meeting

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Posted:

Chris Terry, 10/21/2011, 5:00 PM

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST 48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

## Council Agenda Item: #WS1

**AGENDA CAPTION:**

Discussion regarding practices and procedures of the Town of Addison's library card program.

**FINANCIAL IMPACT:**

n/a

**BACKGROUND:**

n/a

**RECOMMENDATION:**

n/a

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## Council Agenda Item: #R 2a

**AGENDA CAPTION:**

Approval of Minutes for the October 11, 2011 Regular Council Meeting.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

[October 11 minutes](#)

Type:

Backup Material

**OFFICIAL ACTIONS OF THE ADDISON CITY  
COUNCIL  
WORK SESSION**

October 11, 2011

6:30 PM - Town Hall

Addison Town Hall, 5300 Belt Line, Dallas, TX 75254

Upstairs Conference Room

Council Members Present:

Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Absent:

None

**Work Session**

Item #WS1 - Discussion regarding Council rules and procedures.

\_\_\_\_\_  
Mayor-Todd Meier

Attest:

\_\_\_\_\_  
City Secretary-Chris Terry

**OFFICIAL ACTIONS OF THE ADDISON CITY  
COUNCIL  
REGULAR MEETING**

October 11, 2011

6:30 PM - Town Hall

Addison Town Hall, 5300 Belt Line, Dallas, TX 75254

Posted by: Chris Terry, 10/7/2011, 5:00 pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Absent:

None

## **REGULAR MEETING**

Item #R1 - Announcements and Acknowledgements regarding Town and Council Events and Activities

The following employees were introduced: Scott Marshall, PD; Gerald Johnson, Parks; Donald Harrison, Fleet.

There was no action taken.

Item #R2 - Consent Agenda

#2a - Approval of Minutes for the September 27, 2011 Regular Council Meeting.

A motion to Approve was made by Council Member Blake Clemens.

The motion was seconded by Council Member Neil Resnik.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

#2b - Approval of a Temporary License Agreement providing for the temporary use by the owner of Lot 3, Block B, Vitruvian Park Addition, of a portion of Vitruvian Way and Bella Lane for the installation of underground soil nails as a part of a soil retention system in

connection with the construction of improvements on the said property.

A motion to Approve was made by Council Member Blake Clemens.

The motion was seconded by Council Member Neil Resnik.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #R3 - Discussion and Consideration of an appointment of a Member to the Planning and Zoning Commission.

Council Member Chris DeFrancisco nominated John Oliver for appointment to the Planning and Zoning Commission.

A motion to Approve was made by Council Member Neil Resnik.

The motion was seconded by Council Member Chris DeFrancisco.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #R4 - PUBLIC HEARING Case 1641-SUP/Exxon-Wendys. Public hearing, discussion and consideration of approval of an ordinance approving a change to an existing planned development zoning district, being Planned Development District Ordinance No. 626 that zoned the property generally located at 3710 Belt Line Road, in order to allow the sale of beer and wine for off-premises consumption, and approving a Special Use Permit for the sale of beer and wine for off-premises consumption only for that said property, located in a Planned Development District located at 3710 Belt Line Road, on application from Exxon-Wendys, represented by the Gerald Franklin Agency. COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on September 22, 2011,

voted to recommend approval of an amendment to an existing Planned Development District, #626, in order to allow the sale of beer and wine for off-premises consumption only, and approval of a Special Use Permit for the sale of beer and wine for off-premises consumption only, on application from Exxon/Wendys, subject to no conditions. Voting Aye: Doherty, Groce, Gunther, Hewitt, Oliver, Wheeler, Voting Nay: none Absent: Angell

Carmen Moran, Director of Development Services, introduced and presented this item to Council.

Ordinance 011-062 was approved.

A motion to Approve was made by Council Member Chris DeFrancisco.

The motion was seconded by Council Member Bruce Arfsten.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #R5 - PUBLIC HEARING Case 1642-SUP/Petite Pooch Chateau. Public hearing, discussion and consideration of approval of an ordinance providing for a change of zoning on a tract of land generally considered within the Town at 15070 Beltwood parkway, which tract of land is currently zoned Commercial-2, by approving for that tract of land a Special Use Permit for a dog grooming salon/dog kennel on application from Petite Pooch Chateau, represented by Mr. Ed Homko, owner.COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on September 22, 2011, voted to recommend approval of a Special Use Permit for a dog grooming salon/dog kennel, on application from Petite Pooch Chateau, subject to no conditions.Voting Aye: Doherty, Groce, Gunther, Hewitt, Oliver, Wheeler,Voting Nay: none Absent: Angell

Carmen Moran, Director of Development Services, introduced and presented this item to Council.

Ordinance 011-063 was approved.

A motion to Approve was made by Council Member Neil Resnik.

The motion was seconded by Council Member Kimberly Lay.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #R6 - PUBLIC HEARING Case 1643-SUP/Raising Canes Chicken Fingers. Public hearing discussion and consideration of approval of an ordinance providing for a change of zoning on a tract of land generally located within the Town at 4100 Belt Line Road, which tract of land is currently zoned Planned Development District #004-033, by approving for that tract of land a Special Use Permit for a restaurant on application from Raising Canes Chicken Fingers, represented by Mr. John Spiars of Spiars Engineering, Inc. COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on September 22, 2011, voted to recommend approval of a Special Use Permit for a restaurant, on application from Raising Canes Chicken Fingers, subject to the following condition: -the landscaping plan shall be revised to show the replacement of 13 existing cedar elm trees with four, 6-inch diameter cedar elms, and 12, 6-inch diameter red oak trees. Voting Aye: Doherty, Groce, Gunther, Hewitt, Oliver, Wheeler, Voting Nay: none Absent: Angell

Carmen Moran, Director of Development Services, introduced and presented this item to Council.

Ordinance 011-064 was approved.

A motion to Approve was made by Council Member Blake Clemens. The motion was seconded by Council Member Chris DeFrancisco. The motion result was: Passed  
Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik  
Voting Nay: None

Item #R7 - PUBLIC HEARING Case 1644-SUP/Dream Café. Public hearing, discussion and consideration of approval of an ordinance providing for a change of zoning on a tract of land generally located within the Town at 5100 Belt Line Road, Suite 582B, which tract of land is currently zoned Planned Development District #002-001, by approving a Special Use Permit for a restaurant, and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only on application from Dream Café, represented by Ms. Mary O'Brien. COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on September 22, 2011, voted to recommend approval of a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Dream Café, subject to no conditions. Voting Aye: Doherty, Groce, Gunther, Hewitt, Oliver, Wheeler, Voting Nay: none Absent: Angell

Carmen Moran, Director of Development Services, introduced and presented this item to Council.

Ordinance 011-065 was approved.

A motion to Approve was made by Council Member Blake Clemens. The motion was seconded by Council Member Neil Resnik. The motion result was: Passed  
Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik  
Voting Nay: None

Item #R8 - Public hearing, consideration, and approval of an ordinance amending the Town's Code of Ordinances by amending Article II (Property Taxation) of Chapter 74 (Taxation) thereof by amending section 74-33 providing for the taxation of certain tangible personal property, described as goods-in-transit, which would otherwise be exempt pursuant to Section 11.253 of the Texas Tax Code, and providing that the taxation of such tangible personal property applies to and is effective for 2012 and all tax years thereafter.

Katie Roller, Financial Services Supervisor, introduced and presented this item to Council.

Ordinance 011-066 was approved.

A motion to Approve was made by Council Member Blake Clemens.

The motion was seconded by Council Member Neil Resnik.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #R9 - Discussion and consideration of approval of a Resolution approving, and authorizing the City Manager to execute, an Interlocal Master Agreement with Dallas County for the purpose of Transportation Improvements on roads in Dallas County that are designated on the North Central Texas Council of Governments Regional Thoroughfare Plan.

Lea Dunn spoke regarding this item.

Resolution R11-018 was approved.

A motion to Approve was made by Council Member Kimberly Lay.

The motion was seconded by Council Member Bruce Arfsten.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow,  
Resnik  
Voting Nay: None

Item #R10 - Discussion and consideration authorizing the City Manager to execute amendment #4 with Freese and Nichols for the Elevated Storage Tank Design in the amount not to exceed \$26,261.48.

Lea Dunn and Jessica Brown, Freese and Nichols, spoke regarding this item.

A motion to Approve was made by Council Member Kimberly Lay. The motion was seconded by Council Member Blake Clemens. The motion result was: Passed  
Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik  
Voting Nay: None

Item #R11 - Discussion and consideration authorizing the City Manager to execute amendment #2 with RH Shackelford in the amount not to exceed \$193,054 to provide project management and inspection services for current projects and proposed projects; engineering services as needed and a review and analysis of the Public Works Department operations.

Lea Dunn spoke regarding this item.

A motion to Approve was made by Council Member Bruce Arfsten. The motion was seconded by Council Member Blake Clemens. The motion result was: Passed  
Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik  
Voting Nay: None

Item #R12 - Discussion and consideration of approval of a resolution affirming the appointment of a member of the DART Board of Directors.

Ron Whitehead spoke regarding this item.

Resolution R11-019 was approved, nominating Gary Slagel as a member of the DART board of directors.

A motion to Approve was made by Council Member Neil Resnik. The motion was seconded by Council Member Kimberly Lay.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #ES1 - Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

Item #R13 - Consideration of any action regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or any action regarding the offer of a financial or other incentive to such business prospect or business prospects.

Items ES1 and R13 was tabled until a future meeting.

There was no action taken.

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Mayor-Todd Meier

Attest:

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City Secretary-Chris Terry

## Council Agenda Item: #R 2b

**AGENDA CAPTION:**

Approval of Minutes for the October 17, 2011 Regular Council Meeting.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

[October 17 minutes](#)

Type:

Backup Material

**OFFICIAL ACTIONS OF THE ADDISON CITY  
COUNCIL  
SPECIAL MEETING AND WORK SESSION**

October 17, 2011

6:00 PM - Town Hall

Addison Town Hall, 5300 Belt Line, Dallas, TX 75254

Posted by: Chris Terry, 10/11/2011, 5:00 PM

Council Members Present:

Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Absent:

None

Item #S1 - Discussion and consideration of action regarding City Council Liaison Assignments.

There was no action taken.

Item #S2 - Discussion and consideration of adoption of an Ordinance amending Section 2-93(11) of the Code of Ordinances, a portion of the Town's code of ethics, regarding the use by an official of the Town of his official position to promote or encourage economic development and businesses within the town.

Ordinance 011-067 was approved.

A motion to Approve was made by Council Member Neil Resnik.

The motion was seconded by Council Member Blake Clemens.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik

Voting Nay: None

Item #S3 - Discussion and consideration of approval of Council rules of procedure.

A motion to Approve was made by Council Member Blake Clemens. The motion was seconded by Council Member Kimberly Lay. The motion result was: Passed  
Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Mellow, Resnik  
Voting Nay: None

Item #S4 - Discussion of progress on various Public Works projects.

Tom Forrest spoke regarding this item.

There was no action taken.

Item #S5 - Discussion regarding Council Communications.

There was no action taken.

Item #S6 - Discussion regarding future council initiatives.

There was no action taken.

Item #S7 - Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

Council entered executive session at 8:33 pm.

Council left executive session at 9:44 pm.

There was no action taken.

Item #S8 - Consideration of any action regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or any action regarding the offer of a financial or other incentive to such business prospect or business prospects.

Council Member Kimberly Lay moved to approve an offer of an economic development incentive to a business as discussed in the closed session.

A motion to Approve was made by Council Member Kimberly Lay. The motion was seconded by Council Member Chris DeFrancisco. The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Lay, Meier, Resnik

Voting Nay: None

Abstain: Mellow

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Mayor-Todd Meier

Attest:

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City Secretary-Chris Terry

## **Council Agenda Item: #R 2c**

### **AGENDA CAPTION:**

Approval of annual contract for Fiscal Year 2012 with Dallas County Health & Human Services (DCHHS) for the Town of Addison to participate in a portion of the cost of providing selected public health services at reduced prices to Addison residents.

### **FINANCIAL IMPACT:**

\$2,500

### **BACKGROUND:**

Being that the Town of Addison does not offer public health services in-house (i.e. immunizations, sexually transmitted disease screening, etc.), we enter into an annual contract with DCHHS to make available and defray some of the costs of certain health services for less fortunate residents. Find attached a cover letter from Dallas County and a draft contract for the Town of Addison's fair share participation. Be informed that contract language and cost are identical to last year.

Historically, contract costs for participating municipalities have been directly linked to the number and types of services accessed by citizens of Addison during previous fiscal years. More recently, DCHSS has adopted a "fair share" philosophy regarding assessments that causes our fiscal obligation to be identical to last year.

For your perusal, please find attached a cover letter from DCHHS, a draft contract, fee schedule for services and other exhibits of interest.

**RECOMMENDATION:**

Staff recommends approval

**COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community, Conduct the Business of the Town in a Fiscally Responsible Manner, Work to instill a "Sense of Community" in Addison's residents

**ATTACHMENTS:**

Description:

- [Cover letter from Dallas County HHS](#)
- [Dallas County Health Services Contract \(FY '12\)](#)
- [Exhibits](#)

Type:

- Cover Memo
- Cover Memo
- Cover Memo



**DALLAS COUNTY**  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION

ZACHARY S. THOMPSON, M.A.  
DIRECTOR

September 16, 2011

Honorable Todd Meier  
Mayor of the Town of Addison  
P.O. Box 9010  
Addison, TX 75001

Dear Mayor Meier:

Enclosed please find the **FY'12** contract for **Health Services** between your city and the Dallas County Department of Health and Human Services. The contract cost is based on the FY'11 contract amount.

Please present this contract to your city council for their approval and return all signed copies to Dallas County Department of Health and Human Services. If our services are required in presenting the agreement to your council, we will be more than happy to assist you. Also enclosed is a copy of the **FY'12 Exhibits A, B, C, and D**. If you would like to receive an electronic version of the FY'12 contract for Health Services, please email Pamela Dorrough at [pdorrough@dallascounty.org](mailto:pdorrough@dallascounty.org). Thank you for your continued support for quality health care for the citizens of Dallas County.

Should you have any questions, please feel free to contact Denise Cherry at (214) 819-2104.

Sincerely,

  
Zachary Thompson  
Director

enclosures

xc: Denise Cherry, Program Monitor

2377 Stemmons Freeway Dallas, Texas 75207-2710  
Suite 600 LB-12

(214) 819-2100 Office  
(214) 819-6012 Fax

**THE STATE OF TEXAS**            §        **INTERLOCAL AGREEMENT FOR**  
   §        **COORDINATED HEALTH SERVICES**  
   §        **BETWEEN DALLAS COUNTY, TEXAS, ON**  
   §        **BEHALF OF DALLAS COUNTY HEALTH AND**  
**COUNTY OF DALLAS**            §        **HUMAN SERVICES, AND THE TOWN OF**  
   §        **ADDISON, TEXAS**

**1. PARTIES**

**Whereas**, Dallas County (“County”) has offered to provide certain health services to the various cities throughout Dallas County on a contract for services basis; and

**Whereas**, the Town of Addison, Texas (“Town”) desires to participate with County in establishing coordinated health services for Town and County; and

**Whereas**, County will operate certain health services for the residents of Town in order to promote the effectiveness of local public health services and goals (“Program”); and

**Whereas**, the cooperative effort will allow cities located within Dallas County to participate in providing public health services for their residents; and

**Whereas**, such cooperative effort serves and further the public purpose and benefit the citizens of County as a whole.

**Now therefore**, County, on behalf of Dallas County Health and Human Services (“DCHHS”), enters into this Interlocal Agreement (“Agreement”) with Town, pursuant to the authorities of the Texas Health and Safety Code Chapter 121, the Texas Government Code Chapter 791, and other applicable laws for health services to Town.

**2. HEALTH SERVICES TO BE PERFORMED**

- A. County agrees to operate the Program, which will include the following health services:
- 1) Tuberculosis Control Services: providing preventive, diagnostic treatment, and epidemiological services;
  - 2) Sexually Transmitted Disease Control Services: consisting of education to motivate people to use preventive measures and to seek early treatment, prophylaxis, epidemiological investigation, and counseling in accordance with County policy;
  - 3) Communicable Disease Control Services: providing information concerning immunization and communicable diseases and coordinating with the Texas Department of State Health Services (“DSHS”) in monitoring communicable diseases;
  - 4) Laboratory Services: performing chemical, biological, and bacteriological analysis

and tests on which are based diagnosis of disease, effectiveness of treatment, the quality of the environment, the safety of substance for human consumption, and the control of communicable disease;

- B. County agrees to provide to Town, in accordance with state and federal law, the following public health services:
- 1) Immunizations;
  - 2) Child health care;
  - 3) High risk infant case management; and
  - 4) Home visits.

County also agrees to work with Town in order to decentralize clinics and to plan and provide for desired services by Town; however, any other services that Town requires, in addition to the above mentioned services, may result in additional fees to Town.

- C. County agrees to charge a sliding fee based on ability to pay to all residents of every municipality, including Town, in Dallas County. The fees charged by County for the services listed in Section 2A of this Agreement will be used to offset the Town's Program costs for the next Agreement Term. A schedule of fees to be charged by County is set out in Exhibit A attached and incorporated herein by reference for all purposes.
- D. County agrees that the level of service provided in the Program for Town will not be diminished below the level of service provided to Town for the same services in the prior Agreement Term except as indicated in Section 2E of this Agreement. For purposes of Section 2E, level of service is measured by the number of patient visits and number of specimens examined. County will submit to Town a monthly statement, which will also include the number of patient visits and number of specimens examined during the preceding month.
- E. The possibility exists of reductions in state and federal funding to the Program that could result in curtailment of services if not subsidized at the local level. County will notify Town in writing of any amount of reduction, and any extent to which services will be curtailed as a result. The notice will also include an amount that Town may elect to pay to maintain the original level of services. Town will notify County in writing no later than fourteen (14) calendar days after the date of Town's receipt of the notice of funding reduction as to Town's decision to pay the requested amount or to accept the curtailment of service. If Town elects to pay the requested amount, payment is due no later than forty-five (45) calendar days after the date of the notice of funding reduction.

### **3. BUDGET**

- A. County agrees to submit to Town by July 31st of each year a proposed budget describing the proposed level of services for the next Agreement Term;

- B. For the Term of this Agreement County agrees to provide the services listed in Section 2 of this Agreement at the level of services and for the amount stated in Exhibit D, which is attached and incorporated herein by reference for all purposes;
- C. Payment. Town shall pay County the following amount, as stated in Exhibit D, Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), which is the agreed upon amount for Town's share of the total cost of the Program less federal and state funding.
- D. In lieu of paying the actual dollar amount stated in this Agreement, Town has the option, to the extent authorized by law, ordinances or policy, of making a request to negotiate for in-kind services that are equal in value to the total amount.
- E. This Agreement is contingent upon Town's appropriation of funds, or ability to perform in-kind services as described in Section 3D of this Agreement, for the services set forth herein. In the event Town fails to appropriate such funds, or provide in-kind services, County shall not incur any obligations under this Agreement.

#### **4. ASSURANCES**

- A. County shall operate and supervise the Program.
- B. Nothing in this Agreement shall be construed to restrict the authority of Town over its health programs or environmental health programs or to limit the operations or services of those programs.
- C. Town agrees to provide to County or assist County in procuring adequate facilities to be used for the services under this Agreement. These facilities must have adequate space, waiting areas, heating, air conditioning, lighting, and telephones. None of the costs and maintenance expenses associated with these facilities shall be the responsibility of County and County shall not be liable to Town or any third party for the condition of the facilities, including any premise defects.
- D. Town and County agree that other cities/towns/municipalities may join the Program by entering into an agreement with County that contains the same basic terms and conditions as this Agreement.
- E. Each party paying for the performance of governmental functions or services under this Agreement must make those payments from current revenues available to the paying party.

#### **5. FINANCING OF SERVICES**

- A. The health services provided under this Agreement will be financed as follows:
  - 1) Town and County will make available to the Program all appropriate federal and state funds, personnel, and equipment to provide the health services included under this Agreement and will use best efforts to cause these funds and resources to continue to

increase.

- 2) Town shall pay to County, or provide in-kind services, its share of budgeted costs that are in excess of the federal and state funding for providing the health services under this Agreement. Budgeted costs shall not exceed those reflected in Exhibits B, C and D for the appropriate Agreement Term.
- B. Town has elected to pay to County a lump sum payment for the Term the amount stated in Exhibit D.
  - C. Any payment not made within thirty (30) calendar days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.
  - D. Town and County agree that no more than ten percent (10%) of the Town's cost of participating in the Program will be used for administration of the Program.

## **6. TERM**

The Term of this Agreement shall be effective from October 1, 2011 through September 30, 2012, unless otherwise stated in this Agreement.

## **7. TERMINATION**

- A. Without Cause: This Agreement may be terminated in writing, without cause, by either party upon thirty (30) calendar days prior written notice to the other party.
- B. With Cause: Either party may terminate the Agreement immediately, in whole or in part, at its sole discretion, by written notice to the other party, for the following reasons:
  - 1) Lack of, or reduction in, funding or resources;
  - 2) Non-performance;
  - 3) The improper, misuse or inept use of funds or resources directly related to this Agreement;
  - 4) The submission of data, statements and/or reports that is incorrect, incomplete and/or false in any way.
- C. In the event of any such termination, County shall refund to Town a pro-ratable portion of Town's lump sum payment made to County hereunder in accordance with the following formula: Amount of Town's Payment x Number of Months Remaining in Fiscal Year (excluding the month of termination) ÷ 12.

## **8. RESPONSIBILITY**

**County and Town agree that each shall be responsible for its own negligent acts or omissions**

**or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or Town or their respective officials, officers, employees, or agents under Texas or other law and without waiving any available defenses under Texas or other law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.**

## **9. INSURANCE**

Town and County agree that they will, at all times during the Term of this Agreement, maintain in full force and effect insurance or self-insurance to the extent permitted by applicable laws. Town and County will be responsible for their respective costs of such insurance, any and all deductible amounts in any policy and any denials of coverage made by their respective insurers.

## **10. ACCESS TO RECORDS RELEVANT TO PROGRAM**

Town and County agree to provide to the other upon request, copies of the books and records relating to the Program. Town and County further agree to give Town and County health officials access to all Program activities. Both Town and County agree to adhere to all applicable confidentiality provisions, including those relating to Human Immunodeficiency Virus (HIV) and Sexually Transmitted Disease (STD) information, as mandated by federal and State law, as well as by DSHS.

## **11. NOTICE**

Any notice to be given under this Agreement shall be deemed to have been given if reduced to writing and delivered in person by a reputable courier service or mailed by Registered Mail, postage pre-paid, to the party who is to receive such notice, demand or request at the addresses set forth below. Such notice, demand or request shall be deemed to have been given, if by courier, at the time of delivery, or if by mail, three (3) business days subsequent to the deposit of the notice in the United States mail in accordance herewith. The names and addresses of the parties' hereto to whom notice is to be sent are as follows:

**Zachary Thompson, Director**  
Dallas County Health & Human Services  
2377 N. Stemmons Freeway, LB 12  
Dallas, TX 75207-2710

**Carmen Moran, Town Secretary**  
Town of Addison  
PO. Box 9010  
Addison, TX 75001-9010  
(972) 450-2881

## **12. IMMUNITY**

**This Agreement is expressly made subject to County's and Town's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practices and Remedies Code, and all applicable federal and state laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that Town or County has by operation of law or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.**

## **13. COMPLIANCE WITH LAWS AND VENUE**

In providing services required by this Agreement, Town and County must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and exclusive venue shall lie in Dallas County, Texas.

#### **14. AMENDMENTS AND CHANGES IN THE LAW**

No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition or deletion to the terms of this Agreement which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by said law.

#### **15. ENTIRE AGREEMENT**

This Agreement, including all Exhibits and attachments, constitutes the entire agreement between the parties hereto and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written.

#### **16. BINDING EFFECT**

This Agreement and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

#### **17. GOVERNMENT FUNDED PROJECT**

If this Agreement is funded in part by either the State of Texas or the federal government, County and Town agree to timely comply without additional cost or expense to the other party, unless otherwise specified herein, to any statute, rule, regulation, grant, contract provision or other State or federal law, rule, regulation, or other similar restriction that imposes additional or greater requirements than stated herein and that is directly applicable to the services rendered under the terms of this Agreement.

#### **18. DEFAULT/ CUMULATIVE RIGHTS/ MITIGATION**

In the event of a default by either party, it is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Both parties have a duty to mitigate damages.

#### **19. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained herein, the obligations of County and Town under this

Agreement are expressly contingent upon the availability of funding for each item and obligation contained herein for the Term of the Agreement and any extensions thereto. Town and County shall have no right of action against the other party in the event the other party is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future Agreement Terms. In the event that County or Town is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, each party, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to the other party at the earliest possible time.

## **20. COUNTERPARTS, NUMBER, GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

## **21. PREVENTION OF FRAUD AND ABUSE**

Town and County shall establish, maintain and utilize internal management procedures sufficient to provide for the proper, effective management of all activities funded under this Agreement. Any known or suspected incident of fraud or program abuse involving County or Town's employees or agents shall be reported immediately for appropriate action. Moreover, Town and County warrant to be not listed on a local, county, State or federal consolidated list of debarred, suspended and ineligible contractors and grantees. Town and County agree that every person who, as part of their employment, receives, disburses, handles or has access to funds collected pursuant to this Agreement does not participate in accounting or operating functions that would permit them to conceal accounting records and the misuse of said funds. Each party shall, upon notice by the other party, refund their respective expenditures that are contrary to this Agreement.

## **22. AGENCY / INDEPENDENT CONTRACTOR**

County and Town agree that the terms and conditions of this Agreement do not constitute the creation of a separate legal entity or the creation of legal responsibilities of either party other than under the terms of this Agreement. County and Town are and shall be acting as independent contractors under this Agreement; accordingly, nothing contained in this Agreement shall be construed as establishing a master/servant, employer/employee, partnership, joint venture, or joint enterprise relationship between County and Town. Town and County are responsible for their own acts, forbearance, negligence and deeds, and for those of their respective officials, agents or employees in conjunction with the performance of work covered under this Agreement.

## **23. SEVERABILITY**

If any provision of this Agreement is construed to be illegal or invalid, this will not affect the legality

or validity of any of the other provisions in this Agreement. The illegal or invalid provision will be deemed stricken and deleted, but all other provisions shall continue and be given effect as if the illegal or invalid provisions had never been incorporated.

**24. SIGNATORY WARRANTY**

Each person signing and executing this Agreement does hereby warrant and represent that such person has been duly authorized to execute this Agreement on behalf of Town or County, as the case may be.

**DALLAS COUNTY (COUNTY):**

**TOWN OF ADDISON (TOWN):**

By: Clay Lewis Jenkins  
Dallas County Judge

By: \_\_\_\_\_  
Town Manager/Mayor

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Recommended:**

**Attested:**

By: Zachary Thompson  
Director, DCHHS

By: ~~Lea Dunn~~ Chris Terry  
Town Secretary

**Approved as to Form\*:**

**Approved as to Form:**

By: Gordon Hikel  
Chief, Civil Division  
Assistant District Attorney

By: \_\_\_\_\_  
Town Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

## FY2012 FEE SCHEDULE

SEXUALLY TRANSMITTED

Treatment	\$20 - \$45 (Sliding Scale)
Blood Drawing	\$5
Cryotherapy	\$15
Chemical Lesion Reduction	\$45
Medical Records Copies	\$5 each

TUBERCULOSIS

TB Testing-Level I (Office Visit)	\$30
TB Testing-Level II (Quantiferon)	\$50
Chest X-Ray Copies	\$5

LABORATORY

Wet Prep	\$6 each
Gram Stain	\$6 each
GC Culture	\$14 each
RPR	\$11 each
GEN Probe GC Screen	\$47 each
GEN Probe CT Screen	\$47 each
HIV Test	\$15 each
HIV Test - Rapid	\$20 each
Salmonella/Shigella	\$16 each
TB Culture & Concentration	\$25 each
TB Identification	\$15 each
TB Susceptibility	\$31 each
TB Acid Fast Stain	\$ 8 each

NURSING SERVICE

Hepatitis A Havrix*	\$50/Injection
Hepatitis B Vaccine*	\$165/Series
Twinrix	\$65/Injection
<b>HDCV (IM) Rabies</b>	<b>\$270/Series</b>
HDCV (ID) Rabies	\$270/Series
<b>Pneumococcal*</b>	<b>\$55/Injection</b>
Adacel (Pertusis)	\$55/injection
Hepatitis C Screening	\$35/Test
Japanese Encephalitis	\$345/Series
<b>Meningococcal Vaccine</b>	<b>\$125/Injection</b>
Typhoid (Polysaccharide)	\$65/Injection
Typhoid (Oral)	\$50/box
<b>Varivax*</b>	<b>\$110/Injection</b>
<b>Yellow Fever Vaccine</b>	<b>\$100/Injection</b>
Boostrix Vaccine	\$45/Injection
HIB	\$45/injection

Rabies Administrative Fee/ Serves State Vaccine	\$25
Foreign Travel Office Visit Fee	\$25

ENVIRONMENTAL HEALTH

Septic Tank Inspection	#\$310/Commercial/Business #\$260/Residential
Septic Tank Re-inspection	\$35/Residential \$85/Commercial
Food Establishment Inspection	\$150/yr./establishment
Half-Way Houses & Boarding Homes, Residential	\$75/plus \$25 for each additional unit on site
Mosquito Spraying for Non- contracting cities	\$185/ per hour
Water Sample	\$50
Mosquito Testing	\$35
Food Mgr. Cert. Program	\$100/per person
Food Mgr. Cert. Retesting	\$50/per person

Note: 1) # Indicates \$10 charge for State fee

CRIMINAL TESTING

Blood Draws	\$38
Buccal Swabs	\$38

Comprehensive TB Testing & Evaluation (Incl. Chest X-ray)	\$80
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MTD Testing for TB	\$40/ each
Pregnancy Test	\$20 each
Urinalysis	\$15 each
Dark Field	\$16 each
Chancroid Culture	\$10 each
Herpes Culture	\$38 each
Herpes Type 1 & 2 Serology	\$50 each
Group A Strep	\$14 each
<i>Urine Screen:</i>	
Neisseria Gonorrhoeae	\$47 each
Chlamydia Trachomatis	\$47 each
Lead Screen	\$10 each
Staphylococcus/Aureus Culture	\$17 each

Influenza Vaccine*	\$20/Injection
<b>MMR*</b>	<b>\$75/Injection</b>
TD*	\$40/Injection
IPV	\$45/Injection

<b>Menactra (MCV4)*</b>	<b>\$125/Injection</b>
<b>Zostavax (Shingles)*</b>	<b>\$215.00/Injection</b>
<b>Gardasil (HPV)*</b>	<b>\$165.00/Injection</b>

*Immunization/VFC Program:*

DPT,DT,Hib,	\$5/Per child
Well Baby	\$5/Visit
Diabetic Testing	\$5/Test

*Records:*

Immunization Record	\$5 each
Foreign Travel Yellow Card	\$5 each

Note: Vaccines marked with an asterisks are part of the Adult Safety Net Program (ASNP). Clients eligible to receive services through the ASNP will be charged a fee of \$10/shot.

Day Care Center Inspections	\$2/per authorized child
Temporary Food Permit	\$75/plus \$10 per day
Funeral Home Inspection	\$200
FHA, VA, Conventional Loans	\$125/Licensed \$150/Unlicensed
Annual Group Home Inspection	\$50
Food Handler Class	\$15/per person
Sub-division Plat Approval	\$200/Residential \$150/Commercial
Animal Control/Quarantine	\$7/per day
Animal Control/Vicious Animal	\$12/per day
Food Manager Re-certification	\$50/Test
W/Multiple Test Sites	

## January, 2010 thru December, 2010

<i>Municipality</i>	<i>Tuberculosis</i>	<i>Sexually Transmitted Diseases</i>	<i>Laboratory</i>	<i>Communicable Disease</i>
<i>Addison</i>	129	58	366	374
<i>Balch Springs</i>	419	199	1136	269
<i>Carrollton</i>	819	232	2427	584
<i>Cedar Hill</i>	590	389	442	340
<i>Cockrell Hill</i>	200	0	18	38
<i>Coppell</i>	322	39	64	348
<i>Dallas</i>	34576	14511	77401	45584
<i>Desoto</i>	435	460	573	552
<i>Duncanville</i>	766	252	1056	503
<i>Farmers Branch</i>	297	62	916	345
<i>Garland</i>	5468	876	9210	1178
<i>Glenn Heights</i>	111	74	167	34
<i>Grand Prairie</i>	2152	547	3327	1462
<i>Highland Park</i>	0	1	0	62
<i>Hutchins</i>	61	38	206	70
<i>Irving</i>	4642	1084	8020	1707
<i>Lancaster</i>	527	562	1220	645
<i>Mesquite</i>	1934	782	3904	1377
<i>Richardson</i>	527	209	1355	3853
<i>Rowlett</i>	713	64	391	363
<i>Sachse</i>	217	11	51	112
<i>Seagoville</i>	151	75	526	84
<i>Sunnyvale</i>	20	2	2	43
<i>University Park</i>	3	0	0	142
<i>Wilmer</i>	60	70	562	10
<i>Out of County</i>	1254	1835	163369	6827
<b>Total</b>	<b>56393</b>	<b>22432</b>	<b>276709</b>	<b>66906</b>

DALLAS COUNTY HEALTH & HUMAN SERVICES  
FY '12

EXHIBIT C

Municipality	TB		STD		Public Health Lab	Communicable Disease Control		FY '12 Contract Total
	Clinic	Clinic	Clinic	Clinic		Disease Control	Control	
Addison	3,403	4,076	1,835	2,767	2,500			
Balch Springs	11,055	13,985	5,695	1,990	9,377			
Carrollton	21,608	16,304	12,167	4,320	23,823			
Cedar Hill	15,566	27,337	2,216	2,515	2,498			
Cockrell Hill	5,277	0	90	281	2,301			
Coppell	8,495	2,741	321	2,574	3,131			
Dallas	912,235	1,019,755	388,038	337,206	1,754,252			
Desoto	11,477	32,326	2,873	4,083	17,620			
Duncanville	20,210	17,709	5,294	3,721	11,273			
Farmers Branch	7,836	4,357	4,592	2,552	6,856			
Garland	144,265	61,561	46,173	8,714	80,156			
Glenn Heights	2,929	5,200	837	252	574			
Grand Prairie	56,777	38,440	16,679	10,815	38,854			
Highland Park	0	70	0	459	132			
Hutchins	1,609	2,670	1,033	518	3,149			
Irving	122,472	76,178	40,207	12,627	81,906			
Lancaster	13,904	39,494	6,116	4,771	12,106			
Mesquite	51,026	54,955	19,572	10,186	31,608			
Richardson	13,904	14,687	6,793	28,502	23,756			
Rowlett	18,811	4,498	1,960	2,685	4,925			
Sachse	5,725	773	256	829	362			
Seagoville	3,984	5,271	2,637	621	6,440			
Sunnyvale	528	141	10	318	99			
University Park	79	0	0	1,050	48			
Wilmer	1,583	4,919	2,818	74	2,597			
Out of County	33,085	128,954	819,025	50,502	77,142			
	\$1,487,844	\$1,576,401	\$1,387,238	\$494,934	\$2,197,485			

## FY'12 CONTRACT COSTS

MUNICIPALITIES	CONTRACT COST
ADDISON	\$2,500
BALCH SPRINGS	\$9,377
CARROLLTON	\$23,823
CEDAR HILL	\$2,498
COCKRELL HILL	\$2,301
COPPELL	\$3,131
* DALLAS	\$1,754,252
* DESOTO	\$17,620
* DUNCANVILLE	\$11,273
FARMERS BRANCH	\$6,856
* GARLAND	\$80,156
GLENN HEIGHTS	\$574
GRAND PRAIRIE	\$38,854
HIGHLAND PARK	\$132
HUTCHINS	\$3,149
IRVING	\$81,906
LANCASTER	\$12,106
* MESQUITE	\$31,608
* RICHARDSON	\$23,756
* ROWLETT	\$4,925
SACHSE	\$362
* SEAGOVILLE	\$6,440
SUNNYVALE	\$99
UNIVERSITY PARK	\$48
* WILMER	\$2,597
* UNINCORPORATED	\$77,142
<b>TOTAL</b>	<b>\$2,197,485</b>

## **Council Agenda Item: #R 2d**

### **AGENDA CAPTION:**

Approval of annual contract for Fiscal Year 2012 with the Trinity River Authority to provide inspection, sampling and laboratory analysis on certain industries in Addison to comply with wastewater pretreatment laws as required by EPA.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

The EPA requires that industries categorized as significant industrial users (SIUs) regarding their wastewater discharges be scrutinized by the local governing authority for compliance with federal law. Since the Trinity River Authority (TRA) treats all of the wastewater generated in the industrially zoned areas in Addison and is the agency responsible to EPA oversight, in the interest of impartiality and credibility, we felt it is prudent to continue our relationship with TRA for EPA required services.

Being that the actual expenditures to TRA are recovered from SIUs, no monies are budgeted for this regulatory program. An enterprise account (#01-000-11505) in the Utility Fund has been created to handle this financial arrangement. For your information, we do not expect expenditures for the term of this contract to exceed \$4,000. Terms of contract are identical to last year. Find attached a cover letter from TRA, a draft contract for Mr. Whitehead's signature and a fee schedule. Please forward two (2) signed contracts to TRA for their signatures.

### **RECOMMENDATION:**

Staff recommends approval.

### **COUNCIL GOALS:**

Mindful Stewardship of Town Resources, Conduct the Business of the Town in a Fiscally Responsible Manner

## ATTACHMENTS:

Description:

- [Cover letter from TRA](#)
- [Annual Contract with TRA](#)
- [Fee Schedule](#)

Type:

Cover Memo  
Cover Memo  
Cover Memo

# Trinity River Authority of Texas



## Central Regional Wastewater System

3110.500.040.100

July 11, 2011

Mr. Neil Gayden  
Supervisor, Environmental Services  
City of Addison  
P.O. Box 9010  
Addison, Texas 75001-9010

Dear Mr. Gayden:

Subject: Contract for Services - Fiscal Year 2012  
Revised Technical Services Fee Schedule  
Central Regional Wastewater System

The Trinity River Authority Board of Directors, in Board Action June, 2011, approved the Technical Services Fee Schedule for Fiscal Year 2012 which is in connection with all contracting work relating to the analysis of water and wastewater, industrial inspections, and/or sampling services. According to our records, your current contract expires September 30, 2011. As in past years we propose to continue performing associated services to all Authority Contributing Parties under the provisions of a contract for services. Enclosed please find two (2) copies of the Trinity River Authority Contract for Services and Fee Schedules for Fiscal Year 2012 attached for your review and official authorization. Upon the City's approval for requested services between the City and Trinity River Authority, please return both notarized or sealed copies with Attachment A - Technical Services Fee Schedules for final execution to this office. After execution by the Authority's General Manager, one (1) original Contract for Services will be returned for your files unless otherwise noted by the City.

Please address and refer the correspondence regarding this matter to:

Trinity River Authority  
Central Regional Wastewater System  
6500 West Singleton Blvd.  
Dallas, Texas 75212  
Attention: Wm. B. Cyrus, Manager  
Technical Services

6500 W. Singleton Blvd.  
Dallas, Texas 75212  
Metro (972) 263-2251  
Admin Fax (972) 975-4412  
Lab Fax (972) 975-4414

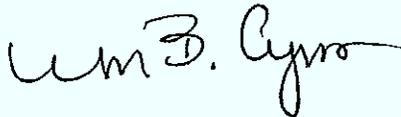
July 11, 2011  
FY-2012 Contract for Services  
Page 2

To coordinate our efforts accordingly, the Authority requests the approval of the contract to begin on October 1, 2011, and terminate on date specified by the contracting party in Section VI. Please note that the contract may now be greater than one (1) year at the contracting party's preference.

Also enclosed are additional copies of our Board Approved Fiscal Year 2012 Services Fee Schedule for your use and files. The service fees are effective December 1, 2011 through November 30, 2012. Historically the fee schedule for these services is derived annually from the direct costs of performing each test, including manpower, materials, supplies, and equipment costs. Additionally, the cost associated with maintaining quality assurance is included in the cost of the test.

Should you have any questions concerning this contract or changes in fee schedule, please contact this office at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "WM. B. CYRUS". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

WM. B. CYRUS  
Manager, Technical Services

BC/mlt

Enclosures

## CONTRACT FOR TECHNICAL SERVICES

### I. CONTRACTING PARTIES

The Receiving Agency: **Town of Addison**, whose authorized address is:

**PO Box 9010  
16801 Westgrove Dr.  
Addison, Texas 75001  
Attn: Neil Gayden, RS Environmental Services Official**

The Performing Agency: Trinity River Authority of Texas, whose authorized address is 5300 South Collins, P. O. Box 240, Arlington, Texas 76004-0240, Attention: J. Kevin Ward, General Manager (or his designated representative).

### II. STATEMENT OF SERVICES TO BE PERFORMED

In order to discharge the responsibilities associated with the enforcement of Federal, State, and City regulations, the Receiving Agency requires services of a laboratory qualified to perform water and wastewater analysis, and of personnel to conduct industrial inspection and/or sampling services, such services detailed in Section A, Subsection(s) **1, 2 & 3**, below.

#### A. PERFORMANCE OF SERVICES

1. Industrial Inspection Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial inspection services within the parameters listed on the attached schedule sheet.

The Performing Agency (Trinity River Authority of Texas) shall perform all Industrial Pretreatment Inspections, review permit applications and prepare for submittal Permits to Discharge Industrial Wastes to the Sanitary Sewer in accordance with procedures established by the Trinity River Authority of Texas in accordance with 40 CFR Part 403.8. Industrial Pretreatment Inspections, Application reviews and Permit preparations and submittals shall be in compliance with the Receiving Agency's Industrial Waste Ordinances, Sewer Ordinances Number **003-003**, and EPA General Pretreatment Regulations for Existing and New Sources. Records of Inspections, Applications and Permits shall be maintained as required by EPA General Pretreatment Regulations, 40 CFR Part 403.12.

2. Industrial Sampling Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial sampling services within the parameters listed on the attached schedule sheet and in accordance with the Receiving Agency's Industrial Waste Ordinances and Sewer Ordinances Number **003-003**.

The Performing Agency (Trinity River Authority of Texas) shall perform all sample collections, sample preservation, and maintenance of chain-of-custody records in accordance to the approved procedures set forth in Test Methods for Evaluating Solid Waste, EPA Manual SW-846, Methods for Chemical Analysis of Water and Wastes,

EPA Manual EPA-600/4-79-020, and the Handbook for Sampling and Sample Preservation of Water and Wastewater, EPA Manual EPA-600/4-82-029. The samples shall be properly collected, preserved and delivered by the Performing Agency to the Performing Agency's laboratory located at 6500 West Singleton Blvd., Dallas, Texas. When feasible flow or time composited sampling will be conducted. When composited sampling is not feasible, grab sampling will be appropriate.

3. Analytical Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform analytical services within the parameters listed on the attached schedule sheet.

The Receiving Agency will collect samples and deliver them to the laboratory for analysis. It is understood that these samples will be properly collected and preserved in accordance with applicable sections of A Practical Guide to Water Quality Studies of Streams, Federal Water Pollution Control Administration publication and Methods for Chemical Analysis for Water and Wastes, EPA manual, as well as the latest edition of Standard Methods for the Examination of Water and Wastewater. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. A chain-of-custody procedure shall be maintained in the field and the laboratory in accordance with procedures to be established by the Receiving Agency. The Receiving Agency will furnish chain-of-custody.

The Performing Agency (Trinity River Authority of Texas) will perform all analyses according to the approved procedures set forth in Standard Methods for the Examination of Water and Wastewater, current edition or the latest edition of Methods for Chemical Analysis of Water and Wastes, EPA manual. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. Samples will be analyzed by these methods on the production basis, to include appropriate analytical quality assurance procedures. Records will be kept for documentation of the Performing Agency's quality assurance program and copies will be available to the Receiving Agency upon request. Unusual interferences and problems will be reported to the Receiving Agency at its authorized address noted above. Research into specific techniques to overcome these difficulties will be undertaken when practical, and by mutual agreement. The chain-of-custody sheet submitted with each sample will designate the particular analysis or analyses to be made of each sample submitted. The laboratory will be operated in such a manner as to insure the legal sufficiency of the sample handling; analytical and reporting procedures; and to remedy effects in the procedures should such be discovered.

The various laboratory personnel shall be directed upon receipt of written notice from the Receiving Agency 72 hours in advance, to appear and testify in enforcement actions. In such event, travel and per diem expenses for such employees shall be paid by the Receiving Agency. Travel and per diem for court appearances hereunder shall be based on current State laws.

Receiving Agency may deliver to Performing Agency samples for analysis separate and apart from those samples collected by the Performing Agency. When the Receiving Agency delivers samples to the Performing Agency for analysis, the Receiving Agency shall indicate the nature and extent of the analyses it desires to be conducted. Performing Agency shall not be responsible for the manner of collection or chain-of-custody or sheets which are matters entirely outside Performing Agency's

control. Performing Agency shall receive, log and perform such analyses of samples in accordance with that part of the chain-of-custody procedures identified as Transfer of Custody and Storage attached hereto.

Samples analyzed to maintain the normal quality assurance program which the Performing Agency presently maintains in its laboratory will be charged to the Receiving Agency at the same rate as submitted samples.

#### B. TERMINATION

Either party to this Contract may terminate the Contract by giving the other party thirty (30) days notice in writing at their authorized address as noted previously. Upon delivery of such notice by either party to the other and before expiration of the thirty (30) day period, the Performing Agency will proceed promptly to cancel all existing orders, contracts, and obligations which are chargeable to this Contract. As soon as practicable after notice of termination is given, the Performing Agency will submit a voucher for work performed under this Contract through its termination. The Receiving Agency will pay the Performing Agency for the work performed less all prior payments. Copies of all completed or partially completed reports, documents, and studies prepared under this Contract will be delivered by the Performing Agency to the Receiving Agency when and if this Contract is terminated prior to the completion of the prescribed work.

#### C. AMENDING THE CONTRACT

The parties hereto without invalidating this Contract may alter or amend this Contract upon advance written agreement of both parties to exclude work being performed or to include additional work to be performed and to adjust the consideration to be paid hereunder by virtue of alterations or amendments.

### III. BASIS FOR CALCULATING REIMBURSABLE COSTS

The financial basis for calculating reimbursable costs shall be as stated in Attachment A, said attachment A shall be revised and updated annually. A cost analysis shall be prepared each year by the Trinity River Authority of Texas and shall be approved by the Trinity River Authority of Texas Board of Directors prior to effective date of said revision.

The expenditures by the Trinity River Authority of Texas of funds paid to it under this Contract shall be subject to such State or Federal audit procedures as may be required by law and by accepted practices of the State or Federal auditor, or both, if requested. The Trinity River Authority of Texas shall be responsible for maintaining books of account that clearly, accurately and currently reflect financial transactions. The financial records must include all documents supporting entries on the account records which substantiate costs. The Trinity River Authority of Texas must keep the records readily available for examination for a period of three (3) years after the close of the last expenditure.

Reimbursement for the inspection, sampling, and/or analytical costs, and cost for any travel and per diem expenses shall not exceed **Four Thousand Dollars (\$4,000)** for the period of this Contract.

IV. CONTRACT AMOUNT

The total amount of this Contract shall not exceed **Four Thousand Dollars (\$4,000)** nor be less than **One Thousand Five Hundred Dollars (\$1,500)** per annum, unless mutually agreed by the parties hereto.

V. PAYMENT FOR SERVICES

The Performing Agency shall bill the Receiving Agency monthly for services performed. Charges for these services shall be based on the attached cost schedules.

The Receiving Agency shall pay the monthly billings of the Performing Agency within thirty (30) days of their receipt.

VI. TERM OF CONTRACT

This Contract is to begin **October 1, 2011** and shall terminate **September 30, 2012**, subject to Section II, paragraph B of this contract.

VII. INTERLOCAL AGREEMENT

Inasmuch as the Receiving Agency and the Performing Agency are political subdivisions of this state, and inasmuch as the testing of water and wastewater are critical to the maintenance of public health and such testing is therefore, a governmental function and service, this contract shall be deemed authorized by the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

Receiving Agency:

CITY OF \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
(SEAL)

Performing Agency:

TRINITY RIVER AUTHORITY OF TEXAS

BY: \_\_\_\_\_

GENERAL MANAGER

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
(SEAL)

## CHAIN-OF-CUSTODY PROCEDURES

### Sample Collection and Shipment

1. To the maximum extent achievable, as few people as possible should handle a sample.
2. Stream and effluent samples should be obtained using standard field sampling techniques and preservation procedures.
3. Chain-of-Custody sheets should be attached to each sample at the time it is collected. Sample containers must be appropriate for requested testing with appropriate preservation and legibly labeled.  
The tag or sheet contains basically laboratory (requested parameters) information; however, certain identifying items including City, City Code, Contact Name and Phone Number, Type Sample Matrix, Material Sampled, and Method of Preservation must be completed by the field personnel collecting the sample.  
In completing the Chain-of-Custody tag or sheet, care should be utilized to insure that all necessary information is correctly and legibly entered onto the form. A black ballpoint with water proof ink should be used at all times.
4. During shipment, samples should be appropriately cooled. TRA lab receiving technician will check temperature.

### Transfer of Custody and Storage

1. All samples should be handled by the minimum possible number of persons.
2. All incoming samples shall be received by the laboratory technician or his alternate, and logged into a database. Information to be entered into the database shall include the client sample number, date received, source, time(s) sampled, date(s) sampled, and analyses requested and comments from the Chain of Custody.
3. Promptly after logging, the custodian technician will distribute the sample to an analyst or place the sample in the secure sample vault, which will be locked at all times except when samples are removed or returned by analysts. The sample will be tracked internally in the lab.
4. Samples shall be kept in the sample storage security area at all times when not actually being used by analysts, such as during overnight absences. The technician shall ensure that heat-sensitive samples, or other sample materials having unusual physical characteristics, or requiring special handling, are properly stored and maintained.
5. A log of sample removal and replacement will be kept in the secure sample vault and be retained as a permanent record of the laboratory.
6. The original Chain of Custody and a Sample Evaluation/Variance record shall be sent by the laboratory to the appropriate Receiving Agency control point as part of the final data report.

# **EXHIBIT A**

**TECHNICAL SERVICES FEE SCHEDULE**

**FOR**

**LABORATORY ANALYSES,**

**INDUSTRIAL INSPECTIONS**

**AND**

**INDUSTRIAL SAMPLING**

**FISCAL YEAR 2012**

**December 1, 2011 through November 30, 2012**

**NELAP CERTIFICATE T104704287-10-TX**

**CHEMICAL ANALYSES**

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**Liquid Samples**

Alkalinity:	
Total (*) (**)	\$10.75
Phenolphthalein	\$10.85
Bicarbonate	\$14.93
Carbonate	\$16.00
Biochemical Oxygen Demand:	
5-Day (*)	\$26.00
5-Day Carbonaceous (*)	\$27.60
5-Day Filtered (Dissolved)	\$35.00
7-Day	\$32.00
Extra Dilution (Each)	\$ 2.50
Chlorophyll "a"	\$17.35
Chlorophyll "a" and Pheophytin	\$22.55
Chemical Oxygen Demand (*)	\$15.00
Chloride (*)	\$12.00
Conductance, Specific (*) (**)	\$ 9.00
Cyanide	
Total (*)	\$37.80
Amenable to Chlorination) (*)	\$50.00
Fluoride, Total (**)	\$12.00
Glycols	\$13.50
Hardness (*) (**)	\$15.25
Nitrogen:	
Ammonia (*)	\$12.00
Ammonia by Distillation (*)	\$20.50
Kjeldahl, Total (*)	\$23.50
Nitrate (*)	\$12.00
Nitrite (*)	\$12.00
Organic	\$46.70
Oil and Grease (*)	\$51.00
Organic Carbon:	
Dissolved	\$18.00
Total (*) (**)	\$16.25
pH (*)	\$ 9.40

Phosphorus:	
Ortho (*)	\$12.00
Total (*)	\$21.50
Solids:	
Total (TS)	\$13.00
Total Dissolved (TDS) (*)	\$18.70
Total Suspended (TSS) (*)	\$17.50
Volatile Suspended (VSS) (*) (after TSS)	\$ 8.40
Sulfate (*)	\$12.00
Sulfide	\$16.50
Surfactants - MBAS	\$34.56
Turbidity (*) (**)	\$10.00
UV254	\$20.00
Mercury (*) (**)	\$22.70
Metals (EPA 200.8) (*) (**) (***)	
Aluminum	\$12.00 each
Lead	
Arsenic	Manganese
Antimony	Molybdenum
Barium	Nickel
Beryllium	Selenium
Boron	Silver
Cadmium	Thallium
Chromium	Tin
Cobalt	Vanadium
Copper	Zinc
Iron	
Minerals (*)	\$12.00 each
Calcium	
Magnesium	
Potassium (***)	
Silica	
Sodium	

**Solid Samples**

Ammonia (***)	\$29.80
Chemical Oxygen Demand	\$36.50
Nitrogen, Kjeldahl, Total	\$28.00
Phosphorus, Total (***)	\$25.00
pH (***)	\$13.00
Percent Solids, Total and Volatile	\$13.45
Mercury (***)	\$53.50
Metals Preparation	\$29.25

NELAC Accreditation  
 \*Non-Potable Water  
 \*\*Drinking Water  
 \*\*\* Solids

## MICROBIOLOGICAL ANALYSES

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### Drinking Water:

Total Coliform (MMO/MUG) (**)	\$ 13.75
Heterotrophic Plate Count	\$ 15.75

### Other:

Coliform, Fecal (Membrane Filter) (*)	\$ 15.25
Coliform, Fecal (MPN) (***)	\$ 45.00
Coliform, Total (MPN-Q Tray)	\$ 16.50
E. Coli (MPN-Q Tray) (*)	\$ 16.50
Streptococcus, Fecal (Membrane Filter) (*)	\$ 16.00
Heterotrophic Plate Count	\$ 15.75
Microscopic General Examination	\$ 19.80

## TRACE ORGANIC (GC-GC/MS) ANALYSES

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EPA 624 (*)	
14 Day (preserved)	\$120.00
3 Day (unpreserved)	\$210.00
BTEX (only)	\$105.00
Trip Blanks	\$ 55.00
EPA 625(*)	
Total Semi-Volatiles	\$250.00
Semi-volatile Trip Blank	\$175.00
EPA 525	
Atrazine	\$135.00

### Pesticides/PCB

Extraction/Preparation	
Liquids	\$85.00
Solids	\$85.00
EPA 608 (*)	
Full List	\$ 95.00
Chlorinated Pesticides (only)	\$ 85.50
PCB (only)	\$ 95.00
EPA 8141	
Diazinon	\$ 88.80
EPA 8082	
Polychlorinated Biphenyls (PCB)	\$ 95.00

## BY QUOTE

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Chromium Hexavalent  
Oil and Grease (solids)  
Organophosphate Pesticide  
Phenols  
TCLP Metals  
TCLP Organic Compounds  
Total Petroleum Hydrocarbons (solids and liquids)

## TOXICITY TESTING

---

Chronic, <u>C. dubia</u> (3 Brood) (*)	\$650.00
Chronic, <u>P. promelas</u> (Fathead Minnow – 7 Day) (*)	\$675.00
24 hr. Acute <u>C. dubia</u> (*)	\$200.00
24 hr. Acute <u>P. promelas</u> (Fathead Minnow) (*)	\$200.00
48 hr. Acute <u>C. dubia</u>	\$300.00
48 hr. Acute <u>P. promelas</u> (Fathead Minnow)	\$300.00

NELAC Accreditation  
\*Non-Potable Water  
\*\*Drinking Water  
\*\*\* Solids

## **INDUSTRIAL PRETREATMENT SERVICES**

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### **SAMPLING**

Composite Sample	\$ 100.00
Additional Composite Sample	\$ 35.00
Grab Sample	\$ 50.00
Additional Grab Sample	\$ 10.00
Field pH	\$ 5.50
Field Measurement	\$ 10.00
Field Surveillance Event	\$ 240.00
pH or DO only	\$ 50.00
Sampling Event Cost for a Failed Sample	\$ 50.00
Industry Split Sample	\$ 25.00
Boat Fee	\$ 40.00

- ~Grab Sampling
- ~Delivery to TRA Laboratory
- ~Field Testing Available
- ~Sample Preservation
- ~Proper Chain of Custody

### **INSPECTION**

On-Site	\$ 105.00
On-Site unpermitted	\$ 90.00
Permit Preparation (New)	\$ 150.00
Permit Renewal	\$ 95.00

- ~Installation of Automatic Composite Samplers
- ~Verification of Application Data
- ~Consultation with Industries on Industrial Pretreatment
- ~Chemical Inventory Review
- ~Industry Split Sampling

NELAC Accreditation  
\*Non-Potable Water  
\*\*Drinking Water  
\*\*\* Solids

## **GENERAL SERVICE INFORMATION**

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1. Effective Date: December 1, 2011. All prices listed are per sample and subject to review.
2. All analyses are performed in accordance with "Standard Methods for the Examination of Water and Wastewater," 20<sup>th</sup> Edition, 1998 or most recent approved and/or EPA "Manual of Methods for Chemical Analysis of Water and Wastes," 1983 and the "3<sup>rd</sup> Edition of Solid Waste Manual SW 846."
3. Prices include a 10 percent charge added to the analyses cost to maintain the normal quality assurance program.
4. Standard turn-around time is considered 15 business days for most testing. Priority is half of the standard time. Customer requiring PRIORITY turn-around time will be billed at one and one-half (1 ½) times the routine rate. Customer requiring RUSH turn-around time will be billed at two times the normal rate. It is recommended to call in advance of sample submission or inquire at the time of submission for estimated turn-around time.
5. The Laboratory will follow instructions as stated on the Chain-of-Custody submitted with samples. The Customer may be contacted by the lab representative on any variance issues and written instruction may be requested concerning the variance.
6. For EPA624 VOC 3 day analysis, do not lower the pH of the sample.
7. Sampling supplies will be provided upon request at a reasonable charge. Bacteriological sampling supplies are included in the cost of analyses.
8. Samples should be delivered to the laboratory before 4:00 p.m. on weekdays. Samples cannot be accepted on weekends or holidays unless special arrangements are made in advance. Bacteriological samples should be delivered prior to 2:00 p.m. unless special arrangements are made in advance. For after-hour samples, please call and arrange for leaving in cold storage vault with analyses request form.
9. A monthly invoice for completed analyses is mailed the following month.
10. Laboratory hours are weekdays 7:00 a.m. to 4:30 p.m. To contact the lab about emergency samples use the number below.
11. Environmental Field, Engineering Field and Pretreatment Services office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. For after-hour emergencies, leave message with computer operator.
12. Environmental Field and Engineering Field Services are requested to be scheduled a minimum of 72 hours in advance.
13. Laboratory Certificate Number T104704287-10-2.

**FOR MORE INFORMATION, CONTACT:**

**METRO: (972) 263-2251**

**FAX: (972) 975- 4414**

**WILLIAM B. CYRUS**

**Manager  
Technical Services**

**CRAIG HARVEY  
Laboratory Division  
Chief**

**JENNIFER MOORE  
Pretreatment  
Coordinator**

**JOHN HERNDON  
Environmental Service  
Coordinator**

**CATHY SIEGER  
Quality Assurance  
Coordinator**

**MARK ORBECK  
Technical Services Engineer**

NELAC Accreditation  
\*Non-Potable Water  
\*\*Drinking Water  
\*\*\* Solids

## Council Agenda Item: #R 2e

### **AGENDA CAPTION:**

Approval of an agreement with Dallas County creating an investigative repository for Dallas County law enforcement information that will be shared within agencies, be used in information sharing and automate Dallas County intake booking and electronic case filing.

### **FINANCIAL IMPACT:**

Funded through Dallas County and Department of Justice (DOJ) grants.

### **BACKGROUND:**

DCIM is a shared database repository of Dallas County law enforcement information. It will provide functional support for electronic jail intake booking and filing of prosecution reports with Dallas County District Attorney's Intake Section. Currently prisoners and prosecution reports must physically be transported to the Dallas County jail and District Attorney's Office, which is labor intense and costly. Parties are responsible for their DCIM law enforcement information, controls release to public of their information, shares law enforcement information and agree to data integrity and security. Dallas County will provide and maintain DCIM software and hardware, provide training, and helpdesk support.

### **RECOMMENDATION:**

Staff recommends approval.

### **COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community

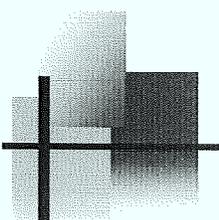
### **ATTACHMENTS:**

Description:

- [DCIM Presentation](#)
- [DCIM Executive Summary MOU/ILA](#)
- [DCIM MOU/ILA](#)

Type:

- Cover Memo
- Cover Memo
- Exhibit

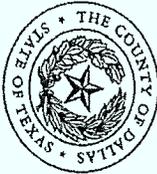


**Dallas County**

**Electronic Booking & Case Filing**

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*via Dallas County Incident Module (DCIM)*



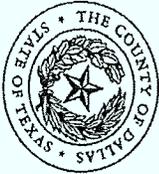
## Dallas County Incident Module (DCIM)

DCIM is a investigative repository for Dallas County law enforcement information that will; be shared within agencies, be used in information sharing, and automate DC intake booking and DC electronic case filing.

- There are two methods of utilizing DCIM by a County law enforcement agency;
1. Web based at no cost to agency and is available from any agency location with internet connection, but requires redundant input, and
  2. NIEM integration by vendor by law enforcement agency and requires minimal cost of vendor source maintenance. Eliminates redundancy in data entry.

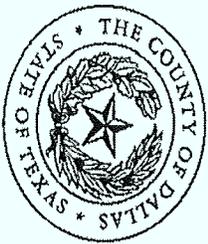
What is DCIM?

- Shared database repository of DC law enforcement information
- Secured Web Based Law Enforcement System
- Provides functional support of electronic booking and case filing
- Provides DPS TDEX interface
- Provides FBI NDEX interface
- Provides for multiple AIS integrated information exchanges
- Provides access security control by local law enforcement agencies
- Provides Federal Integration of Dallas County's law enforcement information
- Funded through Dallas County and DOJ Grants



# DCIM Roll-outs

- **Web Based Access**
  - Requires redundant data entry
  - Minimal Savings 2.5 hours per case
  - Available to Agencies in 4<sup>th</sup> Qtr 2011
- **NIEM Integration**
  - Agency RMS / DCIM system integration
  - Minimal Saving of 3.5 hours per case
  - On-going Implementation Activity with Limited Agencies



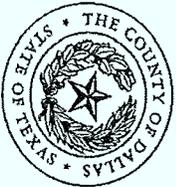
## DCIM Web Based Electronic Capabilities

### ■ Electronic Jail Intake Booking

- Intake Kiosks and Secured Network Printers
- Web based & accessible from Office PC, Car PC, and/or Intake
- User input! DCSO only validates, reviews, and approves

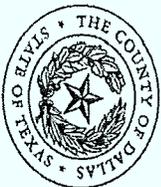
### ■ Electronic Case Filing

- Eliminating transporting cases to DC DA Intake
- Eliminate paperwork for filing and re-filing of a case
- Requires DCIM Electronic Booking
- Provides electronic response on case acceptance or rejection with reason from DC Intake DA
- Provides automatic case locking once accepted by DA



## Electronic Capabilities (Cont)

- Investigative County-wide Database
  - TDEX reporting by agency
  - Investigative inquiry and reporting capabilities
  - Phase 2 - DOJ/FBI Interface
- Requirements for Agency Participation
  - Executed DCIM MOU
  - Agency Assigned DCIM Administrators
  - Staff Definition; access, roles, and responsibilities
  - DCIM Training for Admins, Investigators, Patrol Personnel (Train the trainer)



# DCIM Status

- DCSO Case Filing – started 06/07/2011
  - MisRap Processing with AIS (new functionality)
  - Case Storage & Data Streaming (max case: 250 MB)
  - TRN/TRS Processing (correction process booking and case filing)
  - Arrestee Status Alerts
  
- Vendor/Agency Automated Interface (1/11 – 3/13)
  - Compliance to NIEM, NDEX, TDEX Federal/State Standards
  - OSSI / SWRCC – QTR 3 (Status: Production Testing)
  - Tiburon / Irving PD – QTR 4 (Status: Production Testing)
  - Visionaire / Farmer Branch PD – QTR 1 (Status: NIEM/DC-DEX Data Base Element Mapping)
  
- Law Enforcement Agency Roll-outs (8/11 – 3/13)

## Executive Summary

07/19/10

**MEMORANDUM OF UNDERSTANDING (“MOU”)  
AMONG PARTICIPATING LOCAL GOVERNMENTS  
FOR LAW ENFORCEMENT INCIDENT DATA SHARING VIA  
DALLAS COUNTY INCIDENT MODULE SOFTWARE (“DCIM”)**

\*\*\*\*\* *NOT a legal document – Executive Summary only* \*\*\*\*\*

This Executive Summary of the DCIM MOU outlines responsibilities between County and Participating Local Governments for Law Enforcement Data Sharing as follow:

**1. Participating Local Government:**

- owns their DCIM law enforcement information,
- controls their agency’s access to DCIM and their information,
- controls release to public of their information (Public Request for Information),
- participates in sharing law enforcement information (exceptions: confidentiality, public integrity, pending cases, etc.),
- agrees to take an active role in DCIM data integrity and security

**2. Dallas County will provide:**

- access to web based law enforcement system (car, station, sub-station, DC Intake, etc)
- data security (access and data encryption),
- 24/7 DCIM system availability
- required DCIM software and hardware,
- limited training to trainers,
- Dallas County helpdesk support,
- funded DCIM software functionality and software maintenance, and
- county-wide availability through DCIM to Dallas County incidents, arrests, and offense report information.

**3. Participating Local Governments will appoints DCIM Administrator(s) that;**

- resolve agency DCIM related issues internally and through DC help desk,
- maintain agency DCIM tables
- maintain access security; IDs, password, profiles
- interface with Dallas County on access issues

**SECOND (2<sup>ND</sup>) REVISED  
MEMORANDUM OF UNDERSTANDING /INTERLOCAL AGREEMENT  
("MOU/ILA")  
AMONG PARTICIPATING LOCAL GOVERNMENTS  
FOR LAW ENFORCEMENT DATA SHARING VIA  
DALLAS COUNTY INCIDENT MODULE SOFTWARE ("DCIM")**

**This MOU/ILA supercedes and replaces the original Memorandum of Understanding ("MOU"), the First (1<sup>st</sup>) Revised MOU, and any of the supplements or amendments to the MOU and the 1<sup>st</sup> Revised MOU.**

**I.  
PARTIES**

This MOU/ILA is entered by and among the undersigned participating local governments of the State of Texas ("Participating Local Governments"), acting by and through their respective governing bodies, pursuant to and under authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code to share law enforcement incident data through Dallas County Incident Module Software ("DCIM"). The undersigned Participating Local Governments and any and all other Participating Local Governments of the State of Texas adopting this MOU/ILA upon a formal order of their respective governing bodies as provided for herein may be referred to in this MOU/ILA individually as "Party" and collectively as "Parties."

**II.  
RECITALS**

**WHEREAS**, the Participating Local Governments of the State of Texas desire to fully share and commonly use certain Data owned by the Participating Local Governments for the management of public safety response activities during both emergency and non-emergency operations ("Project"); and

**WHEREAS**, "Data" shall mean the created and/or submitted law enforcement data, records and/or information by the Participating Local Governments that is being shared under this MOU/ILA for purposes of the Project; and

**WHEREAS**, Dallas County has acquired the DCIM license from Indico Corp., a foreign business entity in good standing with the Texas Comptroller of Public Accounts and the owner of the DCIM, to enable the Parties to carry out the purpose of this MOU/ILA; and

**WHEREAS**, this MOU/ILA, including all addenda, amendments, exhibits and attachments hereto, set forth the policies, practices and responsibilities of the Participating Local Governments; and

**WHEREAS**, based on the representations by Dallas County that it has acquired the DCIM license from Indico Corp. and that Dallas County is authorized to utilize and to allow other

Participating Local Governments to utilize the DCIM for the Project, the Participating Local Governments recognize Dallas County's licensing rights to DCIM; and

**WHEREAS**, the Participating Local Governments, acting by and through their respective governing bodies, individually and collectively, do hereby adopt and find the foregoing premises as findings of said governing bodies.

**NOW, THEREFORE**, in consideration of the promises, inducements, covenants, agreements, conditions and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Participating Local Governments approving this MOU/ILA agree as follows:

### **III.**

#### **PARTICIPATION BY ADDITIONAL PARTICIPATING LOCAL GOVERNMENTS**

Any local governments may participate in this MOU/ILA with the mutual administrative approval of Dallas County. Each Participating Local Government will be required to approve and agree to the terms and conditions of this MOU/ILA. The participation of additional Participating Local Governments shall not require the approval of other Participating Local Governments. From time to time, as requested by a Participating Local Government, Dallas County shall give to the requesting Participating Local Government a list, including contact information, of all Parties to this MOU/ILA.

### **IV.**

#### **TERM AND WITHDRAWAL**

- A. Unless otherwise stated, this MOU/ILA shall remain in effect from the time of its authorized signing until a mutual agreement to terminate by all parties occurs.
- B. A Participating Local Government may withdraw from this MOU/ILA at any time and for any reason, and thereby terminate the application of this MOU/ILA to the withdrawing Participating Local Government, by giving thirty (30) days prior written notice to the remaining Participating Local Governments. However, there will be no refund of any amounts or costs previously incurred by the withdrawing Participating Local Government unless expressly agreed in writing otherwise.
- C. Immediate termination of this MOU/ILA shall occur for any Participating Local Government who violates any of the security and access provisions in effect for this MOU/ILA (including, without limitation, any such violation by an employee, officer, subcontractor, agent or volunteer of the Participating Local Government). Such Participating Local Government is responsible for correcting the security violation, and for any damages or cost incurred by the Parties as a result, but only to the extent, of such violation. That Participating Local Government may re-participate upon Dallas County's discretionary administrative approval and after such violation has been corrected so as to prevent future and further violation of the security measures.

- D. The withdrawal or termination of a Participating Local Government from this MOU/ILA does not constitute a withdrawal or termination by the Participating Local Government from any other interlocal government projects.
- E. The withdrawal or termination of a Participating Local Government from this MOU/ILA does not affect the validity of this MOU/ILA as to the remaining Participating Local Governments.

**V.**

**DATA OWNERSHIP, ACCESS, SECURITY AND STORAGE**

- A. Ownership of Data. It is the intention of the Parties that each Participating Local Government will remain the respective custodian and owner for the portion of the Data that it created or submitted for the Project, unless expressly agreed in writing otherwise. Each Party shall retain full rights to its portion of the Data to use without restriction.
- B. Use and Disclosure of Data. The Parties acknowledge and agree that the Data shall not be used by the Parties other than in connection with the performance of this MOU/ILA, as required or authorized by law or government rule or regulation, or as contemplated by the Parties under this MOU/ILA. Additionally the Parties agree that the Data shall not be disclosed, sold, assigned, leased or otherwise provided to third parties, or commercially exploited by or on behalf of the other Parties, their employees, officers, agents, subcontractors, invitees, or assigns in any respect without the expressed written approval of the respective Participating Local Governments that own the portions of such Data.  

Dallas County shall share and report the Participating Local Governments' Data in accordance with law and government rules and regulations. Dallas County shall share and report the Participating Local Governments' Data to the centralized Texas Data Exchange database ("TDEx") initiated by the State of Texas Governor's Office, subject to and in accordance with law and any applicable rules or regulations regarding TDEx.
- C. Responding to the Public's Requests for Information or Data. The owner Party of the respective portion of the requested Data shall be responsible for responding to any requests for such Data. In the event a Participating Local Government receives a request for Data belonging to another Party, the request must be forwarded by the receiving Party to the owner Party or Parties involved within three (3) business days of receipt. Participating Local Governments shall contractually bind other entities or subcontractors who have access to DCIM and Data under this MOU/ILA to observe the same restrictions on the use and disclosure of Data belonging to other Parties in accordance with this MOU/ILA.
- D. Data Storage. Dallas County shall provide a secured redundant data storage for Data covered under this MOU/ILA. This data storage would also include electronic cases filed by each Participating Local Government. Data storage is backed up nightly by Dallas County Technical Services and by Dallas County Database Administration. Database audit record will be retained by the system for ninety (90) days only. The Dallas County

Database Administration will provide support to the DCIM data bases and/or data warehouse.

- E. The City of Dallas via the Dallas Police Department (“DPD”) is providing a mirrored DCIM site. Additionally, the City of Dallas via the DPD shall provide a minimum of ten (10) years of DPD incidents, arrests, and offenses Data reports (individually, “Incidents”, “Arrests”, “Offenses”) available in DCIM.
- F. Interfaces. Each Party is responsible for developing and maintaining its interfaces to the DCIM system.
- G. Security and Access of Data.
  - 1) Each Participating Local Government must define and set security and access rules for itself that will limit access or use of database to specified law enforcement personnel, for law enforcement purposes only, and that will minimally meet the standards outlined in the sample Security and Access of Data Procedure outlined in Exhibit A, which is attached and incorporated into this MOU/ILA for all purposes by reference.
  - 2) Pending case files Data are only viewable by the investigator who submitted the case and by the Dallas County DA Intake Division that accepted the case. Once the case Data is accepted by the Dallas County DA, then it is locked from further updating unless rejected or released to the investigator for further updates by the Dallas County DA.
- H. Survival. The provisions of this Article V shall survive any termination, cancellation, withdrawal, or expiration of this MOU/ILA.

## **VI. MAINTENANCE AND HELPDESK**

DCIM was built with hardware and software redundancy. Unless there is a production problem, new software release upgrade, and/or regulatory updates, the system runs ”24/7.” Participating Local Governments’ will report any access and software problems through their respective DCIM Administrators. The DCIM Administrators will be able to report problems through contacting the Dallas County Help Desk on the DCIM Contact List.

Any system down issue must be first addressed with Participating Local Government IT and/or Network Services before they may be reported to the Dallas County Help Desk. Dallas County IT Network Services will report any system-down occurrence and subsequent back-to-running status to each Party’s DCIM Administrator for the Party’s internal distribution.

Access password and I.D. problems will be handled by the Party’s DCIM Administrator. Functional access in the DCIM is dependent upon role and responsibilities of the law enforcement position. Unless Dallas County has provided network access or internet pipes to

DCIM, each Participating Local Government is responsible for its interface software and network.

Dallas County shall:

- Provide 128 bit encryption security
- Provide Backup databases
- Maintain hardware, DCIM, and databases
- Provide limited “training to the trainers”

## **VII.** **WARRANTIES**

**No Party to this MOU/ILA warrants the availability, accuracy, quality, reliability or fitness for a particular purpose of any Data made available under this MOU/ILA. Third party warranties or guarantees may inure to the benefit of the parties to a particular project if such are contractually secured as part of such project; however, no Party to this MOU/ILA shall be held liable for a warranty or guarantee offered by a third party, if any. Except for the representations set forth in the Recitals above (the fifth “Whereas” clause of Article II), all conditions, representations and warranties, whether express, implied, statutory or otherwise, including, without limitation, any implied warranty of merchantability, fitness for a particular purpose, or non-infringement of third party rights, are hereby disclaimed by all Parties to this MOU/ILA to the maximum extent permitted by applicable law.**

Survival. This Article VII. shall survive any termination, cancellation, withdrawal, or expiration of this MOU/ILA.

## **VIII.** **LIMITATIONS OF USE OF DCIM**

The DCIM and related resources that have been made accessible through this MOU/ILA, and shall only be used for the specific purpose under this MOU/ILA, and shall not be made available to other persons or entities not a Party to this MOU/ILA. No party may license, sublicense, lease, sell, resell, transfer, assign, or distribute a resource, license, or intellectual property being used under this MOU/ILA except as may be permitted by this MOU/ILA or another controlling written agreement.

Survival. The provisions of this Article VIII shall survive any termination, cancellation, withdrawal, or expiration of this MOU/ILA.

## **IX.** **NOTICE**

Any and all notices to be given under this MOU/ILA by a Participating Local Government shall be deemed to have been given if reduced to writing and delivered in person or mailed by

overnight or certified mail, return receipt requested, postage pre-paid, to the Parties at the addresses set forth on the signatory pages below or to such other addresses designated in writing to all the Participating Local Governments. Any notice required hereunder shall be deemed to have been given three (3) days subsequent to the date it was so delivered or mailed:

**X.**  
**AMENDMENT**

This MOU/ILA may not be amended except in a written instrument specifically referring to this MOU/ILA and signed by the Parties hereto. Any modification, alteration, addition or deletion to the terms of this MOU/ILA which are required by changes in federal or state law are automatically incorporated herein without written amendment to this MOU/ILA and shall be effective on the date designated by said law.

**XI.**  
**CURRENT REVENUE**

The Parties hereby warrant that all payments, expenditures, contributions, fees, costs, and disbursements, if any, required of each Party hereunder or required by any other agreements, contracts and documents executed, adopted, or approved pursuant to this MOU/ILA, which shall include any exhibit, attachment, addendum or associated document, shall be paid from current revenues and resources available to each paying Party. The Parties hereby agree that no debt is created by this MOU/ILA.

**XII.**  
**FISCAL FUNDING**

The obligations of a Participating Local Government pursuant to this MOU/ILA are contingent upon the availability and appropriation of sufficient funding by the Participating Local Government. Any Party may withdraw from this MOU/ILA without penalty (and so terminate this MOU/ILA as to such Party) in the event funds are not available or appropriated by that Party. However, no Party will be entitled to a refund of amounts previously contributed in the event of withdrawal for lack of funding, unless expressly agreed in writing by the affected Parties.

**XIII.**  
**APPLICABLE LAW**

**This MOU/ILA shall be expressly subject to the participating Parties' sovereign immunity and other governmental immunity and all applicable federal and state law.** This MOU/ILA shall be governed by and construed in accordance with the laws of the State of Texas. Venue shall lie exclusively in Dallas County, Texas.

**XIV.**  
**SEVERABILITY**

In the event that one or more of the provisions contained in the MOU/ILA shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of the MOU/ILA shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein, but shall not affect the remaining provisions of this MOU/ILA, which shall remain in force and effect.

**XV.**  
**ASSIGNMENT**

The Parties may not assign their respective rights and duties under this MOU/ILA without the prior written consent and/or approval of the remaining Participating Local Governments, acting by and through their respective governing bodies, even if such assignment is due to a change in ownership or affiliation. Any assignment attempted without such prior consent and/or approval by the remaining Participating Local Governments shall be null and void.

Survival. The provisions of this Article XV shall survive any termination, cancellation, withdrawal, or expiration of this MOU/ILA.

**XVI.**  
**ENTIRE AGREEMENT**

This MOU/ILA, including any and all exhibits, attachments, and/or addendums incorporated as a part hereof, shall constitute the entire agreement relating to the subject matter herein between the Parties and supersedes any other agreement concerning the subject matter of this transaction, whether oral or written. Each Party acknowledges that the other Parties, or anyone acting on behalf of the other Parties, have made no representations, inducements, promises or agreements, orally or otherwise, unless such representations, inducements, promises or agreements are embodied in this MOU/ILA, expressly or by incorporation.

**XVII.**  
**RESPONSIBILITIES**

**All Parties agree to be responsible each for their own negligent acts or omissions, or other tortious conduct in the course of performance of this MOU/ILA without waiving any sovereign immunity, governmental immunity or other defenses available to the Parties under federal or State law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities. All Parties agree that any such liability or damages occurring during the performance of this MOU/ILA caused by the joint or comparative negligence of the Parties, or their employees, agents or officers, shall be determined in accordance with comparative responsibility laws of Texas.**

[SIGNATORY PAGES SHALL FOLLOW]

**XVIII.**  
**BINDING AGREEMENT, AUTHORITY, PARTIES BOUND**

By signing this page, each Participating Local Government or Party represents that it has the full right, power and authority to enter and perform this 2<sup>nd</sup> Revised Memorandum of Understanding/Interlocal Agreement (“MOU/ILA”) Among Participating Local Governments for Law Enforcement Data Sharing Via DCIM in accordance with all of the terms and conditions, and that the execution and delivery of this MOU/ILA has been made by an authorized representative of each Party to validly and legally bind the same Party to all terms, performances and provisions set forth in this MOU/ILA.

**COUNTY OF DALLAS**

\_\_\_\_\_  
Name: Clay Lewis Jenkins

Title: Dallas County Judge

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20\_\_\_\_

Contact Name & Address: Krista Padon, Exec Assistant  
Dallas County Commissioner District 2  
715 Rowlett Road  
Garland, Texas 75043  
Phone: (\_\_\_\_\_) \_\_\_\_\_  
Email: \_\_\_\_\_

**XVIII.**  
**BINDING AGREEMENT, AUTHORITY, PARTIES BOUND**

By signing this page, each Participating Local Government or Party represents that it has the full right, power and authority to enter and perform this 2<sup>nd</sup> Revised Memorandum of Understanding/Interlocal Agreement (“MOU/ILA”) Among Participating Local Governments for Law Enforcement Data Sharing Via DCIM in accordance with all of the terms and conditions, and that the execution and delivery of this MOU/ILA has been made by an authorized representative of each Party to validly and legally bind the same Party to all terms, performances and provisions set forth in this MOU/ILA.

**COUNTY/CITY/TOWN OF** \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20\_\_\_\_

Contact Name & Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

## **EXHIBIT A**

### **GENERAL SECURITY AND ACCESS OF DATA PROCEDURES**

The following list serves as minimum requirements for the security and access of law enforcement data via DCIM pursuant to the MOU/ILA among the Local Participating Governments.

- Each Local Participating Government (“LPG”) must actively take responsibility for the management and the security of its Data. Data sharing among LPGs via the Dallas County Incident Module Software (“DCIM”) will depend on adhering to professional standards, integrity, communication, and cooperation.
- Each LPG must establish review and approval procedures for Data relating to Incidents, Arrests, and Offenses
- Each LPG is responsible for the maintenance of its interfaces to the DCIM and for securing (128 bit encrypted) communications to DCIM
- Each LPG must establish review and approval procedures for its user access. Each LPG must assign a unique DCIM ID and Password to each authorized user for purposes of an audit trail
- Under each LPG’s highest local executive authority, the respective DCIM Administrator controls and maintains the user access to DCIM. The DCIM Administrator will:
  - Only authorize access to employees of Administrator’s LPG, and maintain a current list of authorized users
  - Review and update all of the ORG-IDs system tables and individual user’s access, roles, and permissions
  - Ensure LPG’s sensitive public integrity reports are correctly flagged and/or encrypted in DCIM
  - Immediately cancel user’s access to DCIM when user is no longer associated with LPG or is placed on administrative leave
  - Act as primary contact to Dallas County Help Desk and Dallas County’s contractor, including Indico Help Desk, on access problems and / or application issues
  - Act as the main contact for testing support, update notification, and testing of new releases and production issues
  - Organize all appropriate training
  - Monitor DCIM use and abuse by own users



## Council Agenda Item: #R 2f

**AGENDA CAPTION:**

Approval of an agreement with Dallas County for using Dallas Sheriff's Office Prisoner Transport Unit.

**FINANCIAL IMPACT:**

\$8469.00

**BACKGROUND:**

Dallas County Sheriff's Office has provided transport services for prisoners from satellite locations to the county jail for 22 law enforcement agencies in Dallas County, at no cost. Law enforcement agencies are required to have prisoners who are unable to secure a bond delivered to the Dallas County jail within 48 hours of arrest and no later than 24 hours after the person received magistrate admonitions. The Law Enforcement Committee of the Dallas County Criminal Justice Advisory Board (CJAB) worked to address the costs of this service. The annual cost to the County for salary, benefits, uniforms, fuel, maintenance and vehicles is \$435,067.00. Seventeen law enforcement agencies agreed to participate in this cost sharing agreement for prisoner transport services. The participating agencies make-up 94 percent of countywide transfers, Addison averages annually 300 transfers or 1.97 percent.

**RECOMMENDATION:**

Staff recommends approval.

**COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community

**ATTACHMENTS:**

Description:

- [MOU](#)
- [Sheriff Costing of InterCity Transfer](#)
- [Prisoner Transport MOU Revision](#)

Type:

- Cover Memo
- Cover Memo
- Cover Memo



**5. RESPONSIBILITY FOR NEGLIGENT CONDUCT**

County and Addison, including their respective employees and elected officials, agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or Addison under Texas and other applicable laws, and without waiving any available defenses under Texas and other applicable laws. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.

**6. INSURANCE**

Addison and County agree that they will at all times during the term of this Agreement maintain in full force and effect insurance, or self-insurance, to the extent permitted by applicable law under a plan of self-insurance, that is also maintained in accordance with sound accounting practices. It is expressly agreed that Addison and County will be solely responsible for all cost of their respective insurance or self insurance; and solely responsible for any and all deductible amounts in any policy.

**7. NOTICE**

Any notice or certification required or permitted to be delivered under this Agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

COUNTY

Marlin Suell, Chief Deputy  
Dallas Sheriff's Department  
Detention Services Bureau  
133 N. Riverfront, LB 31  
Dallas, Texas 75207

Town OF Addison

Ron Davis  
Chief of Police  
Addison Police Department  
4799 Airport Parkway  
Addison, Texas 75001

**8. ENTIRE AGREEMENT AND AMENDMENT**

This Agreement, including any Exhibits and Attachments, constitutes the entire agreement between the parties and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties.

**9. COUNTERPARTS, NUMBER/GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly

requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

## **10. SEVERABILITY**

If any provision of this Agreement is construed to be illegal, invalid, void or unenforceable, this construction will not affect the legality or validity or any of the remaining provisions. The unenforceable or illegal provision will be deemed stricken and deleted, but the remaining provisions shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

## **11. PAYMENT**

Addison, along with each participating municipality, agrees annually to pay the County its share of the costs for the transport program as referenced in Attachment A. Such amounts represent each municipality's *pro rata* share of the cost of transporting inmates from municipal facilities to County facilities for a 1-year term. Unless otherwise agreed, each annual payment is due to the County by October 1 of each calendar year.

The parties agree to cooperate in an annual evaluation of this MOU in order to calculate the number of inmates transferred by the County from each individual municipal facility to the County's facilities. Such data shall be used to determine the amounts to be paid by participating municipalities for transport assistance services for the renewal period.

## **12. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained in this Agreement, the obligations of Addison and County under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the term of the Agreement and any pertinent extensions. Neither party shall have a right of action against the other in the event the other party is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years

## **13. DEFAULT/CUMULATIVE RIGHTS/MITIGATION**

It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Both parties have a duty to mitigate damages.

## **14. IMMUNITY**

**This Agreement is expressly made subject to Addison's and County's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Remedies Code and all applicable State and federal Laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that Addison or County has by operation of law, or otherwise. Nothing in this Agreement is intended to benefit any**

**third party beneficiary. No term or provision of this agreement is intended to, or shall, create any rights in any person, firm, corporation or other entity not a party hereto, and no such person or entity shall have any cause of action hereunder.**

**15. COMPLIANCE OF LAWS AND VENUE**

In providing services required by this Agreement, Addison and County must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and venue shall lie exclusively in Dallas County, Texas.

**16. RELATIONSHIP OF PARTIES**

Addison is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of County. County is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of Addison. Addison and County agree and acknowledge that each entity shall be responsible for its own acts, forbearance, negligence and deeds, and for those of its agents or employees in conjunction with the performance of work covered under this Agreement.

**17. SIGNATORY WARRANTY**

Addison and County represent that each has the full right, power and authority to enter and perform this Agreement in accordance with all of the terms and conditions, and that the execution and delivery of Agreement have been made by authorized representatives of the parties to validly and legally bind the parties to all terms, performances and provisions set forth in this Agreement.

The County of Dallas has executed this Agreement pursuant to Commissioners Court Order No. \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

[SIGNATURE PAGE SHALL FOLLOW]

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2011.

**COUNTY:**

**TOWN OF ADDISON:**

\_\_\_\_\_  
BY: Clay Lewis Jenkins  
County Judge

\_\_\_\_\_  
BY: Ron Whitehead  
City Manager

**Recommended:**

\_\_\_\_\_  
BY: Lupe Valdez  
Sheriff of Dallas County

\_\_\_\_\_  
BY: Ron Davis  
Chief of Police

**\*Approved as to Form:**

\_\_\_\_\_  
BY: Gordon Hikel  
Chief, Civil Division  
Assistant District Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

## Sheriff Costing of InterCity Transfer

Agency	Projected Number	Percentage	Annual Cost
Addison	300	1.95%	8,469
Balch Springs	628	4.07%	17,728
Carrollton	0	0.00%	0
Cockrell Hill	131	0.85%	3,698
Coppel	127	0.82%	3,585
Desoto	1,600	10.38%	45,167
DFW Airport	33	0.21%	932
Duncanville	437	2.84%	12,336
Farmers Branch	627	4.07%	17,700
Garland	3,066	19.89%	86,551
Glenn Heights	104	0.67%	2,936
Grand Prairie	1,305	8.47%	36,839
Highland Park	67	0.43%	1,891
Hutchins	0	0.00%	0
Irving	3,354	21.76%	94,681
Mesquite	2,317	15.03%	65,407
Richardson	742	4.81%	20,946
Rowlett	354	2.30%	9,993
Sachse	16	0.10%	452
Seagoville	204	1.32%	5,759
University Park	0	0.00%	0
Wilmer	0	0.00%	0
	15,412	100.00%	435,067



to cure such failure or breach, and thereafter prosecutes the curing of such failure or breach with diligence and continuity, the Cure Period shall be extended for such period as may be necessary to complete the curing of such failure or breach with diligence and continuity. If the Defaulting Party does not cure the failure or breach within the Cure Period, the Non-Defaulting Party may terminate this MOU and give notice of such termination to the Defaulting Party. The term "business days" means Monday through Friday, but excluding any Monday through Friday that is any of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the Friday immediately thereafter, Christmas Eve, and Christmas Day.

Upon the expiration of the term described in Section 2 above, this MOU shall be automatically renewed for a subsequent additional 1-year term (the "renewal period") (subject, however, to the non-renewal rights of Addison and to the earlier termination of this MOU). An individual municipality, including Addison, may choose to not participate in the renewal period upon at least ninety (90) days written notice to the County (the "Non-Renewal Notice". The Non-Renewal Notice shall be provided by certified mail, return receipt requested, at the following address:

Marlin Suell, Chief Deputy  
Dallas Sheriff's Department  
Detention Services Bureau  
133 N. Riverfront, LB 31  
Dallas, Texas 75207

A municipality that does not provide such Non-Renewal Notice shall be deemed to be a participating party in the renewal period.

At least 120 days prior to the expiration of the term of this MOU set forth in Section 2 above, the County shall provide to each participating party, including Addison, a "Notice of Renewal" for the renewal period. This Notice of Renewal shall provide each municipality, including Addison, with its *pro rata* share of the cost of the County's transport assistance services for the renewal period. In the event the County gives a Notice of Renewal to Addison less than 120 days prior to the expiration of the initial term of this MOU, the minimum number of days for Addison to provide to the County a Non-Renewal Notice shall be reduced by a number equal to 120 minus the number of days remaining in the initial term at the time the Notice of Renewal is given to Addison (for example, 120 days prior to the expiration of the initial term (September 30, 2012) is June 2, 2012; if the County does not give the Notice of Renewal to Addison until June 12, 2012 (10 days after June 2, 2012), the minimum number of days for Addison to provide a Non-Renewal Notice shall be 80 days (90 days minus 10 days)).

## **5. RESPONSIBILITY FOR NEGLIGENT CONDUCT**

**County and Addison, including their respective employees and elected officials, agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or Addison under Texas and other applicable laws, and without waiving any available defenses or tort limitations under Texas and other applicable laws. Nothing in this paragraph or in the MOU shall, or shall be construed to, create or grant any rights, contractual or otherwise, in or to any third persons or entities.**

## **6. INSURANCE**

Addison and County agree that they will at all times during the term of this MOU maintain in full force and effect insurance, or self-insurance, to the extent permitted by applicable law under a plan of self-insurance, that is also maintained in accordance with sound accounting practices, to cover their respective (but not the other's) acts and omissions under or in connection with this MOU. It is expressly agreed that Addison and County will be solely responsible for all cost of their respective insurance or self insurance; and solely responsible for any and all deductible amounts in any policy.

**7. NOTICE**

Any notice or certification required or permitted to be delivered under this Agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

COUNTY

Marlin Suell, Chief Deputy  
Dallas Sheriff's Department  
Detention Services Bureau  
133 N. Riverfront, LB 31  
Dallas, Texas 75207

Town of Addison

Ron Davis  
Chief of Police  
Addison Police Department  
4799 Airport Parkway  
Addison, Texas 75001

**8. ENTIRE AGREEMENT AND AMENDMENT**

This Agreement, including any Exhibits and Attachments, constitutes the entire agreement between the parties and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties.

**9. COUNTERPARTS, NUMBER/GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

**10. SEVERABILITY**

If any provision of this Agreement is construed to be illegal, invalid, void or unenforceable, this construction will not affect the legality or validity or any of the remaining provisions. The unenforceable or illegal provision will be deemed stricken and deleted, but the remaining provisions shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

**11. PAYMENT**

Addison, along with each participating municipality, agrees annually to pay the County its share of the costs for the transport program as referenced in Attachment A. Such amounts represent each municipality's *pro rata* share of the cost of transporting inmates from municipal facilities to County facilities for a 1-year term. Unless otherwise agreed, each annual payment is due to the County by October 1 of each calendar year.

The parties agree to cooperate in an annual evaluation of this MOU in order to calculate the number of inmates transferred by the County from each individual municipal facility to the County's facilities. Such data shall be used to determine the amounts to be paid by participating municipalities for transport assistance services for the renewal period.

## **12. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained in this Agreement, the obligations of Addison and County under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the term of the Agreement and any pertinent extensions. Neither party shall have a right of action against the other in the event the other party is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years

## **13. DEFAULT/CUMULATIVE RIGHTS/MITIGATION**

It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Both parties have a duty to mitigate damages.

## **14. IMMUNITY**

**This MOU is expressly made subject to Addison's and County's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practice and Remedies Code and all applicable State and federal Laws, to all defenses, and to all tort limitations. The parties expressly agree that no provision of this MOU is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that Addison or County has by operation of law, or otherwise. Nothing in this MOU is intended to benefit any third party. No term or provision of this MOU is intended to, or shall, create any rights in any person, firm, corporation or other entity not a party hereto, and no such person or entity shall have any cause of action hereunder.**

## **15. COMPLIANCE OF LAWS AND VENUE**

In providing services required by this MOU, Addison and County must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this MOU and venue shall lie exclusively in Dallas County, Texas.

**16. RELATIONSHIP OF PARTIES**

Addison is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of County. County is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of Addison. Addison and County agree and acknowledge that each entity shall be responsible for its own acts, forbearance, negligence and deeds, and for those of its agents or employees in conjunction with the performance of work covered under this Agreement.

**17. SIGNATORY WARRANTY**

Addison and County represent that each has the full right, power and authority to enter and perform this Agreement in accordance with all of the terms and conditions, and that the execution and delivery of Agreement have been made by authorized representatives of the parties to validly and legally bind the parties to all terms, performances and provisions set forth in this Agreement.

The County of Dallas has executed this Agreement pursuant to Commissioners Court Order

No. \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

[SIGNATURE PAGE SHALL FOLLOW]

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2011.

**COUNTY:**

**TOWN OF ADDISON:**

\_\_\_\_\_  
BY: Clay Lewis Jenkins  
County Judge

\_\_\_\_\_  
BY: Ron Whitehead  
City Manager

**Recommended:**

\_\_\_\_\_  
BY: Lupe Valdez  
Sheriff of Dallas County

\_\_\_\_\_  
BY: Ron Davis  
Chief of Police

**\*Approved as to Form:**

\_\_\_\_\_  
BY: Gordon Hikel  
Chief, Civil Division  
Assistant District Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

## Council Agenda Item: #R 2g

**AGENDA CAPTION:**

Approval to enter into interlocal agreement with the City of Dallas and Town of Addison for radio back-up services for public safety radio.

**FINANCIAL IMPACT:**

City of Dallas Radio Rates

Addison Police Radio Airtime, Monthly \$3.25, Annual \$39.00, Count 106, Total \$4,134.00  
Addison Fire Radio Airtime, Monthly \$3.25, Annual \$39.00, Count 46, Total \$1,794.00

Grand Total: \$5,928.00

**BACKGROUND:**

Currently an Interlocal agreement exists between the City of Carrollton and the cities of Addison and Farmers Branch to provide for a shared public safety radio system. We have utilized the City of Dallas trunked radio system as a back-up communications system since 1998.

**RECOMMENDATION:**

Staff recommends approval.

**COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community

**ATTACHMENTS:**

Description:

[Addison ILA for Backup Radio Airtime 2011-2014](#)

Type:

Backup Material

INTERLOCAL AGREEMENT BETWEEN THE CITY OF DALLAS  
AND THE CITY OF ADDISON FOR RADIO SYSTEM SERVICES

**THIS INTERLOCAL AGREEMENT** (the "Agreement") is made and entered into in the State of Texas, and between the **CITY OF DALLAS, TEXAS** a municipal corporation, duly incorporated and existing under the constitution and laws of the State of Texas (the "CITY"), and the **CITY OF ADDISON, TEXAS**, a political subdivision of the State of Texas ("ADDISON").

WITNESSETH:

**WHEREAS**, the Interlocal Cooperation Act, Government Code Chapter 791, Texas Government Code ("the act") provides authorization for any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and

**WHEREAS**, Section 791.011 (a), Tex. Gov. Code (part of the Act) authorizes local governments (including the CITY and ADDISON) to agree with one another "...to perform governmental functions and services," which functions and services are defined in the Act to include police protection services, fire protection, and public health and welfare (Section 791.003(3), Tex. Gov. Code); and

**WHEREAS**, by this Interlocal Agreement the CITY is providing to ADDISON back-up public safety two-way radio communication service airtime on the CITY's two-way radio system, such airtime to be use by ADDISON for ADDISON'S emergency radios in the event of a failure of ADDISON's emergency radio system, and the provision of such airtime will facilitate police protection and fire protection services and will protect the public health and welfare, and constitutes a governmental function and service; and

**WHEREAS**, the CITY desires to enter into a thirty-six (36) month Interlocal agreement with ADDISON for the provisioning of back up public safety two-way radio communication service airtime, effective September 9, 2011 through September 8, 2014;

**NOW, THEREFORE**, THIS AGREEMENT is hereby made and entered into by CITY and COUNTY for the mutual considerations stated herein:

I.

For the consideration hereinafter agreed to, and under the terms and conditions of this Agreement, the CITY undertakes, covenants and agrees to sell to ADDISON airtime on the CITY's two-way radio communication system as a back-up to ADDISON's public safety (police and fire) communication system. Such airtime shall be provided in accordance with the provisions set out in Exhibit A attached to this Agreement, and subject to the terms, conditions and restrictions set out therein.

II.

This Agreement shall be administered on behalf of the CITY by the Director of Communication and Information Services or his designee ("Director").

III.

For the provision of the airtime described herein by CITY, ADDISON agrees to pay CITY the amounts set forth in the attached Exhibit A. Payments for the services provided to ADDISON will be made within thirty (30) days after receipt of the invoice from CITY out of current revenues. Each year of this Agreement, ADDISON's payment for the services of and provisions by the CITY under this agreement are subject to the annual appropriation and budgeting of revenues by ADDISON to pay for such services and provisions; in the even ADDISON does not appropriate and budget funds to pay for such services and provisions, this Agreement shall terminate at the end of the fiscal year of ADDISON for which funds were appropriated and budgeted to pay for the services and provisions of the CITY.

IV.

The term of this Agreement shall begin as of September 9, 2011 and end at the end of the day on September 8, 2014. The DIRECTOR may terminate the performance of services under this agreement with thirty (30) written days notice to ADDISON. ADDISON agrees to pay CITY for the services provided prior to the effective date of such notice.

V.

This agreement has been approved by the governing body of the CITY and of ADDISON, in accordance with Section 791.011(d), Tex. Gov. Code.

**EXECUTED THIS** the \_\_\_\_ day of \_\_\_\_\_, 2011, by **CITY** and **ADDISON**.

**APPROVED AS TO FORM:**  
**TOM PERKINS**  
City Attorney

**CITY OF DALLAS**  
**MARY K. SUHM**  
City Manager

\_\_\_\_\_  
Assistant City Attorney *dk*

\_\_\_\_\_  
Assistant City Manager

**CITY OF ADDISON**  
**JOHN HILL**  
City Attorney

**CITY OF ADDISON**  
**RON WHITEHEAD**  
City Manager

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Manager

**EXHIBIT A**

City of Dallas Radio Rates

<b>Description</b>	<b>Monthly</b>	<b>Annual</b>	<b>Count</b>	<b>Total</b>
Addison Police Radio Airtime	\$3.25	\$39.00	106	\$4,134.00
Addison Fire Radio Airtime	\$3.25	\$39.00	46	<u>\$1,794.00</u>
	-		-	
<b>Total</b>				<b>\$5,928.00</b>

Terms and Conditions:

- This schedule shall apply to police and fire services within the City of Addison.
- The rates offered are subject to yearly review and may be adjusted with thirty (30) days written notice from the City of Dallas.
- The City makes no claims that the system will be suitable for your use. The system is for voice communication only, there are not other enhancements.
- The inventory included in Exhibit A may be subject to change as the City of Addison may acquire additional equipment. Any changes or adjustments in inventory require notification to the City of Dallas within thirty (30) days of said change. The City of Dallas will provide the City of Addison the costs associated for any additional units to be added to this ILA.

## Council Agenda Item: #R 2h

### **AGENDA CAPTION:**

Approval of an amendment to the Code of Ordinance of the City by amending Chapter 66 (Solid Waste) Article II (Collection And Disposal), Division 2 (Service Charge) by amending Section 66-52 increasing from \$11.42 to \$12.24 the monthly fee for single family residential garbage and recycling collection.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

The Town has a five-year contract with Waste Management to provide residential garbage and recycling collection to all single-family homes. This contract began October 1, 2000 and automatically renews for additional five-year periods if neither party requests termination.

Our contract rate is adjusted annually based on the Producer Price Index (PPI). This year, the PPI increased 7.2%, which will increase single family garbage and recycling collection rates from \$11.42 to \$12.24 per month. The increase will take effect November 1, 2011 and will be reflected on the November utility bill.

### **RECOMMENDATION:**

Staff recommends approval.

### **COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community, Take actions to make Addison a leader in sustainable development and operations that protect and enhance the Town's quality of life

### **ATTACHMENTS:**

Description:

- [Waste Management Contract](#)
- [Rate adjustment letter](#)

Type:

Backup Material  
Backup Material

AGREEMENT

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT is made and entered into this 25 day of September, 2000, by and between the Town of Addison, of the County of Dallas and State of Texas, acting through its City Manager, duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and Waste Management Inc. of the City of Lewisville, County of Denton, State of Texas, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and complete construction of certain improvements as follows:

Residential Solid Waste and Recycling Collection and Disposal

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto and in accordance with the Advertisement for Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, and other drawings and printed or written explanatory matter thereof, and the Technical Specifications and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR'S written Proposal and the General Provisions, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

The CONTRACTOR hereby agrees to commence work within five (5) calendar days after the date of written notice to do so shall have been given to him, and to substantially complete the work within 365 calendar days after he commences work, subject to such extensions of time as are provided by the General Provisions.

The OWNER agrees to pay the CONTRACTOR in current funds the price set forth in the proposal which forms a part of this contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Provisions, and to make

payments of account thereof as provided therein.

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect. IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

TOWN OF ADDISON  
(OWNER)

ATTEST:

By: R. Whitless

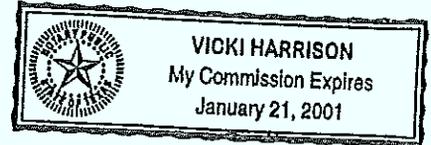
C. Moran

City Manager

City Secretary

\_\_\_\_\_  
(CONTRACTOR)

ATTEST:



By: Al Latini

By: Vicki Harrison

The following to be executed if the CONTRACTOR is a corporation:

I, Al Latini, Division Vice-President, certify that I am the \_\_\_\_\_ of the corporation named as CONTRACTOR herein; that Al Latini, who signed this Contract on behalf of the CONTRACTOR is the Division Vice-President (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.



Signed: Al Latini



**FINANCE DEPARTMENT / PURCHASING DIVISION**

5350 Belt Line Road

(972) 450-7091 – Facsimile (972) 450-7096

Post Office Box 9010 Addison, Texas 75001

TAMMY FRANKS  
PURCHASING ASSISTANT

## REQUEST FOR BIDS

The Town of Addison is accepting bids from all interested parties for Residential Solid Waste and Recycling Collection and Disposal.

Bid No: 00-22

Bid Name: Residential Solid Waste and Recycling Collection and Disposal

Bids Opened: 10:00AM, June 15 2000  
Office of the Purchasing Manager  
Addison Finance Building  
5350 Belt Line, Addison, Texas 75240

Please pay particular attention to 1.3 of the Instructions to Bidders regarding delivery of your bid.

If you do not wish to bid, but do wish to remain on the bidder list, please return an envelope with your company name and address on the outside and clearly marked "NO-BID, BID NO: 00-22". It will not be necessary to return any of the forms or documents if you wish to "NO-BID".

For questions concerning the bid process, contact Tammy Franks, Purchasing Assistant, at 972/450-7091 or e-mail at [tfranks@ci.addison.tx.us](mailto:tfranks@ci.addison.tx.us). For questions concerning the specifications or the work to be performed, contact Robin Jones, Street Superintendent, at 972-450-2849 or e-mail at [rjones@ci.addison.tx.us](mailto:rjones@ci.addison.tx.us).

## TOWN OF ADDISON

### INSTRUCTIONS TO BIDDERS

#### 1.0 RECEIPT AND PREPARATION OF THE BID

- 1.1 Bids will be received by the Purchasing Manager of the Town of Addison until time specified in the Invitation to Bid, at which time bids will be publicly opened and read aloud, in the Finance Building of the Town of Addison located at 5350 Belt Line Rd., Addison, TX 75240. Bids must be received by the specified time in order to be considered, and bids submitted after this closing time will not be considered and will be returned unopened.
- 1.2 Each bid shall be enclosed in a sealed envelope, addressed to the Purchasing Manager, Town of Addison, P.O. Box 9010, Addison, Texas, 75001. Bids must be labeled in the lower left-hand corner with the bid name and number. Bidders must also include their company name and address on the outside of the envelope.
- 1.3 Bidders are responsible for making certain bids are delivered to the purchasing department at 5350 Belt Line Road, Addison, TX 75240. Mailing of a bid does not insure that the bid will be delivered on time or delivered at all. If bidder does not hand deliver bid, it is suggested that he/she use some sort of delivery service that provides a receipt.
- 1.4 Bids may be withdrawn prior to the above scheduled time set for closing of the bids. Any bid received after the time and date specified will not be considered.
- 1.5 The Town of Addison reserves the right to postpone the date and time for opening bids through an addendum.

#### 2.0 TAXES

All bids are required to be submitted without State Sales tax. The Town of Addison is exempt from payment of such taxes and a Tax Exemption Certificate will be executed for the successful bidder.

#### 3.0 SCOPE OF WORK

The work under this contract shall consist of the items or services contained in the bid, including all materials, equipment, labor and all other items necessary to complete said work in accordance with the contract documents.

#### 4.0 EXAMINATION OF CONTRACT DOCUMENTS AND SITES

- 4.1 Before submitting a bid, each bidder must thoroughly examine the contract documents and project site to ensure that the services you are proposing meets the intent of these specifications.
- 4.2 The Town of Addison is not responsible for incomplete bid packets.
- 4.3 Bidders are instructed to return all pages of bid packet that contain written responses from you.

#### 5.0 BIDDING

##### 5.1 Bid Bond

Bidders will be required to submit a Bid Security, made payable to the Town of Addison in the amount of five per cent (5%) of the Bidders total bid price. Security shall be in the form of a certified bank check or a Bid Bond issued by a corporate surety authorized and admitted to do business in the State of Texas and licensed by the State to issue surety bonds. The surety shall also appear as a qualified surety on the list from the U.S. Treasury Department.

The Bid Security of the Successful Bidder will be retained until such Bidder has furnished a payment bond, if the contract price is \$25,000 or more, or until a contract is executed if the price is less than \$25,000. If the amount of the bid is \$100,000 or more, a Performance Bond equal to the total contract price, shall be required and the contractor shall include this cost in his bid. Bonds must be furnished within five (5) days of the Notice of Award. If the Bidder fails to furnish the required Bonds within the prescribed time, the Owner may annul the Notice of Award and the Bid Security of that Bidder will be forfeited. The Bid Security of any Bidder whom the Owner believes to have a reasonable chance of receiving the award may be retained by Owner until the Contract is awarded.

Attorneys-in-fact who sign bid bonds must file with each bond, a certified and effectively dated copy of their Power of Attorney.

- 5.2 Bidders are instructed to consider the following factors in preparation of your bid:
- a. Bids shall remain firm for a period of 60 calendar days after the scheduled bid opening.
  - b. Exceptions to any specifications, or part thereof, must be clearly stated and included with your Bid Proposal Form.
  - c. Bidders are instructed to include all necessary charges, related to this contract.

## **6.0 AWARD OF CONTRACT**

- 6.1 The Town of Addison reserves the right to reject any or all bids, reject any particular item on a bid, and to waive immaterial formalities. The contract will be awarded to the lowest responsible bidder whose bid is most advantageous to the city, price and other factors considered.
- 6.2 Award will be based upon any analysis of the following criteria: Bidders ability to produce the goods or services requested, performance on similar contracts, and an evaluation of the bidder's understanding of the purchaser's needs. To demonstrate bidder's qualifications to perform the work, each bidder must submit with their bid, five (5) customer references for similar projects, including name of customer, telephone number and individual to contact.
- 6.3 The anticipated start date is September 21, 2000.
- 6.4 The owner and the contractor will execute the Contract Agreement, a sample is enclosed, and a Notice to Proceed will be issued when all bonds and insurance certificates are attached to the executed agreement.
- 6.5 The contractor should submit an invoice monthly and payment will be made within thirty days.

## **7.0 CERTIFICATES OF INSURANCE REQUIRED**

- 7.1 The Contractor shall agree to furnish and maintain, during the period of this agreement, insurance coverage meeting the following requirements:
- a. Commercial General Liability Insurance at minimum combined single limits of \$500,000 per occurrence and \$1,000,000 general aggregate for Bodily Injury and Property Damage, which coverage shall include Products/Completed Operations, (\$1,000,000 Products/Completed Operations Aggregate) and XCU (explosion, collapse & underground) Hazards. Coverage for Products/ Completed Operations must be maintained for at least two (2) years after the work is completed. Coverage must be written on an Occurrence Form. Contractual Liability must be maintained with respect to the contractor's obligations contained in the contract.

- b. Workers Compensation insurance at statutory limits, including employers liability coverage at minimum limits of \$100,000 per occurrence - each accident, \$100,000 per occurrence - disease, and \$500,000 aggregate - disease.
- c. Commercial automobile liability insurance at minimum combined single limits of \$500,000. per occurrence for owned, non-owned and hired coverage.

7.2 Contractor shall provide the following endorsements:

- a. Named insured wording which includes the Contractor and the Town of Addison with respect to general liability, automobile liability.
- b. All liability policies shall contain cross liability and severability of interest clauses.
- c. A waiver of subrogation in favor of the Town of Addison with respect to the worker's compensation insurance and all other insurance policies.
- d. The policy shall be endorsed to require the insured to immediately notify the Town of Addison of any material changes in the insurance coverage.

7.3 All insurance shall be purchased from an insurance company, which meets the following requirement:

- a. Must be issued by a carrier, which is rated "A-1" or better by A.M. Best's Key Rating Guide.
- b. Licensed and admitted to do business in the State of Texas and is a subscriber to the Texas Guaranty Fund.

7.4 All insurance must be written on forms filed with and approved by the Texas State Board of Insurance. Certificates of insurance shall be prepared and executed by the insurance company or it's authorized agent and shall contain provisions representing and warranting the following:

- a. The company is licensed and admitted to do business in the state of Texas.
- b. The Texas State Board of Insurance has approved the company's forms.
- c. Sets forth all endorsements as required above.
- d. The Town of Addison will receive at least thirty (30) days notice prior to cancellation or termination of insurance.

**RESIDENTIAL SOLID WASTE AND RECYCLING**  
**COLLECTION AND DISPOSAL**  
**GENERAL SPECIFICATIONS**

**1.0**            **GRANT**

- 1.1            The Contractor shall be granted the nonexclusive right and privilege to provide collection and removal of solid waste and or recyclable materials for single-family residential units (estimated to be 1,613) within the corporate limits of the Town of Addison. Further, the Contractor shall furnish all personnel, labor, equipment, trucks, and all other items necessary to provide for said collection and removal.

**2.0**            **DEFINITIONS**

- 2.1            Bags – Plastic sacks designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by top. Total weight of a bag and its contents shall not exceed 35 lbs.
- 2.2            Bulky waste – Stoves, water tanks, washing machines, furniture, large pieces of construction debris (generated from the residential unit only) with the exception of roofing materials, and other waste material other than dead animals and hazardous waste with weights or volumes greater than those that fit in garbage bags.
- 2.3            Bundled Waste – Tree, shrub and brush trimmings securely tied together forming an easily handled package not exceeding four and one half feet in length, or 50 pounds in weight.
- 2.4            Town – The Town of Addison, Texas.
- 2.5            Construction Debris – Waste building materials resulting from construction, remodeling, repair or demolition operations.
- 2.6            Contract Documents – The Request for Bids, Instructions to Bidders, Contractor's Proposal, General Specifications, the Contract Performance Bond and any changes to the foregoing document agreed to by the Town and Contractor.
- 2.7            Contractor – The person, corporation, or partnership performing services under this Contract.
- 2.8            Dead Animals – Animals or portions thereof equal to or greater than 10 pounds that have expired from any cause, except those slaughtered or killed for human use.
- 2.9            Director – The Town of Addison Director of Public Works or his designee.
- 2.10           Disposal Site – A refuse depository including but not limited to sanitary landfills, transfer stations, incinerators and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of refuse, dead animals, and recyclables.

- 2.11 Garbage – Any and all dead animals of less than 10 pounds in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, and Hazardous Waste
- 2.12 Garbage Bags – Plastic sacks designed to store Refuse or Garbage with sufficient wall strength to maintain physical integrity when lifted by top. Total weight of a bag and its contents shall not exceed 35 pounds.
- 2.13 Hazardous Waste – Waste, in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or appropriate State agency by or pursuant to Federal or State law, or waste, in any amount, which is regulated under State or Federal law. For purposes of this contract, the term Hazardous Waste shall also include motor oil, gasoline, paint and paint cans.
- 2.14 Overflow – All garbage generated at a residential unit that does not fit inside garbage bags but isn't considered bulky waste.
- 2.15 Producer – An occupant of a residential unit who generates refuse.
- 2.16 Recycling Bins – An 18 gallon plastic bin, blue in color, which meets all Town of Addison requirements. Bin will include an approved lid.
- 2.17 Recycling Containers – A 95 gallon polycart container on wheels with lid, which meets all Town of Addison requirements.
- 2.18 Recyclable Material – Recyclable material shall include all newsprint including slicks, magazines, phone books, aluminum food and beverage cans, all steel and tin cans, empty aerosol cans, clear, green, and brown, glass, and plastic bottles and containers #1 through #7. Other materials may be added by mutual consent of the Town and Contractor.
- 2.19 Refuse – Residential refuse and bulky waste, and construction debris generated at a residential unit.
- 2.20 Resident – Person residing at a residential unit.
- 2.21 Residential Unit – A dwelling within the corporate limits of the Town of Addison occupied by a single family. A residential unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto. A condominium dwelling, whether of single or multi-level construction, consisting of multiple units, shall be treated as a residential unit, except that each single-family dwelling within any such residential unit shall be billed separately as a residential unit.
- 2.22 Residential Refuse – All garbage and rubbish generated by a customer at a residential unit.

- 2.23 Rubbish – all waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used or discarded clothing, shoes and boots, combustible waste pulp and other products such as are used for packaging, glass, ashes, floor sweeping, glass mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Construction Debris, Dead Animals, Garbage, or Hazardous Waste.

3.0 **SCOPE OF WORK**

- 3.1 Performance Standards  
The work under this contract shall consist of the items contained in the Request for Bid, including all the supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with the Contract. Contractor must demonstrate successful prior 10-year minimum experience in residential solid waste collection and prior 5-year minimum experience in residential recycling collection.

4.0 **TYPE OF COLLECTION**

- 4.1 Service Provided – Garbage
- (a) Contractor shall provide manual curbside collection of Residential Refuse to each residential unit two days per week. Collection days shall be Monday and Thursday of each week. Collection shall take place regardless of weather or Holidays. Collection shall begin by 7:00 a.m. on the designated collection day.
  - (b) Collection from Residential Units of Bulky Waste, bulky Construction Debris, and Hazardous Waste shall be provided by Town of Addison Public Works Department employees. The contractor shall collect all Bundled Waste.
  - (c) Contractor shall provide curbside, alleyway, or closet collection as necessary. Note: residential units on Le Grande Drive, Winter Park Lane, Pokolodi Circle, Leadville Place, and Rush Circle have closets on side of garages for garbage storage. At the time of the request for bids, approximately 50% of these residents use the closets with the remaining 50% setting their garbage out at curbside. Contractor to check all closets and empty if being used.
  - (d) Contractor shall collect all garbage and refuse at curbside, alleyway, and closet regardless of volume set out. No extra compensation will be given contractor for increase in number of bags or cans set out on garbage days. The Town encourages residents to use garbage bags by supplying them to residents at cost. Contractor shall pickup all garbage set out in other suitable containers such as but not limited to garbage cans, cardboard boxes, buckets, etc.
  - (e) All refuse collected by the Contractor shall be so contained, tied or enclosed that leaking, spilling or blowing is prevented. All refuse collected for disposal by the contractor shall be hauled to a Disposal Site. The charge for disposal shall be included in the rate set forth in the Contractors Proposal. The Contractor shall demonstrate that he has secured adequate landfill capacity to dispose of all Town refuse for a minimum 5-year period.

- 4.2                    Service Provided – Recycling
- (a) The Contractor shall collect and market commingled recyclable materials, every week on Monday beginning at 8:00 a.m. (regardless of weather or Holiday), from all residences (estimated to be 1,613) receiving individual garbage collection services in Town. It is the intent under this Contract for the Contractor to have a minimum 5-years experience in the business of collecting, processing and selling recycling commodities.
  - (b) Contractor shall deliver and service up to twenty (20) recycling containers to Town facilities for the collection of recycling materials collected at Town buildings. These materials to include items described in this document (section 4.5) with the addition of standard office paper products.
- 4.3                    Storage Containers – Recycling
- (a) The Contractor shall provide each household with an 18-gallon reusable bin for accumulating recyclable materials. Each bin shall be clearly marked with a logo approved by the Town. Collection shall be approved from authorized bins only. Once provided to each household, the bin is the responsibility of the resident.
  - (b) Each household shall receive one bin at no cost. Any household can receive additional bins, if requested, from the contractor. The cost shall be established by the contractor and approved by the Town. Residents shall not be limited as to the number of bins they can place out for collection. The charge for collecting multiple bins will be the same as for collection from a single bin.
  - (c) Contractor shall provide free of charge up to 200 extra recycling bins per year, if requested by the Town, to replace damaged, lost, or stolen bins.
  - (d) If Contractor employees determine that the recyclable material set out by residents is unacceptable due to the inappropriateness of the materials, Contractor will leave the inappropriate material in the bin. A sticker shall be attached to the bin explaining the reason the materials were rejected. Contractor will not be required to collect recyclable materials mixed with garbage or rubbish normally collected by solid waste collection crews.
- 4.4                    Location of Containers, Bags, Bins
- (a) Collection of the recyclable materials shall occur at curbside, alley, trash closets, or from any location of normal garbage collection.
  - (b) Contractor shall collect recycling material set out for collection outside of the normal recycling bin when necessary. Example, extra newspaper bundled or bagged, where volume of material is greater than bin size, etc.
- 4.5                    Recycling Materials Collected and Marketed
- (a) Newsprint, magazines, phone books
  - (b) Aluminum beverage cans
  - (c) Glass – clear, green, brown
  - (d) Steel (tin) cans and empty aerosol cans
  - (e) Plastics #1 - #7
  - (f) Material added by mutual consent of the Town and Contractor

5.0 **COLLECTION OPERATIONS – GARBAGE AND RECYCLING**

5.1 Conformity to Law

- (a) All collections shall be made as quietly as possible and conform to all Federal, State, county, or Town noise level regulations.

5.2 New Customers

- (a) New customers may be added at any time.

5.3 Reporting Requirements

- (a) The Contractor shall provide the Town with monthly recycling reports within five days from the end of the month being reported. These reports shall include:
  - 1. Estimated tonnages of all materials received by type of material, based on "test load" percentages.
  - 2. Average percent of total weight collected by material.
  - 3. Material market prices and amount to be paid to Town (50%)
  - 4. Number of set outs per collection day.
  - 5. Average pounds per set out per month.
  - 6. Average pounds per home per month.
- (b) The Contractor shall provide the Town with a monthly garbage collection report within five days from the month being reported. This report shall include:
  - 1. The tonnage of all material collected for the month.

5.4 Collection Equipment

- (a) The contractor shall provide and maintain a fleet of collection vehicles sufficient in number and capacity to efficiently perform the work (garbage and or recycling collection) and render the services required by the contract. The contractor shall provide evidence of the ability to perform under breakdown or layoff conditions, in the form of an alternate plan of action.
- (b) The contractors vehicles shall be clearly identified with the name, address, and phone number of the company's local office on each of it's cab doors or an equally conspicuous location on the vehicle.
- (c) Garbage collection vehicles and recycling collection vehicle shall be clearly distinguishable from one another. At no time shall garbage collection vehicles be used to collect recycling material or recycling collection vehicles be used to collect garbage.
- (d) Each collection vehicle shall be kept clean and in good operating condition at all times. The Town reserves the right to inspect the Contractor's collection vehicles at any time. If the Town inspector determines the vehicle to be offensive or unsafe, the Contractor shall repair, clean, and deodorize the equipment at his own expense.
- (e) Each collection vehicle shall be equipped with a shovel and a broom, or a rake to be used for the collection of spilled materials.
- (f) The Contractor shall furnish the Town a list of all equipment to be used in fulfilling the contract and shall update that list as may be requested by the Town.

### 5.5 Collection Routes

- (a) The Contractor shall establish its own routes and submit route list to the Town for final approval.

### 5.6 Employees

- (a) All field employees of the contractor shall wear uniforms identifying them as employees of the Contractor.
- (b) Employees driving any vehicles used in connection with the contract shall, at all times, possess and carry the appropriate State of Texas operators license for the vehicle being operated.
- (c) The Contractor's employees, officers, and agents, shall at no time be allowed to identify themselves, or in any way represent themselves, as being employees or agents of the Town of Addison.
- (d) The Contractor shall prohibit the drinking of alcoholic beverages or the use of controlled substances by employees while on duty or in the course of performing duties under this contract.
- (e) The Contractor shall maintain a local office and an authorized managing agent within Dallas County and provide the address of same. The Contractor shall furnish the Town the name of the managing agent prior to commencing operations and will notify the Town if the managing agent is changed. The managing agent shall serve as point of contact for communication between the Town and the Contractor. On collection days the Contractor's local office shall be open during normal business hours.

### 5.7 Complaints

- (a) All complaints to the Contractor shall be given prompt and courteous attention. On or before the 10<sup>th</sup> day of each month, the Contractor shall provide a written report to the Town regarding each complaint received by the Contractor during the month immediately preceding the date of the report, which report shall include a statement as to the status of each complaint. In the case of missed scheduled collections, the Contractor shall arrange for collection no later than the next day. If the Contractor has a collection vehicle in Town at the time of the missed collection complaint, the Contractor shall return to the missed area prior to quitting work for the day, and collect the missed materials.

## 6 CONTRACT

### 6.1 Term of Contract

- (a) Subject to the annual appropriation of revenues by the Town for the payment of the Contractor in accordance with the terms of this Contract, this Contract shall be for a 5-year period beginning September 21, 2000 and ending 5 years thereafter (the "Initial Term"). The Initial Term shall automatically be extended for a successive additional 5-year term, (and each such additional 5-year term being referred to herein as an "Additional Term"), unless either party notifies the other party in writing, not less than sixty (60) days prior to the expiration of the Initial Term or of any Additional Term as the case may be, of its intentions to terminate this Contract. Any such written notice shall be served by certified or registered mail, return receipt requested.

## 6.2 Remuneration

- (a) The Contractor shall quote a rate for service (garbage and or recycling) per residential unit per month. The rate shall include any container charge, set up charge or other charges associated with providing service.
- (b) Prices bid will be for a 2-year period beginning September 21, 2000. Beginning with year three (3), and once a year thereafter, prices will increase or decrease by one hundred percent in wholesale price as measured by the Producers Price Index (PPI).
- (c) The Contractor is entitled to fifty (50%) percent of all proceeds from the authorized collection and sale of recyclable materials.
- (d) The Town shall submit statements to and collect from all residential units.
- (e) The Town shall pay the Contractor, by the 20<sup>th</sup> of each month following the previous months billing, the amount specified in the contract for each residential unit serviced by the Contractor and billed by the Town.

## 6.3 Indemnification and Performance

- (a) The Contractor shall indemnify and defend the Town, its officials, officers, employees, and agents against, and hold the Town, its officials, officers, employees, and agents harmless from, any and all liability, actions, causes of action, lawsuits, judgments, claims, damages, costs or fees, including reasonable attorney's fees and costs of court, for any injury to or the death of any person, or damage to or destruction of any property, resulting from, based upon, or arising out of, in whole or part, any act or omission of Contractor, its officers, employees, subcontractors and agents, under or in connection with this Contract. The provisions of this Section shall survive the termination, cancellation or expiration of this Contract. The Contractor shall carry insurance as specified.
- (b) The Contractor shall provide a performance bond equivalent to 100% of the annual revenue, assuming collection from 1,613 homes in Addison.
- (c) The Contractor shall have a 14-day period from the commencement of collections to resolve any operational start-up problems without violating the Contract.
- (d) The contract may be amended or terminated by the Town of Addison if the Town Council fails to approve funding for this Contract each year, by giving 14 days written notice.

## 6.4 Marketing and Promotion

- (a) The Contractor is responsible for publicizing and promoting service to all residential units and interested parties in Addison. Promotion will include, but not be limited to the following:
  - 1. At least two professionally prepared brochures hung on residents' front doors at two week intervals describing the upcoming collection service, the start date, the recyclables to be collected, and any other pertinent information necessary to insure community education. Additional copies of brochures will be available to the Town or any citizen upon request and will be available for enclosure with utility bills.

2. Any other necessary public notification or reasonable educational effort requested by the Town, including but not limited to an annual mailer to residents reporting results of recycling efforts.

#### 6.5 Commencement of Service

It is anticipated that the start date for this Contract will be September 21, 2000. Because Town Council approval of this service may not occur until four to five weeks prior to September 21, 2000, the Contractor must be able to print and distribute all educational materials, distribute all recyclable material bins, and be able to start collection within a 30 day period if necessary.

#### 6.6 Additional Requirements

The Contractor must be able to develop an apartment-recycling program, acceptable to the Town, and implement it within 60 days of commencing collection services to single family residences.

#### 6.7 Termination for Cause

The Town has the right to terminate the contract if the Contractor is in default on any portion of the contract.

The Town will give the Contractor notice of any non-compliance with the contract, by phone and facsimile, at which time the Contractor will have forty-eight (48) hours to cure non-compliance or take appropriate action, The Town being the sole judge as to what is appropriate action, to begin the cure.

If the Contractor is not in compliance within forty-eight hours, the Town may declare the Contractor in default by sending a notice of default by certified mail. The sending of a notice of default voids the Contract rights of the Contractor and the Town may retain any unpaid funds to help reimburse the Town for its expenses, in addition to seeking any other legal means available to it through the laws and courts of the County of Dallas, the State of Texas, or the United States.

The validity of this Contract and of any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. This agreement shall be performable and all compensation payable in Dallas County, Texas. Venue under this Contract lies in Dallas County, Texas.

If any clause, paragraph, section or portion of this Contract shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Contract shall remain in full force and effect and the parties shall be deemed to have contracted as if said clause, section, paragraph or portion had not been in the Contract initially.

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

AGREEMENT

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by and between the Town of Addison, of the County of Dallas and State of Texas, acting through its City Manager, duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and \_\_\_\_\_, of the City of \_\_\_\_\_, County of \_\_\_\_\_ State of \_\_\_\_\_, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and continue work as follows for:

**Residential Solid Waste and or Recycling Collection and Disposal**

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Bid attached hereto and in accordance with the Advertisement for Bids, Requests for Bids, Instructions to Bidders, General Specifications, and printed or written explanatory matter thereof, and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR'S written Proposal and the General Specifications, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

The CONTRACTOR hereby agrees to commence work on September 21, 2000 and continue to provide service until the contract is terminated as provided in section 6.1 of the General Specifications

The OWNER agrees to pay the CONTRACTOR rates as specified in 6.2 of the General Specifications for the performance of the Contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Specifications, and to make payments of account thereof as provided therein.

IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

TOWN OF ADDISON  
(OWNER)

ATTEST:

By: \_\_\_\_\_  
City Manager

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
(CONTRACTOR)

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

The following to be executed if the CONTRACTOR is a corporation:

I, \_\_\_\_\_, certify that I am the secretary of the corporation named as CONTRACTOR herein; that \_\_\_\_\_, who signed this Contract on behalf of the CONTRACTOR is the \_\_\_\_\_ (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: \_\_\_\_\_

Corporate Seal

**TOWN OF ADDISON**  
P.O. Box 9010  
Addison, TX 75001-9010  
972-450-7090  
Fax: 972-450-7096  
Firm: 972-450-7095  
E-mail – [purchasing@ci.addison.tx.us](mailto:purchasing@ci.addison.tx.us)

Bidders on Addison Projects **BID # 00-22**

Dear Bidder:

The Town maintains a FAX on Demand, called the "FIRM", which allows you to retrieve information about our bids, including a copy of the Bid Tabulation. Bid Tabulations are available about one hour after the bid opening and can be retrieved from any touch-tone phone, sending the bid-tab directly to your FAX machine.

Dial 972-450-7095 and follow the voice prompts, be sure to wait for the "beep" before you push a key on your phone in response to instructions. The last entry you will be asked to make is to enter the document number of the document you want. The number will always be the last two digits of the bid concerned. For example, if you are interested in receiving the bid tabulation of Bid No. 00-15, request document 15.

The Town also maintains a web page [www.ci.addison.tx.us](http://www.ci.addison.tx.us). Under the Purchasing Division section you can also find complete bids along with the bid tabulations. If you have any suggestion on how we can further assist you please let us know.

If you have a problem or need assistance call the number in the letterhead.

Sincerely Yours

*T. Franks*

Tammy Franks  
Purchasing Assistant

P.S. You can get a plan holder list each morning by calling the FIRM and requesting document 85.



**Check here and fax back if you want your name removed from the list of companies we notify about this type of bid.**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number



**Waste Management of Texas, Inc.**  
520 E. Corporate Dr, Ste 100  
Lewisville, TX 75057  
Phone (214) 626-8800  
Fax (214) 626-8893

September 6, 2011

Nancy Straub Cline, P.E.  
Director of Public Works  
Town of Addison  
PO Box 9010  
Addison, TX 75001-9010

Dear Nancy:

Hello, Nancy. It was so great to finally meet you and get to know you. I look forward to working more with you and your team and assisting you in meeting your environmental goals.

This letter provides information regarding rate changes for the coming year.

The contract provides for an adjustment based upon the Producer Price Index (PPI) annually. The Town's Finance Department has advised of an upward change of 7.2% over the past 12 months.

This would change the residential rates from \$11.42 per month to \$12.24 per month.

Your team has also expressed an interest in learning more about the 'At Your Door' Program for household hazardous waste & electronic waste collection for your residents whereby these materials are collected at the resident front doors (or applicable garage, etc.) on an on call basis. This would be the perfect time to add that service. The service is a flat \$.56/home per month. This fee allows residents to call for pickup as often as they need and allows them to dispose of many materials that would normally be accumulated in their garage or attic and then taken to a disposal event or to a service center. This efficient, low cost method of collection encourages the resident to dispose of the materials quickly and in the proper manner and discourages illegal dumping. The program also includes working with your code enforcement staff to collect these materials illegally dumped or abandoned. I have attached more information for your review. These materials are recycled with the exception of pesticides which must be incinerated. The recycling of these products adds to your diversion rates and promotes more environmental awareness. Please let me know if you would like to discuss this further.

Thank you for your continued confidence in Waste Management, and please contact me with any questions or comments. I look forward to working with you and your team in your environmental efforts.

Sincerely,

Greta Calvery  
Public Sector Solutions Manager

## **Council Agenda Item: #R3**

### **AGENDA CAPTION:**

Discussion and consideration of approval of an agreement with Intellacuity for the purchase, installation and configuration of the WebFOCUS business intelligence (BI) platform, coding/programming and designing of an Integrated Strategic Application Management Solution supporting A3 methodology in the amount of \$114,900.

### **FINANCIAL IMPACT:**

Budgeted: \$114,900

Cost: \$114,900

### **BACKGROUND:**

The Town of Addison has recently implemented a standard project planning and management discipline and uses the common project planning tools (Statement of Work (SOW), Work Breakdown Structure (WBS), Responsibility Matrices (RASIC Charts), and Gantt Charts). To improve project management discipline, the Town has adopted and adapted an A3 methodology. Originally developed by Toyota, the term "A3" is derived from the paper size used for the report, which is the equivalent to 11" x 17" (or B-sized) paper. The A3 summarizes the SOW, WBS, RASIC, and Gantt Charts and serves as a project dashboard. It also helps drive individuals to address the root causes of problems in various work routines. The A3 Process can be used for almost any situation, and when used properly (i.e., all of the steps are followed and completed), the chances of success improve dramatically.

The WebFOCUS business intelligence (BI) platform which delivers rich, consumable, interactive information to the widest range of employees, managers, analysts, partners, and customers via solutions such as dashboards, portable analytics, and ad hoc reporting will be utilizing/supporting A3 methodology.

WebFOCUS also offers Performance Management Framework (PMF) which is a complete, cutting-edge, best-of-breed platform that enables holistic and pervasive operational performance management across an entire business. With PMF, we can

leverage personalized end-user dashboards, print-quality publishing, mobile alerts, in-depth analytical capabilities, and other innovative features to create a true culture of visibility, accountability, and performance enhancement.

PMF is a comprehensive, fully integrated, out-of-the-box solution that fully supports any existing performance management methodology, such as balanced scorecard (BSC). It comes complete with all the functionality and tools we need to efficiently and effectively set strategies, communicate those plans throughout the organization, define related metrics, and involve all stakeholders in monitoring and measurement – all from a single, intuitive, easy-to-access, browser-based environment. Everyone from executives and senior managers to department supervisors and line of business workers – even customers and external business partners – is empowered with everything they need to actively participate in the performance management process.

With PMF, we can:

- Clearly communicate key performance strategies and goals across the entire organization,
- Instantly publish performance data as professionally styled, print-ready documents,
- Enable open collaboration among all key stakeholders,
- Tightly align the goals, processes, and people involved in performance enhancement,
- Gain complete insight into operational performance with in-depth analytical capabilities,
- Quickly roll out performance management to the entire organization with a "rapid start" deployment model,
- Leverage unparalleled flexibility to support change and growth,
- Collect and aggregate performance data from any enterprise source, with robust data access and integration.

**RECOMMENDATION:**

Staff recommends approval subject to the final review of the City Attorney and City Manager.

**COUNCIL GOALS:**

Mindful Stewardship of Town Resources, Create Raving Fans of

the "Addison Way", Conduct the Business of the Town in a Fiscally Responsible Manner

**ATTACHMENTS:**

Description:

[A3 Project Metrics](#)

Type:

Backup Material



## Council Agenda Item: #R4

### **AGENDA CAPTION:**

Discussion and consideration of approval of an ordinance authorizing the issuance and sale of Town of Addison, Texas, General Obligation Refunding Bonds, Series 2011; levying a tax in payment thereof; approving the official statement; approving execution of a purchase contract and escrow agreement; and enacting other provisions relating thereto.

### **FINANCIAL IMPACT:**

There is no direct financial impact related to the discussion of this item. Under the current interest rate environment, the Town could realize a reduction of about \$60,000 in annual debt service payments over the next eight years by refunding a portion of its outstanding debt through the issuance of new debt.

### **BACKGROUND:**

The Town has also several outstanding bond issues that can be refunded at a savings to the Town. The current interest rate environment is conducive to a debt issue prior to the end of the 2011 calendar year.

### **RECOMMENDATION:**

Staff recommends approval.

### **COUNCIL GOALS:**

Mindful Stewardship of Town Resources

### **ATTACHMENTS:**

Description:

- [Refunding Bond Ordinance](#)
- [Preliminary Official Statement](#)

Type:

Backup Material  
Backup Material

*To Be Completed with Pricing Information on Date of Adoption*

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BOND ORDINANCE

TOWN OF ADDISON, TEXAS  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2011

Adopted: October 25, 2011

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND ESCROW AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, there are presently outstanding certain obligations of the Town of Addison, Texas (the "Town"), described on Schedule I attached hereto (collectively, the "Refunded Obligations");

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the Town to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with the paying agent for any of the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207 further authorizes the Town to enter into an escrow agreement with the paying agent for any of the Refunded Obligations with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit;

WHEREAS, The Bank of New York Mellon Trust Company, National Association, is the paying agent for the Refunded Obligations and the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207;

WHEREAS, by this Ordinance the City Council is authorizing the issuance of its bonds for the purpose of refunding the Refunded Obligations;

WHEREAS, the City Council hereby finds, determines and declares that the refunding of the Refunded Obligations will result in a savings of approximately \$\_\_\_\_\_ and a net present value savings of approximately \$\_\_\_\_\_ for the Town;

WHEREAS, the City Council hereby finds, determines and declares that the issuance of the bonds herein authorized for the purpose of refunding the Refunded Obligations is necessary in order to lower the overall annual debt service requirements of the Town;

WHEREAS, the City Council hereby finds, determines and declares that it is necessary and in the best interest of the Town and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes herein stated at this time, all in a single issue; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON:

## ARTICLE I

### DEFINITIONS AND OTHER PRELIMINARY MATTERS

#### Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Bond” means any of the Bonds.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Bond Purchase Contract” means the bond purchase contract described in Section 7.01(b) of this Ordinance.

“Bonds” means the Town’s bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation Refunding Bonds, Series 2011.”

“Town” means the Town of Addison, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means The Bank of New York Mellon Trust Company, National Association, as escrow agent under the terms of the Escrow Agreement.

“Escrow Agreement” means that certain Escrow Agreement between the Town and the Escrow Agent pertaining to the defeasance of the Refunded Obligations.

“Escrow Fund” means the fund by that name established in the Escrow Agreement.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Initial Bond” means the Initial Bond authorized by Section 3.04 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity, such dates being February 15 and August 15 of each year, commencing on February 15, 2012.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto as provided in this Ordinance.

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Refunded Obligations” means those obligations of the Town described in Schedule I attached hereto.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds after the applicable payment date.

“Underwriter” means the Underwriter named in the Bond Purchase Contract.

#### Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the lien and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

Section 2.02. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the “Town of Addison, Texas, General Obligation Refunding Bonds, Series 2011, Interest and Sinking Fund,” said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS  
REGARDING THE BONDS

Section 3.01. Authorization.

The Town’s bonds, to be designated “Town of Addison, Texas, General Obligation Refunding Bonds, Series 2011,” are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including specifically Chapter 1207, Texas Government Code, as amended, and Section 5.11 of the Charter of the Town. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of providing funds for refunding the Refunded Obligations and paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated October 15, 2011. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(c) Interest shall accrue and be paid on each Bond respectively until its maturity, from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the

schedule contained in subsection (b) above. Such interest shall be payable on each Interest Payment Date until maturity. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to each Owner as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner by United States mail, first-class postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the accounts of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment date shall be applied to the next payment or payments on the Bonds

thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed monies or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds payable in stated installments to the Underwriter, or its designee, executed by the Mayor and City Secretary of the Town by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver a single registered, definitive Bond for each maturity, in the aggregate principal amount thereof, to DTC on behalf of the Underwriter.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of

making and receiving payment as provided herein (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

#### Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

#### Section 3.07. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records shall be made regarding such payment, exchange or replacement. The Paying Agent/Registrar shall then return such cancelled Bonds to the Town or may in accordance with law destroy such cancelled Bonds and periodically furnish the Town with certificates of destruction of such Bonds.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

#### Section 3.10. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate fully registered certificate for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of

principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

The Representation Letter previously executed and delivered by the Town, and applicable to the Town’s obligations delivered in book-entry-only form to DTC as securities depository is hereby ratified and approved for the Bonds.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, or in the event DTC discontinues the services described herein, the Town or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

## ARTICLE IV

### NO REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. No Redemption.

The Bonds are not subject to redemption prior to maturity.

## ARTICLE V

### PAYING AGENT/REGISTRAR

#### Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

#### Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

#### Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary of the Town. The form of the Paying Agent/Registrar Agreement presented at this meeting is hereby approved with such changes as may be approved by bond counsel to the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

#### Section 5.04. Termination.

The Town, upon not less than sixty (60) days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

#### Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by United States mail, first-class postage prepaid, at the address in the Register thereof, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

#### Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association (“CUSIP Numbers”)) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bond, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

United States of America  
State of Texas  
TOWN OF ADDISON, TEXAS  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2011

INTEREST RATE: MATURITY DATE: BOND DATE: CUSIP NUMBER:  
\_\_\_\_\_% \_\_\_\_\_, \_\_\_\_ October 15, 2011 \_\_\_\_\_

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

\_\_\_\_\_ or registered assigns, on the Maturity Date specified above, the sum of

\_\_\_\_\_ DOLLARS

and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2012. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office") of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office thereof. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and

for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each owner of a Bond appearing in the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ \_\_\_\_\_ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of providing funds to refund certain outstanding obligations of the Town and to pay the costs of issuing the Bonds.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

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Mayor, Town of Addison, Texas

---

City Secretary,  
Town of Addison, Texas  
[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER           §  
OF PUBLIC ACCOUNTS                   §                   REGISTER NO. \_\_\_\_\_  
OF THE STATE OF TEXAS               §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within mentioned Ordinance.

The Bank of New York Mellon Trust Company,  
National Association  
as Paying Agent/Registrar

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Social Security or other identifying number: \_\_\_\_\_) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the words "CUSIP NUMBER" shall be deleted and the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below"; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rate</u>
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(Information to be inserted from Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The Town may secure identification numbers through CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinion of Vinson & Elkins L.L.P., Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds are hereby officially sold and shall be delivered to the Underwriter in accordance with the terms and provisions of that certain bond purchase contract (the "Bond Purchase Contract") relating to the Bonds between the Town and the Underwriter, dated as of the date of adoption of this Ordinance. The form and content of such Bond Purchase Contract are hereby approved, and the Mayor of the Town is hereby authorized and directed to execute and deliver such Bond Purchase Contract and, along with all other officers, agents and representatives of the Town, to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. It is hereby found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall initially be registered in the name of the Underwriter or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriter. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor and the Underwriter, may be used by the Underwriter in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Underwriter, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor including, without limitation, the Bond Purchase

Contract. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of Vinson & Elkins L.L.P., bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) First: All amounts received on the Closing Date as accrued interest on the Bonds from the Bond Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(b) Second: The sum of \$\_\_\_\_\_ shall be deposited irrevocably with the Escrow Agent and shall be applied to establish an Escrow Fund to refund the Refunded Obligations and, to the extent not otherwise provided for, to pay all expenses arising in connection with the establishment of such Escrow Fund and the refunding of the Refunded Obligations.

(c) Third: The remaining balance received on the Closing Date shall be deposited to special accounts of the Town, such moneys to be dedicated and used to pay the cost and expenses pertaining to the issuance of the Bonds. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

## ARTICLE VIII

### INVESTMENTS

#### Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance and accounts provided for in Section 7.03(c), at the Town's option, may be invested in such securities or obligations as permitted under applicable law. The Town's City Manager, Financial Services Manager, and any other officer of the Town authorized to make investments on behalf of the Town, are hereby authorized and directed to execute and deliver, on behalf of the Town, any and all investment agreements, guaranteed investment contracts or repurchase agreements in connection with the investment of moneys on deposit in the Interest and Sinking Fund and the accounts provided for in Section 7.03(c), but only to the extent such investment agreements, guaranteed investment contracts or repurchase agreements are authorized investments under applicable law.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

#### Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such fund.

(b) Interest and income derived from the investment of the funds deposited pursuant to Section 7.03(c) hereof shall be credited to the fund or account where deposited until the costs and expenses pertaining to the issuance of the Bonds are paid or shall be transferred to the Interest and Sinking Fund as shall be determined by the City Council.

(c) The investment and application of money in the Escrow Fund shall be in accordance with the provisions of the Escrow Agreement.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

#### Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The Town will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance; the Town will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion. (a) The Town intends that the interest on the Bonds will be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations"). The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the Town covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the Town will not be required to comply with any particular requirement of this Section 9.03 if the Town has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds (ii) or compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The Town will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Refunded Obligations have not been used or will be and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations. The Town covenants and agrees that it will make such use of the proceeds of the Bonds and the Refunded Obligations, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations.

(c) No Federal Guaranty. The Town covenants and agrees that it has not and will not take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

(d) Bonds are not Hedge Bonds. The Town covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

(e) No Arbitrage. The Town will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the Town will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

(f) Arbitrage Rebate. If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the Town allocable to other bond issues of the Town or moneys which do not represent gross proceeds of any bonds of the Town, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Record Retention. The Town will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Bonds until six years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their

complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Town to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Bonds.

#### Section 9.04. Qualified Tax-Exempt Obligations.

The Town hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of section 265(b) of the Code. In connection therewith, the Town represents that (a) the aggregate amount of tax-exempt obligations issued by the Town during calendar year 2011, including the Bonds, that have been designated as "qualified tax-exempt obligations" under section 265(b)(3) of the Code does not exceed \$10,000,000, and (b) the reasonably anticipated amount of tax-exempt obligations that will be issued by the Town during calendar year 2011, including the Bonds, will not exceed \$10,000,000. For purposes of this Section, the term "tax-exempt obligation" does not include "private activity bonds" within the meaning of section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of section 145 of the Code. In addition, for purposes of this Section, the Town includes all entities that are aggregated with the Town under the Code.

## ARTICLE X

### DEFAULT AND REMEDIES

#### Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

#### Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed

against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The Town shall provide annually to the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided and (iii) submitted through EMMA, in an electronic format with accompany identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Town shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the

MSRB. The Town shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB of filed with the SEC.

#### Section 12.02. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of an event, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (vii) modifications to rights of Owners;
- (viii) redemption calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds;
- and
- (xi) rating changes.
- (xii) bankruptcy, insolvency, receivership or similar event of the Town;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The Town will provide notice of such events to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(b) As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if jurisdiction has been assumed by leaving the City Council and official or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

(c) The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with Section 12.01 of this Ordinance by the time required by such Section.

#### Section 12.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any Bond calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH

BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

### ARTICLE XIII

#### AMENDMENTS; ATTORNEY GENERAL MODIFICATION

##### Section 13.01. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding and receipt of a Counsel's Opinion that such amendment, addition or rescission of any provisions of the Ordinance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the

aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 13.02. Attorney General Modification.

In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

ARTICLE XIV

REDEMPTION OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT;  
PURCHASE OF ESCROWED SECURITIES

Section 14.01. Redemption of Refunded Obligations.

(a) The Town hereby calls the Refunded Obligations for redemption prior to maturity on the dates and at the prices set forth in Schedule I.

(b) The City Secretary is hereby authorized and directed to cause a copy of this Ordinance to be delivered to each paying agent/registrar for the Refunded Obligations, the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrar.

Section 14.02. Subscription of Escrow Securities.

The City Manager, Financial Services Manager, and any other officer of the Town authorized to make investments on behalf of the Town are each hereby authorized to make necessary arrangements for the purchase of the Escrow Securities referenced in the Escrow Agreement, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified. Following the deposits to the Escrow Fund as specified herein, the Refunded Obligations shall be payable solely from and secured by such deposits.

Section 14.03. Approval of Escrow Agreement.

The discharge and defeasance of the Refunded Obligations shall be effectuated pursuant to the terms and provisions of an Escrow Agreement (the "Escrow Agreement") to be entered into by and between the Town and the Escrow Agent, which shall be substantially in the form presented at this meeting, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the Town, (b) to minimize the Town's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) to carry out the other intents and purposes of this Ordinance. The Mayor is hereby authorized to

execute and deliver such Escrow Agreement on behalf of the Town in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the Town's seal.

Section 14.04. Notice of Redemption.

Each paying agent/registrars for the Refunded Obligations is hereby authorized and directed to give notice of redemption and deposit with respect to the Refunded Obligations as required under the ordinance pursuant to which the Refunded Obligations were issued.

FINALLY PASSED, APPROVED AND EFFECTIVE this October 25, 2011.

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Mayor, Town of Addison

ATTEST:

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City Secretary  
Town of Addison, Texas

*Signature Page for Ordinance*

**SCHEDULE I**

**REFUNDED OBLIGATIONS**

The following maturities of the Town's outstanding obligations shall be redeemed on the date of redemption set forth below at a price equal to the principal amount thereof plus interest thereon to the date of redemption:

**General Obligation Refunding Bonds, Series 2001**

<u>Maturity</u>	<u>Principal Amount</u>
2/15/2013	\$ 660,000

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To be redeemed on December 23, 2011.

**General Obligation Refunding and Improvement Bonds, Series 2002**

<u>Maturity</u>	<u>Principal Amount</u>
2/15/2014	\$ 1,125,000
2/15/2015	1,175,000
2/15/2016	1,235,000
2/15/2017	1,295,000

---

To be redeemed on August 15, 2012.

**Combination Tax and Revenue Certificate of Obligation, Series 2003**

<u>Maturity</u>	<u>Principal Amount</u>
2/15/2014	\$ 620,000
2/15/2015	640,000
2/15/2016	665,000
2/15/2017	690,000
2/15/2018	715,000

---

To be redeemed on February 15, 2013.

## **EXHIBIT A**

### **DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION**

The following information is referred to in Article XII of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the Town to be provided annually in accordance with such Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the Town appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-6 and 8-15 of the Official Statement.

#### **Accounting Principles**

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.



**PRELIMINARY OFFICIAL STATEMENT**

**Dated October 17, 2011**

**Ratings:**  
**Moody's: "Aa1"**  
**S&P: "AAA"**  
**(See "Other Information - Ratings" herein)**

**NEW ISSUE - Book-Entry-Only**

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not private activity bonds. See "TAX MATTERS - Tax Exemption" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS



**\$9,075,000\***  
**TOWN OF ADDISON, TEXAS**  
**(Dallas County)**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011**

**Dated Date: October 15, 2011**

**Due: February 15, as shown below**

**PAYMENT TERMS . . .** Interest on the \$9,075,000\* Town of Addison, Texas General Obligation Refunding Bonds, Series 2011 (the "Bonds") will accrue from the Dated Date, and will be payable February 15 and August 15 of each year commencing February 15, 2012, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

**AUTHORITY FOR ISSUANCE . . .** The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1207, Texas Government Code, as amended, and are direct obligations of the Town of Addison, Texas (the "Town"), payable from an ad valorem tax levied, within the legal limits prescribed by law, on all taxable property located within the Town, as provided in the Ordinance authorizing the Bonds (the "Ordinance") (see "THE BONDS - Authority for Issuance").

**PURPOSE . . .** Proceeds from the sale of the Bonds will be used to (i) refund a portion of the Town's outstanding limited tax debt as more particularly described on SCHEDULE I – Schedule of Refunded Obligations (collectively, the "Refunded Obligations") in order to lower the overall debt service requirements for the Town, and (ii) pay the costs associated with the issuance of the Bonds.

**MATURITY SCHEDULE\***

**CUSIP <sup>(1)</sup> Prefix: 006644**

<u>Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP Suffix <sup>(1)</sup></u>	<u>Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP Suffix <sup>(1)</sup></u>
\$ 840,000	2012				\$ 1,880,000	2016			
730,000	2013				1,920,000	2017			
1,175,000	2014				705,000	2018			
1,840,000	2015								

**(Accrued Interest from October 15, 2011 to be added)**

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. The Town, the Financial Advisor and the Underwriter take no responsibility for the accuracy of such numbers.

**REDEMPTION . . .** The Bonds are not subject to redemption prior to maturity.

**LEGALITY . . .** The Bonds are offered for delivery when, as, and if issued and received by the Underwriter and subject to the approving opinion of the Attorney General of Texas and the opinion of Vinson & Elkins L.L.P., Bond Counsel, Dallas, Texas (see APPENDIX C - "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by Fulbright & Jaworski L.L.P., Dallas, Texas, Counsel for the Underwriter.

**DELIVERY . . .** It is expected that the Bonds will be available for delivery through DTC on November 22, 2011.

**STIFEL, NICOLAUS & COMPANY, INCORPORATED**

\* Preliminary, subject to change.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the Town with respect to the Bonds that has been "deemed final" by the Town as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page, Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the Town and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor or the Underwriter. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Town's undertaking to provide certain information on a continuing basis.

None of the Town, its Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

The cover page contains certain information for general reference only and is not intended as a summary of this offering. Investors should read the entire Official Statement, including all schedules and appendices hereto, to obtain information essential to making an informed investment decision.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with its responsibility to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The agreements of the Town and others related to the Bonds are contained solely in the documents described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL SCHEDULES AND APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

This Official Statement contains "Forward-Looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, and achievements to be different from future results, performance, and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The Bonds are exempt from registration with the Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Bonds in accordance with applicable securities law provisions of the jurisdiction in which the Bonds have been registered, qualified or exempted should not be regarded as a recommendation thereof.

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The cover page hereof, this page, the appendices included herein and any addenda, supplement, or amendment hereto are part of the Preliminary Official Statement.

**OFFICIAL STATEMENT SUMMARY**

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

- THE TOWN**..... The Town is a political subdivision and home-rule municipal corporation of the State, located in Dallas County, Texas. The Town covers approximately 4.4 square miles (see "INTRODUCTION - Description of the Town").
- THE BONDS**..... The Bonds are issued as \$9,075,000\* General Obligation Refunding Bonds, Series 2011. The Bonds mature serially on February 15, 2012 through February 15, 2018 (see "THE BONDS - Description of the Bonds").
- PAYMENT OF INTEREST** ..... Interest on the Bonds will accrue from the Dated Date and is payable February 15, 2012, and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds").
- AUTHORITY FOR ISSUANCE**..... The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended, and an ordinance passed by the Town Council (the "Ordinance") (see "THE BONDS - Authority for Issuance").
- SECURITY FOR THE BONDS** ..... The Bonds constitute direct obligations of the Town, payable from the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the Town (see "THE BONDS - Security and Source of Payment").
- REDEMPTION** ..... The Bonds are not subject to redemption prior to maturity.
- TAX EXEMPTION** ..... In the opinion of Bond Counsel, under existing law, the interest on the Bonds will be excludable from gross income for federal income tax purposes and the Bonds are not private activity bonds. See "TAX MATTERS - Tax Exemption" for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations.
- USE OF PROCEEDS** ..... Proceeds from the sale of the Bonds will be used to (i) refund a portion of the Town's outstanding debt as more particularly described on SCHEDULE I – Schedule of Refunded Obligations (collectively, the "Refunded Obligations") in order to lower the overall debt service requirements for the Town, and (ii) pay the costs associated with the issuance of the Bonds.
- RATINGS** ..... The Bonds and the presently outstanding tax supported debt of the Town are rated "AAA" by Moody's Investors Service, Inc. ("Moody's") and "Aa1" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") (see "OTHER INFORMATION - Ratings").
- BOOK-ENTRY-ONLY SYSTEM**..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").
- PAYMENT RECORD** ..... The Town has never defaulted in payment of its tax supported debt.

\* Preliminary, subject to change.

**SELECTED FINANCIAL INFORMATION**

Fiscal Year Ended 9/30	Estimated City Population <sup>(1)</sup>	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Net Funded Tax Debt Outstanding <sup>(2)</sup>	Per Capita Funded Tax Debt	Ratio Funded Tax Debt to Taxable Assessed Valuation	% of Total Tax Collections to Tax Levy <sup>(4)</sup>
2008	15,250	\$ 3,481,842,177	228,318	58,272,000	3,821	1.67%	94.70%
2009	13,400 <sup>(5)</sup>	3,724,826,923	277,972	54,671,900	4,080	1.47%	92.40%
2010	13,056	3,311,049,800	253,604	50,837,380	3,894	1.54%	96.60%
2011	13,060	3,058,773,717	234,209	47,518,770	3,638	1.55%	97.42% <sup>(4)</sup>
2012	13,700	3,028,042,568	221,025	56,478,770 <sup>(3)</sup>	4,123 <sup>(3)</sup>	1.87% <sup>(3)</sup>	N/A

- (1) Source: North Central Texas Council of Governments ("NCTCOG").
- (2) The above statement of indebtedness does not include currently outstanding convention center revenue bonds payable from a first lien on the gross receipts of the Hotel Occupancy Tax and revenues of the convention center, as provided in the ordinance authorizing such bonds and general obligation debt for which repayment is provided from revenues of the waterworks and sewer system and the airport enterprise fund ("self-supporting debt"). See "Table 1 – Valuation, Exemptions and General Obligation Debt" and "Table 10 – Computation of Self-Supporting Debt" herein.
- (3) Projected, includes the Bonds, excludes the Refunded Obligations. Preliminary, subject to change.
- (4) Collections for part year only, through September 1, 2011.
- (5) The decline in population is a result of a private urban renewal project that demolished approximately 1,300 apartment units to make way for a new mixed-use development that will eventually include 5,000 residential units.

For additional information regarding the Town, please contact:

Ron Whitehead City Manager Town of Addison P.O. Box 9010 Addison, Texas 75001 (972) 450-7028	or	David K. Medanich Laura Alexander First Southwest Company 777 Main Street, Suite 1200 Fort Worth, Texas 76102 (817) 332-9710
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**TOWN OFFICIALS, STAFF, AND CONSULTANTS**

**ELECTED OFFICIALS**

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Todd Meier Mayor	4 Months	May, 2013	Business Person/Attorney
Blake W. Clemens Mayor Pro Tempore	2 Years	May, 2013	Corporate Real Estate
Kimberly Lay Deputy Mayor Pro Tempore	3 Years	May, 2012	Commercial Real Estate
Roger S. Mellow Councilmember	5 Years	May, 2012	Investments
Bruce Arfsten Councilmember	7 Months	May, 2013	Residential Real Estate
Chris DeFrancisco Councilmember	4 Months	May, 2013	Commerical Banking
Neil Resnik Councilmember	16 Months	May, 2012	Financial Services/Life Insurance

**SELECTED ADMINISTRATIVE STAFF**

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Ronald Whitehead	City Manager	29 Years
Lea Dunn	Deputy City Manager	16 Years
Chris Terry	Assistant City Manager	18 Years
Marisa Perry	Financial Services Manager	2 Years

**CONSULTANTS AND ADVISORS**

Certified Public Accountants .....	Weaver and Tidwell LLP Dallas, Texas
Bond Counsel .....	Vinson & Elkins L.L.P. Dallas, Texas
Financial Advisor .....	First Southwest Company Fort Worth, Texas

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**PRELIMINARY OFFICIAL STATEMENT**

**RELATING TO**

**\$9,075,000\***

**TOWN OF ADDISON, TEXAS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011**

**INTRODUCTION**

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$9,075,000\* Town of Addison, Texas General Obligation Refunding Bonds, Series 2011 (the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance authorizing the issuance of the Bonds adopted by the Town Council of Addison (the "Ordinance"), except as otherwise indicated herein.

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Town and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Town's Financial Advisor, First Southwest Company, Dallas, Texas.

**DESCRIPTION OF THE TOWN.** . . The Town is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the Town's Home Rule Charter. The Town's Home Rule Charter originally adopted in 1978, was last amended in 1993. The Town operates under the Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers. The term of office for Councilmembers is two years with the terms of the Mayor and three of the Councilmembers expiring in odd-numbered years and the terms of the other three Councilmembers expiring in even-numbered years. The City Manager is the chief administrative officer for the Town. Some of the services that the Town provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the Town was 13,056, and the estimated 2012 population is 13,700. The Town covers approximately 4.4 square miles and is located within the Dallas, Texas, Standard Metropolitan Statistical Area (SMSA).

**PLAN OF FINANCING**

**PURPOSE** . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the Town's outstanding tax debt as more particularly described on SCHEDULE I – Schedule of Refunded Obligations (collectively, the "Refunded Obligations") in order to lower the overall debt service requirements for the Town, and (ii) pay the costs associated with the issuance of the Bonds.

**REFUNDED BONDS** . . . Interest due on the Refunded Obligations will be paid on the respective interest payment dates and the principal thereof will be paid on the respective redemption date of such Refunded Obligations, from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Town and The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds of the sale of the Bonds, together with other available funds of the Town, if any, the Town will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Obligations on their respective redemption dates. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct obligations of the United States of America (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations.

Grant Thornton LLP, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriter the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. **Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds** (see "OTHER INFORMATION - Verification of Arithmetical and Mathematical Computations").

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the Town will have effected the defeasance of the Refunded Obligations in accordance with the law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the report of Grant Thornton LLP, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the Town and will be payable solely from the Escrow Fund.

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\* Preliminary, subject to change.

**SOURCES AND USES OF PROCEEDS . . .** The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources:	
Principal Amount of Bonds	\$ -
Total Sources of Funds	<u>\$ -</u>
Uses:	
Deposit to Escrow Fund	\$ -
Costs of Issuance <sup>(1)</sup>	-
Total Uses of Funds	<u>\$ -</u>

(1) Including Underwriter's Discount.

### THE BONDS

**DESCRIPTION OF THE BONDS . . .** The Bonds are dated October 15, 2011, and mature on February 15 in each of the years and in the amounts shown on the cover page. Interest will accrue from the Dated Date, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15, commencing February 15, 2012. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment by such participating members to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

**AUTHORITY FOR ISSUANCE . . .** The Bonds are being issued and the tax for their payment is being levied pursuant to authority conferred by the Constitution and the laws of the State, including particularly Chapter 1207, Texas Government Code, as amended, and by the Ordinance.

**SECURITY AND SOURCE OF PAYMENT . . .** The Bonds are direct obligations of the Town payable from a continuing direct annual ad valorem tax levied, within the limits prescribed by law, by the Town on all taxable property at a rate sufficient to provide for the payment of principal of and interest on the Bonds.

**TAX RATE LIMITATION . . .** All taxable property within the Town is subject to the assessment, levy and collection by the Town of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the Town, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all Town purposes. The Home Rule Charter of the Town adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Assessed Valuation for all Town purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for debt service on all tax supported debt, as calculated at the time of issuance.

**REDEMPTION . . .** The Bonds are not subject to redemption prior to maturity.

**DEFEASANCE . . .** The Ordinance provides that the Town may discharge its obligations to the registered owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or date of redemption or (ii) by depositing with an eligible place of payment (paying agent) for obligations of the Town amounts sufficient, together with investment earnings thereon, to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their date of maturity, provision must have been made for giving notice of redemption as provided in the Ordinance.

Upon making such a deposit described above, such Bonds shall no longer be deemed outstanding obligations payable from the proceeds of an ad valorem tax but will be payable solely from the cash and securities deposited in the Escrow Fund and will not

be considered outstanding debt of the Town for purposes of applying any limitation on the Town's ability to issue debt or for any other purpose.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Ordinance does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law. There is no assurance that the ratings on investments used to defease Bonds will be maintained at any particular rating category.

**BOOK-ENTRY-ONLY SYSTEM . . .** This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

*The Town and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants". DTC has a AA+ rating from Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Town and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

*Use of Certain Terms in Other Sections of this Official Statement.* In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Town, the Financial Advisor or the Underwriter of the Bonds.

**Effect of Termination of Book-Entry-Only System.** In the event the Book-Entry-Only System with respect to the Bonds is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Bonds is discontinued by the Town, printed certificates will be issued to the respective holders of the Bonds, as the case may be, and the respective Bonds will be subject to transfer, exchange, and registration provisions as set forth in the Ordinance, summarized under "THE BONDS - Transfer, Exchange, and Registration" below.

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, National Association, Dallas, Texas. In the Ordinance, the Town retains the right to replace the Paying Agent/Registrar. The Town covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under applicable law or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Town agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

**TRANSFER, EXCHANGE, AND REGISTRATION . . .** In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange, and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

**RECORD DATE FOR INTEREST PAYMENT . . .** The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last Business Day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

**BONDHOLDERS' REMEDIES** . . . The Ordinance provides that (i) the failure to make payment of principal of, redemption premium, if any, or interest on any of the Bonds when the same becomes due and payable, or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with the Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the Town, shall constitute an Event of Default under the Ordinance. Under State law there is no right to the acceleration of maturity of the Bonds upon the failure of the Town to observe any covenant under the Ordinance. Although a registered owner of Bonds could presumably obtain a judgment against the Town if a default occurred in the payment of principal of or interest on any such Bonds, such judgment could not be satisfied by execution against any property of the Town. Such registered owner's only practical remedy, if a default occurs, is to seek to enforce the covenants of the Town through an action for specific performance or mandamus. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued," in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. Because it is not clear that the Texas Legislature has effectively waived the Town's immunity from suit for money damages, a Bondholder may not be able to bring such a suit against the Town for breach of the Bonds or the Ordinance. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities. The Town is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by the Act. As noted above, the Ordinance provides that Bondholders may exercise the remedy of mandamus to enforce the obligations of the Town under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). The Ordinance does not provide for the appointment of a trustee to represent the interests of the bondholders upon any failure of the Town to perform in accordance with the terms of the Ordinance, or upon any other condition. Furthermore, the Town is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code. Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, and also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Town avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

## TAX INFORMATION

**AD VALOREM TAX LAW.** . . The appraisal of property within the Town is the responsibility of the Dallas Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under Title I of the Texas Tax Code, as amended (the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the property's market value in the most recent tax year that the market value was determined by the appraisal district or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The Town may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the Town by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Article VIII, Section 1-b, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of \$5,000.

In the case of residence homestead exemptions granted under Article VIII, Section 1-b, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created. Homeowners who turn 65 during a tax year qualify immediately for the over-65 homestead exemption.

State law and Article VIII, Section 2, mandate an additional property tax exemption for disabled veterans or the surviving spouse (for so long as the surviving spouse remains unmarried) or children (under 18 years of age) of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, subject to the approval by the voters at the November 8, 2011 election of Senate Joint Resolution 14, effective January 1, 2012, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five

percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead.

Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse.

If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Sections 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-1, provides for the exemption from ad valorem taxation of certain property used to control the pollution of air, water or land. A person is entitled to an exemption from taxation of all or part of real and personal property that the person owns and that is used wholly or partly as a facility, device or method for the control of air, water or land pollution.

Under Section 11.25 of the Property Tax Code, the governing body of a taxing may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is: (1) designated as a Recorded Texas Historic Landmark under Chapter 442, Texas Government Code, or a state archeological landmark under Chapter 191, Texas Natural Resources Code, by the Texas Historical Commission; or (2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.

Under Section 11.253 of the Property Tax Code, "goods-in-transit" are exempt from taxation unless a taxing unit opts out of the exemption. Goods-in-transit are defined as tangible personal property that: (i) is acquired in or imported into the state to be forwarded to another location in the State or outside of the State; (ii) is detained at a location in the State in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; (iii) is transported to another location in the State or outside the State not later than 175 days after the date the person acquired the property in or imported the property into the State; and (iv) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

A municipality may utilize tax increment financing ("TIF"), pursuant to the Tax Increment Financing Act, Texas Tax Code, Chapter 311, to encourage development and redevelopment within a designated reinvestment zone. Taxes collected from increases in valuation above the base value (the "captured appraised value") by each taxing unit that levies ad valorem taxes on real property in the reinvestment zone may be used to pay costs of infrastructure or other public improvements in the reinvestment zone and to supplement or act as a catalyst for private development in the defined area of the reinvestment zone. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the reinvestment zone as of January 1 of the year in which the municipality created the reinvestment zone. Each taxing unit can choose to dedicate all, any portion or none of its taxes collected from the captured appraised value to the costs of improvements in the reinvestment zone. The amount of a taxing unit's tax increment for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the reinvestment zone, multiplied by the taxing unit's percentage level of participation.

The Town also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The Town in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

The Town is authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the Town. In accordance with a program established pursuant to Chapter 380, the Town may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the Town. The Town may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

**EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . .** By the later of September 30 or 60 days following the receipt by the Town of the Certified Appraisal Roll, the Town Council is required to adopt a tax rate per \$100 taxable value for the current year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service. Under the Property Tax Code, the Town must annually calculate and publicize its "effective tax rate" and "rollback tax rate." The Town Council may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearing (including the requirement that notice be posted on the Town's website if the Town owns, operates or controls an internet website and public notice be given by television if the Town has free access to a television channel) and the Town Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the Town by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

If the Town Council does not adopt a tax rate by such required date, the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the Town for the preceding tax year.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

**PROPERTY ASSESSMENT AND TAX PAYMENT . . .** Property within the Town is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

**PENALTIES AND INTEREST. . .** Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

<u>Month</u>	<u>Cumulative Penalty</u>	<u>Cumulative Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge.

Taxes levied by the Town are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each taxing unit, including the Town, having the power to tax the property. The Town's tax lien is on a parity with tax liens of all other such taxing units. A tax lien on real property has priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty and interest. At any time after taxes on property become delinquent, the Town may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Town must join other taxing units that have claims for delinquent taxes against all or part of the same property. The ability of the Town to collect delinquent taxes by foreclosure may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to

property and obtaining secured creditor status unless, in either case, an Ordinance lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by Ordinance of the bankruptcy court.

**TOWN APPLICATION OF TAX CODE . . .** The Town grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$50,000. The disabled are also granted an exemption of \$60,000.

To those who apply, the Town grants an additional exemption of 20% of the market value of residence homesteads with a minimum exemption of \$5,000.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the Town against the exempt value of residence homesteads for the payment of debt.

The Town does not tax nonbusiness personal property or aircraft.

The Town contracts with the County Tax Assessor to collect its taxes. Prior to 2004, the Town collected its own taxes.

The Town does not permit split payments, and discounts are not allowed.

The Town does tax freeport property.

The Town does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The Town has not adopted a tax abatement policy.

The Town has not adopted the freeze for elderly and disabled homeowners.

**TABLE 1 - VALUATION, EXEMPTIONS, AND GENERAL BOND DEBT**

2011/12 Market Valuation Established by Dallas Central Appraisal District <sup>(1)</sup>		\$ 3,450,860,510
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions	\$ 99,644,327	
Disabled Veterans Exemptions	220,500	
Agricultural Land Use Reductions	664,633	
Over 65	25,325,000	
Disabled Person	690,000	
Government/Airport Exemptions	296,171,100	
Parcels Under \$500	32,290	
Capped Value Loss	60,323	
Pollution Control	9,769	<u>422,817,942</u>
2011/12 Taxable Assessed Valuation		<u>\$ 3,028,042,568</u>
Town Funded Debt Payable from Ad Valorem Taxes (as of 9-30-11)		
General Obligation Bonds	\$ 24,850,000 <sup>(2)</sup>	
Certificates of Obligation	41,620,000 <sup>(2)</sup>	
The Bonds	<u>9,075,000 <sup>(3)</sup></u>	
Funded Debt Payable from Ad Valorem Taxes		\$ 75,545,000
Less Self-Supporting Debt: <sup>(4)</sup>		
Hotel Fund General Obligation Debt <sup>(5)</sup>	\$ 4,615,000	
Airport Fund General Obligation Debt	2,960,000	
Water and Sewer System General Obligation Debt	<u>11,491,230</u>	
Net Funded Debt Payable from Ad Valorem Taxes		<u>\$ 56,478,770</u>
Interest and Sinking Fund as of 9-30-11		\$ 1,147,690
Ratio Total Funded Debt to Taxable Assessed Valuation .....		2.49%
Ratio Net Funded Debt to Taxable Assessed Valuation .....		1.87%
2012 Estimated Population - 13,700 Per Capita Taxable Assessed Valuation - \$221,025 Per Capita Total Funded Debt \$5,514 Per Capita Net Funded Debt - \$4,123		

(1) As reported on the Town's 2011 Certified Tax Roll.

(2) Excludes the Refunded Obligations.

(3) Preliminary, subject to change.

(4) General obligation debt in the amount shown for which repayment is provided from revenues of the waterworks and sewer system, airport revenue fund and hotel special revenue fund, as applicable. The amount of self-supporting debt is based on the percentages of revenue support as shown in Table 10. It is the Town's current policy to provide these payments from respective system revenues. This policy is subject to change in the future. To the extent such policy is changed and such self-supporting debt is not paid from system revenues, such debt will be paid from ad valorem taxes.

(5) Projected, includes a portion of the Bonds, excludes a portion of the Refunded Obligations. Preliminary, subject to change.

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2012		2011		2010	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 587,685,260	17.03%	\$ 593,174,490	17.07%	\$ 600,829,690	16.11%
Real, Residential Multi-Family	387,558,770	11.23%	327,367,980	9.42%	348,397,310	9.34%
Real, Vacant Lots/Tracts	139,255,040	4.04%	157,077,060	4.52%	164,892,620	4.42%
Real, Commercial and Industrial	1,747,060,700	50.63%	1,792,641,490	51.60%	1,978,850,900	53.07%
Real, Railroad	1,983,810	0.06%	1,755,230	0.05%	1,626,950	0.04%
Real and Tangible Personal, Utilities	19,569,570	0.57%	20,103,170	0.58%	21,034,860	0.56%
Tangible Personal, Aircraft	116,861,760	3.39%	146,420,100	4.21%	142,963,430	3.83%
Tangible Personal, Commercial	384,851,390	11.15%	374,004,410	10.76%	421,250,640	11.30%
Tangible Personal, Industrial	59,201,990	1.72%	54,784,770	1.58%	42,247,360	1.13%
Tangible Personal, Other	6,832,220	0.20%	7,119,040	0.20%	6,477,340	0.17%
Total Appraised Value Before Exemptions	\$ 3,450,860,510	100.00%	\$ 3,474,447,740	100.00%	\$ 3,728,571,100	100.00%
Less: Total Exemptions/Reductions	(422,817,942)		(415,674,023)		(417,521,300)	
Taxable Assessed Value	\$ 3,028,042,568		\$ 3,058,773,717		\$ 3,311,049,800	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2009		2008	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 599,285,880	14.70%	\$ 575,950,630	15.20%
Real, Residential Multi-Family	365,189,030	8.96%	323,906,280	8.55%
Real, Vacant Lots/Tracts	143,950,450	3.53%	139,016,470	3.67%
Real, Commercial and Industrial	2,205,639,260	54.12%	2,092,400,340	55.24%
Real, Railroad	1,335,690	0.03%	1,229,970	0.03%
Real and Tangible Personal, Utilities	21,878,440	0.54%	22,249,120	0.59%
Tangible Personal, Aircraft	213,069,020	5.23%	153,630,640	4.06%
Tangible Personal, Commercial	468,845,900	11.50%	436,804,690	11.53%
Tangible Personal, Industrial	47,317,570	1.16%	35,399,880	0.93%
Tangible Personal, Other	9,047,360	0.22%	7,507,560	0.20%
Less: Total Exemptions/Reductions	(350,731,677)	100.00%	(306,253,403)	100.00%
Taxable Assessed Value	\$ 3,724,826,923		\$ 3,481,842,177	

NOTE: Valuations shown are certified taxable assessed values reported by the Dallas Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

**TABLE 3 - VALUATION AND GENERAL BOND DEBT HISTORY**

Fiscal Year Ended 9/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Net Funded Tax Debt Outstanding <sup>(2)</sup>	Ratio Tax Debt Assessed Valuation to Taxable	Net Funded Debt Per Capita
2008	15,250	\$ 3,481,842,177	\$ 228,318	\$ 58,272,000	1.67%	\$ 3,821
2009	13,400 <sup>(4)</sup>	3,724,826,923	277,972	54,671,900	1.47%	4,080
2010	13,056	3,311,049,800	253,604	50,837,380	1.54%	3,894
2011	13,060	3,058,773,717	234,209	47,518,770	1.55%	3,638
2012	13,700	3,028,042,568	221,025	56,478,770 <sup>(3)</sup>	1.87% <sup>(3)</sup>	4,123

(1) Source: North Central Texas Council of Governments ("NCTCOG").

(2) The above statement of indebtedness does not include currently outstanding convention center revenue bonds payable from a first lien on the gross receipts of the Hotel Occupancy Tax and revenues of the convention center, as provided in the ordinance authorizing such bonds and general obligation debt for which repayment is provided from revenues of the waterworks and sewer system, airport revenue fund or hotel special revenue fund ("self-supporting debt"). See "Table 1 – Valuation, Exemptions and General Obligation Debt" and "Table 10 – Computation of Self-Supporting Debt" herein.

(3) Projected, includes the Bonds, excludes the Refunded Obligations. Preliminary, subject to change.

(4) The decline in population is a result of a private urban renewal project that demolished approximately 1,300 apartment units to make way for a new mixed-use development that will eventually include 5,000 residential units.

**TABLE 4 - TAX RATE, LEVY, AND COLLECTION HISTORY**

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy <sup>(1)</sup>
		Operations & Maintenance	Interest & Sinking			
2008	\$ 0.4337	\$ 0.2990	\$0.1347	\$ 15,100,750	94.60%	94.70%
2009	0.4535	0.2828	0.1707	16,892,090	92.50%	92.40%
2010	0.4960	0.3360	0.1600	16,422,810	96.60%	96.60%
2011	0.5300	0.3479	0.1821	16,211,500	96.66% <sup>(2)</sup>	97.42% <sup>(2)</sup>
2012	0.5800	0.3819	0.1981	17,562,650	Not Available	

(1) Total tax collections are less than current tax collections as a result of a refund of prior year taxes due to reduced property values ordered by district court judgments.

(2) Collections for part year only, through September 1, 2011.

**TABLE 5 - TEN LARGEST TAXPAYERS**

Name of Taxpayer	Nature of Property	2011/12 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Post Addison Circle	Mixed Development	\$ 111,250,000	3.67%
SP US V5 Colonnade LP	Land, Office Buildings	105,185,040	3.47%
Richmont Properties	Land, Office Buildings	61,454,040	2.03%
DCO Savoye LLC	Apartments	46,500,000	1.54%
MHSS-Addison LP	Hospital	45,867,160	1.51%
MBNA Texas Properties Inc.	Land, Office Buildings	44,742,720	1.48%
Behringer Harvard Addison Circle	Apartments	43,119,330	1.42%
COP Spectrum Center LLC	Land, Office Buildings	42,098,250	1.39%
VOP LP	Land, Office Buildings	42,089,850	1.39%
Fairfield Addison Circle	Apartments	37,300,000	1.23%
		<u>\$ 579,606,390</u>	<u>19.14%</u>

**GENERAL OBLIGATION DEBT LIMITATION . . .** No general obligation debt limitation is imposed on the Town under current State law or the Town's Home Rule Charter (see "Tax Rate Limitation").

**TABLE 6 - TAX ADEQUACY <sup>(1)</sup>**

2012 Net Principal and Interest Requirements for Debt	\$ 5,874,939
\$0.1970 Tax Rate at 98.50% Collection Produces	\$ 5,875,765
Average Annual Net Principal and Interest Requirements for Debt, 2012 - 2033	\$ 2,988,132
\$0.1002 Tax Rate at 98.50% Collection Produces	\$ 2,988,587
Maximum Net Principal and Interest Requirements for Debt, 2012	\$ 5,877,161
\$0.1971 Tax Rate at 98.50% Collection Produces	\$ 5,878,748

(1) Includes the Bonds. Excludes the Refunded Obligations and self-supporting debt. Preliminary, subject to change.

**TABLE 7 - ESTIMATED CONSOLIDATED OVERLAPPING DEBT**

Expenditures of the various taxing entities within the territory of the Town are paid out of ad valorem taxes levied by such entities on properties within the Town. Such entities are independent of the Town and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the Town, the Town has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the Town.

Taxing Jurisdiction	2011/12 Taxable Assessed Value	2011/12 Tax Rate	Total G.O. Debt	Estimated % Applicable	Overlapping G.O. Debt As of 9-30-11	Authorized But Unissued Debt as of 9-30-11
Town of Addison	\$ 3,028,042,568	\$ 0.58000	\$ 56,478,770 <sup>(1)</sup>	100.00%	\$ 56,478,770	\$ 10,830,000
Carrollton/Farmers Branch Independent School District	10,991,324,500	1.35680	350,575,000	0.58%	2,033,335	70,865,000
Dallas County	155,514,580,710	0.24310	161,721,552	2.15%	3,477,013	6,200,000
Dallas County Community College District	161,907,911,382	0.09967	416,040,000	2.15%	8,944,860	-
Dallas County Hospital District	155,681,997,312	0.27100	705,000,000	2.15%	-	42,000,000
Dallas Independent School District	74,661,069,947	1.29030	2,654,955,000	3.63%	96,374,867	-
Total Direct and Overlapping G.O. Debt					\$ 167,308,845	
Ratio of Direct and Overlapping G.O. Debt to Taxable Assessed Valuation .....					5.53%	
Per Capita Overlapping G.O. Debt .....					\$ 12,212.32	

(1) Net of self-supporting debt. Includes the Bonds. Excludes the Refunded Obligations. Preliminary, subject to change.

## DEBT INFORMATION

**TABLE 8 - GENERAL BOND DEBT SERVICE REQUIREMENTS**

Fiscal Year	Outstanding Debt Service Requirements <sup>(1)</sup>		The Bonds <sup>(2)</sup>		Total Debt Service Requirements	Less: Airport Self-Supporting Debt Service Requirements	Less: Hotel Self-Supporting Debt Service Requirements <sup>(3)</sup>	Less: W&S Self-Supporting Debt Service Requirements	Total Net Tax Supported Debt Service Requirements	% of Principal Retired
	Principal	Interest	Principal	Interest						
2012	\$ 7,550,000	\$ 2,280,804	\$ 130,000	\$ 156,389	\$ 10,117,193	\$ 389,785	\$ 704,634	\$ 3,147,835	\$ 5,874,939	
2013	7,185,000	2,012,579	750,000	179,970	10,127,549	393,485	706,603	3,150,300	5,877,161	
2014	3,180,000	1,818,154	1,815,000	153,038	6,966,191	391,685	709,103	459,714	5,405,690	
2015	3,330,000	1,688,910	1,850,000	114,555	6,983,465	394,385	710,400	461,552	5,417,128	
2016	2,475,000	1,572,810	1,895,000	75,233	6,018,043	391,585	711,383	462,990	4,452,085	45.20%
2017	2,585,000	1,463,135	1,930,000	35,070	6,013,205	393,285	712,050	461,993	4,445,877	
2018	2,705,000	1,346,383	705,000	7,403	4,763,785	394,208	712,403	462,417	3,194,759	
2019	2,835,000	1,230,415	-	-	4,065,415	394,253	-	464,437	3,206,726	
2020	1,960,000	1,131,338	-	-	3,091,338	398,288	-	465,984	2,227,066	
2021	1,640,000	1,057,906	-	-	2,697,906	-	-	466,886	2,231,021	66.72%
2022	1,585,000	990,481	-	-	2,575,481	-	-	468,738	2,106,744	
2023	1,660,000	921,525	-	-	2,581,525	-	-	469,838	2,111,687	
2024	1,735,000	842,875	-	-	2,577,875	-	-	469,173	2,108,702	
2025	1,820,000	759,688	-	-	2,579,688	-	-	469,503	2,110,184	
2026	1,905,000	677,013	-	-	2,582,013	-	-	469,926	2,112,086	79.77%
2027	1,995,000	584,275	-	-	2,579,275	-	-	469,428	2,109,847	
2028	2,090,000	487,375	-	-	2,577,375	-	-	469,082	2,108,293	
2029	1,715,000	401,763	-	-	2,116,763	-	-	385,251	1,731,512	
2030	1,795,000	321,666	-	-	2,116,666	-	-	385,233	1,731,432	
2031	1,880,000	233,156	-	-	2,113,156	-	-	384,594	1,728,562	93.97%
2032	1,965,000	140,716	-	-	2,105,716	-	-	383,240	1,722,475	
2033	2,060,000	47,638	-	-	2,107,638	-	-	382,700	1,724,937	100.00%
	<u>\$ 57,650,000</u>	<u>\$ 22,010,601</u>	<u>\$ 9,075,000</u>	<u>\$ 721,656</u>	<u>\$ 89,457,258</u>	<u>\$ 3,540,958</u>	<u>\$ 4,966,574</u>	<u>\$ 15,210,813</u>	<u>\$ 65,738,913</u>	

- (1) Does not include lease/purchase obligations, includes self-supporting debt and net of Refunded Obligations.
- (2) Average life of the issue – 3.623 years. Interest on the Bonds has been calculated at the average rate of 1.42% for purposes of illustration. Preliminary, subject to change.
- (3) Includes a portion of the Bonds. Preliminary, subject to change.

**TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION**

General Purpose Debt Service Requirements, Fiscal Year Ending 9/30/12. ....		\$ 5,874,939
Interest and Sinking Fund Balance, as of 9/30/11 .....	\$ 1,147,690	
Budgeted Interest and Sinking Fund Tax Levy @ 98% Collections. ....	5,878,580	
Other Revenues and Income .....	<u>25,610</u>	<u>7,051,880</u>
Ending Fund Balance, 9/30/12 .....		<u>\$ 1,176,941</u>

**TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT**

**Waterworks and Sewer System**

Net Revenues Available from Waterworks and Sewer System, Fiscal Year 9-30-11 . . . . .	\$ 3,334,590
Less: Revenue Bond Requirements, 2012 Fiscal Year . . . . .	-
Balance . . . . .	\$ 3,334,590
Less: System General Obligation Bond Requirements, 2012 Fiscal Year . . . . .	3,147,835
Balance . . . . .	<u>\$ 186,755</u>
Percentage of System General Obligation Bonds Self-Supporting . . . . .	100.00%

**Hotel Special Revenue Fund**

Hotel Special Revenue Fund Balance, Fiscal Year 9-30-11 . . . . .	\$ 2,379,370
Less: System General Obligation Bond Requirements, 2012 Fiscal Year . . . . .	704,634
Balance . . . . .	<u>\$ 1,674,736</u>
Percentage of System General Obligation Bonds Self-Supporting . . . . .	100.00%

**Airport Enterprise Fund**

Net Revenues Available from Airport Revenue, Fiscal Year 9-30-11 . . . . .	\$ 1,140,570
Less: System General Obligation Bond Requirements, 2012 Fiscal Year . . . . .	389,785
Balance . . . . .	<u>\$ 750,785</u>
Percentage of System General Obligation Bonds Self-Supporting . . . . .	100.00%

**TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS <sup>(1)</sup>**

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Unissued Balance
Street Improvements	2/12/2000	\$ 11,500,000	\$ 9,300,000	\$ 2,200,000
Road Utilities/Streetscape	2/12/2000	11,000,000	2,370,000	8,630,000
		<u>\$ 22,500,000</u>	<u>\$ 11,670,000</u>	<u>\$ 10,830,000</u>

(1) The Town has \$4,670,000 authorized but unissued general obligation bonds authorized by its October 17, 1981 bond election. Due to the age of this voted authorization the Town does not anticipate the issuance of these bonds.

**ANTICIPATED ISSUANCE OF TAX SUPPORTED DEBT . . .** The Town anticipates the issuance of approximately \$3-6 million of additional bonds in 2012.

**TABLE 12- OTHER OBLIGATIONS**

As of September 30, 2011, the Town has no unfunded debt outstanding.

**PENSION FUND . . .** The Town provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 833 administered by TMRS, an agent multiple-employer public employee retirement system. The service retirement eligibilities for the Town are: 5 years/age 60, 20 years/any age. A member is vested after 5 years. The Town's annual pension cost of \$2,238,741 was equal to the required contribution. As of December 31, 2009, the most recent actuarial valuation date, the plan was 81.4% funded. The actuarial accrued liability for benefits was \$65,266,945, and the actuarial value of assets was \$53,138,426, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,128,519. At its December 8, 2007 meeting, the TMRS Board adopted the Projected Unit Credit (PUC) actuarial funding method, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. For the December 31, 2007 valuation and subsequent annual valuations, the TMRS Board determined that the PUC method would be used.

In addition to the change in funding methods, the Board also adopted a change in the amortization period from a 25-year "open" to a 25-year "closed" period. For cities with repeating features, these changes will likely result in higher required contributions and lower funded ratios. To assist in this transition to higher rates, the Board also approved an optional eight-year phase-in period, which would allow cities the opportunity to increase their contributions gradually to their full, or required contribution, rate.

At its December 30, 2008 meeting, the Town Council decided to withdraw the automatic repeating annuity increases to retirees, electing to approve these benefits on an ad hoc, or annual, basis in order to reduce the required contribution rate and improve funded status. The Town Council approved annuity increases for calendar year 2010 at its December 8, 2009 meeting.

**OTHER POST-EMPLOYMENT BENEFITS ...** The Town's annual other post-employment benefit (OPEB) cost (expense) for the health plan is calculated based on the annual required contribution (ARC) of the Town, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 254,772	\$ 22,950	9.00%	\$ 231,822
2010	254,772	22,125	8.70%	232,647

As of December 31, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,749,111, none of which is funded. Because the majority of the actuarial accrued liability is the "implicit rate subsidy" of retiree blended health plan premiums, the Town believes that its actual health plan postemployment benefit will not significantly grow over time and will continue to fund these benefits on a pay-as-you-go method.

## FINANCIAL INFORMATION

**TABLE 13 - CHANGES IN NET ASSETS – GOVERNMENTAL ACTIVITIES**

	Fiscal Year End,				
	2010	2009	2008	2007	2006
Revenues:					
<u>Program Revenues</u>					
Charges for Services	\$ 5,820,732	\$ 5,237,294	\$ 5,804,238	\$ 5,462,170	\$ 5,141,299
Operating Grants and Contributions	230,290	2,044,979	561,992	369,544	1,440,734
Capital Grants and Contributions	1,348,141	-	-	-	
<u>General Revenues</u>					
Property Taxes	15,900,631	15,711,056	14,310,671	13,587,051	13,297,948
Other Taxes	16,232,374	17,558,644	19,379,811	19,510,370	17,761,854
Other	2,814,471	1,709,377	2,013,254	2,075,074	1,666,280
Total Revenues	<u>\$ 42,346,639</u>	<u>\$ 42,261,350</u>	<u>\$ 42,069,966</u>	<u>\$ 41,004,209</u>	<u>\$ 39,308,115</u>
Expenses:					
General Government	\$ 6,876,385	\$ 6,527,735	\$ 6,405,494	\$ 5,769,960	\$ 6,251,658
Public Safety	14,550,333	14,743,542	13,994,387	13,452,066	12,641,284
Development Services	938,059	856,793	940,555	833,330	549,107
Street and Sanitation	5,277,938	4,998,440	5,269,124	5,072,907	4,562,905
Parks and Recreation	4,502,295	5,119,320	4,759,378	4,054,147	4,305,515
Visitor Services	6,027,442	6,687,392	6,928,724	6,370,107	6,151,819
Interest on Long-term Debt	2,423,732	2,420,908	2,127,985	1,598,951	1,755,697
Total Expenses	<u>\$ 40,596,184</u>	<u>\$ 41,354,130</u>	<u>\$ 40,425,647</u>	<u>\$ 37,151,468</u>	<u>\$ 36,217,985</u>
Increase (Decrease) in Net Assets	\$ 1,750,455	\$ 907,220	\$ 1,644,319	\$ 3,852,741	\$ 3,090,130
Net Assets - October 1	145,669,267	144,762,047	143,117,728	139,264,987	136,174,857
Net Assets - September 30	<u>\$ 147,419,722</u>	<u>\$ 145,669,267</u>	<u>\$ 144,762,047</u>	<u>\$ 143,117,728</u>	<u>\$ 139,264,987</u>

**TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY**

<u>Revenues</u>	Fiscal Year End,				
	2010	2009	2008	2007	2006
Taxes	\$ 20,849,005	\$ 20,272,497	\$ 21,542,552	\$ 20,652,008	\$ 19,454,274
Franchise Fees	2,578,154	2,761,511	2,555,927	2,615,504	2,681,263
Licenses and Permits	833,178	429,681	798,006	743,201	651,408
Intergovernmental Revenues	-	101,300	-	-	-
Service Fees	1,491,528	1,400,529	1,420,244	1,229,291	1,296,693
Fines and Forfeitures	1,158,581	1,253,029	1,222,897	1,181,508	1,071,624
Interest Income	60,681	273,920	472,156	568,276	378,492
Rental and Other	291,491	230,754	310,270	287,001	301,590
Total Revenues	<u>\$ 27,262,618</u>	<u>\$ 26,723,221</u>	<u>\$ 28,322,052</u>	<u>\$ 27,276,789</u>	<u>\$ 25,835,344</u>
<u>Expenditures</u>					
General Government	\$ 6,323,891	\$ 6,357,501	\$ 6,412,823	\$ 5,699,206	\$ 6,138,990
Public Safety	13,477,643	14,290,988	14,101,619	13,259,037	12,697,761
Development Services	887,132	864,234	884,770	770,557	563,271
Streets	1,672,375	2,356,219	1,805,175	1,476,582	1,421,464
Parks and Recreation	3,698,831	4,055,278	4,105,900	3,562,422	3,626,183
Total Expenditures	<u>\$ 26,059,872</u>	<u>\$ 27,924,220</u>	<u>\$ 27,310,287</u>	<u>\$ 24,767,804</u>	<u>\$ 24,447,669</u>
Revenues Over (Under) Expenditures	\$ 1,202,746	\$ (1,200,999)	\$ 1,011,765	\$ 2,508,985	\$ 1,387,675
Other Sources (Uses), Net	(998,737)	157,811	-	-	(263,000)
Change in Fund Balance	<u>\$ 204,009</u>	<u>\$ (1,043,188)</u>	<u>\$ 1,011,765</u>	<u>\$ 2,508,985</u>	<u>\$ 1,124,675</u>
Beginning Fund Balance	10,652,742	11,695,930	10,684,165	8,175,180	7,050,505
Ending Fund Balance	<u>\$ 10,856,751</u>	<u>\$ 10,652,742</u>	<u>\$ 11,695,930</u>	<u>\$ 10,684,165</u>	<u>\$ 8,175,180</u>

**TABLE 14 - MUNICIPAL SALES TAX HISTORY**

The Town has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the Town the power to impose and levy a 1% Local Sales and Use Tax within the Town; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the Town monthly.

Fiscal Year Ended 9/30	1% Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2007	\$ 10,508,257	74.53%	\$ 0.3469	\$ 689
2008	10,649,989	70.53%	\$ 0.3059	\$ 698
2009	9,584,496	56.74%	0.2573	715
2010	9,155,849	55.75%	0.2765	701
2011 <sup>(1)</sup>	7,165,245	44.20%	0.2343	549

(1) Collection for part year only, through August 1, 2011.

**FINANCIAL POLICIES**

The financial statements of the Town has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

*Government-wide and Fund Financial Statements ...* The governmental-wide financial statement (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*Measurement Focus, Basis of Accounting and Basis of Presentation . . .* The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 50 days of the end of the current fiscal period, with the exception of intergovernmental revenues, which have a one-year period of availability. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, landfill closer/post close costs, are recorded only when the liability has matured.

Property taxes, sales taxes, franchise fees and licenses, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Town receives the cash as the resulting receivables are deemed immaterial.

*Budgetary Procedures . . .* The City Council follows these procedures in establishing the budgets reflected in the financial statements:

1. At least 60 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
4. Transfers between expenditure accounts in one department may occur with the approval of the Finance Director. Transfers between operating departments may occur with the approval of the City Manager and Finance Director provided that a department's total budget is not changed by more than five percent. Transfers between fund or transfers between departments which 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.

For all budgets of the Town, the Town Charter requires only that funds be certified as available for expenditure. Legally, expenditures may exceed budgeted appropriations as long as those expenditures are certified as funds being available.

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 Ordinances to vendors. Open encumbrances are reported as reservations of fund balance at September 30, 2010.

5. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Capital Project Funds are normally established pursuant to the terms of the related bond indentures, that is, project basis.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (the "Certificate") for Excellence in Financial Reporting to the Town of Addison, Texas for its comprehensive annual financial report for

the fiscal year ended September 30, 2010. The Certificate is the highest form of recognition for excellence in state and local government financial reporting. A Certificate of Achievement is valid for a period of one year only.

In addition to the Certificate, the Town received GFOA's Award for Distinguished Budget Presentation (the "Award") for its fiscal year 2011 annual budget document. 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.

## **INVESTMENTS**

The Town invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Town Council. Both State law and the Town's investment policies are subject to change.

**LEGAL INVESTMENTS** . . . Under State law, the Town is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State or its agencies and instrumentalities, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or explicit full faith and credit of the United States (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent, (6) bonds issued, assumed, or guaranteed by the State of Israel, (7) certificates of deposit and share certificates (i) issued by or through a depository institution that has its main office or a branch office in the State, that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by Bonds described in clauses (1) through (6) or in any other manner and amount provided by law for Town deposits, or (ii) where: (a) the funds are invested by the Town through a depository institution or broker that has a main office or branch office in this state and that is selected by the Town; (b) the depository institution or broker selected by the Town arranges for the deposit of funds in one or more federally insured depository institutions, wherever located; (c) the certificates of deposit are insured by the United States or an instrumentality of the United States; (d) the depository institution or broker or another entity authorized to act as a custodian under the Texas Public Funds Investment Act acts as a custodian for the Town with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), which are pledged to the Town, held in the Town's name, and deposited at the time the investment is made with the Town or with a third party selected and approved by the Town and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) certain bankers' acceptances with a remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (11) no-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (12) no-load mutual funds registered with the United States Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the preceding clauses, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent, and (13) public funds investment pools that have an advisory board which includes participants in the pool and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. State law also permits the Town to invest bond proceeds in a guaranteed investment contract, subject to limitations as set forth in the Public Funds Investment Act, Texas Government Code, Chapter 2256 (the "PFIA").

A political subdivision such as the Town may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Town, held in the Town's name and deposited at the time the investment is made with the Town or a third party designated by the Town; (iii) a loan made under the program through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The Town may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA"m or an equivalent by at least one nationally recognized rating service or The Town may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term of up to two years, but the Town retains ultimate responsibility as fiduciary of its assets.

The Town is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest, (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

**INVESTMENT POLICIES . . .** Under State law, the Town is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for Town funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups methods to monitor the market price of investments, and provision for monitoring rating changes and liquidations of investments. All Town funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, Town investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the Town shall submit an investment report detailing: (1) the investment position of the Town, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending value and accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest Town funds without express written authority from the Council.

**ADDITIONAL PROVISIONS . . .** Under State law, the Town is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, Ordinance, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the Town to: (a) receive and review the Town's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Town and the business organization that are not authorized by the Town's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Town's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the Town and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the Town's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the Town's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Town.

**TABLE 15 - CURRENT INVESTMENTS**

As of August 31, 2011, the Town's investable funds were invested as follows:

<u>Description</u>	<u>Percent</u>	<u>Book Value</u>	<u>Market Value</u>
TexPool	6.28%	\$ 2,397,049	\$ 2,397,049
TexStar	6.43%	2,454,889	2,454,889
Commercial Paper	20.94%	7,997,216	7,997,330
Agency Securities	47.83%	18,270,099	18,284,914
Certificates of Deposit	18.52%	7,074,875	7,074,875
	<u>100.00%</u>	<u>\$ 38,194,128</u>	<u>\$ 38,209,057</u>

TexSTAR is a local government investment pool for whom First Southwest Asset Management, Inc., an affiliate of First Southwest Company, provides customer service and marketing for the pool. TexSTAR currently maintains a "AAAm" rating from Standard & Poor's and has an investment objective of achieving and maintaining a stable net asset value of \$1.00 per share. Daily investments or redemptions of funds is allowed by the participants.

## TAX MATTERS

**TAX EXEMPTION** . . . In the opinion of Vinson & Elkins L.L.P., Dallas, Texas, Bond Counsel, under existing law (i) interest on Bonds is excludable from gross income for federal income tax purposes under existing law and (ii) the Bonds are not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local bonds, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The Town has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Town, the Town's Financial Advisor and the Underwriter with respect to matters solely within the knowledge of the Town, the Town's Financial Advisor and the Underwriter, respectively, which Bond Counsel has not independently verified. Bond Counsel will further rely on the report (the "Report") of Grant Thornton LLP, certified public accountants, regarding the mathematical accuracy of certain computations. If the Town fails to comply with the covenants in the Ordinance or if the foregoing representations or the Report are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the bonds, is included in a corporation's "adjusted current earnings," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local Bonds is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Town as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

### ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

**COLLATERAL TAX CONSEQUENCES** . . . Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

**TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM** . . . The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is

amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

**TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT BONDS . . .** The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS – Tax Exemption" and "TAX MATTERS - Additional Federal Income Tax Considerations-Collateral Tax Consequences" generally applies, and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the Town nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

**PURCHASE OF TAX-EXEMPT OBLIGATIONS BY FINANCIAL INSTITUTIONS . . .** Section 265(a) of the Code provides, in general, that a deduction for interest on indebtedness incurred to acquire or carry tax-exempt obligations is disallowed. Section 265(b) of the Code provides a specific complete disallowance of any deduction by a financial institution of its pro rata interest expense to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. Section 265(b) provides an exception for financial institutions for tax-exempt obligations that are properly designated by an issuer as "qualified tax-exempt obligations."

The Bonds will be designated as "qualified tax-exempt obligations" based, in part, on the Town's representation that the amount of the Bonds, when added to the amount of all other tax-exempt obligations (not including private activity bonds other than "qualified 501(c)(3) bonds") issued or reasonably anticipated to be issued by or on behalf of the Town during 2011, is not expected to exceed \$10,000,000. Further, the Town and entities aggregated with the Town under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during 2011.

Notwithstanding the designation of the Bonds as "qualified tax-exempt obligations" under this exception, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

**PROPOSED LEGISLATION . . .** On September 12, 2011, President Obama submitted to Congress a legislative proposal entitled the “American Jobs Act of 2011” (the “Jobs Act”), which if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The Jobs Act or other legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any such pending or proposed legislation, as to which Bond Counsel expresses no opinion.

#### **CONTINUING DISCLOSURE OF INFORMATION**

In the Ordinance, the Town has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Town is required to observe the agreement for so long as it remains, an “obligated person” with respect to the Bonds, within the meaning of the Securities and Exchange Commission’s Rule 15c2-12 (the “Rule”). Under the agreement, the Town will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) System.

**ANNUAL REPORTS . . .** The Town will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Town of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and in Appendix B. The Town will update and provide this information within six months after the end of each fiscal year ending in and after 2011.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC, as permitted by the Rule. The updated information will include audited financial statements, if the Town commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Town will provide unaudited financial information by the required time and will provide audited financial statements when and if audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the Town may be required to employ from time to time pursuant to State law or regulation.

The Town’s current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the Town changes its fiscal year. If the Town changes its fiscal year, it will notify the MSRB of the change.

**MATERIAL EVENT NOTICES . . .** The Town will also provide timely notices of certain events to the MSRB. The Town will provide notice in a timely manner not in excess of ten business days after the occurrence of the event of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Town; (13) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material. As used above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town. (Neither the Bonds nor the Ordinance make any provision for debt service reserves, liquidity enhancement or credit enhancement).

In addition, the Town will provide timely notice of any failure by the Town to provide information, data, or financial statements in accordance with its agreement described above under “ANNUAL REPORTS.” The Town will provide each notice described in this paragraph to the MSRB.

**AVAILABILITY OF INFORMATION . . .** The Town has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

**LIMITATIONS AND AMENDMENTS . . .** The Town has agreed to update information and to provide notices of certain specified events only as described above. The Town has not agreed to provide other information that may be relevant or material to a

complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Town makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Town disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Town to comply with its agreement.

The Town may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Town (such as nationally recognized Bond Counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Town may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Town so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "ANNUAL REPORTS" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

**COMPLIANCE WITH PRIOR UNDERTAKINGS . . .** For the past five years, the Town has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

## **OTHER INFORMATION**

### **RATINGS**

The Bonds and the presently outstanding tax supported debt of the Town are rated "Aa1" by Moody's and "AAA" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the Town makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

### **LITIGATION**

It is the opinion of the Town's Attorney and Town Staff that there is no pending litigation against the Town that would have a material adverse financial impact upon the Town or its operations.

### **REGISTRATION AND QUALIFICATION OF BONDS FOR SALE**

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The Town assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

### **LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency before such

obligations are eligible investments for sinking funds and other public funds. The Town has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Town has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

#### **LEGAL MATTERS**

The Town will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the Town, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law and the Bonds are not private activity bonds. See "TAX MATTERS" herein, for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations. The form of opinion of Bond Counsel is attached to this Official Statement as Appendix C. Although it represents the Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Bonds. Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under "PLAN OF FINANCING" (exclusive of the subcaption "Sources and Uses of Proceeds"), "THE BONDS" (exclusive of subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "TAX MATTERS," "CONTINUING DISCLOSURE OF INFORMATION" (exclusive of the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of the Bonds for Sale", "Legal Investments and Eligibility to Secure Public Funds in Texas" and "Legal Matters" under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Bonds and the Ordinance and the legal matters contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Ordinance. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by Fulbright & Jaworski L.L.P., Dallas, Texas, Counsel to the Underwriter. The fee of Fulbright & Jaworski L.L.P., is contingent on the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

#### **AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION**

The financial data and other information contained herein have been obtained from Town records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

#### **FINANCIAL ADVISOR**

First Southwest Company is employed as Financial Advisor to the Town in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

#### **VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by First Southwest Company on behalf of the Town relating to (a) computation of the amounts necessary to pay the principal and interest on the Refunded Obligations on the respective interest payment dates and redemption dates and (b) computation of the yields of the Bonds were verified by Grant

Thornton LLP, certified public accountants. Such computations were based solely on assumptions and information supplied by First Southwest Company on behalf of the Town. Grant Thornton LLP has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed any opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

**UNDERWRITING**

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town, at an underwriting discount of \$\_\_\_\_\_.

The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibility to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

**FORWARD-LOOKING STATEMENTS DISCLAIMER**

The statements contained in this Official Statement, and in any other information provided by the Town, that are not purely historical, are forward-looking statements, including statements regarding the Town's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Town on the date hereof, and the Town assumes no obligation to update any such forward-looking statements. The Town's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Town. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Neither the Town's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

**MISCELLANEOUS**

The Ordinance authorizing the issuance of the Bonds will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Underwriter.

/s/ \_\_\_\_\_  
TODD MEIER  
Mayor  
Town of Addison, Texas

ATTEST:

/s/ \_\_\_\_\_  
CHRIS TERRY  
Town Secretary  
Town of Addison, Texas

**SCHEDULE OF REFUNDED OBLIGATIONS\*****General Obligation Refunding Bonds, Series 2001**

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
8/15/2001	2/1/2013	4.350%	\$ 660,000	\$ 660,000
			\$ 660,000	\$ 660,000

The 2012 – 2013 maturities will be redeemed prior to their original maturity on December 23, 2011 at par.

**General Obligation Refunding and Improvement Bonds, Series 2002**

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
9/15/2002	2/15/2014	3.750%	\$ 1,125,000	\$ 1,125,000
	2/15/2015	5.000%	1,175,000	1,175,000
	2/15/2016	5.000%	1,235,000	1,235,000
	2/15/2017	5.000%	1,295,000	1,295,000
			\$ 4,830,000	\$ 4,830,000

The 2014 – 2017 maturities will be redeemed prior to their original maturity on August 15, 2012 at par.

**Combination Tax and Revenue Certificates of Obligation, Series 2003**

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
6/1/2003	2/15/2014	3.250%	\$ 620,000	\$ 620,000
	2/15/2015	3.375%	640,000	640,000
	2/15/2016	3.500%	665,000	665,000
	2/15/2017	3.625%	690,000	690,000
	2/15/2018	3.750%	715,000	715,000
			\$ 3,330,000	\$ 3,330,000

The 2014 – 2018 maturities will be redeemed prior to their original maturity on February 15, 2013 at par.

\* Preliminary, subject to change.

**APPENDIX A**

GENERAL INFORMATION REGARDING THE TOWN

**DESCRIPTION OF THE TOWN . . .** The Town of Addison (4.4 square miles in area), incorporated in 1953, is located in Dallas County 12 miles north of downtown Dallas. Addison is bounded on the east by the extension of the Dallas North Tollway and is bisected east to west by Belt Line Road.

**GOVERNMENT . . .** The Town is governed by a City Council composed of six councilmembers and the Mayor. The Mayor and councilmembers serve staggered two-year terms. The day-to-day operations of Addison are conducted by a Town Manager who is selected by the City Council. The Town's Home Rule Charter was adopted in 1978 and was last amended in January, 1993. The charter provides for a City Council comprised of the Mayor and six councilmembers. Under the charter the Mayor may vote on all items coming before the Council.

**POPULATION . . .** The U.S. Census Bureau set the 1970 population at 550, the 1980 population at 5,553, the 1990 population at 8,783 and the 2010 population at 13,056, and the NCTCOG estimates the 2012 population to be 37,000.

**ECONOMY . . .** Addison is located in the "platinum corridor" of North Dallas and has been called the "epicenter of a new downtown uptown". The Dallas area has become a major financial center of the nation and is rapidly emerging as a national leader in the areas of corporate headquarter locations, product distribution centers, light "clean" manufacturing in such areas as electronics and data processing, and as a principal fashion center. Addison manifests the best features of the area by creating an environment conducive to office, retail and residential uses. With its beautifully landscaped boulevards and strict enforcement of building, sign and landscaping codes, the Town has attracted quality development without the nuisances usually associated with rapid urbanization. Fine restaurants, boutiques and specialty stores are located in the Town to serve the growing work force and the affluent Addison-North Dallas area. Addison is a prime and desirable location for many businesses seeking relocation in the area.

Among the top employers in the Town are the following:

<u>Company</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Mary Kay Cosmetics Inc.	Cosmetics	1,300
Bank of America	Bank	900
Pizza Hut	Food Specialties	800
Barrett Burke Wilson & Castle	Attorney	580
Staubach Company	Real Estate Agents & Mgrs.	410
Concentra Health Services	Health Services	400
Hotel Inter-Continental Dallas	Hotel	380
United Surgical Partners	Health Services	277
Town of Addison	Municipal Government Services	261
Greenhill School	Elementary & High School	251
Affirmative Insurance Holdings Inc.	Insurance Agents	250
Trinity Christian Academy	Elementary & High School	250
GE Capital Real Estate	Real Estate	225
Securus Technologies	Computers Technology	210
Glazers Wholesale Drug Company	Drugs, Proprietarys, and Sundries	210

Source: Addison Town staff.

**AIRPORT . . .** The Town of Addison owns a general aviation airport, a single runway facility ranked by the Federal Aviation Administration as the busiest airport of its kind. The runway is 7,200 feet in length and can accommodate general aviation aircraft through 120,000 pounds gross weight including Boeing 737's and DC9's. The airport is home to 291 aircraft valued at over \$88 million and houses several fixed base operations, which provide fuel and maintenance services. The airport is used extensively by corporate executives who wish to conduct business in offices located in the north Dallas area.

**TRANSPORTATION . . .** Direct access to downtown Dallas is afforded via the Dallas North Tollway. Nearby highways and freeways provide convenient access to the entire Dallas/Fort Worth Metroplex including the Richardson telecommunications corridor, the Plano corporate campus, and the Dallas/Fort Worth International Airport.

In addition to Addison Airport, commercial air transportation is available at Dallas' Love Field and at the Dallas/Fort Worth International Airport. Rail service for Addison is provided by the Cotton Belt Railroad and numerous motor freight lines from nearby Dallas are available.

**EDUCATIONAL FACILITIES . . .** Addison is served by the Dallas Independent School District and the Carrollton-Farmers Branch Independent School District, it is also served by two private schools, Trinity Christian Academy and Greenhill School; all serve the

K/12 grades. Brookhaven Community College, a part of the Dallas County Community College, Ordinances the Town and seven major colleges and universities are located within a 40-mile radius of the Town and include University of North Texas, Southern Methodist University, Texas Christian University, University of Texas at Dallas and University of Texas at Arlington.

**BUILDING PERMITS**

<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Commercial</u>	<u>Residential</u>	<u>Total Value</u>
2007	1,106	\$ 31,471,780	\$ 68,794,869	\$ 100,266,649
2008	1,024	70,073,523	53,544,246	123,617,769
2009	803	28,978,561	1,638,405	30,616,966
2010	1,125	82,918,102	57,494,260	140,412,362
2011	1,450	41,600,000	68,100,000	109,700,000

## Council Agenda Item: #R5

### **AGENDA CAPTION:**

Discussion and consideration of approval of an agreement with ACS Inc. for the purchase, installation and configuration of the FireHouse software system.

### **FINANCIAL IMPACT:**

Budgeted: \$50,000

Cost: \$40,346

### **BACKGROUND:**

FIREHOUSE Software is an intuitive and easy to use system which offers a fully integrated solution. FIREHOUSE Software is assisting agencies managing their business, day-to-day operations & planning, field operations & decision support, communications, and technical challenges..

All FIREHOUSE Software modules are seamlessly integrated for one complete solution that can be used at fire departments and EMS agencies, regardless of size.

Firehouse products – listed below - are designed for both in the field and at the station use, packed with features that provide real-time access to critical information.

- **FIREHOUSE Software**- most widely used NFIRS and EMS records management system.
- **FH Mobile** - A suite of applications designed for mobile computers installed in responding vehicles in the field to complement FIREHOUSE Software system.
- **FH CAD Monitor** - a stand-alone executable designed to create records in FIREHOUSE Software system based on information entered and output from a computer-aided dispatch (CAD) system.
- **FHinspector for iPad** - Combine iPad's trademark interface and live GPS with FIREHOUSE Software data for occupancy and hydrant inspections.

**RECOMMENDATION:**

Staff recommends approval, subject to the final review of the City Attorney and City Manager.

**COUNCIL GOALS:**

Mindful Stewardship of Town Resources, Provide Superior Public Safety, Customer Service, Social and Health Services to the Community

**ATTACHMENTS:**

Description:

[Itemized Cost](#)

Type:

Backup Material

**FireHouse Enterprise System Breakdown  
System**

System	Qty	Price	Total
FH ENT Core System	1	5,995.00	\$5,995.00
FH ENT Core System Additional Users	6	820.00	\$4,920.00
FH ENT - Staff Scheduling Module	1	1,930.00	\$1,930.00
FH ENT - Staff Scheduling Additional Users	6	265.00	\$1,590.00
FH Tiburon Enterprise CAD interface	1	5,150.00	\$5,150.00
FH Inspector for the iPad	2	500.00	\$1,000.00
FH Analytics (2 users @ \$5,000.00)	1	5,000.00	\$5,000.00
Non-recurring software cost			
<b>SUPPORT</b>			<b>\$25,585.00</b>
FH ENT - Complete Core System Update/Support	1	895.00	\$895.00
FH ENT - Core System Addl Users Update/Support	6	170.00	\$1,020.00
FH ENT - Module Update/Support FOR STAFF SCHEDULING	1	170.00	\$170.00
FH ENT- Staff Scheduling Addl Users Update/Support per Module	6	55.00	\$330.00
FH ENT - CAD Interface Update/Support	1	1,130.00	\$1,130.00
FH Inspector for the iPad Support/Update/Cloud	2	150.00	\$300.00
FH Analytics support (2 users @ \$1000.00)	1	1,000.00	\$1,000.00
Recurring support/update cost			<b>\$4,845.00</b>
<b>TRAINING</b>			
One day of on-site training (1 day training included)	1	0.00	\$0.00
On-site training (6 days) (includes core/train trainer/admin/inspec/Analytics)	6	1,000.00	\$6,000.00
<b>DATA CONVERSION</b>			
Data Conversion. Per record cost. (estimated # of records)	19500	0.10	\$1,950.00
Sub Total Cost not including Ipad			<b>\$38,380.00</b>
<b>IPad COST</b>			
Ipad2/64g/3G/WiFi/2Y Prot Plan	2	883.00	\$1,766.00
Ipad2 protective case/keyboard	2	100.00	\$200.00
<b>Total SYSTEM Cost</b>			<b>40,346.00</b>

ipad cost

Protection plan	6	\$68.00	\$408.00
Ipad Case	6	\$38.00	\$228.00
Ipad WiFi& 3G 64GB	6	\$679.00	\$4,074.00
		\$785.00	\$4,710.00



CDWG.com | 800.594.4239

## SALES QUOTATION

QUOTE NO.	ACCOUNT NO.
CCSX281	6351854

**BILL TO:**  
CHAD HANCOCK  
16801 WESTGROVE DR

Accounts Payable  
ADDISON , TX 75001-5190

Customer Phone #972.450.2856

**SHIP TO:**  
TOWN OF ADDISON  
Attention To: CHAD HANCOCK  
16801 WESTGROVE DR

ADDISON , TX 75001-5190  
Contact: CHAD HANCOCK 972.450.2856

Customer P.O. # CCSX281

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTI
JORDAN MIKOLS 866.465.9959	FedEx Ground	MasterCard/Visa Govt	GOVT-t

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTEN
6	2168376	APPLECARE PROT PLAN F/IPAD 2Y 1-49 Mfg#: APW-MC595LL/B Contract: Standard Pricing	68.00	
6	2185263	APPLE IPAD CASE BLK Mfg#: APL-MC361ZM/B Contract: Standard Pricing	38.00	
6	2035496	APPLE IPAD WI-FI + 3G 64GB-USA Mfg#: APL-MC497LL/A Contract: Standard Pricing	679.00	
SUBTOTAL				
FREIGHT				
TAX				
<b>TOTAL</b>				

CDW Government  
230 North Milwaukee Ave.  
Vernon Hills, IL 60061  
Phone: 847.371.5000

Fax: 312-705-6468

**Please remit**  
CDW Governm  
75 Remittance  
Suite 1515  
Chicago, IL 60

OE400SPS

ON

DATE

5/11/2011

ON CERTIFICATE

EXEMPT

DEDED PRICE

408.00

228.00

4,074.00

4,710.00

0.00

0.00

US Currency

4,710.00

Payment to:

ment  
Drive

0675-1515

## **Council Agenda Item: #R6**

### **AGENDA CAPTION:**

Discussion and consideration for approval of the capital purchase and replacement of fire department's cache of 26-self contained breathing apparatus (SCBA) in the amount not to exceed \$170,000.

### **FINANCIAL IMPACT:**

The cost of the proposal as submitted to purchase and replace the cache of 26-self contained breathing apparatus is \$169,361 from the Capital Equipment Replacement Fund.

### **BACKGROUND:**

The fire departments current cache of self contained breathing apparatus is at the end of its service life with the majority of the equipment exceeding 22-years of age and service life. This critical life safety equipment is now proving to be unreliable with an increased frequency of mechanical failures; increased maintenance cost; increased out of service time and lack of manufacturer support for local parts and repair in a timely manner.

The department recommends replacing its cache of equipment with 26-new SCBA and associated required ancillary equipment; air cylinders; face masks; integrated PASS devices; etc. as noted in the attached detailed quote listing the contract pricing from the Texas Buy Board for Mine Safety Appliance (MSA) equipment. This new equipment will enhance firefighter safety with a state of the art built-in accountability system; the SCBA unit weight is less ultimately resulting in less firefighter fatigue; and an estimated reduced maintenance cost in the future with less working parts than similar models by other manufacturers.

The fire department recommends the existing SCBA cache for surplus and proper disposal under the town's policies and procedures for the surplus of capital equipment after receipt, training and placing into service the new equipment.

**RECOMMENDATION:**

Staff recommends approval.

**COUNCIL GOALS:**

Provide Superior Public Safety, Customer Service, Social and Health Services to the Community

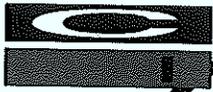
**ATTACHMENTS:**

Description:

[Quote](#)

Type:

Cover Memo



**Casco** INDUSTRIES, INC.

REVEPORT, LOUISIANA 71148 8007

# QUOTE

**Sold To:** ADDISON FIRE DEPARTMENT  
4798 AIRPORT PARKWAY  
ADDISON, TEXAS 75001

**Ship To:** ADDISON FIRE DEPARTMENT

**ATTN:** CAPT. JEFF PATTERSON  
**PHONE#** 972-450-7226

**ATTN:** CAPT. JEFF PATTERSON

SALEMAN	TERMS	CUSTOMER PO NUMBER	FREIGHT		QUOTE DATE:	ORDER #
109	30	BUYBOARD CONTRACT # 363-10		ALLOW	30-Sep-11	JPS004R
ITEM	LOC	DESCRIPTION	QTY	SHIPPED	PRICE	AMOUNT
1		MSA# B-M7H:-D-1-1-D-3-C-1-4-C-C-B-0	26		\$4,391.00	\$114,166.00
		CARRIER- DOUBLE PULL WITH CHEST STRAP				\$ -
		SWIVELING LUMBAR PAD				\$ -
		CBRN SOLID COV. PTC WITH QC REGULATOR				\$ -
		EBS QF QC				\$ -
		ULTRA ELITE WITH / INTERGRATED HUD				\$ -
		SPEED ON HEAD HARNESS				\$ -
		CLEAR COMMAND VOICE AMP				\$ -
		INTERGRATED PASS WITH TELEMTRY				\$ -
		30 MINUTE 4500 PSI CYLINDER				\$ -
2		MSA# 807587 CYLINDER STEALTH H-30 4500PSI	26		\$ 434.00	\$ 11,284.00
						\$ -
3		MSA# 10121723 UE FACEPIECE I HUD READY	32		\$ 303.00	\$ 9,696.00
4		MSA# 10023056 CLEAR COMMAND	32		\$ 256.00	\$ 8,192.00
5		MSA# 10114190 I HUD KIT	32		\$ 234.00	\$ 7,488.00
5		MSA# 10111642 HOSE KIT 3' HOSE / POUCH	4		\$ 470.00	\$ 1,880.00
6		MSA# 10072240 BASE STATION KIT W/ANTENNA	1		\$ 950.00	\$ 950.00
7		MSA# 10083876 TAG WRITER	1		\$ 285.00	\$ 285.00
8		MSA# 10083875 TAGS FOR FIREFIGHTERS	60		\$ 21.00	\$ 1,260.00
						\$ -
9		MSA# 10041199 RESCUE AIR II WITH CYLINDER	4		\$ 3,540.00	\$ 14,160.00
		60 MINUTE 4500 PSI ( RIT PACKS )				\$ -
						\$ -
		BUYBOARD CONTRACT #363-10				\$ -
						\$ -
		PUBLIC SAFETY AND FIRE HOUSE EQUIPMENT				\$ -
						\$ -
						\$ -
						\$ -
					<b>Subtotal</b>	<b>\$169,361.00</b>
<b>COMMENTS - FREIGHT ALLOWED</b>					<b>Tax</b>	
					<b>Freight</b>	<b>ALLOWED</b>
					<b>TOTAL</b>	<b>\$169,361.00</b>

## **Council Agenda Item: #ES1**

**AGENDA CAPTION:**

Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

**FINANCIAL IMPACT:**

TBD

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

Provide For A Diversified Business Climate

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## **Council Agenda Item: #R7**

**AGENDA CAPTION:**

Consideration of any action regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or any action regarding the offer of a financial or other incentive to such business prospect or business prospects.

**FINANCIAL IMPACT:**

TBD

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

Provide For A Diversified Business Climate

**ATTACHMENTS:**

Description:

No Attachments Available

Type: