



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

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

6:00 PM

MARCH 12, 2013

TOWN HALL

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

STARTING TIMES: WORK SESSION 6PM, REGULAR
MEETING 7:30PM

WORK SESSION

Item
#WS1 - Presentation and discussion of Single Audit Report including management comments from the Town's independent auditors, Weaver, LLP., and the Fiscal Year 2012 Comprehensive Annual Financial Report.

Item
#WS2 - Presentation and discussion of the Town of Addison Website Redesign Project.

REGULAR MEETING

Pledge of Allegiance

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

Introduction of Employees

Discussion of Events/Meetings

Item #R2- Consent Agenda.

#2a- Approval of Minutes for the February 26, 2013 Regular Council Meeting.

#2b- Consideration of approval of an Ordinance declaring an unopposed candidate for election to the office of Mayor and unopposed candidates for election to the office of Council member in the May 11, 2013 election to be elected to office, canceling the May 11, 2013 election, and providing for other matters relating thereto. (Consideración de aprobacion una ordenanza que declara a los candidatos sin oposición para la elección de la oficina de alcalde y de la oficina de miembro del Consejo en la elección del 11 de mayo de 2013, son declarados elegidos a la oficina, cancelando la elección del 11 de mayo de 2013 y proporcionando para otras cuestiones relativas a los mismos).

#2c- Approval of the Vivanti/Matchbox Agency of Record contract for strategic marketing and advertising professional services for Addison Special Events, Economic Development, and other marketing services as requested on a project by project basis.

#2d- Consideration and approval of a unit cost annual contract with American Landscape Systems not to exceed \$125,000, for supplying and planting shrubbery, native grasses, ground cover, turf sod and perennial plants for parks department landscape refurbishment projects throughout the Town's parks, municipal buildings, streetscapes and trail green belts.

Item #R3 Discussion and consideration of approval of a naming opportunity for the Arapaho Road Bridge.

Item #R4 Presentation, discussion and consideration of approval of a contract with Tiburon Inc. to provide a hosted SaaS (Software as a Service) solution called "DispatchNow" in a secure Cloud Computing environment to replace the existing Computer Aided Dispatch (CAD) system and PRMS (Police Reporting System), and of approval of an Ordinance amending the budget for the fiscal year ending September 30, 2013 to accommodate initial payment of the same.

Attachment(s):

1. Eric Cannon's Memo
2. Original Proposed Contract
3. Proposed Modifications to the Original Proposed Contract

Recommendation:

Staff recommends that the Council authorize the City Manager to enter into a contract with Tiburon Inc. to provide Secure Cloud Computing services called "DispatchNow" in the amount of \$369,213 subject to the City Attorney's final approval.

Item #R5 Presentation, discussion and consideration of approval of a contract with J. Stowe & Co.'s for providing professional services for the Town's utility rate study.

Attachment(s):

1. J. Stowe - Utility Rate Study Proposal

Item #R6 Presentation, discussion and consideration of an ordinance amending Chapter 62, Signs, of the Code of Ordinances of the Town by providing for a Meritorious Exception to Article IV. Requirements for Specific Types of Signs, Division 4. Detached Signs, Sec. 62-186. Monument signs at 5220 Belt Line Rd. in order to provide for a single tenant monument sign that is 8 feet above the sidewalk grade on Belt Line Rd. and 10 feet in height above the adjacent parking lot grade on application from The Original Pancake House.

Attachment(s):

1. APPLICATION, OWNER APPROVAL LETTER
2. PHOTOS, SITE PLAN

Recommendation:

Staff recommends denial.

Item #R7 Presentation, discussion, and consideration of approval of amendment number 5 to the Program/Project Management Professional Services agreement between the Town of Addison and R.H. Shackelford, Inc. in the amount not to exceed \$357,425.

Attachment(s):

1. Work Breakdown Schedule

Recommendation:

Staff recommends approval.

Item #R8 Presentation and discussion of the Department of Financial & Strategic Services Quarterly Financial Review of the Town for the quarter and year-to-date ended December 31, 2012.

Attachment(s):

1. 2013 - Q1 Financial Report

Item #R9 Presentation, discussion, and consideration of approval of an Art Donation Policy.

Attachment(s):

1. Art Donation Policy

Recommendation:

Staff recommends approval.

Item #R10 - Discussion of the annual City Council photo.

Item #ES1 - Closed (Executive) session of the Addison City Council pursuant to Section 551.074, Texas Government Code, to deliberate the evaluation of the City Manager.

Adjourn Meeting

Posted:

Chris Terry, 03/08/13, 5:00pm

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:

Presentation and discussion of Single Audit Report including management comments from the Town's independent auditors, Weaver, LLP., and the Fiscal Year 2012 Comprehensive Annual Financial Report.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

BACKGROUND:

Our auditors have supplied two letters related to the fiscal year 2012 independent audit. The Financial and Strategic Services Department reviewed this report and provided responses to all auditor findings. The second letter provides certain information to the Council as required by professional standards.

The Town's 2012 Comprehensive Annual Financial Report (CAFR) describes the Town's financial condition as of September 30, 2012. Within the CAFR is the independent auditor's report prepared by Weaver, LLP. The auditor's report reflects a "clean" opinion, indicating the Town's finances are managed and reported in conformity with generally accepted accounting principles.

RECOMMENDATION:

COUNCIL GOALS:

Mindful Stewardship of Town Resources

ATTACHMENTS:

Description:

Type:

No Attachments Available

Council Agenda Item: #WS3

AGENDA CAPTION:

Presentation and discussion of the Town of Addison Website Redesign Project.

FINANCIAL IMPACT:

This item was budgeted for and approved by Council for the FY '12-'13 in the amount of \$200,000. Half of this amount, \$100,000, was budgeted in the General Fund; \$50,000 was budgeted in the Hotel Fund; \$25,000 in the Economic Development Fund; and \$25,000 in the Airport Fund.

BACKGROUND:

A website is the most forward-facing outreach and branding tool that a Town has, and Addison is definitely under-selling ourselves at present time with our current websites. We are losing the interest and attention of key internal and external stakeholders and customers who do not have the time or interest to wade through our two main websites or our other three Addison websites to find pertinent information.

This website project will combine our three main websites under one Web Portal, making it a one-stop-shop for our stakeholders.

RECOMMENDATION:

COUNCIL GOALS:

Create raving fans of the Addison Experience, Maintain and enhance our unique culture of creativity and innovation, Define, measure, evaluate, and improve success for all Town businesses, Attract new businesses to Addison, Brand Protection and Enhancement, Fully integrate the Arts as part of our brand, Explore new/other revenue sources

ATTACHMENTS:

Description:

Type:

No Attachments Available

Council Agenda Item: # R 2a

AGENDA CAPTION:

Approval of Minutes for the February 26, 2013 Regular Council Meeting.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:

Type:

No Attachments Available

Council Agenda Item: # R 2b

AGENDA CAPTION:

Consideration of approval of an Ordinance declaring an unopposed candidate for election to the office of Mayor and unopposed candidates for election to the office of Council member in the May 11, 2013 election to be elected to office, canceling the May 11, 2013 election, and providing for other matters relating thereto. (Consideración de aprobación una ordenanza que declara a los candidatos sin oposición para la elección de la oficina de alcalde y de la oficina de miembro del Consejo en la elección del 11 de mayo de 2013, son declarados elegidos a la oficina, cancelando la elección del 11 de mayo de 2013 y proporcionando para otras cuestiones relativas a los mismos).

FINANCIAL IMPACT:

There will be no Dallas County election charges for 2013.

BACKGROUND:

The office of Mayor, and the office of Council member (3 positions), were scheduled to be voted on at the Town's general election on May 11, 2013. Only one person submitted a timely application to run for the office of Mayor (or to be a write-in candidate for that office), and only three persons submitted a timely application to run for the office of Council member (or to be a write-in candidate for that office) (the deadline for such filings being 5:00 p.m. on Friday, March 1, 2013). Under Section 2.053 of the Texas Election Code, the Council may, by order or ordinance, declare each unopposed candidate elected to the office, and if that declaration is made, the election is not held.

In order to adopt such an order or ordinance, the City Secretary is required to certify that a candidate is unopposed for election to an office (that is, if the election were held, only the votes cast for that candidate in the election for that office may be counted). The certification, if made, must be delivered to the governing body.

The City Secretary has made that certification, and it is attached. A proposed Ordinance declaring the unopposed candidates elected and canceling the election is also attached.

RECOMMENDATION:

Staff recommends approval of the attached Ordinance declaring the unopposed candidates elected for a two-year term (for the office of Mayor, Todd Meier; for the office of Council member, Blake Clemens, Bruce Arfsten, and Chris DeFrancisco) and canceling the City's general election scheduled for May 11, 2013.

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:

- 📎 [Cancellation Memo](#)
- 📎 [Election Cancellation Ordinance - English](#)
- 📎 [Election Cancellation Ordinance - Spanish](#)
- 📎 [Certification of Unopposed Candidates](#)

Type:

- Cover Memo
- Ordinance
- Ordinance
- Backup Material

Council Agenda Item: #R _____

AGENDA CAPTION:

Discussion and consideration of an Ordinance declaring unopposed a candidate for election to the office of Mayor and candidates for election to the office of Council member in the May 11, 2013 election be declared elected to office, canceling the May 11, 2013 election, and providing for other matters relating thereto.

La discusión y consideración de una ordenanza que declara a los candidatos sin oposición para la elección de la oficina de alcalde y de la oficina de miembro del Consejo en la elección del 11 de mayo de 2013, son declarados elegidos a la oficina, cancelando la elección del 11 de mayo de 2013 y proporcionando para otras cuestiones relativas a los mismos.

FINANCIAL IMPACT:

There will be no Dallas County election charges for 2013.

BACKGROUND:

The office of Mayor, and the office of Council member (3 positions), were scheduled to be voted on at the Town's general election on May 11, 2013. Only one person submitted a timely application to run for the office of Mayor (or to be a write-in candidate for that office), and only three persons submitted a timely application to run for the office of Council member (or to be a write-in candidate for that office) (the deadline for such filings being 5:00 p.m. on Friday, March 1, 2013).

Under Section 2.053 of the Texas Election Code, the Council may, by order or ordinance, declare each unopposed candidate elected to the office, and if that declaration is made, the election is not held.

In order to adopt such an order or ordinance, the City Secretary is required to certify that a candidate is unopposed for election to an office (that is, if the election were held, only the votes cast for that candidate in the election for that office may be counted). The certification, if made, must be delivered to the governing body.

The City Secretary has made that certification, and it is attached. A proposed Ordinance declaring the unopposed candidates elected and canceling the election is also attached.

RECOMMENDATION:

Staff recommends approval of the attached Ordinance declaring the unopposed candidates elected for a two-year term (for the office of Mayor, Todd Meier; for the office of Council member, Blake Clemens, Bruce Arfsten, and Chris DeFrancisco) and canceling the City's general election scheduled for May 11, 2013.

COUNCIL GOALS:

N/A

ATTACHMENTS:

City Secretary Certification of Unopposed Status
Ordinance Declaring Unopposed Candidates Elected

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, DECLARING ELECTED TO OFFICE AN UNOPPOSED CANDIDATE FOR ELECTION TO THE OFFICE OF MAYOR AND UNOPPOSED CANDIDATES FOR ELECTION TO THE OFFICE OF COUNCIL MEMBER FOR THE MAY 11, 2013 GENERAL MUNICIPAL ELECTION; PROVIDING THAT SUCH CANDIDATES SHALL BE ISSUED A CERTIFICATE OF ELECTION IN THE SAME MANNER AND AT THE SAME TIME AS A CANDIDATE ELECTED AT THE ELECTION, AND THAT SUCH CANDIDATES MUST QUALIFY FOR OFFICE IN THE SAME MANNER AS A CANDIDATE ELECTED AT THE ELECTION; CANCELING THE MAY 11, 2013 GENERAL MUNICIPAL ELECTION; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison, Texas (the “City”) heretofore called and ordered a general election to be held on May 11, 2013 for the purpose of electing a Mayor to a two (2) year term and three Council members to two (2) year terms each; and

WHEREAS, the filing deadlines for placement on the ballot and declaration of write in candidacy have passed, and only one (1) person filed as a candidate for election to the office of Mayor and only three (3) persons filed as a candidate for election to the office of Council member; and

WHEREAS, in accordance with Section 2.052 of the Texas Election Code, the City Secretary (being the authority responsible for having the official ballot prepared) has certified in writing that each of the said candidates is unopposed for election to their respective office, and the City Council has received the certification (a true and correct copy of which is attached hereto as Exhibit A) and, pursuant to Section 2.053 of the Texas Election Code, the City Council is authorized to declare, by ordinance, each unopposed candidate elected to their respective office; and

WHEREAS, the said Section 2.053 further provides in subsection (b) thereof, that, if such a declaration is made, the election is not held.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The following candidate for election to the office of Mayor, and the following candidates for election to the office of Council member, who are each unopposed in the May 11, 2013 general municipal election, are declared elected to their respective office, as follows (each for a two (2) year term):

Todd Meier is declared elected to the office of Mayor

Blake Clemens is declared elected to the office of Council member
Bruce Arfsten is declared elected to the office of Council member
Chris DeFrancisco is declared elected to the office of Council member

A certificate of election shall be issued to each of the said candidates following the time the election would have been canvassed had the election been held and in the same manner as a candidate elected at the election had the election been held. Each of the said candidates must qualify for office in the same manner as provided for a candidate elected at the election, following the time the election would have been canvassed had the election been held.

Section 2. The May 11, 2013 general municipal election is canceled, and the City Secretary is directed to cause a copy of this Ordinance to be posted on election day at each polling place that would have been used in the election.

Section 3. It is declared to be the intent of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance is declared invalid by the judgment or decree of a court of competent jurisdiction, the invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance since the City Council would have enacted them without the invalid portion.

Section 4. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance.

Section 5. This Ordinance shall take effect upon its passage and approval, and it is so ordained.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 12th day of March, 2013.

Todd Meier, Mayor

ATTEST:

Chris Terry, City Secretary

LA CIUDAD DE ADDISON, TEXAS

ORDENANZA NO. _____

UNA ORDENANZA DE LA CIUDAD DE ADDISON, TEXAS, DECLARANDO UN CANDIDATO SIN OPOSICIÓN A LA ELECCIÓN EL DIA 11 DE MAYO DE 2013 A LA OFICINA DEL ALCALDE Y LOS CANDIDATOS SIN OPOSICIÓN A LA ELECCIÓN EL DIA 11 DE MAYO DE 2013 A LA OFICINA DEL MIEMBRO DEL CONSEJO EN LA ELECCIÓN GENERAL DE LA CIUDAD ELIGIÓ A LA OFICINA; PROPORCIONANDO QUE PUBLICARÁN TALES CANDIDATOS UN CERTIFICADO DE ELECCIÓN DE MANERA SEMEJANTE Y AL MISMO TIEMPO QUE UN CANDIDATO ELEGIDO EN LA ELECCIÓN, Y QUE TALES CANDIDATOS DEBEN CALIFICAR PARA LA OFICINA DE MANERA SEMEJANTE COMO CANDIDATO ELIGIÓ EN LA ELECCIÓN; CANCELACIÓN DE LA ELECCIÓN GENERAL DE LA CIUDAD EL DIA 11 DE MAYO DE 2013; ABASTECIMIENTO DE UNA CLÁUSULA DEL SEPARACIÓN; ABASTECIMIENTO DE UNA CLÁUSULA DE LOS AHORROS; Y PROPORCIONANDO UNA FECHA EFICAZ.

CONSIDERANDO, el Ayuntamiento de la ciudad de Addison, Texas (la “ciudad”) ahora llamó y pidió una elección general para ser celebrada el 11 de mayo de 2013 con el fin de elegir un alcalde a dos (2) años de términos y tres (3) miembros del Consejo a dos (2) años de términos cada uno; y

CONSIDERANDO, los plazos de limadura para la colocación en la balota y declaración de escriba en candidatura han pasado, y solamente una (1) persona han archivado como candidato a la elección a la oficina del alcalde, y tres (3) personas han archivado como candidato a la elección a la oficina del miembro del Consejo; y

CONSIDERANDO, de acuerdo con la Sección 2.052 del Código de Elección de Texas, la secretaria de la ciudad (siendo la autoridad responsable de preparar la balota oficial) ha certificado por escrito que cada uno de los candidatos esta sin oposición para la elección a la oficinas respectivas, y el Ayuntamiento ha recibido la certificación dicha de la Secretaria de la Ciudad (una copia verdadera acompaña esta ordenanza, ahora llamó Objeto Expuesto A) y, conforme a la Sección 2.053 del Código de Elección de Texas, el Ayuntamiento está autorizado para declarar, por la ordenanza, a cada candidato sin oposición, elegido a la oficinas respectivas; y

CONSIDERANDO, el mencionado Sección 2.053 establece además en la subsección (b) que si se hace tal declaración, la elección no se lleva a cabo.

AHORA, POR LO TANTO, SEA ORDENADO POR EL AYUNTAMIENTO DE LA CIUDAD DE ADDISON, TEXAS:

Sección 1. Los siguientes candidatos para la elección a la oficina del alcalde, y los siguientes candidatos para la elección a la oficina del miembro del Consejo, que sin oposición en la elección de 11 de mayo 2013 de la ciudad en general, se declaran elegidos a la oficinas respectivas (cada uno con término de dos (2) años):

Todd Meier	es declarado electo para el oficina de alcalde
Blake Clemens	es declarado electo para el oficina del miembro del Consejo
Bruce Arfsten	es declarado electo para el oficina del miembro del Consejo
Chris DeFrancisco	es declarado electo para el oficina del miembro del Consejo

Un certificado de elección será publicado a cada uno de los candidatos dichos después del tiempo que la elección habría sido solicitado votos la elección había sido sostenida y de manera semejante como habían elegido a un candidato elegido en la elección la elección. Cada uno de los candidatos dichos debe calificar para la oficina de manera semejante en la manera prevista para un candidato elegido en la elección, después del tiempo que la elección habría sido solicitado votos la elección había sido sostenida.

Sección 2. La elección general de la ciudad el día 11 de mayo de 2013 está cancelada, y ordenan a la secretaria de la ciudad hacer una copia de esta ordenanza ser publicado el día de elección en cada lugar de votación que habría sido utilizado en la elección.

Sección 3. Se declara que la intención del Ayuntamiento, que las frases, las cláusulas, las oraciones, los párrafos, y las secciones de esta ordenanza son separables, y si cualquier frase, cláusula, oración, párrafo, o sección de esta ordenanza es declarado inválido por la sentencia o decreto de una corte de jurisdicción competente, la invalidez no afectará a ninguna de las frases, cláusulas, oraciones, párrafos, o secciones de esta ordenanza ya que el Ayuntamiento las habría aprobado sin la porción inválida.

Sección 4. Esta Ordenanza será acumulativa de todas las otras ordenanzas de la Ciudad y no derogará ninguna de las provisiones de esas ordenanzas, excepto en aquellos casos donde están las provisiones de esas ordenanzas en conflicto directo con las provisiones de esta ordenanza.

Sección 5. Esta Ordenanza tomara efecto sobre su paso y aprobación, y es así ordenado.

PASADO Y APROBADO por de la ciudad de Addison, Texas el 12 de Marzo de 2013.

Todd Meier, Alcalde

TESTIGOS:

Chris Terry, Secretaria de la Ciudad

CERTIFICATION OF UNOPPOSED CANDIDATES
CERTIFICACIÓN DE CANDIDATOS ÚNICOS

To: Presiding Officer of Governing Body
Al: Presidente de la entidad gobernante

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidates are unopposed for election to office for the election scheduled to be held on May 11, 2013.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidatos son candidatos únicos para elección para un cargo en la elección que se llevará a cabo el 11 de Mayo 2013.

List offices and names of candidates:
Lista de cargos y nombres de los candidatos:

Office(s) Cargo(s)

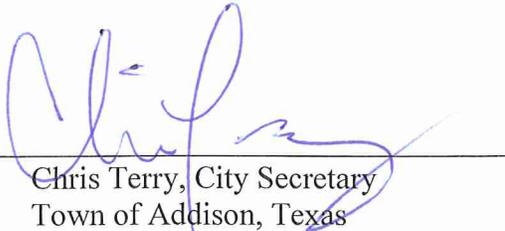
Candidate(s) Candidato(s)

Mayor

Todd Meier

Council Member

Blake Clemens
Bruce Arfsten
Chris DeFrancisco


Chris Terry, City Secretary
Town of Addison, Texas

3/11/13
Date of signing (*Fecha de firma*)

[Seal] [*Sello*]

Council Agenda Item: # R 2c

AGENDA CAPTION:

Approval of the Vivanti/Matchbox Agency of Record contract for strategic marketing and advertising professional services for Addison Special Events, Economic Development, and other marketing services as requested on a project by project basis.

FINANCIAL IMPACT:

This contract was budgeted for and approved by Council in the 2012-2013 marketing budget for the amount of \$255,000. This cost is broken down as follows: \$175,000 for Special Events related marketing and advertising (coming out of the marketing budget); and \$80,000 coming out of the Economic Development department budget for marketing and advertising support.

BACKGROUND:

The Vivanti/Matchbox team did a great job in 2011-2012 helping to focus and redesign our special events marketing collateral and economic development efforts. The V/M team developed and designed a new suite of ads for the Economic Development department as well as a new welcome/new business/business retention kit. They also worked with us on several projects for Visitor Services including a new ad campaign (a suite of five new ads), and a versatile and modern hotel brochure. Vivanti and Matchbox also collaborated with the marketing department on a highly impactful new "It's Always Game Time in Addison" campaign which the Town will also use next year to promote Addison as a destination for visitors, fans, and attendees for college and pro football events, baseball, and college basketball's NCAA Final Four tournament in Dallas.

RECOMMENDATION:

Staff recommends approval.

COUNCIL GOALS:

Create raving fans of the Addison Experience, Maintain and enhance our unique culture of creativity and innovation, Attract new businesses to Addison, Brand Protection and Enhancement, Enhance sense of community for all stakeholders/Expand Volunteer Opportunities

ATTACHMENTS:

Description:

 [Vivanti/Matchbox Contract](#)

Type:

Backup Material

Services Agreement

This Services Agreement ("Agreement") is entered into effective as of the 26th day of February, 2013 (the "Effective Date"), by and between Vivanti, LLC, a Texas limited liability company, d/b/a Vivanti Group ("Vivanti") with a business address at 5005 Greenville Avenue, Suite 155, Dallas, Texas 75206-4032 and the Town of Addison, Texas ("Client" or "Town of Addison"), with a business address at 5300 Belt Line Road, Dallas, Texas 75254-7606. Client and Vivanti may be collectively referred to as the "Parties."

W i t n e s s e t h:

Whereas, Vivanti is a Dallas based a marketing and graphic design firm that provides strategy, branding, and creative marketing services to its clients, with the goal of increasing each client's growth; and

Whereas, Client desires to engage Vivanti to provide certain marketing services as described herein, and Vivanti desires to provide the Work to Client; and

Now, therefore, in consideration of the foregoing premises and the mutual covenants hereinafter set forth and other valuable consideration, the Parties hereto agree as follows:

1. Description of the Work; Standard of Performance; Subcontractors.

a. Vivanti will provide to Client (i) the services and deliverables specifically described on Schedule 1 attached hereto and incorporated herein for all purposes (hereinafter the "Work") and (ii) when the scope of services and maximum price, if any, is mutually agreed upon in writing between the parties, additional marketing and advertising services for other Client departments and special projects (such additional marketing and advertising services being sometimes referred to herein as "Additional Work").

Vivanti will perform its Work and Additional Work in a professional manner and in accordance with commercially accepted best practices and standards that are in Vivanti's industry at the time the Work or Additional Work is performed, and to Client's satisfaction.

Vivanti Group will carefully proof each marketing deliverable internally before presenting the same to Client. Vivanti will also pay for one final review by a professional third-party proof reader for all items prior to printing. Clients is also responsible for carefully reviewing and proof reading all information before giving final approval to print or publish the materials. In the event that a typo or error slips in, Client accepts responsibility for errors and will cover costs for necessary reprints or additional production fees.

b. Vivanti may, engage sub-contractors to provide a portion of the Work and Additional Work pursuant to the terms of this Agreement. In the event Vivanti subcontracts any of the Work or Additional Work, Vivanti shall be solely responsible for such Work and Additional Work and for the payment of all Work and Additional Work sub-contracted and agrees to indemnify and hold Client harmless for all monies owed to each subcontractor.

In connection with this Agreement, as of the Effective Date Vivanti has or intends to subcontract a portion of the Work, as set forth on the attached Schedule 1, to The Matchbox Studio, Inc. (a Texas corporation) (“Matchbox”) and to Joan Tibbets Media Services, Inc. (a Texas corporation) (“Tibbets Media”). Client hereby consents to such subcontracting by Vivanti with Matchbox and Tibbets Media, but, notwithstanding such consent, Vivanti shall be and remain solely liable and responsible for all Work performed pursuant to this Agreement.

2. Contract Term.

a. Subject to earlier termination of this Agreement, the term of this Agreement begins on the Effective Date and continues through and concludes on the 14th day of February, 2013, or twelve months after the Effective Date. The term of this Agreement may be renewed for up four (4) additional one (1) year terms, each such term commencing upon the expiration of the immediately prior term and ending one (1) year thereafter, upon mutual written agreement by the Client and Vivanti, subject, however, to the earlier termination of this Agreement.

b. Notwithstanding the foregoing or any other provision of this Agreement, any renewal of this Agreement is subject to and conditioned upon the appropriation and budgeting of funds by Client to make the payments hereunder for such renewed term. If funds sufficient to make all payments hereunder by Client are not so appropriated and budgeted, this Agreement shall end on the last day of the Client’s fiscal year (September 30) for which sufficient funds were appropriated and budgeted to make the payments hereunder. In order to exercise its right under this provision, the Client shall pay Vivanti in accordance with this Agreement for all Work and Additional Work performed and expenses incurred prior to September 30. Payment in full shall be made to Vivanti within thirty days of September 30.

3. Fees and Expenses.

a. In consideration for the Work Client will pay Vivanti the sum of \$135.00 per hour for each hour worked, not to exceed the amounts set forth below:

For special event marketing for
Taste of Addison, Oktoberfest,
Worldfest, Kaboom Town and
Summer Series, an amount not to exceed: \$198,400

For Town of Addison economic
development marketing, an amount not
to exceed: \$113,765

The cost for any Additional Work (e.g., marketing and advertising services for other Client departments and special projects as needed) will, prior to commencement by Vivanti, be estimated by Vivanti and agreed to in writing signed by both Parties prior to inception thereof.

Vivanti will divide each hour of Work or Additional Work into 15 minute (or some other mutually agreed upon in writing) increments.

b. Client acknowledges that the not-to-exceed amounts for the Work as provided in this Paragraph 3. include only those services listed on Schedule 1 and no Additional Work.

c. In addition to the professional services provided to perform the Work and any Additional Work, Vivanti will invoice Client monthly for actual related out-of-pocket expenses incurred, including, but not limited to media advertising costs, printing, postage, courier fees, analyst reports, proof preparation, report preparation and on-line demographic services and travel, including airfare, lodging, meals, rental cars, taxis, mileage reimbursement at the then-prevailing Internal Revenue Service mileage rate and parking. These items will be billed with a 20% mark up.

Notwithstanding the foregoing, Vivanti shall not be entitled to any travel or travel-related costs or expenses for travel outside of Dallas County, Texas unless Vivanti has first submitted a written request for payment of such travel and/or travel-related costs or expenses, including a not-to-exceed estimate therefor, and received the prior written approval from Client of such costs or expenses.

d. Any provision hereof to the contrary notwithstanding, Client shall not be obligated to make payment to Vivanti hereunder if:

1. Vivanti has failed to comply with or is in default of any of its obligations under this Agreement or any other written documents agreed to by both parties in the future and in connection with the Work

(or Additional Work) (and payment may be withheld to the extent of any such failure or default);

2. Any part of such payment is attributable to any Work (or Additional Work) of Vivanti which is not performed in accordance with this Agreement;

3. Vivanti has failed to make payment promptly to subcontractors or consultants or other third parties used by Vivanti in connection with the Work or Additional Work for which the Client has made payment to Vivanti; or

4. Payment Schedule and Due Dates.

a. Vivanti will bill Client for its professional services for the Work, and any Additional Work, as follows:

(1) Project management, graphic design and copywriting work will be billed on a monthly basis as incurred.

(2) Printing/ production, media, photography/illustration and event marketing fees will be billed on a monthly basis as incurred.

Each such bill (invoice) shall be submitted by Vivanti to Client on or before the fifth (15th) day of each month, and shall include (i) a description of the Work or Additional Work performed by or for Vivanti for the month preceding the date of the invoice. At any time, Client may request background documentation for invoices, which includes: (i) time reports for that month for all Vivanti (and any subcontractor of Vivanti, including Matchbox and Tibbets Media) personnel who perform Work or Additional Work under this Agreement (which shall include the date and amount of time (in 15 minute (or some other agreed upon) increments) spent by Vivanti (and any subcontractor of Vivanti) for each item worked on), (ii) true and correct copies of any and all receipts, invoices, and other documents and materials in support of the invoice, and (iii) any such additional documents, materials, or information as Client may request in connection with the invoice and/or the compensation paid to Vivanti.

b. Vivanti agrees to perform its Work as set forth in the attached Schedule 1. Client understands that Client's failure to submit required information or materials that is readily available to Client may cause delays in production and in delivery of finished Work.

c. A service charge will be applied, in accordance with Chapter 2251, Subchapter B, Tex. Gov. Code, on the portion of any past due account which is not disputed and paid within thirty (30) days.

d. Any Additional Work requested by Client may be provided at an additional cost may be mutually agreed upon in writing by both Parties at the time of the request, Additional Work may be provided on an hourly rate basis of \$135.00 per hour or other rate mutually agreed upon in writing. Additional Work is considered outside the scope of this Agreement and will result in additional fees.

5. Confidentiality.

a. Vivanti acknowledges having access to Client's Confidential Information. "Confidential Information" means all information relating to Client's business, including but not limited to the following: data, source codes, reports, analyses, computations, studies, projections, financial statements, records, notes, memoranda, trade secrets, know-how, marketing strategies, vendors, names, addresses and/or particular desires or needs of customers, merchants, vendors, suppliers or subcontractors (including but not limited to independent contractors and independent sales organizations), operating and other costs, pricing, work flow strategies, merchant control and practices, terms and conditions of agreements to which Client is a party, information concerning particular projects performed by or for Client, and other materials in whatever form maintained, whether documentary, computerized or otherwise, other than information which (i) on the date hereof or thereafter, becomes generally available to the public other than as a result of a disclosure, directly or indirectly, in violation of the terms hereof or as a result of any other person's failure to observe an obligation to Client of confidentiality or non-disclosure, (ii) was available to such party on a non-confidential basis prior to its disclosure, (iii) becomes available to such party on a non-confidential basis from a source other than the other party or its representatives, which source is not prohibited from disclosing such information to Vivanti. Vivanti shall maintain the confidentiality of all Confidential Information; however, Vivanti may disclose the Confidential Information to its employees and subcontractors approved by Client (including Matchbox and Tibbets Media) who (i) need to know such information for the purpose of providing the Work or any portion of the Work, and (ii) have been informed of the confidential nature of the Confidential Information and have agreed to maintain such confidentiality.

Vivanti shall cause, and ensure that, its subcontractors of the Work hereunder (including, without limitation, Matchbox and Tibbets Media) and any approved assignees hereof protect the confidentiality of the Confidential Information, and to that end shall require that the same enter into an agreement with Vivanti to protect the Confidential Information that is consistent with or more restrictive than the terms of the confidentiality provisions of this Agreement, including this Paragraph 5.

b. If Vivanti or its representatives (or any subcontractor or assigned of Vivant hereunder or their representatives) are requested or required (by oral questions, written interrogatories, requests for information, or documents,

subpoena, civil investigatory demand, or similar process) to disclose any of the Confidential Information, it shall provide Client with immediate notice of such request or requirement so that Client may seek an appropriate protective order or selectively waive compliance with the provisions of this Agreement. Before disclosing any Confidential Information as legally required, Vivanti will first notify Client of such obligation and assist Client in seeking a protective order or other appropriate relief. Vivanti will not disclose, reproduce or in any way allow any Confidential Information to be disclosed or used by any person without specific consent of Client's City Manager or City Attorney. Vivanti will not take with it, after termination of this Agreement, any Confidential Information that Vivanti produced, caused to be produced, or obtained during the course of Vivanti's service to Client.

c. Vivanti agrees and acknowledges that the violation of the covenants in this Paragraph 5. would cause irreparable injury to Client and that the remedy at law for any violation or threatened violation would be inadequate and that Client shall be entitled to temporary and permanent injunctive relief or other equitable relief. Vivanti represents that enforcement of a remedy by way of injunction will not prevent it from earning a livelihood. Vivanti further represents and admits that time periods contained in this Paragraph 5. are reasonably necessary to protect the interests of Client and would not unfairly or unreasonably restrict Vivanti.

d. Notwithstanding the termination of this Agreement for any reason, the provisions of Paragraph 5. of this Agreement will continue in full force and effect following such termination.

6. Intellectual Property.

a. All Work, including all materials, products, documents, drawings, reports, records, designs, concepts, images, creative, artwork, and all other information in whatever form or format, and modifications, developed or prepared by, for, or on behalf of Vivanti under or pursuant to this Agreement, are the property of Client (the "Addison Intellectual Property") and all right, title and interest therein shall vest in Addison and shall be deemed to be a "work made for hire" under United States copyright law (17 U.S.C. § 101 et seq.) and made in the course of this Agreement. To the extent that title to any such Addison Intellectual Property may not, by operation of law, vest in Addison or such works may not be considered to be work made for hire, all right, title and interest therein are hereby irrevocably assigned by Vivanti to Addison. All such Addison Intellectual Property shall belong exclusively to Addison with Addison having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Vivanti agrees to give Client, and any person designated by Client, any reasonable assistance required to perfect and enforce the rights defined in this Paragraph. Vivanti shall cause its subcontractors (including, without limitation, Matchbox and Tibbets Media) and its assignees to comply in all things and be bound by the

terms and provisions of this Paragraph to the same extent as Vivanti is required to comply herewith. Notwithstanding any other provisions to this Agreement, Vivanti and its subcontractors retain the right to display all designs as examples of their work in their portfolios, but for no other purpose without prior written consent of Client.

b. Client represents to Vivanti that any elements of text, graphics, photos, designs, trademarks, or other artwork furnished by Client to Vivanti for inclusion in the Work described in Schedule 1 are owned by Client, or that Client has permission from the rightful owner to use each of these elements.

7. Termination of Agreement; Return of Property.

a. Either Party (the "Non-breaching Party") may terminate this Agreement if the other Party (the "Breaching Party") fails to comply with any obligation or provision of this Agreement, and such failure remains uncured for a period of ten (10) days after notice thereof (which notice shall specifically identify the failure) (the "Notice of Failure") is received by the Breaching Party; however, if the failure cannot with diligence be cured within said 10 day period, if within such 10 day period the Breaching Party provides the Non-breaching Party written notice of the curative measures which it proposes to undertake, and proceeds promptly to initiate such measures to cure such failure, and thereafter prosecutes the curing of such failure with diligence and continuity, the time within which such failure may be cured shall be extended for such period as may be necessary to complete the curing of such failure with diligence and continuity, not to exceed 15 days following the date the Notice of Failure is received by the Breaching Party.

b. In addition to the right to terminate this Agreement as set forth in Paragraph 7.a, above, Client and Vivanti may terminate this Agreement, for any reason or for no reason, at any time by giving thirty (30) days written notice of termination to the non-terminating party.

c. Upon termination or expiration of this Agreement, Vivanti will promptly (but in any event within not more than 10 days after such termination or expiration) provide or return to Client all drawings, project plans, documents and other tangible manifestations of Confidential Information or Work products, and all Addison Intellectual Property, as herein defined, including all copies and reproductions thereof. In addition, Vivanti will return any other property belonging to Client.

d. Client shall pay Vivanti in accordance with this Agreement all undisputed amounts for all Work and Additional Work performed and expenses incurred prior to the date of termination. Work completed by Vivanti prior to termination shall be billed at the hourly rate of \$135, and deducted from any downpayment remitted by Client, the balance of which (if any) shall be returned to Client. If, at the time of the request for refund, work has been completed

beyond the amount covered by the initial payment, Client shall be liable to pay for all Work or Additional Work completed at the hourly rate in accordance with this Agreement.

8. Representations. Vivanti represents and warrants that (and the same shall be true at all times while this Agreement, or any portion hereof, is in effect):

a. Vivanti is a limited liability company duly organized and validly existing under the laws of the State of Texas and is qualified to do business in the State of Texas, has the legal capacity and the authority to enter into and perform its obligations under this Agreement;

b. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to make this Agreement, and this Agreement is not in contravention of Vivanti's articles or certificate of formation or regulations, or any agreement or instrument to which Vivanti is a party or by which it may be bound as of the date hereof;

c. Vivanti has the necessary legal ability to perform its obligations under this Agreement;

d. No litigation or governmental proceeding is pending, or, to the knowledge of any of Vivanti's officers, threatened against or affecting Vivanti, which may result in a material adverse change in Vivanti's business, properties or operations sufficient to jeopardize Vivanti as a going concern; and

e. This Agreement constitutes a valid and binding obligation of Vivanti, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

9. Independent Contractor. This Agreement shall not render Vivanti an employee, partner, agent of, or joint venturer with Client for any purpose. Vivanti is and will remain an independent contractor in its relationship with Client, and nothing in this Agreement creates or is intended to create and this Agreement shall not be construed to create, an employer-employee relationship, a joint venture relationship, a joint enterprise, a principal/agent relationship, or to allow Client City to exercise discretion or control over the manner in which Vivanti performs the Work or Additional Work which is the subject matter of this Agreement. Client shall not be responsible for withholding taxes with respect to Vivanti's compensation hereunder. Vivanti shall have no claim against Client hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employment benefits of any kind.

10. Laws Affecting Electronic Commerce. From time to time governments enact laws and levy taxes and tariffs affecting Internet electronic commerce. Client agrees that Client is solely responsible for complying with such laws, taxes, and tariffs, and will hold harmless, protect, and defend Vivanti and its subcontractors from any claim, suit, penalty, tax, or tariff arising from Client's exercise of Internet electronic commerce.

11. Assignment, Binding Effect.

a. Neither this Agreement nor any duties or obligations under this Agreement, except as otherwise provided herein, may be assigned, sold, transferred, or otherwise conveyed (collectively, "assignment") by Vivanti without the prior written consent of Client, which shall be in Client's sole discretion. Any such assignment without Client's prior written consent shall be null and void.

b. The covenants and conditions contained in this Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

c. Vivanti shall require each of its contractors (including, without limitation, Matchbox and Tibbets Media) to perform and complete its work and services in accordance with the contract documents between Vivanti and such contractor that concern the matters, or some of the matters, set forth in this Agreement.

12. Insurance; Vivanti's Indemnity Obligation.

a. *Insurance.* At all times in connection with this Agreement, Vivanti shall purchase and maintain in a company or companies lawfully authorized to do business in Texas such insurance coverages as set forth below:

1. Commercial general liability insurance for all of its operations at minimum combined limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate. Coverage must be amended to provide for an each-project aggregate limit of insurance.

2. Professional liability (Errors & Omissions) - with a per loss limit policy period aggregate limit of not less than \$1,000,000 per occurrence. Said insurance shall provide coverage for claims arising out of Vivanti's errors, omissions, wrongful acts, negligence, misstatement, or breach of duty in the rendering, or failure to render, the services for which it was contracted.

3. Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.

With reference to the foregoing insurance requirement, Vivanti shall specifically endorse applicable insurance policies as follows:

1. The Town of Addison, Texas shall be named as an additional insured with respect to all liability policies.

2. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison.

3. A waiver of subrogation in favor of the Town of Addison, Texas, its officers, employees, and agents shall be contained in each policy required herein.

4. All insurance policies shall be endorsed to the effect that the Town of Addison, Texas will receive at least sixty (60) days' notice prior to cancellation or non-renewal of the insurance.

5. All insurance policies, which name the Town of Addison, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.

6. Required limits may be satisfied by any combination of primary and umbrella liability insurances.

7. Vivanti may maintain reasonable and customary deductibles.

8. Insurance must be purchased from insurers that are financially acceptable to the Town of Addison and licensed to do business in the State of Texas.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, delivered to Vivanti and the Town of Addison prior to the commencement of any Services hereunder, and shall :

1. List each -insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein.

2. Specifically set forth the notice-of-cancellation or termination provisions to the Town of Addison.

Upon request, Vivanti shall furnish the Town of Addison with complete copies of all insurance policies certified to be true and correct by the insurance carrier.

b. **Vivanti's Indemnity Obligation.** Vivanti covenants, agrees to, and shall DEFEND (with counsel reasonably acceptable to Addison), INDEMNIFY, AND HOLD HARMLESS the Town of Addison, Texas and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas each being an "Addison Person" and collectively the "Addison Persons"), from and against any and all claims, liabilities, judgments, lawsuits, demands, harm, losses, damages, proceedings, suits, actions, causes of action, liens, fees, fines, penalties, expenses, or costs, of any kind and nature whatsoever made upon or incurred by the Town of Addison, Texas and/or any other Addison Person, whether directly or indirectly, (collectively, the "Claims"), that arise out of, result from, or relate to: (i) the Work and any Additional Work as described in this Agreement, including Paragraph 1 and Schedule 1 hereof, (ii) any representations and/or warranties by Vivanti under this Agreement, and/or (iii) any act or omission under, in performance of, or in connection with this Agreement by Vivanti or by any of its owners, directors, officers, shareholders, managers, partners, employees, agents, consultants, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees, or any other person or entity for whom Vivanti is legally responsible, and their respective owners, directors, officers, shareholders, owners, directors, officers, shareholders, managers, partners, employees, agents, consultants, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees (collectively, "Vivanti Persons"). SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY ADDISON PERSON, OR CONDUCT BY ANY ADDISON PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

Vivanti shall promptly advise Client in writing of any claim or demand against any Addison Person related to or arising out of Vivanti's activities under this Agreement and shall see to the investigation and defense of such claim or demand at Vivanti's sole cost and expense. The Addison Persons shall have the right, at the Addison Persons' option and own expense, to participate in such defense without relieving Vivanti of any of its obligations hereunder. The terms and provisions of this defense, indemnity and hold harmless shall survive the expiration or termination of this Agreement.

13. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid or with a nationally recognized overnight courier serviced addressed to the respective parties as follows:

If to Vivanti: Laura Schieber
Vivanti, LLC d/b/a Vivanti Group
5005 Greenville Avenue, Suite 155
Dallas, Texas 75206

If to Client: Town of Addison, Texas
5300 Belt Line Road
Dallas, Texas 75254
Attn: City Manager

Either Party may change such addresses from time-to-time by providing notice as set forth.

14. Headings; "Includes". The headings herein are for convenience of reference only and shall not be deemed to be part of the substance of this Agreement. The words "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

15. Entire Agreement, Modification, Waiver.

a. This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement.

b. This Agreement may be modified, amended or supplemented only by a written agreement signed by Vivanti and Client.

c. The failure of either Party to enforce any provision of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. No term or condition of this Agreement will be deemed waived, and no breach will be deemed excused, unless such waiver or excuse is in writing and is executed by the Party from whom such waiver or excuse is claimed.

16. Governing Law, Enforceability; Severability. This Agreement shall be governed in all respects by the laws of the State of Texas without regard to its conflict of laws principles.

It is the intention of Client and Vivanti that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the laws of the State of Texas, but that the unenforceability (or the modification to conform with such laws or public policies) of any provisions hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be determined to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provisions and to alter the balance of this Agreement (by adding thereto, as may be necessary, a provision that is as close to the intent of the original provision as possible) in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof.

17. Jurisdiction and Venue. The Parties irrevocably and unconditionally (a) agree that any suit, action or legal proceeding arising out of or relating to this Agreement shall be brought in the courts of record of the State of Texas, Dallas County or the court of the United States, Northern District of Texas; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any objection which it or he may have to the laying of venue of such suit, action or proceeding in any of such courts.

18. [Section 17 Warranty. Intentionally Deleted.]

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

20. Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights either Party may have by law, statute, ordinance, or otherwise.

21. No Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

22. Authorized Signatories. Each Party hereby represents that the undersigned officers and/or agents of the Parties are the properly authorized

persons and have the necessary authority to execute this Agreement on behalf of each of the respective Parties.

23. Dispute Resolution. Prior to the institution of any suit, action or other legal proceeding, the parties agree to submit any dispute hereunder to, and attempt in good faith to resolve such dispute through, mediation. Unless otherwise agreed in writing by the parties, mediation shall be conducted in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, and each party shall pay one-half of the mediation fee. If the dispute is not resolved by mediation, then the dispute shall be resolved by litigation, unless otherwise agreed in writing between the parties.

In Witness Whereof, the Parties have executed this Agreement effective as of the Effective Date.

Vivanti, LLC d/b/a Vivanti Group

By: Laura Schieber,
Principal

Client: _____

By: _____,
Its: _____

**Schedule 1
to
Services Agreement**

THE WORK

Over the term of this Agreement Vivanti will deliver the following key deliverables:

- Marketing strategy and project management services for Special Event Marketing
- Creative concepts and implementation for five special events including Taste Addison, Oktoberfest, Worldfest, Kaboom Town! and Summer Series (each an “Event” and collectively “Events”).
- Marketing strategy and project management services for Economic Development marketing
- Marketing strategy and project management services for Visitor Services
- Media plan / budget / schedule
- Media purchase, coordination and submission for all advertising placements

- Additional marketing and advertising services for other Town of Addison departments and special projects as needed. This work will be estimated by Vivanti and agreed to by both parties prior to project inception.

I. EVENTS

Total budget for all Events not to exceed \$198,400 (this includes all hourly rate fees as described in Paragraph 3.a. above and all out-of-pocket expenses (plus any mark-up) as described in Paragraph 3.c. above). The scope of work for each event is limited to the items detailed below. Any additional items to support Events not included on this list requested by the Town of Addison will be considered Additional Work to be estimated separately unless the new item replaces another item of equal value.

All pricing is based on hourly estimates for work based on *presenting two (2) initial concepts for each with three (3) rounds of revisions*. For each Event, as requested by Client from time to time, Vivanti will provide the following at a not-to-exceed dollar amount identified (e.g., the total fees, costs, and expenses (including all hourly rate fees as described in Paragraph 3.a. and all out-of-pocket expenses (plus any mark-up) as described in Paragraph 3.c.)_ for Marketing Strategy and Project Management, as set forth below, shall not exceed \$16,000):

**Marketing Strategy and Project Management
(handled by Vivanti) \$16,000**

- Establish marketing objectives, strategies and metrics for measuring success for the Events
- Attend all event marketing meetings
- Weekly status call to review outstanding items with the Town of Addison
- Track budget, schedule and list of deliverables to ensure timely completion, review and submission.
- Provide a written marketing report following each event (to be provided to Client not later than the last day of the month next following the event that is the subject of the report)
 - Event attendance
 - Marketing recap reports
 - Impressions and/or response rates for all media
 - Update on marketing activities completed during the period
 - Tracking success metrics identified in the marketing plan
 - Success Stories

Media plan / budget / schedule

(to be handled by Vivanti through Tibbets Media) \$2,000

The document will lay out specific media to be used to execute the marketing campaign for the Town of Addison Events. It will include a detailed implementation plan including a monthly schedule and budget. Scope includes initial presentation of draft plan with two rounds of changes/edits for Client consideration of approval.

Media purchase, coordination and submission

(to be handled by Vivanti through Tibbets Media) \$48,000

The scope of work includes:

- Purchasing media and trafficking creative to vendors and media channels in a timely fashion to meet campaign deadlines outlined in the marketing and media plan.
- Cost for all ad buys.
- Ensure the creative team is aware of media specifications and double check that materials are in the appropriate formats required by vendors / media outlets.

Photography/ Illustration

(to be handled by Vivanti through Matchbox) \$15,000

Purchase of illustration and/or photography to be used in the Event campaigns.

Graphic Design for Events (to be handled by Vivanti through Matchbox)
\$57,400

Execute all creative deliverables for Events as outlined below. Scope of graphic design services for Events is limited to the items outlined in the following list. This list of deliverables was created based on the marketing deliverable list provided by the Town of Addison. *Additional Work is considered outside the scope of this Agreement and will result in additional fees.*

Please see the following page for the listing of creative deliverables for the special events.

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Events Creative Deliverables:

Taste of Addison \$21,050

Concept Refresh
Logo
Web Banner
Flyer
Free Admission Ticket
Albertsons Ticket - \$10 Anytime
Email Blast Header
Kiosks (1 design)
Event Program
Ticket Booth Posters (1 design)
Posters (1 design)
Belt Line Banner
Parking Passes
Print Ad (1 design)
Print Ad Resizes (7)
Online Ad (1 design)
Online Ad Resizes (4 resizes)
Sandwich Board at Vitruvian Park
Stage Design
Step & Repeat

Summer Series \$8,550

Create Logo
Concept Refresh
Web Banner
Kiosk (1 design)
Print Ad
Print Ad Resizes (1)
Poster (1)
Belt Line Banner

Kaboom Town \$9,250

Concept Refresh
Web Banner
Email Blast Header
Parking Passes
Tickets
Kiosk (1 design)
Print Ad (1 design)
Print Ad Resizes (6)
Online Ad (1 design)

Online Ad Resizes (2 resizes)
Posters (1 design)
Belt Line Banner

Oktoberfest \$22,300

Concept Refresh
Web Banner
Email Blast Header
Program

Parking Passes
Flyer
Kiosk (1 design)
Free Admission Tickets
Albertsons Tickets - \$5 Anytime
Ticket Booth Posters (1 design)
Posters (1 design)
Buttons (1 design)
Print Ad (1 design)
Print Ad Resizes (8)
Online Ad (1)
Online Ad Resizes (5)
Belt Line Banner
Billboard (1)
Franz / Paulina stand with dogs
Mustaches
Coaster Artwork (1 design)
Bottleneck Hangers (1 design)
Case Cards (1 design)

Worldfest \$9,900

Concept Refresh
Web Banner
Email Blast Header
Flyer / Program Card
Kiosks (1 design)
Posters (1 design)
Print Ad (1 design)
Print Ad Resizes (1 resize)
Online Ad (1 ad)
Online Ad Resizes (1 resize)
Tickets or Invitations (1 design)
Event Giveaway Item (1 item)

Printing (to be handled by Vivanti through Matchbox) \$60,000

Budget for all printing / production of all marketing collateral for the Events outlined in the Events creative deliverables.

- Event tickets
- Parking passes
- Event programs
- Flyers
- Kiosk displays
- Ticket Booth Posters
- Step and Repeat Background

Copywriting (to be handled by Vivanti) \$10,000

Development of a tagline / theme for each Event along with editing services for all collateral pieces outlined in the Events creative deliverables above based on content provided by the Town of Addison.

Miscellaneous Expenses \$1,600

Small contingency for unexpected items not included in our project scope and for incidental reimbursed expenses.

II. ECONOMIC DEVELOPMENT

Total budget for economic development is not to exceed \$133,765 (this includes all hourly rate fees as described in Paragraph 3.a. above and all out-of-pocket expenses (plus any mark-up) as described in Paragraph 3.c. above). The scope of work Economic Development is limited to the items outlined below. Any additional items to support Economic Development not included on this list requested by the Town of Addison will be considered Additional Work to be estimated separately unless the new item replaces another item of equal value.

The fees and expenses below reflect the cost to concept, write, design and produce marketing collateral for the Town of Addison. *For each project, Vivanti will show and provide to Client a first round of two (2) creative concepts. If a design is not chosen in the first round, this fee includes one (1) additional round of creative, OR three (3) rounds of revisions to a selected design. Any additional rounds will be estimated separately.* Once a design direction is chosen, designs will move into production. Production includes making any final tweaks to the design, and prepping files to print. Vivanti, through Matchbox, will coordinate and oversee printing. The estimates below are based on an hourly estimate billed at \$135 an hour.

Economic Development creative deliverables (the dollar amounts identified are estimated not-to-exceed amounts, and include all fees, costs and expenses (e.g., the total fees, costs, and expenses (including all hourly rate fees as described in Paragraph 3.a. and all out-of-pocket expenses (plus any mark-up) as described in Paragraph 3.c.)_ for Email Template, as set forth below, shall not exceed \$2,000):

Ad Re-sizing **\$8,400**
\$350 each, assume 24 for the year.

10' x 10' Tradeshow Booth Display **\$6,250***

(*balance from original fee of \$12,500)

Concept, Design and Production of One Display

(Fee required to complete the booth display began in FY 2013. A portion of the fee has been paid and approximately half the work remains. Breakdown of the remaining fee is as follows: Design / Copy Concepts and graphic production \$2,250; Booth purchase and printing \$4,000)

Email Template **\$2,000**

Concept, design, produce and host one email template for the Economic Development department. The look and feel of the email template package will be based on the approved Brand Style Guide. The package will include design, html programming, set-up of the Vivanti email blast system, monthly hosting, uploading the initial Email blast list and employee training. Writing, editing and sending Emails will be handled by Economic Development staff and isn't included in the price.

Pocket Folder / Brochure **\$10,575***

(*balance from original fee of \$13,950)

Fee required to complete the pocket folder / brochure that began in FY 2013. \$3,375 has been paid as a deposit on design and writing.) Concept, design, write and produce a pocket folder brochure. The brochure will include an outside piece (the pocket folder) and in interior piece, such as a four pages stitched-in OR an extra folder panel. The pocket folder will include two business card holders. Once a design direction has been chosen, produce the pocket folder/brochure. Production includes making final tweaks to the design, typesetting the copy, prepping the files to print and overseeing printing. (Breakdown of the original fee is as follows: Design and graphic production of pocket folder/brochure \$4,000; Copywriting for folder/brochure \$2,750; Photography \$3,500; Printing for 500 each of pocket folder/brochure \$3,700)

Media purchase, coordination and submission (to be handled by Vivanti through Tibbets Media) **\$78,540**

The scope of work includes:

- Developing media plan
- Purchasing media and trafficking creative to vendors and media channels in a timely fashion to meet campaign deadlines outlined in the marketing and media plan.

- Cost for all ad buys.
- Ensure the creative team is aware of media specifications and double check that materials are in the appropriate formats required by vendors / media outlets.

Project management

\$8,000

Vivanti Group will invoice monthly for efforts to support the economic development marketing initiatives. Activities include the following:

- Recommendations / coordinating media plan.
- Establish strategies and metrics for measuring success of marketing efforts.
- Track budget, schedule and list of deliverables to ensure timely completion, review and submission.
- Develop Creative Brief for each Event campaign to paint a picture of the project goals such that the copywriters and designers working on the job will be fully informed and working toward a common and accurate target.
- Provide an annual written marketing report each November 15
 - Update on marketing activities completed during the period
 - Tracking success metrics
 - Report on work underway
 - Set new marketing objectives and strategies

III. MARKETING CONSULTING

\$12,960

Vivanti Group will invoice monthly for marketing strategy, project management and consulting services to the Town of Addison marketing department related to planning for upcoming projects and initiatives. This includes time for weekly project meetings, strategy and planning for upcoming projects and attending other special planning meetings. Additional hours required will be considered Additional Work and will be estimated and agreed to separately.

ADDITIONAL WORK

Vivanti Group (whether on its own or through Matchbox or Tibbets) will, as may be requested by Client from time to time, also support the marketing efforts of other Town of Addison departments and special projects. Additional Work includes work not included within the scope of The Work I. Special Event, II. Economic Development and III Marketing departments. It also includes all other Town of Addison projects.

Specific estimates for all Additional Work will be provided on a project by project basis after complete project scope is defined and prior to initiation of work. All estimates will be provided based on the Vivanti Group hourly rate of \$135.

This work will be estimated by Vivanti and agreed to in writing and signed by both parties prior to project inception.

TEAM MEMBER RESPONSIBILITIES

Vivanti ensures that Work and Additional Work provided directly by Vivanti along Tibbets Media and Matchbox, are thoroughly coordinated from planning through implementation. Specific roles for each of Vivanti, Matchbox, and Tibbets Media, as determined by Vivanti, follow.

Vivanti Group

- Project management
- Marketing strategy
- Planning
- Writing / editing
- Reporting

- Creative services
- Art direction
- Production and printing oversight/management
- Photography / illustration

Matchbox

- Branding

Tibbets Media

- Media planning, buys, scheduling and placement

PROCESS

Vivanti Group is available to begin the Work immediately. The project steps are outlined below as a way to imagine the proposed approach. The final project timeline will be complete by March 31.

Planning / strategy – Completed March 31.

- Initial presentation of marketing plan with objectives, strategies, metrics and schedule

- Media plan / schedule / budget allocation

- Review plans with Client and revise for final deliverable

Taste Campaign

- Concept development / presentation

- Revisions / Client approval

- Creative implementation development / revisions / approval / execution

- Track and report results

- Modify plan based on results

Economic Development Campaign

- Concept development / presentation

- Revisions / Client approval

- Creative implementation development / revisions / approval / execution

- Track and report results

- Modify plan based on results

Summer Series Campaign

- Concept development / presentation

- Revisions / Client approval

- Creative implementation development / revisions / approval / execution

- Track and report results

- Modify plan based on results

Kaboom Town! Campaign

- Concept development / presentation

- Revisions / Client approval

- Creative implementation development / revisions / approval / execution

- Track and report results

- Modify plan based on results

Oktoberfest Campaign

Concept development / presentation

Revisions / Client approval

Creative implementation development / revisions / approval / execution

Track and report results

Modify plan based on results

Worldfest Campaign

Concept development / presentation

Revisions / Client approval

Creative implementation development / revisions / approval / execution

Track and report results

Modify plan based on results

Council Agenda Item: # R 2d

AGENDA CAPTION:

Consideration and approval of a unit cost annual contract with American Landscape Systems not to exceed \$125,000, for supplying and planting shrubbery, native grasses, ground cover, turf sod and perennial plants for parks department landscape refurbishment projects throughout the Town's parks, municipal buildings, streetscapes and trail green belts.

FINANCIAL IMPACT:

Staff is requesting approval to replace and/or refurbish landscaping at various sites in town at a cost not to exceed \$125,000, based on the unit prices listed on the attached Scope of Services/Bid Tabulation Form. The unit costs totals are shown on the bottom of the spreadsheet indicating American Landscape Systems as the lowest bidder.

This is a budgeted item in the FY2013-1014 Parks Operations Budget. The Town will have the option of renewing this contract four additional years if agreeable to both parties, which will preclude having to re-bid the work annually.

BACKGROUND:

The parks department budgets funds annually to refurbish landscaping to update timeworn or missing landscaping. The scope of services for each area in town is outlined on the attached Scope of Services/Bid Tabulation Form.

RECOMMENDATION:

American Landscape Systems has successfully completed extensive landscape work for the Town over the past fifteen years. Staff recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Raise Property Values, Attract new businesses to Addison, Brand Protection and Enhancement, Infrastructure improvement and maintenance, Look for Operational Efficiencies without cutting services, Promote Sustainability

ATTACHMENTS:

Description:

 [Scope of Services/Bid Tabulation](#)

Type:

Backup Material

Scope of Services for Unit Cost Annual Contract - Parks Operations Budget FY 2013-2014						
1. Restore right-of-way turf and ground cover along Beltway Drive from Marsh Lane to the Athletic Club.						\$13,000
2. Re-sod all turf areas at Town Hall to eliminate labor intensive annual seeding of fescue grass.						\$25,000
3. Refurbish the lawn area with ground cover in front of the Celestial Pump Station.						\$10,000
4. Re-plant ground cover in Beckert Park worn down by special event activity duringr summer events.						\$5,000
5. Refurbish tree well beds throughout the Addison Circle District with shrubs and perennials.						\$50,000
6. Re-plant the south side of Town Park where the perimeter fence was removed and replaced.						\$2,000
7. Refurbish ground cover on the Arapaho Road medians from Surveyor Road to Marsh Lane.						\$5,000
8. Plant new ground cover on the Quorum Drive medians where grass has receded due to maturing trees.						<u>\$15,000</u>
						\$125,000
<u>Bid Tabulation Form</u>						
Description	American Landscape Systems	Smith Lawn & Tree	All Around Lawn Care	Green Scaping	Greener Pastures Landscape	
1-gallon Weeping Love Grass	\$5.95	\$3.78	\$9.00	\$12.00	\$12.50	
1- gallon Mexican Feather Grass	\$5.95	\$3.78	\$9.00	\$12.00	\$12.50	
3-gallon Gulf Stream Nandina	\$16.50	\$21.00	\$21.00	\$27.00	\$35.00	
5-gallon Gulf Stream Nandina	\$27.50	\$29.40	\$38.00	\$31.00	\$52.00	
3-gallon Compact Nandina	\$17.00	\$21.00	\$13.50	\$27.00	\$32.00	
3-gallon Moonbay Nandina	\$27.50	\$24.00	\$28.00	\$27.00	\$32.00	
5-gallon Moonbay Nandina	\$37.50	\$29.50	\$46.00	\$31.00	\$52.00	
3-gallon Endless Summer Hydrangea	\$34.50	\$24.50	\$38.00	\$27.00	\$41.00	
3-gallon Oakleaf Hydrangea	\$37.50	\$24.50	\$27.00	\$27.00	\$41.00	
3-gallon Encore Azaleas (selected varieties)	\$29.50	\$25.50	\$28.00	\$27.00	\$45.00	
2-gallon Holly Fern	\$7.95	\$19.40	\$24.50	\$14.00	\$27.15	
1-gallon Asian Jasmine	\$2.95	\$3.78	\$3.00	\$10.00	\$21.50	
1-gallon Purple Winter Creeper	\$2.95	\$3.78	\$6.25	\$10.00	\$21.80	
2-gallon Dwarf Yaupon	\$13.25	\$14.50	\$6.50	\$16.00	\$24.50	
3-gallon Dwarf Yaupon	\$13.25	\$16.50	\$16.00	\$24.00	\$41.00	
3-gallon Knockout Rose	\$27.50	\$25.60	\$24.50	\$28.00	\$35.00	
2-gallon Fairy Rose	\$14.50	\$16.50	\$24.50	\$17.00	\$29.87	

2-gallon Drift Rose	\$22.95	\$18.50	\$21.00	\$18.00	\$18.85	
3-gallon Dwarf Burford Holly	\$13.25	\$16.50	\$12.65	\$24.00	\$15.00	
3-gallon Chinese Holly	\$13.25	\$16.50	\$21.00	\$25.00	\$29.50	
3-gallon Carrisa Holly	\$13.25	\$16.50	\$16.00	\$25.00	\$35.00	
3-gallon Cleyera	\$13.25	\$16.50	\$24.50	\$27.00	\$45.00	
3-gallon Dwarf Abelia	\$13.25	\$18.50	\$24.50	\$27.00	\$31.00	
3-gallon Anthony Waterer Spirea	\$13.25	\$18.50	\$17.75	\$27.00	\$34.00	
3-gallon Variegated Pittosporum	\$17.50	\$16.50	\$21.00	\$27.00	\$41.00	
3-gallon Wintergreen Boxwood	\$13.25	\$16.50	\$17.75	\$24.00	\$41.00	
3-gallon Leatherleaf Mahonia	\$23.50	\$17.50	\$21.00	\$27.00	\$39.15	
3-gallon Rosemary	\$19.50	\$17.50	\$24.50	\$25.00	\$25.00	
1-gallon Giant Liriope	\$2.95	\$14.50	\$7.50	\$10.00	\$12.50	
1-gallon Standard Green Liriope	\$4.65	\$3.75	\$4.25	\$10.00	\$12.50	
1-gallon Variegated Liriope	\$3.25	\$4.50	\$4.25	\$11.00	\$12.50	
1-gallon Silver Dragon Liriope	\$4.65	\$5.25	\$6.00	\$12.00	\$12.50	
1-gallon Dwarf Mondo Grass	\$3.95	\$3.75	\$4.50	\$11.00	\$12.50	
1-gallon Standard Mondo Grass	\$3.95	\$4.25	\$4.25	\$11.00	\$12.50	
2-gallon Plum Delight Loropetalum	\$13.25	\$18.50	\$21.00	\$17.00	\$31.00	
5-gallon Miniature Weeping Crape Myrtle	\$37.50	\$32.00	\$29.50	\$30.00	\$51.00	
3-gallon Gulf Muhly Grass	\$16.50	\$24.00	\$21.00	\$24.00	\$39.50	
3-gallon Russian Sage	\$21.50	\$18.50	\$21.00	\$26.00	\$29.80	
5-gallon Red Yucca	\$21.50	\$21.50	\$19.00	\$30.00	\$64.00	
5-gallon Soft Leaf Yucca	\$23.50	\$21.50	\$38.00	\$30.00	\$64.00	
1-gallon Aspidistra-Cast Iron Plant	\$7.95	\$7.50	\$9.25	\$11.00	\$22.00	
1-gallon Texas Gold Columbine	\$7.85	\$7.50	\$7.00	\$11.00	\$25.60	
1-gallon Farfugium Leopard Plant	\$9.75	\$8.50	\$7.50	\$11.00	\$14.50	
1-gallon Turks Cap	\$7.95	\$8.50	\$9.25	\$11.00	\$12.50	
1-gallon Purple Wantering Jew	\$7.95	\$7.50	\$9.50	\$11.00	\$12.00	
1-gallon Purple Heart Plant	\$7.95	\$7.50	\$7.50	\$11.00	\$12.00	
1-gallon Tradescantia Pallida	\$7.95	\$8.50	\$7.50	\$11.00	\$12.40	
1-gallon Heuchera Coral Bells	\$7.75	\$8.50	\$7.50	\$11.00	\$18.20	
1-gallon Bearded Iris (selected varieties)	\$9.50	\$9.50	\$9.25	\$11.00	\$18.40	
1-gallon Cannas (selected varieties)	\$7.75	\$9.25	\$10.95	\$11.00	\$11.40	
2-gallon American Beautyberry	\$21.50	\$16.50	\$29.50	\$18.00	\$16.70	

2-gallon Butterfly Ginger	\$23.75	\$16.50	\$11.00	\$18.00	\$24.60	
1-gallon Saxifraga	\$9.95	\$8.50	\$7.50	\$11.00	\$17.00	
2-gallon Pavonia	\$24.75	\$8.50	\$7.50	\$18.00	\$19.30	
1-gallon John Fanick Phlox	\$9.95	\$7.25	\$7.50	\$11.00	\$15.70	
1-gallon Victoria Phlox	\$8.75	\$7.50	\$7.50	\$11.00	\$15.70	
1-gallon Blackeyed Susan	\$7.75	\$8.50	\$7.50	\$11.00	\$9.50	
1-gallon Lindheimers Gaura	\$7.75	\$8.50	\$7.50	\$11.00	\$14.10	
1-gallon Purple Coneflower	\$7.75	\$8.50	\$6.25	\$11.00	\$15.00	
1-gallon Hardy Hibiscus	\$9.95	\$10.50	\$7.50	\$11.00	\$15.00	
1-gallon Mystic Spires Blue Salvia	\$7.75	\$9.25	\$6.50	\$11.00	\$11.20	
1-gallon Henry Duelberg Salvia	\$8.95	\$9.25	\$6.25	\$11.00	\$11.20	
1-gallon Stella dOro Daylily	\$8.95	\$9.50	\$6.25	\$11.00	\$11.20	
1-gallon Orange Crush Daylily	\$11.25	\$9.50	\$6.50	\$11.00	\$11.20	
Common Bermuda	\$0.50	\$0.27	\$0.32	\$0.30	\$0.27	
Tex-Turf 10 Hybrid Bermuda	\$0.65	\$0.35	\$0.75	\$0.30	\$0.29	
CT-2 Hybrid Bermuda	\$0.65	\$0.48	\$0.65	\$0.32	\$0.29	
Celebration Bermuda	\$0.95	\$0.61	\$0.65	\$0.32	\$0.29	
Raleigh St. Augustine	\$0.65	\$0.61	\$0.65	\$0.42	\$0.27	
Palisades Zoysia	\$1.05	\$1.02	\$0.75	\$0.48	\$0.29	
El Toro Zoysia	\$1.05	\$1.15	\$0.75	\$0.48	\$0.29	
Zeon Zoysia	\$1.05	\$1.25	\$0.75	\$0.48	\$0.29	
Buffalo	\$0.95	\$0.78	\$0.65	\$0.50	\$0.31	
Groundcovers, perennials, shrubs	\$0.45	\$16.50	\$12.50	\$0.90	\$12.40	
Roses	\$0.75	\$21.00	\$12.50	\$1.15	\$42.00	
Grass sod	\$0.05	\$0.45	\$0.32	\$0.05	\$0.29	
3/16 steel edging	\$2.75	\$2.90	\$5.50	\$2.70	\$17.80	
TOTAL	\$917.70	\$936.89	\$1,011.34	\$1,158.40	\$1,706.10	

Council Agenda Item: #R3

AGENDA CAPTION:

Discussion and consideration of approval of a naming opportunity for the Arapaho Road Bridge.

FINANCIAL IMPACT:

N/A

BACKGROUND:

Purpose of the item is to discuss possible naming opportunities for the Arapaho Road Bridge, potentially involving former Addison Mayor Scott Wheeler.

RECOMMENDATION:

COUNCIL GOALS:

Maintain and enhance our unique culture of creativity and innovation, Brand Protection and Enhancement

ATTACHMENTS:

Description:

Type:

No Attachments Available

Council Agenda Item: #R4

AGENDA CAPTION:

Presentation, discussion and consideration of approval of a contract with Tiburon Inc. to provide a hosted SaaS (Software as a Service) solution called "DispatchNow" in a secure Cloud Computing environment to replace the existing Computer Aided Dispatch (CAD) system and PRMS (Police Reporting System), and of approval of an Ordinance amending the budget for the fiscal year ending September 30, 2013 to accommodate initial payment of the same.

FINANCIAL IMPACT:

Budget: \$0.0 Cost: \$369,213

BACKGROUND:

This item was tabled on February 26 in order to give staff more time to further clarify the following items:

- ¹ Total years of commitment,
- ¹ Tiburon's financial stabilities,
- ¹ Business continuity plan in case Tiburon claims bankruptcy or it goes through a receivership process.

The total years of commitment has been changed to 3 1/2 years or \$876,867 (Upfront cost \$369,213 + (\$12,087*42 months = \$507,654)). It should be noted the total maintenance fee that Addison will pay for the next 3 1/2 years support will be \$567,621 under the existing model.

Tiburon has submitted their financial statements for Eric Cannon's review and information.

Tiburon has agreed to replicate a fully operational system in Addison that will be situated at the EOC (Emergency Operation Center). This system will allow the Town to maintain the host-based executables on local servers for use should Tiburon be unable to contractually provide hosted services.

RECOMMENDATION:

Staff recommends that the Council authorize the City Manager to enter into a contract with Tiburon Inc. to provide Secure Cloud Computing services called “DispatchNow” in the amount of \$369,213 subject to the City Attorney's final approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Look for Operational Efficiencies without cutting services, Enhance Public Safety

ATTACHMENTS:

Description:

 [Eric Cannon's Memo](#)

 [Original Proposed Contract](#)

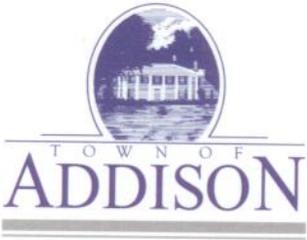
 [Proposed Modifications to the Original Proposed Contract](#)

Type:

Cover Memo

Cover Memo

Cover Memo



FINANCIAL & STRATEGIC SERVICES

Post Office Box 9010, Addison, Texas 75001-9010

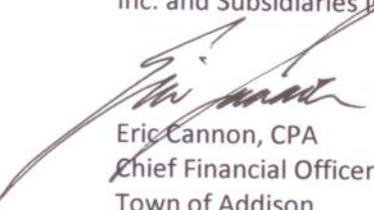
FAX: (972) 450-7096

(972) 450-7051 5350 Belt Line Road

Mr. Khaleghipour,

I have reviewed the provided financial information for Tiburon, Inc. and Subsidiaries. Based on the information provided, I see no significant financial issues that should cause the Town of Addison to remove Tiburon, Inc. and Subsidiaries as a business partner going forward. However, the audited financial information that was provided was for the time period ending December 31, 2011. Therefore, this recommendation is subject to change based on any material events subsequent to the provided report date.

Also, the Town of Addison has added language to the contract removing any future obligation if Tiburon, Inc. and Subsidiaries is unable to maintain their operations.



Eric Cannon, CPA
Chief Financial Officer
Town of Addison

MASTER SUBSCRIPTION TERMS AND CONDITIONS

Upon execution of this agreement (“**Effective Date**”), the following Master Subscription Terms and Conditions (“**Terms and Conditions**”) shall govern the Services to be provided to **Town of Addison, Texas** (“**Customer**”) by **Tiburón, Inc.**, a Virginia corporation, having its principal place of business at 3000 Executive Parkway, Suite 500, San Ramon, California 94583 (“**Service Provider**”). Unless expressly set forth in the attached Quote Document, no other terms and conditions shall apply to the performance of the Services, including but not limited to any additional terms and conditions on Customer provided purchase order documents.

1. Definitions.

"**Affiliate**" means any governmental entity Customer performs dispatching services on behalf of.

"**Customer**" means the governmental entity acquiring Service Providers Services.

"**Customer Data**" means all electronic data or information submitted by Customer to the Service.

"**Initial Term**" means **five (5) years** from the date Services are available to Customer for live production use or twelve (12) months from the date these Terms and Conditions are executed by the parties, whichever occurs first as determined by Service Provider.

"**Malicious Code**" means viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs.

"**Quote Document**" means the document provided to Customer by Service Provider which details the pricing for the services to be provided hereunder and is attached hereto as Exhibit A.

"**Service**" shall mean the services to be provided pursuant to the Quote Document.

"**User Guide**" means the User manuals and guides provided upon delivery of the Services, as may be updated from time to time.

"**Users**" means individuals who are authorized by Customer to use the Service, for whom subscriptions to the Service have been purchased. Users may include but are not limited to employees, consultants, contractors and agents of Customer or its Affiliates.

2. Service.

2.1 Provision of Service. During the term of the subscription and any renewal subscription period, Service Provider shall make the Service available to Customer and its Users pursuant to these Terms and Conditions and shall provide maintenance and support services in accordance with the Maintenance and Support Guidelines, which are attached hereto as Exhibit B.

2.2 Additional Users. User subscriptions are for a specified number of concurrent Customer Users and/or workstations, as provided in the Quote Document, and cannot be shared or used by others outside of Customer. Customer and/or Customer Affiliates may purchase additional User subscriptions at Service Provider's then current rates subject to these Terms and Conditions. Such additional User subscriptions shall be coterminous with the Customer's Initial Term or Renewal Term, as defined below in Section 11.2, as applicable.

2.3 Customer Affiliates. Customer and/or Customer Affiliates may purchase additional User subscriptions subject to these Terms and Conditions.

3. Use of the Service.

3.1 Service Provider Responsibilities. Service Provider shall: (i) in addition to its confidentiality obligations hereunder, not use, modify or disclose to anyone other than Users the Customer Data; (ii) maintain the security and integrity of the Service and the Customer Data; (iii) provide support to Customer in accordance with the Maintenance and Support Guidelines attached hereto as Exhibit A and incorporated herein by this reference, at no additional charge; and (iv) use commercially reasonable efforts to make the Service available 24 hours a day, 7 days a week, except for: (a) planned downtime (of which Service Provider shall give Customer at least 8 hours notice; or (b) any unavailability caused by circumstances beyond Service Provider's reasonable control, including without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Service Provider employees, contractors or agents), computer, telecommunications, Internet service provider or hosting facility failures or delays involving hardware, software or power systems not within Service Provider's possession or reasonable control.

MASTER SUBSCRIPTION TERMS AND CONDITIONS

3.2 Customer Responsibilities. Customer is responsible for all activities that occur in User accounts and for Users' compliance with these Terms and Conditions. Customer shall: (i) have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Data; (ii) use commercially reasonable efforts to prevent unauthorized access to, or use of, the Service, and notify Service Provider promptly of any such unauthorized access or use; (iii) comply with all applicable local, state, and federal laws in using the Service, and (iv) perform all Customer responsibilities as set forth in these Terms and Conditions.

3.3 Use Guidelines. Customer shall use the Service solely for its internal business purposes as contemplated by these Terms and Conditions and shall not intentionally: (i) license, sublicense, sell, resell, rent, lease, transfer, assign, distribute, time share or otherwise commercially exploit or make the Service available to any third party, other than to Users or as otherwise contemplated by these Terms and Conditions; (ii) send or store Malicious Code; (iii) interfere with or disrupt the integrity or performance of the Service or the data contained therein; or (iv) attempt to gain unauthorized access to the Service or its related systems or networks.

4. Fees & Payment.

4.1 User Fees and Payment. The total fee for the services to be provided hereunder is \$992,580, with \$121,180.29 due at the time these Terms and Conditions are fully signed by the parties, \$121,180.29 due upon completion of the project kickoff meeting and delivery of the statement of work, and \$126,852.42 due upon cutover of the Services. The remaining \$507,654 will be payable in Sixty (60) monthly installments, with \$12,087 due each month starting with month one (1) through month forty-two (42), and \$6,428.50 due each month starting with month forty-three (43) through month sixty (60). Month 1 will begin upon the Services being made available for live production use or twelve (12) month's from the date these Terms and Conditions are executed by the parties, whichever occurs first. The monthly fees shall be due Net-30 from the first of each month, with the first and last month pro-rated accordingly. A late penalty of three percent (3%) per month shall be added to each invoice that is past due. Such fees specifically exclude all taxes. Except as otherwise provided, all fees are quoted and payable in United States dollars. Except as otherwise specified herein, fees are based on services purchased and not actual usage, and the number of subscriptions purchased cannot be decreased during the relevant subscription term. The Customer hereby represents and warrants that it has duly appropriated or otherwise set aside funds in an amount at least equal to the Contract Price to satisfy its payment obligations hereunder.

4.2 Suspension of Service. If Customer's account is past-due (except with respect to charges then under reasonable and good faith dispute), in addition to any of its other rights or remedies, Service Provider reserves the right to suspend the Service provided to Customer, until such amounts are paid in full at which time Service will be restored.

5. Proprietary Rights.

5.1 Reservation of Rights. Subject to the limited rights expressly granted hereunder, Service Provider reserves all rights, title and interest in and to the Service, including all related intellectual property rights. No rights are granted to Customer hereunder other than as expressly set forth herein.

5.2 Customer Data. As between Service Provider and Customer, Customer exclusively owns all rights, title and interest in and to all Customer Data. Customer Data is deemed Confidential Information under these Terms and Conditions. Service Provider shall not access Customer's User accounts, including Customer Data, except to respond to service or technical problems or at Customer's request.

5.3 Restrictions. Customer shall not (i) modify, copy or create derivative works based on the Service; (ii) frame or mirror any content forming part of the Service, other than on Customer's own intranets or otherwise for its own internal business purposes; (iii) reverse engineer the Service; or (iv) access the Service in order to (A) build a competitive product or service, or (B) copy any ideas, features, functions or graphics of the Service.

6. Confidentiality.

6.1 Definition of Confidential Information. As used herein, "**Confidential Information**" means all confidential and proprietary information of a party ("**Disclosing Party**") disclosed to the other party ("**Receiving Party**"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure, including the Customer Data, the Service, business and marketing plans, technology and technical information, product designs, and business processes. Confidential Information (except for Customer Data) shall not include any information that: (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party; (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the

MASTER SUBSCRIPTION TERMS AND CONDITIONS

Disclosing Party; (iii) was independently developed by the Receiving Party without breach of any obligation owed to the Disclosing Party; or (iv) is received from a third party without breach of any obligation owed to the Disclosing Party.

6.2 Confidentiality Survival. The obligations hereunder with respect to each item of Customer Confidential Information and Service Provider Confidential Information shall survive the termination of these Terms and Conditions.

6.3 Confidentiality. The Receiving Party shall not disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of these Terms and Conditions, except disclosure of Confidential Information shall not be precluded if (i) such disclosure is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; provided, however, that the recipient of such Confidential Information shall first have given notice to the other party and shall have made a reasonable effort to obtain a protective order requiring that the information to be disclosed be used only for the purposes for which the order was issued; (ii) such disclosure is necessary to establish rights or enforce obligations under these Terms and Conditions, but only to the extent that any such disclosure is necessary for such purpose and the Disclosing Party was provided prior written notice and the opportunity to obtain an injunction against such disclosure; or (iii) the recipient of such Confidential Information received the prior written consent to such disclosure from the disclosing party, but only to the extent permitted in such consent.

6.4 Protection. Each party agrees to protect the confidentiality of the Confidential Information of the other party in the same manner that it protects the confidentiality of its own proprietary and Confidential Information of like kind (but in no event using less than reasonable care).

6.5 Remedies. If the Receiving Party discloses or uses (or threatens to disclose or use) any Confidential Information of the Disclosing Party in breach of confidentiality protections hereunder, the Disclosing Party shall have the right, in addition to any other remedies available to it, to seek injunctive relief to enjoin such acts, it being specifically acknowledged by the parties that any other available remedies are inadequate.

7. Warranties & Disclaimers.

7.1 Warranties. Each party represents and warrants that it has the legal power to enter into these Terms and Conditions. Service Provider represents and warrants that (i) it will provide the Service in a manner consistent with general industry standards reasonably applicable to the provision thereof; (ii) the Service shall perform materially in accordance with the User Guide; (iii) it owns or otherwise has sufficient rights in the Service to grant to Customer the rights to use the Service granted herein; and (iv) the Service does not infringe any intellectual property rights of any third party.

7.2 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, SERVICE PROVIDER MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

8. Indemnification. Service Provider agrees to protect, defend, indemnify, and save the Customer, its agents, officials, employees, or any firm, company, organization, or individual to whom the Customer may be contracted, harmless from and against any and all claims, demands, actions, and causes of action of which Service Provider is given prompt notification and over which Service Provider is given control to resolve (*the "Indemnified Matters"*), which may arise on account of illness, disease, loss of property, services, wages, death or personal injuries resulting from Service Provider's willful misconduct or negligence in the performance of the Services hereunder; provided, however, that in no event shall Service Provider be liable for the accuracy or completeness of Customer Data, and under no circumstances shall Service Provider be liable for special, incidental or consequential damages. Service Provider agrees to further indemnify the Customer for all reasonable expenses and attorney's fees incurred by the Customer in connection with the Indemnified Matters.

9. Limitation of Liability. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER HEREUNDER DURING THE TWELVE MONTHS PRECEDING THE INCIDENT GIVING RISE TO LIABILITY. IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

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10. Insurance. Service Provider shall procure and maintain in effect during the term of these Terms and Conditions the following insurance coverages, naming Customer as an additional insured, with an insurance company or companies authorized to do business in the State of California and approved by the Customer with a Best rating of no less than A:VII:

10.1 Workers' Compensation and Employers Liability insurance in accordance with the laws of the State of California with liability limits of Five Hundred Thousand Dollars (\$500,000.00) per accident.

10.2 Comprehensive General Liability and Broad Form Comprehensive General Liability or Commercial General Liability including bodily injury, personal injury, and property damage in the amount of a combined single limit of One Million Dollars (\$1,000,000), each occurrence, and Two Million Dollars (\$2,000,000) in aggregate limit.

10.3 Comprehensive Auto Liability including bodily injury, personal injury and property damage in the amount of a combined single limit of One Million Dollars (\$1,000,000.00). Coverage must include all automobiles utilized by Service Provider in connection with its performance of the services hereunder.

10.4 Service Provider shall endeavor to provide thirty (30) days prior written notice to the Customer in the event of any material change in or cancellation of the policy.

10.5 Service Provider shall give prompt written notice to the Customer of all known losses, damages, or injuries to any person or to property of the Customer or third persons that may be in any way related to the services being provided hereunder or for which a claim might be made against the Customer. Service Provider shall promptly report to the Customer all such claims that Service Provider has noticed, whether related to matters insured or uninsured. No settlement or payment for any claim for loss, injury or damage or other matter as to which the Customer may be charged with an obligation to make any payment or reimbursement shall be made by Service Provider without the prior written approval of the Customer.

11. Term & Termination.

11.1 Term of Terms and Conditions. These Terms and Conditions are in effect from the Effective Date through the Initial Term and/or any Renewal Term, as defined below, unless otherwise terminated.

11.2 Term of User Subscriptions. User subscriptions shall commence upon the Services being made available to Customer for live production use or twelve (12) months from the date these Terms and Conditions are executed by the parties, whichever occurs first as determined by Service Provider, and continue through the Initial Term, unless terminated earlier in accordance with these Terms and Conditions. Upon completion of the Initial Term or any subsequent Renewal Term, the User subscriptions shall automatically renew for additional one (1) year periods ("**Renewal Term**") at the list price in effect at the time of renewal unless either party gives the other notice of non-renewal at least sixty (60) days prior to the end of the relevant subscription term. However, provided these Terms and Conditions are fully executed prior to March 31, 2013, the pricing for all of the products set forth in the Quote Document for each Renewal Term shall be fixed at \$154,284 per year for the number of workstation licenses provided hereunder, payable in monthly installments of \$12,857. In the event an individual product being provided herein is terminated, the fixed fee for each such Renewal Term specified above shall be modified accordingly.

11.3 Termination. Either party may terminate these Terms and Conditions for convenience at any time for any reason upon at least sixty (60) days advanced written notice to the other party. If Customer terminates these Terms and Conditions, or any individual product being provided herein, at any time from Contract Execution through the first forty-two (42) months of the Initial Term, Customer shall pay one hundred percent (100%) of the remaining applicable fees owed for the Initial Term plus all unpaid implementation fees and third party cancellation fees, if such products and or services are required to be cancelled. If Customer terminates these Terms and Conditions, or any individual product being provided herein, for convenience during months forty-three (43) through sixty (60) of the Initial Term, Customer shall not pay a termination fee, however Customer shall pay for any third party cancellation fees if such third party services are required to be cancelled. If Customer terminates these Terms and Conditions during any Renewal Term, Customer shall be responsible for one hundred percent (100%) of the remaining fees owed for such Renewal Term. If Service Provider terminates for convenience, Customer shall be under no further obligation to pay for continued subscription fees after the effective date of termination as specified in Service Provider's notice to Customer. The termination fees set forth above are not intended as a penalty, but rather a charge to compensate Service Provider for Customer's failure to satisfy the commitment set forth in these Terms and Conditions on which Customer's pricing is based upon.

11.4 Return of Customer Data. Within ninety (90) days after termination of the Services being provided hereunder, Service Provider will provide Customer with a copy of all Customer Data in its native file format as determined by Service Provider. After a

MASTER SUBSCRIPTION TERMS AND CONDITIONS

copy of the Customer Data has been provided to the Customer, Service Provider shall have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, delete all Customer Data in its systems or otherwise in its possession or under its control.

11.5 Surviving Provisions. The following provisions shall survive any termination or expiration of these Terms and Conditions: Sections 4, 5, 6, 7, 9, 11, and 12.

12. General Provisions.

12.1 Relationship of the Parties. Customer and Service Provider are independent contractors under these Terms and Conditions, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between the parties hereto. Neither party shall have any authority to enter into agreements of any kind on behalf of the other and shall have no power or authority to bind or obligate the other in any manner to any third party. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Each party hereto represents that it is acting on its own behalf and is not acting as an agent for or on behalf of any third party.

12.2 Notices. All notices, requests, demands, or other communications required or permitted to be given hereunder must be in writing and shall be deemed to have been duly given when (a) delivered in person; (b) sent by facsimile transmission indicating receipt at the facsimile number where sent; (c) one (1) business day after being deposited with a reputable overnight air courier service; or (d) three (3) business days after being deposited with the United States Postal Service, for delivery by certified or registered mail, postage pre-paid and return receipt requested. All notices and other communications regarding default or termination of these Terms and Conditions shall be delivered by hand or sent by certified mail, postage pre-paid and return receipt requested. All notices shall be provided to the following addresses:

If to Service Provider:

Tiburon, Inc.
Attention: VP of Contracts
3000 Executive Parkway, Suite 500
San Ramon, California 94583
Phone: 925-621-2700
Fax: 925-621-2799

If to Customer:

Town of Addison
Attention: Director of IT
16801 Westgrove Drive
Addison, Texas 75001
Phone: 972-450-2868

12.3 Waiver. In order to be effective, any waiver of any right, benefit or power hereunder must be in writing and signed by an authorized representative of the party against whom enforcement of such waiver would be sought, it being intended that the conduct or failure to act of either party shall imply no waiver. Neither party shall by mere lapse of time without giving notice or taking other action hereunder be deemed to have waived any breach by the other party of any of the provisions of these Terms and Conditions. No waiver of any right, benefit or power hereunder on a specific occasion shall be applicable to any facts or circumstances other than the facts and circumstances specifically addressed by such waiver or to any future events, even if such future events involve facts and circumstances substantially similar to those specifically addressed by such waiver. No waiver of any right, benefit or power hereunder shall constitute, or be deemed to constitute, a waiver of any other right, benefit or power hereunder. Unless otherwise specifically set forth herein, neither party shall be required to give notice to the other party, or to any other third party, to enforce strict adherence to all terms of these Terms and Conditions.

12.4 Amendments. No amendment or other modification of these Terms and Conditions shall be valid unless pursuant to a written instrument referencing these Terms and Conditions signed by duly authorized representatives of each of the parties hereto.

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12.5 Severability. If any provision of these Terms and Conditions is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of these Terms and Conditions shall remain in effect.

12.6 Assignment. Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld). Notwithstanding the foregoing, Service Provider may assign these Terms and Conditions in its entirety, without consent of the other party, in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets. Subject to the foregoing, these Terms and Conditions shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

12.7 Third Party Beneficiaries. This Terms and Conditions is entered into for the sole benefit of the Customer and Service Provider and, where permitted above, their permitted successors, executors, representatives, administrators and assigns. Nothing in these Terms and Conditions shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the general public or any member thereof, or to authorize anyone not a party to these Terms and Conditions to maintain a suit for personal injuries, property damage, or any other relief in law or equity in connection with these Terms and Conditions.

12.8 Anti-Discrimination. Service Provider agrees that in performing its tasks under these Terms and Conditions, it shall not discriminate against any worker, employee, or applicant, or any member of the public, because of age, race, sex, creed, color, religion, or national origin, nor otherwise commit an unfair employment practice in violation of any state or federal law.

12.9 Governing Law. This Terms and Conditions shall be governed exclusively by the internal laws of the State in which Customer resides, without regard to its conflicts of laws rules.

12.10 Venue; Waiver of Jury Trial. The state and federal courts located in the County and State of where the Customer resides shall have exclusive jurisdiction to adjudicate any dispute arising out of or relating to these Terms and Conditions. Each party hereby consents to the exclusive jurisdiction of such courts. Each party also hereby waives any right to jury trial in connection with any action or litigation in any way arising out of or related to these Terms and Conditions.

12.11 CJIS. Exhibit C "CJIS Terms" is attached hereto and incorporated herein as part of these Terms and Conditions.

12.12 Entire Terms and Conditions. These Terms and Conditions, including all exhibits and addenda hereto, constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. No modification, amendment, or waiver of any provision of these Terms and Conditions shall be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. To the extent of any conflict or inconsistency between the provisions in the body of these Terms and Conditions and any exhibit hereto, the terms of such exhibit shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in a Customer purchase order or in any other Customer order documentation shall be incorporated into or form any part of these Terms and Conditions, and all such terms or conditions shall be null and void.

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MASTER SUBSCRIPTION TERMS AND CONDITIONS

13. Signatures

By signing in the designated space below, the parties hereby represent that the person signing has the authority to enter into these Terms and Conditions and thereby agree to be bound by such:

Customer

Tiburon, Inc.

Signature

Name:

Title:

Date:

Signature

Name:

Title:

Date:

Exhibit A
to
MASTER SUBSCRIPTION TERMS AND CONDITIONS

Quote Document

The Quote Document shall follow this cover page.



DispatchNow CAD Hosted Solution

For

Addison, TX (1)

1- This Quote Document is being provided to the Client subject to the terms and conditions set forth in the Master Subscription Terms and Conditions document, which is attached hereto and incorporated herein by this reference

SUMMARY

DispatchNow Hosted Solution	Monthly Price
DispatchNow CAD Software	\$4,445
DispatchNow WebCAD Software	\$64
DispatchNow CAD Interfaces	\$879
DispatchNow Mobile Software	\$624
Total Enforcement RMS Software	\$6,075
Tiburon Services	Included
Software Maintenance Services	Included
GIS Verification Services	Included

TOTAL DISPATCHNOW HOSTED SOLUTION - MONTHLY (Months 1-42) FIVE YEAR TERM	\$12,087
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TOTAL DISPATCHNOW HOSTED SOLUTION - MONTHLY (Months 43-60) FIVE YEAR TERM	\$6,428.50
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ONE TIME SET-UP FEES	\$369,213
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GRAND TOTAL - FIVE YEARS TERM (data circuit not included)	\$992,580
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*****The customer is responsible of purchasing and installing premise equipement (server for communication & state interface, desktop computers/OS, site network infrastructure/UPS), Mobile hardware/OS as well as wireless networking infrastructure*****

*****The customer is responsible for the procurement and maintenance of wireless middleware (e.g. Netmotion) and wireless infrastructure****



-Tiburon recommend redundant broadband connections from diverse service providers, which can be a business grade high speed IP broadband connection, including fiber, T1 or business Cable. All options must be approved by Tiburon prior to installation.

Tiburon recommend customer purchase circuits directly from service provider.

The bandwidth requirements for the proposed configuration is the following:

Downstream: 4Mbps

Upstream: 3Mbps

Service providers typically include the below service level agreement (SLA) as part of their service offering.

Network Availability Commitment:	99% or above with the exception of schedule maintenance.
Network Latency Commitment:	Average round trip transmission of between PSAP and Hosted site of no more than 100 milliseconds.
Network Packet Delivery Commitment:	99.5% or greater.

If the network performance requirements stated above are not met and/or there is an interruption of the connection, the system operation will be impacted in the following manner:

If there is a network disconnection of greater than 30 seconds between the Host site and the PSAP, the DN workstations will fall into site autonomy operating mode.

In this mode of operation:

DispatchNow CAD:

1. DN CAD workstations at the PSAP continue to operate and share transactions among themselves.
2. DN CAD workstations continue to support state queries (assuming that the connection to the state is not via the same broadband connection).
3. DN workstations do not have access to historical transaction queries until the network connection is restored.
4. The DN database is updated with all transactions executed while in site autonomy mode as soon as the network connection is restored (again, no transactions are lost).

Total Enforcement RMS

1. Users may continue to enter case reports, field interviews, generate accident reports, create photo packs modify local and user settings, and access their workflow notification dashboard.
2. Information will be uploaded to the server when connectivity is restored.
3. Users will not have access to change passwords, validate addresses, conduct historical searches on master indices or records, access personnel/security module, conduct table maintenance, or access reports until connectivity is restored.

If the network experiences abnormal latency (beyond the specified 100 milliseconds), although the CAD application will continue to operate and deliver all features & functionality, the CAD user will experience slow application response to requested transactions (e.g. response or unit status update) until this latency condition is removed.

Tiburon is not responsible for performance degradation resulting from network performance falling outside of the requirements stated above.

- The customer is responsible to provision a wireless connection for mobile traffic. Tiburon anticipates that the customer will use a broadband public wireless service. Private networks can also be supported. Please contact us for more information.



Notes	Description	Quantity	HGAC Price*	Monthly Total
TIBURON HOSTED SOLUTION - DispatchNow				
1, 2, 3, 4, 14	DispatchNow CAD Software			Monthly
	CAD Workstation Licenses	5	\$635	\$3,175
	CAD Workstation Limited Use Licenses (EOC)	2	\$318	\$635
	CAD Workstation Licenses (training/testing)	1	\$635	\$635
	ANI/ALI Interface	1	Included	Included
	Rip and Run Module	1	Included	Included
	MIS Reporting	1	Included	Included
	Interface to customer existing netclock	1	Included	Included
	XDC (email and paging)	1	Included	Included
	Pictometry Interface	1	Included	Included
			Subtotal	\$4,445
	DispatchNow WebCAD Software			Monthly
	WebCAD Concurrent Client Licenses	2	\$32	\$64
			Subtotal	\$64
1, 5	DispatchNow CAD Interfaces			Monthly
	DispatchNow CAD State Interface	1	\$193	\$193
	DispatchNow CAD Firehouse Interface	1	\$193	\$193
	DispatchNow CAD Motorola Gold Elite Interface	1	\$300	\$300
	DispatchNow CAD Zoll Export Interface	1	\$193	\$193
			Subtotal	\$879
1, 7	DispatchNow Mobile Software			Monthly
	Mobile Client Licenses (Police)	19	\$24	\$456
	Mobile Client Licenses (Fire)	7	\$24	\$168
			Subtotal	\$624
1	Total Enforcement RMS Software			Monthly
	RMS User Licenses	75	\$81	\$6,075
			Subtotal	\$6,075
11, 12, 13	Tiburon Services			Monthly
	Deployment Services - Remote			Included
	CAD Remote Admin Training Services - 5 days, max of 4 students			Included
	CAD Remote Recommendations Training - 3 days, max of 4 students			Included
	CAD Onsite Train The Trainer Training Services - 4 days, max of 8 students			Included
	Mobile Remote Admin Training Services - 1 day, max of 4 students			Included
	Mobile Remote Train The Trainer Training Services - 1 day, max of 8 students			Included
	RMS Remote Admin Training Services - 5 days, max of 4 students			Included
	RMS Onsite Train The Trainer Training Services - 4 days, max of 8 students			Included
			Subtotal	\$0



Notes	Description	Quantity	HGAC Price*	Monthly Total
	Software Maintenance Services			Monthly
	Help Desk Services			Included
	Software Upgrade Services			Included
			Subtotal	\$0
MONTHLY TOTAL - FIVE YEAR TERM				\$12,087

Notes	Description	Quantity	Total
1, 6, 8, 9, 10, 15	Tiburon Upfront Fees		Upfront
	One time Hosted Set-up fees	1	\$220,713
	One time State Interface setup fees	1	\$10,000
	Contingency for Additional CommSys Queries/Development Charges	1	\$8,500
	TE RMS UCR Interface	1	\$15,000
	TE RMS Citation Module interface to 3rd Party ticket writer system	1	\$15,000
	Total Enforcement RMS Brazos Impound Interface	1	\$5,000
	Total Enforcement RMS Mentalix Fingerprint System Interface	1	\$15,000
	CAD Data Conversion	1	\$30,000
	RMS Data Conversion	1	\$50,000
			Subtotal
			\$369,213
ONE TIME UPFRONT FEES			\$369,213

TIBURON OPTIONAL ITEMS

Notes	Description	Quantity	HGAC Price*	Monthly Total
1	DispatchNow CAD Interfaces			Monthly
	DispatchNow CAD Brazos Interface for TLETS data from Mobile	1		\$193
	DispatchNow CAD 3rd Party Mobile Interface	1		\$600
			Subtotal	\$600

Notes	Description	Quantity	Total
1	Total Enforcement RMS Interfaces		Upfront
	Total Enforcement RMS Laserfiche Interface	1	\$22,500
			Subtotal
			\$22,500

*HGAC pricing are applied only on DispatchNow CAD & Mobile. Tiburon is in the process of adding Tiburon Law RMS to the HGACBuy

Notes	Description	Quantity	HGAC Price*	Monthly Total
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Cooperative Purchasing Program as part of Tiburon's solution.

Notes

Note 1 Hosted Solution pricing includes Help Desk plus Software Updates

Based on this solution, Tiburon is recommending the following minimum HW specs:

CAD Workstations

- HP Compaq 8200 Elite series
- Windows 7 64 bit OS
- Intel core i5 @ 3.3Ghz
- 4GB RAM
- 500GB 7200rpm HDD
- PS/2 mouse
- PS/2 keyboard
- 1 Integrated LAN port
- DVD drive
- Remotely Anywhere Workstation License
- 2 LCD 23" Display

DN Server Hardware

- HP Proliant DL360p Gen8
- 2 x Intel® Xeon® E5-2xxxx (6 core, 2.3 GHz)
- 32 GB RAM
- 4 x HP 300GB 6G SAS 15K rpm SFF (2.5-inch) SC Enterprise
- 4 x 1Gb Ports
- DVD drive
- ESXi 5.1 Operating System
- 6 x Windows 2008 licenses
- 1 x SQL 2008 R2 x64 Standard license

* A bootable VMware ESXi USB flash drive will be provided along with instructions in order to install the OS on the onsite server.

Mobile MDTs: (if option is selected)

- Intel Core 2 Duo SL9300 Processor, 1.6GHz
- Minimum 2 GB DDR2-SDRAM
- Free Serial Connection port (AVL device connection)
- Speed wireless Air Cards (HSDPA, 3G cards)
- License Windows 7 Professional SP1 (or Windows XP Pro SP3) 32 bit

RMS Workstations (minimum required specifications)

- Dell OptiPlex 390 - MT - 1 x Core i5 2400 / 3.1 GHz - RAM 4 GB - HDD 1 x 500 GB - DVD±RW
- Windows 7 Professional 64-bit
- Microsoft Office Professional 2010 (optional)

RMS Laptops (minimum required specifications)

Dell Latitude E5520 - Core i5 2520M / 2.5 GHz - Windows 7 Pro 64-bit - 4 GB RAM - 320 GB HDD
Windows 7 Professional 64-bit
Microsoft Office Professional 2010 (optional)

Barcode Reader for DN Mobile/RMS on Mobile clients:

Laser Scanner

1- Honeywell manufactured by Metro Technologies
<http://www.barcodeplanet.com/honeywell/ms4980.htm?aw&gclid=CJXG5ruCsacCFQ12gwodSUoIDQ>

Model # : MS4980

Uses HWMS4980Ctrl.dll that has been developed to read the serial port .

2- Symbol technologies

<http://cgi.ebay.com/Lot-3-Symbol-Laser-Barcode-Scanner-MS-2204-1000R-/120691533866>

Model # : MS-2204-1000

Uses SSIdll.dll

Magnetic Reader

1-Company : MagTek

Barcode Reader for desktop RMS clients (Records Property, etc)

HoneyWell 4810LR

<http://www.l-trondirect.com/Honeywell-4810LR-Compact-Area-Imaging-Scanner-p/4810lr-153-ltrk.htm>

If a rugged bluetooth device is needed (Property & Evidence): DataLogic PBT7100

http://www.adc.datalogic.com/PowerScan-PBT7100_psc_prd183_4.html

RMS SAN Storage

HP StoreEasy 1430 8TB SATA Storage

http://shopping1.hp.com/is-bin/INTERSHOP.enfinity/WFS/WW-USSMBPublicStore-Site/en_US/-/USD/ViewProductDetail-Start?ProductUUID=ItYQ7EN57IQAAAE6HDhsyzpT&CatalogCategoryID=sxQQ7EN6TcYAAAEuwJIVgV46&Jum pTo=OfferList

The customer is responsible for loading all the required Microsoft OS for on-site servers and clients. Customer's responsibility is to price, order, stage, install and maintain all PSAP and mobile hardware, software and network components.

The customer is responsible for providing their own netclock solution.

For optimal CAD, Mobile & RMS applications performance, these applications should function in a controlled environment on hardware that meets or exceeds the specifications mentioned in this quotation

The customer shall inform Tiburon of any 3rd party applications not purchased from Tiburon that the customer intends to operate on the same machine as Tiburon's CAD, Mobile & RMS applications. If the product is unfamiliar to Tiburon, the customer will request of its 3rd party vendor to provide technical information on its application. If Tiburon deems that certification testing is required to guarantee co-existence of the 3rd party application with the Tiburon application(s), certification services are outside the scope of this offer and shall be quoted separately.

Note 2 The MSI, XDC and Mobile servers will be located at customer premises. The remaining DispatchNow servers will be hosted at Tiburon's facility.

Note 3 DispatchNow's Map module is a Map viewing software. Customer must supply and maintain GIS data. GIS Data must be ESRI .shp format that conforms to guidelines provided by Tiburon.

In order to ensure timely delivery of the customer order, GIS data is required to be delivered to Tiburon as soon as possible after the order is placed.

A MAP Configuration Tool is included in the our offering.

Note 4 It is understood that special purpose CAD client licenses are used for one of the following applications:

- Critical incident/backup center CAD client licenses are used to handle extenuating circumstances as center opposed to normal operation at the communications
- Training CAD client licenses for training environment
- Test CAD client licenses for test environment

Note 5 Motorola Gold Elite Interface - A note with timestamp will be written in the CAD event indicating that tones were sent.

Note 6 Tiburon Inc. plans to utilize the CommSys ConnectCIC state interface middleware product for the interface to the Texas(TLETS) message switch for state and local transactions respectively. This quote is dependant on the Texas (TX) TLETS NCTCIC (North Central Texas Crime Information Center) transactions being run through the TLETS message switch and will not require an additional connection to the regional system.

ConnectCIC is a CommSys standard product

Note 7 Mobile Data Terminals (MDT) and MDT mounting equipment are not included. They must be supplied and installed by the customer.

GPS equipment, antennas, adapters, etc. are not included. They must be supplied and installed by the customer. NMEA standard GPS are required.

Note 8 Import of citation data from Brazos to Total Enforcement will be supported. This import of citation data will allow the users to view and query the citation information in Total Enforcement RMS. Full scope of the interface will be defined post contract signing when API documentation is received from Brazos and a full assessment can be performed.

Note 9 Import of impound data from Brazos to Total Enforcement will be supported. The import of impound data will allow the users to view and query the impound information in Total Enforcement RMS. Full scope of the interface will be defined post contract signing when API documentation is received from Brazos and a full assessment can be performed.

Note 10 A bi-directional interface will be supported with the Mentalix Fingerprint Scan System. Full scope of the interface will be defined post contract signing when API documentation from Mentalix is provided and a full assessment performed.

Note 11 Installation costs cover the installation of 5 Mobile/AVL clients provided that the MDTs can be removed from the vehicles and connected to the PSAP's LAN.

Otherwise, customer is responsible for installing the MDT's according to instructions provided by Tiburon.

This quote assumes that all Mobile Data Computers will be in one central location for ease of installation.

Mobile Installation charges do not cover in-car installation. Computer installation in vehicles is assumed to be performed by the customer's vehicle maintenance organization.

Note 12 Customer is responsible to perform configuration data entry based on training provided by Tiburon based on data entry milestone timelines specified at the project kickoff meeting.

Note 13 Tiburon will provide a Business Process Review to define policies, and works flows for RMS training.

Note 14 The bandwidth requirements for the proposed configuration is the following (does not include any optional items):
Downstream: 4Mbps
Upstream: 3Mbps

Please note that additional data circuits bandwidth may be required if additional licenses are purchased. The additional data circuits bandwidth will be calculated/priced at the moment of the additional licenses order.

Note 15 The data to be converted and loaded into CAD & RMS will be sourced from the customer's existing CAD & RMS Total Command system. Customer will provide the extracts of the data in an agreed acceptable format to Tiburon for conversion.

The following data must be converted and loaded:

1. CAD Premise Information - Historical events from a location
2. CAD Location/Hazard Information (4469 records)
3. CARS Data-warehouse
4. RMS Master Name
5. RMS Master Location
6. RMS Event/Incidents
7. RMS Property
8. RMS Case and Arrest
9. ARS Narrative - will be imported into RMS (into the Event Narrative)
10. ARS Supplement - will be imported into RMS (into the Event Narrative, as an Add-on Narrative)
11. False Alarm – Alarm incidents along with permit information (location/contact info/permit #) will be imported into RMS (other than accounts receivables)
12. Special Flags – will be imported into RMS (into Alerts)
13. Field Interview – will be imported into RMS (into the Field Interview module)

14. Juvenile Records – will be imported into RMS (into the Case Module, classified as Juvenile cases with restricted access)
15. Pawn Property - will be imported into RMS (into the Property Module, classified as Pawn)
16. The RMS Property module includes Evidence
17. The Motorola/Symbol scanner is compatible with the barcode reader for the Property Module. This scanner doesn't have the parsing capability to read Driver License or Vehicle Registrations.
18. ARS Supplement - will be imported into RMS (into the Event Narrative, as an Add-on Narrative)

The following data will **NOT** be imported:

1. Common Place Names – will be handled by Addison Texas GIS resource by creating a GIS layer for Common Place Names.
2. Alarm Workflow - is configurable within RMS, the workflow will not be imported from ARS

Limitations of Data Conversion

Tiburon will apply its best efforts to convert the data as identified above. In some cases conversion of all requested data to the new system may not be possible. For example, in the event the source data element does not have an equivalent field in DispatchNow CAD or TE RMS, that data element will not be migrated.

Data will be converted as is and will not be changed/cleaned during the process

Terms

PRICING All prices are in U.S. Funds.
Taxes, if applicable, are extra.

Upon Customer's acceptance of this Quote Document, Company shall begin preparation of an implementation schedule, to be mutually agreed upon by the parties.

Pricing based on a 60 month commitment.

PAYMENT One time payments payable upon contract signature.
Monthly payments due the sooner of system Go Live or 6 months after contract signature.

VALIDITY 120 days

Approval Signature

By signing in the space provided below, I am representing that I am authorized to sign on behalf of Customer:

Signature

Date

Revision History

Revision Level	Reason for Revision	Date Revised
-	Original	July 3, 2012
A	Updated quote	August 16, 2012
B	added ANI/ALI and XDC	August 20, 2012
C	Added data conversion	August 28, 2012
D	Modified description	August 30, 2012
E	Updated quote	January 23, 2013
F	Added circuit pricing	January 31, 2013
G	Added Data Conversion	February 13, 2013
H	Minor changes	February 18, 2013
I	Took out circuit cost	February 21, 2013

Exhibit B
to
MASTER SUBSCRIPTION TERMS AND CONDITIONS
Maintenance and Support Guidelines

The Maintenance and Support Guidelines shall follow this cover page.

Hosting Maintenance and Support Guidelines

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Technical Support Services

Service Provider's Technical Support Services department consists of technical specialists dedicated to providing the highest level of technical support services to its Customers.

Technical Support Services include the Help Desk Service, Software Updates Program, Product Specialist Services and Training Services.

The Help Desk Service and Software Updates Program are provided on a per-product basis and available on an annual or multi-year basis as detailed in the Customer Quotation.

Help Desk Service

The Help Desk service includes technical support on products purchased from Service Provider including Service Provider licensed products and 3rd party products.

The Help Desk provides 24 x 7 technical support to Customers for all Service Provider products. The Help Desk is staffed by technical specialists, backed by 24 x 7 engineering support to handle high priority issues.

High priority issues that cannot be addressed expediently by the technical specialists alone are assigned to the 24 x 7 engineering support staff. If the issue cannot be addressed within the defined service level agreement (SLA) in Table A, an escalation process is automatically triggered involving senior management in order to take immediate action calling upon product experts as needed. This level of specialized technical support ensures timely, accurate and effective support for Service Provider's Customers.

For urgent and high priority tickets (see Table A), Customers are requested to contact the Help Desk by phone in order to obtain immediate technical support using the following toll-free number; **1 (877) 441-4648**.

For routine and lower priority tickets (see Table A), Customers are encouraged to send an email to DispatchNowSupport@tiburoninc.com which includes caller contact information, site identification, affected product and a short problem description. An email reply will acknowledge that Service Provider has received the Customer's email. A Help Desk representative will contact the Customer with a ticket # and status within the timeframes defined in the SLA (see below for details).

Help Desk Call Taking Process

When a Help Desk call is received, it is answered by a Help Desk representative. The representative takes the caller's general information such as caller contact information, site identification, affected product and a short problem description. Based on the priority definitions detailed in Table A, the caller advises the Help Desk representative on the priority of the issue. The caller is given a ticket reference number and is passed onto a Help Desk technical specialist for problem investigation and resolution. If there are no Help Desk technical specialists available to immediately take the call, the caller is called back within the agreed upon SLA.

The Help Desk technical specialist will work over the phone and through remote high speed facilities (e.g. Cisco VPN, Sonic Wall, Remotely Anywhere, Remote Desktop) to troubleshoot and resolve the issue. The ticket is only 'closed' by Service Provider upon positive confirmation from the Customer.

Escalation Procedure

When the call-back SLA specified in Table A is not met, the Help Desk is instructed to escalate the ticket to the people identified below and advise the Customer that this escalation is in progress. Should the Customer not receive a call from the Help Desk within the call-back SLA, the Customer is free to contact the following escalation contacts directly (in the order indicated):

TITLE	PHONE
Help Desk Team Leader	(514) 916-0199
Sr. Manager Technical services	(514) 804-9334
Sr. Manager, SW Development	(514) 916-3995
VP Products	(514) 916-0423

Internal escalation is automatically triggered in the timeframes defined in the last two columns of Table A in order to ensure that high priority tickets are resolved as quickly as possible.

Note:

The call-back time is defined as the interval of time from the moment Service Provider Help Desk received a call for service to the moment a Service Provider technical specialist contacts the site.

Table A: Ticket Priorities and the Service Level Agreement (SLA)

The following table defines our standard ticket priorities and their respective response service level agreement (SLA):

PRIORITY	PRIORITY DEFINITION	SLA FOR CALL BACK BY TECHNICAL SPECIALIST WITHIN	PROBLEM RESOLUTION	TEAM LEADER ESCALATION (FROM CALL BACK TIME)	SENIOR MANAGEMENT ESCALATION (FROM CALL BACK TIME)
(1) URGENT	<u>Severe Operational Impact:</u> The system is not operational or the Customer's operation is severely impaired.	15 MINUTES	Technical specialists are mobilized immediately and work 24 x 7 to provide a workaround. If applicable, a permanent solution is worked on as a high priority until delivered.	IMMEDIATE	1 HOUR
(2) HIGH PRIORITY	<u>Major Operational Impact:</u> The loss of functionality that impairs the Customer's normal operation but essential services are still supported.	1 HOUR	Technical specialists are mobilized immediately and work 24 x 7 to provide a workaround. If applicable, a permanent solution is worked on to be delivered in the next available release.	4 HOURS	START OF NEXT BUSINESS DAY
(3) ROUTINE	<u>Limited Operational Impact:</u> The loss of a non-essential functionality or a failure that is limited to a subset of users.	8 HOURS	Technical specialists are mobilized during office hours. If applicable, a permanent solution is scheduled to be delivered in a future product release.	NOT APPLICABLE	NOT APPLICABLE
(4) LOW	<u>No Operational Impact:</u> The loss of a non-essential functionality or a failure that has no operational impact.	NEXT BUSINESS DAY	Technical specialists are mobilized during office hours. If applicable, a permanent solution is scheduled to be delivered in a future product release or a commercially reasonable effort is made to provide a workaround solution.	NOT APPLICABLE	NOT APPLICABLE
(5) INQUIRY	<u>Request for Information</u> General questions and technical inquiries on the expected behavior and capabilities of the product and/or enhancement recommendations.	2 BUSINESS DAYS	Technical specialists respond during office hours.	NOT APPLICABLE	NOT APPLICABLE

Software Updates Program

If the Customer has purchased the Software Updates Program, the Customer will be entitled to receive new General Availability (GA) releases of the Service Provider licensed software products purchased by the Customer.

The Software Updates Program provided hereunder does not include any of the following:

- (a) Installation, configuration and training services. Upon reasonable notice from the Customer, Service Provider will provide a Quote Document to the Customer on a time and materials basis at Service Provider's then current rates for such services;
- (b) Modifications or customization of the Software other than corrections of Defects made or provided under these Maintenance and Support Guidelines;
- (c) Consultation for new programs or equipment;
- (d) Correction of problems, and assistance regarding problems, caused by operator errors, including but not limited to the entry of incorrect data and the maintenance of inadequate backup copies and improper procedures; and/or
- (e) Correction of errors attributable to software other than the licensed Software.

Upgrade of the Customer's Hardware, Operating System, and/or third party software may be required from time to time to support New Releases, Maintenance Releases or Upgrades of the Software. The Customer shall be solely responsible for the cost of such upgrades unless expressly stated otherwise.

Product Specialist and Training Services

Customer may contact the Help Desk to request the services of Product Specialists and Trainers. The Help Desk will direct the call to the appropriate technical services representative to provide details on the services offered and their associated rates and to schedule resource availability.

Customer Responsibilities

- (a) **Technical Service Tickets** The Customer shall provide all information requested by Service Provider necessary to complete its Technical Support Services form for each request for technical services, Enhancements, and Out of Scope Services.
- (b) **Remote Access** The Customer will facilitate high speed 512Kbps or greater remote VPN access for Service Provider to access the servers and workstations at the Customer Site. Remote access will require the use of interactive applications including but not limited to PC Anywhere, Remote Desktop, VNC, telnet, *secure shell* (ssh) , and application-level TCP/IP socket connectivity as determined necessary by Service Provider. Service Provider personnel will require local administrative control of all servers and workstations involved in Service Provider implementation. In addition,

Service Provider requires the ability to dynamically upload/download files to the server(s) without third-party intervention. Service Provider technicians may need remote access to the System to analyze the System configuration, aid in problem analysis or to modify the System configuration for a problem work-around. Remote access may also be used for transmission of Software updates to the Customer. Remote access must be available twenty-four (24) hours a day, seven (7) days a week.

Service Provider's request to halt any System functionality shall require the Customer's appropriate management approval. Service Provider shall not perform any service-affecting activity without informing the Customer's appropriate management in advance and receiving proper authorization.

Service Provider recognizes the need for security of remote access facilities. Service Provider shall work within the Customer's security guidelines whenever possible. If the Customer's remote access facility is dysfunctional, Service Provider shall not be held liable for response times.

Service Provider shall not be responsible for any costs relating to the procurement, installation, maintenance and use of such equipment and all associated telephone use charges. Service Provider shall use the data connection solely in connection with the provision of its services hereunder. The Customer may be required to run tests deemed necessary by Service Provider following each remote access as requested by Service Provider.

(c) **Access** The Customer shall provide Service Provider's personnel or its local service provider with full access to their site at all required times.

(d) **Maintenance and Back-Ups** The Customer shall ensure that maintenance and back-up activities relating to the Service Provider proprietary software and the System, including without limitation backing up databases and journal logs, purging out of date records and running reports and performing diagnostics, are timely carried out.

(e) **Data Input** The Customer shall enter, update and maintain the input data as required for satisfactory operation of the Service Provider proprietary software, and be responsible for the accuracy of all Customer-provided data.

(f) **Third-Party Product Support** Unless otherwise agreed, the Customer shall obtain, pay for and maintain in effect during the term of this Agreement the technical support contracts for certain third party products as specified by Service Provider, and shall ensure that, in addition to authorizing the Customer to request support services there under, each such support contract also expressly authorizes Service Provider to request support services there under on the Customer's behalf.

(g) **System Security** The Customer shall ensure that the security of the System conforms in all respects to the federal, state, and/or local mandated law enforcement telecommunications requirements.

(h) **System Change, Alteration, or Modification** The Customer shall ensure that, with respect to the Service Provider proprietary software, such software is installed only on the authorized server and workstations and only at the authorized site. The Customer shall ensure that each authorized site conforms in all respects to the site specifications as required by Service Provider. The Customer shall ensure that no change, alteration or modification is made to the System configuration without the express prior written consent of Service Provider; provided, however, that said consent is not intended to constitute in

any manner Service Provider's approval, certification, endorsement, or warranty of the System configuration or System performance.

(i) **Database Administration Change Authorization** Customer shall maintain a system to ensure that only authorized personnel have the ability to perform database administration activities and that a list of all such authorized personnel (and any updates thereto) be promptly delivered to the Service Provider's Technical Support Services department. Database administration shall be in compliance with Service Provider provided guidelines. Service Provider cannot assist Customer personnel other than those on the most current authorization list.

(j) **Authorized Customer Representative** The Customer shall designate, in a written notice a single individual to act as the Customer's authorized representative for purposes of these Maintenance and Support Guidelines. Such individual (a) must be authorized to act on the Customer's behalf with respect to all matters relating to these Maintenance and Support Guidelines; (b) shall ensure the Customer's compliance with its responsibilities under these Maintenance and Support Guidelines; and (c) shall coordinate appropriate schedules in connection with Service Provider's services under these Maintenance and Support Guidelines. The Customer may change the individual designated hereunder by providing Service Provider advance written notice designating the new individual authorized to act as the Customer Representative.

(k) **Technical Support Coordinators** The Customer shall designate, in a written notice one or more individuals to act as the Customer's technical support coordinator (a "Technical Support Coordinator"). The Customer shall ensure that each Technical Support Coordinator designated hereunder shall have received the appropriate Service Provider proprietary software and System training and shall otherwise be familiar with the Service Provider proprietary software and the System. The Customer shall ensure that, at all times, a Technical Support Coordinator is available (a) to screen operational assistance calls and handle operational problems, where appropriate; (b) to provide access to the System as required; and (c) to provide on-site technical assistance as required by Service Provider to aid Service Provider in performing its services hereunder. The Customer may change any individual designated hereunder by providing Service Provider with advance written notice designating the new individual authorized to act as a Technical Support Coordinator.

(l) **Training** The Customer shall ensure that all Technical Support Coordinators and other personnel have received appropriate training on the Service Provider proprietary software and the System, and otherwise maintain sufficient personnel with sufficient training and experience to perform its obligations under these Maintenance and Support Guidelines.

(m) **Error Reproduction** Upon detection of any error in any of the Service Provider proprietary software applications, the Customer shall provide Service Provider a listing of command input, resulting output and any other data, including databases and back-up systems, that Service Provider may reasonably request in order to reproduce operating conditions similar to those present when the error occurred.

Exclusions to Technical Support Services

The following services are outside the scope of the Technical Support Services provided by Service Provider and may result in additional charges, on a time and material basis:

- (a) Repair of damage or the increase in service time due to any cause external to the System which adversely affects its operability or serviceability, including but not be limited to, fire, flood, water, wind, lightning, and transportation of the System from one location to another;
- (b) Repair of damage or the increase in service time caused by failure to continually provide a suitable installation environment, including, but not limited to, the failure to provide adequate electrical power, air conditioning or humidity control, or the Customer's improper use, management or supervision of the System including, without limitation, the use of supplies and accessories. Proper use and environmental requirements are determined by the Product documentation;
- (c) Repair of problems caused by the use of the System for purposes other than for which it is designed;
- (d) Repair of problems caused by changes to the Hardware and/or the network made without obtaining Service Provider's prior approval;
- (e) Repair or replacement of any item of the System which has been repaired by others, abused or improperly handled, improperly stored, altered or used with third party material, software or equipment, which material, software or equipment may be defective, of poor quality or incompatible with the System, and Service Provider shall not be obligated to repair or replace any component of the System which has not been installed by Service Provider or a Service Provider authorized technician;
- (f) Removal, relocation and/or reinstallation of the System or any component thereof;
- (g) Diagnosis time directly related to unauthorized components and/or misuse of the System, whether intentional or not;
- (h) Any design consultation such as, but not limited to, reconfiguration analysis, consultation with the Customer for modifications and upgrades which are not directly related to a problem correction;
- (i) Provision of any operational supplies, including by not limited to, printer paper, printer ribbons, toner, printer cartridges, photographic paper, magnetic tape and any supplies beyond those delivered with the System;
- (j) Repair of problems caused by computer / network security breaches and/or virus attacks;
- (k) Repair or replacement of any Hardware not purchased from Service Provider and explicitly covered by a Service Provider warranty or maintenance program.

Exhibit C
to
MASTER SUBSCRIPTION TERMS AND CONDITIONS

CJIS Terms

Definitions

- 1) For purposes of these CJIS Terms the phrase "Law Enforcement Data" means all text, numerical data, database records, media files, demographic information, search history, geolocation information, or any other data that law enforcement users or contractors provide to SERVICE PROVIDER, or to which SERVICE PROVIDER otherwise gains access as a direct result of the cloud services provided to the law enforcement agency.
- 2) For purposes of these CJIS Terms, the phrase "data mining or other processing" means the capturing, maintaining, scanning, indexing, sharing with third parties, or any other form of data analysis or processing of Law Enforcement Data provided to SERVICE PROVIDER by CUSTOMER pursuant to these CJIS Terms. "Data mining or other processing" includes, but is not limited to, permitting access to Law Enforcement Data to which SERVICE PROVIDER gains access as a direct result of related services provided by SERVICE PROVIDER which are not otherwise services covered by the terms of These CJIS Terms.

CJIS Compliance

- 3) These CJIS Terms incorporates by reference the requirements of the Criminal Justice Information Services (CJIS) Security Policy (current version 5.1, dated July 13,2012) issued by the Federal Bureau of Investigation, Criminal Justice Information Services Division, as in force as of the date of these CJIS Terms and as may, from time to time hereafter, be amended. SERVICE PROVIDER warrants that it has the technological capability to handle Criminal Justice Information (CJI), as that term is defined by the FBI CJIS Security Policy, in the manner required by the CJIS Security Policy. SERVICE PROVIDER expressly acknowledges that the CJIS Security Policy places restrictions and limitations on the access to, use of, and dissemination of CJI and hereby warrants that its system abides by those restrictions and limitations.

Data Mining

- 4) For the purposes of these CJIS Terms the phrase "unauthorized use of Law Enforcement Data" means the data mining or other processing of Law Enforcement Data for unrelated commercial purposes, advertising or advertising-related purposes, or for any other purpose not explicitly authorized by CUSTOMER in these CJIS Terms.
- 5) SERVICE PROVIDER will take all reasonably feasible, physical, technical, administrative, and procedural measures to ensure that no unauthorized use of Law Enforcement Data occurs. SERVICE PROVIDER warrants that all active and latent technical capabilities to conduct data mining or other processing that would constitute an unauthorized use of Law Enforcement Data have been either removed from its software package or disabled entirely.
- 6) Notwithstanding any provision of These CJIS Terms, or any other CJIS Terms between the parties, or any published policy of SERVICE PROVIDER, the terms of this subsection take precedence over and replace any generally applicable privacy, data access or use, or similar policy of SERVICE PROVIDER, which the parties understand and hereby agree have no application to the processing of Law Enforcement Data.
- 7) SERVICE PROVIDER agrees and understands that implementation of this subsection may require it to modify or disable certain aspects of the software solution it proposes to provide to CUSTOMER. SERVICE PROVIDER warrants that it has the technical capacity to implement the technical changes required to conform to the requirements of this subsection. In particular, SERVICE PROVIDER warrants that it can either disable completely or modify its software solution such that the applications services provided to CUSTOMER under these CJIS Terms do not permit the unauthorized use of Law Enforcement Data by other applications services provided by SERVICE PROVIDER which are interoperable with the applications services provided under These CJIS Terms.

Audit

- 8) SERVICE PROVIDER will, upon the request of CUSTOMER, provide either: (a) a reasonable ability to inspect SERVICE PROVIDER's handling of CUSTOMER's data; or (b) the report of an expert, independent, third party, verifying compliance with the provisions of these CJIS Terms.

Exhibit C
to
MASTER SUBSCRIPTION TERMS AND CONDITIONS

CJIS Terms

Portability and Interoperability

- 9) SERVICE PROVIDER will maintain Law Enforcement Data provided to it by CUSTOMER in a format that, to the maximum extent practicable, permits the export of Law Enforcement Data and the interoperable use of Law Enforcement Data by other cloud service providers, to an extent that does not compromise the security and integrity of the data. To the extent practicable cloud applications and Law Enforcement Data databases shall be maintained be in universally recognized formats.

Integrity

- 10) SERVICE PROVIDER will maintain physical or logical separation between the cloud services provided to CUSTOMER and the consumer cloud services, if any, that it provides to other customers. SERVICE PROVIDER will further ensure that there is no commingling of Law Enforcement Data with data in SERVICE PROVIDER's consumer cloud services or with data resulting from any data processing activities conducted by SERVICE PROVIDER as part of its consumer services. If the system is designed to house evidentiary material, then SERVICE PROVIDER shall maintain records of access to Law Enforcement Data sufficient to allow CUSTOMER to establish a chain of custody for data of evidentiary value.

General Provisions

- 11) The terms of these CJIS Terms shall be binding on SERVICE PROVIDER and its legal successors and assignees.

Proposed Modifications to Agreement with Tiburon

Below are proposed modifications to various portions of the draft agreement:

Opening Paragraph

Upon execution of this agreement (“**Effective Date**”), the following Master Subscription Terms and Conditions (“**Terms and Conditions**” or “**Agreement**”) shall govern the Service to be provided to **Town of Addison, Texas** (“**Customer**”) by **Tiburon, Inc.**, a Virginia corporation, having its principal place of business at 3000 Executive Parkway, Suite 500, San Ramon, California 94583 (“**Service Provider**”). Unless expressly set forth in the attached Quote Document, no other terms and conditions shall apply to the performance of the Service, including but not limited to any additional terms and conditions on Customer provided purchase order documents. For purposes hereof, the Agreement includes these Terms and Conditions, the attached Quote Document, and Exhibits B and C attached hereto (and the phrase “Terms and Conditions” as used herein also means the Agreement) and specifically excludes any additional provisions added pursuant to Customer’s purchasing vehicle.

Section 1, Definitions

“**Customer**” means the governmental entity acquiring Service Provider’s Service.

“**Customer Data**” means all data or information, whether in electronic form or format or otherwise, submitted by Customer to the Service Provider.

“**Initial Term**” means **five (5) years** from the date Service is available to Customer for live production use.

“**Quote Document**” means the document provided to Customer by Service Provider which details the pricing for the Service to be provided hereunder and is attached hereto as Exhibit A.

“**Service**” shall mean the services to be provided by Service Provider pursuant to the Quote Document (and all other portions of this Agreement), and including but not limited to all software included in the Quote Document or otherwise referenced in this Agreement.

“**User Guide**” means the User manuals, specifications, printed instructions, diagrams, and guides provided upon delivery of or pertaining to the Service, as may be updated from time to time.

“**Users**” means individuals who are authorized (and “**User**” means each such individual who is authorized) by Customer to use the Service, for whom subscriptions to the Service have been purchased. Users may include but are not limited to employees, consultants, contractors and agents of Customer or its Affiliates.

Section 2, Service

2.1 Provision of Service. During the term of the subscription and any renewal subscription period (as such term and renewal period are described in Section 11.2, below), Service Provider shall make the Service available to Customer and its Users pursuant to these Terms and Conditions and shall provide maintenance and support services in accordance with the Maintenance and Support Guidelines, which are attached hereto as Exhibit B.

2.2 Additional Users. User subscriptions are for a specified number of concurrent Users and/or workstations, as provided in the Quote Document, and cannot be shared or used by others outside of Customer. Customer and/or Affiliates may purchase additional User subscriptions at Service Provider's then current rates subject to these Terms and Conditions. Such additional User subscriptions shall be coterminous with the Customer's Initial Term or Renewal Term, as defined below in Section 11.2, as applicable.

2.3 Customer Affiliates. Customer and/or Affiliates may purchase additional User subscriptions subject to these Terms and Conditions.

2.4 Determination of Live Productive Use of the Service. Whether or not the Service is available for live productive use by Customer shall be determined by implementation and execution of a Service acceptance test plan outlining the scope of, process for, and criteria for testing the Service, which acceptance test plan is to be agreed upon by the parties. The purpose of the said acceptance test plan ("**Acceptance Test**") is to demonstrate that the Service meets and satisfies all of the Service specifications, standards, and criteria, and the terms and conditions of this Agreement.

If, upon the completion of the Acceptance Test, the Service or any part thereof does not meet all of the Service specifications, standards, and criteria and the terms and conditions of this Agreement to the Customer's satisfaction, Service Provider will correct the deficiencies and the Acceptance Test will be repeated to the extent necessary to demonstrate that the deficiencies have been corrected.

If after twelve (12) months following the Effective Date (after both parties have executed this Agreement), unless further extended by the Customer, the Service still has not met all of the Service specifications, standards and criteria and the terms and conditions of this Agreement to the Customer's satisfaction, the Customer may elect to terminate this Agreement by giving written notice of such termination to Service Provider. If the Customer elects to terminate this Agreement, this Agreement shall end, and Service Provider shall have no obligation to provide the Service to Customer, and Customer shall have no obligation to make any further or additional payments to Service Provider.

No use of the Service by Customer prior to the Customer's determination that the Service satisfies and complies with the Acceptance Test shall constitute an acceptance of the Service, any component thereof, or any of Service Provider's services. The Customer's determination that the Service satisfies and complies with the Acceptance Test may include a "punch list" of non-conforming items that are not material to the Service performance, and Service Provider agrees to use commercially reasonable efforts to promptly address and correct all items on the punch list.

Section 3, Use of the Service

3.1 Service Provider Responsibilities. Service Provider shall: (i) in addition to its confidentiality obligations hereunder, not use, modify or disclose to anyone other than Users the Customer Data; (ii) maintain the security and integrity of the Service and the Customer Data; (iii) provide support to Customer in accordance with the Maintenance and Support Guidelines attached hereto as Exhibit A and incorporated herein by this reference, at no additional charge; (iv) use commercially reasonable efforts to make the Service available 24 hours a day, 7 days a week, except for: (a) planned downtime (of which Service Provider shall give Customer at least 48 hours notice (and which downtime shall not exceed four (4) hours); or (b) any unavailability caused by circumstances beyond Service Provider's reasonable control (and which, by the exercise of due diligence, Service Provider is unable to prevent), including without limitation, acts of God; acts of government; flood; fire; earthquakes; civil unrest; acts of terror; strikes or other labor problems (other than those involving Service Provider employees, contractors or agents); computer, telecommunications, Internet service provider or hosting facility failures or delays involving hardware, software or power systems not within Service Provider's possession or reasonable control; (v) have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of the Service; (vi) prevent unauthorized access to, or use of, the Service, and notify Customer promptly of any such unauthorized access or use; (vii) comply with all applicable local, state, and federal laws in using the Service; and (viii) perform all Service Provider responsibilities as set forth in these Terms and Conditions.

3.2 Customer Responsibilities. Customer is responsible for all activities that occur in User accounts and for Users' compliance with these Terms and Conditions. As between Service Provider and Customer, Customer shall: (i) have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Data; (ii) use commercially reasonable efforts to prevent unauthorized access to, or use of, the Service, and notify Service Provider promptly of any such unauthorized access or use; (iii) comply with all applicable local, state, and federal laws in using the Service, and (iv) perform all Customer responsibilities as set forth in these Terms and Conditions.

Section 4, Fees and Payment

4.1 User Fees and Payment. The total fee for the Service to be provided hereunder is \$992,580, with (a) \$121,840.29 due at the time these Terms and Conditions are fully signed by the parties, (b) \$121,840.29 due upon completion of (i) the project kickoff meeting, (ii) delivery of the statement of work agreed upon by both parties, and (iii) the system acceptance plan or document agreed upon by both parties, and (c) \$125,532.42 due upon the Service being made available for live productive use of the Service (see Section 2.4). The remaining \$623,367.00 will be payable in Sixty (60) monthly installments, with \$12,087.00 due each month starting with month one (1) through month forty-two (42), and \$6,428.50 due each month starting with month forty-three (43) through month sixty (60). Month 1 will begin upon the Service being made available for live production use or twelve (12) months from the date these Terms and Conditions are executed by the parties, whichever occurs first. The monthly fees shall be due Net-30 from the first of each month, with the first and last month pro-rated accordingly. A late

penalty of three percent (3%) per month shall be added to each invoice that is past due. Such fees specifically exclude all taxes. Except as otherwise provided, all fees are quoted and payable in United States dollars. Except as otherwise specified herein, fees are based on services purchased and not actual usage, and the number of subscriptions purchased cannot be decreased during the relevant subscription term. All fees and the payment thereof are subject to and provided this Agreement is in effect, and accordingly are subject to the termination provisions of this Agreement. The payment of fees in any year during the term of this Agreement is subject to the annual budgeting and appropriation of funds by Customer to pay for CAD and/or RMS services, whether hosted or as an on premises solution. In the event no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Client for payment of CAD and/or RMS services, whether hosted or as an on premises solution, due under this Agreement, Customer will notify Service Provider of such occurrence and this Agreement shall terminate on the last day of the fiscal period in which funds were appropriated and budgeted without penalty or expense to Customer of any kind whatsoever.

Section 5, Proprietary Rights

Add a new section 5.4 to read:

5.4 Non-Productive Workstation License. During the term of this Agreement Service Provider shall provide Customer with, and hereby provides and grants Customer, a fully paid up, nonexclusive limited license to use the executable code of the underlying Tiburon Applications being provided as Service for Customer's use in the sole event Service Provider is no longer in business or is unable to provide the Service in accordance with this Agreement, which expressly excludes bankruptcy of Service Provider as Service Provider may continue to operate during such times (provided Service Provider is able during such time to provide the Service to Customer in accordance with this Agreement). Customer shall be responsible for all costs associated with this license, including but not limited to hardware acquisition and third party costs (provided, however, that there is no cost for the license). The license granted hereby may only be placed on a server when not in use. In the event Customer is authorized to use the license as set forth herein, it may be used on any number of workstations located at Customer's site and only for Customer's sole use. Customer may not turn on the license at any other time or for any other purpose, including but not limited to: testing, training, backup, or productive use. Upon go-live of the Service, Service Provider will furnish Customer with written instructions on how to start and use the license. Customer use of this license, outside of the permitted uses stated above, and failure to discontinue the same after a reasonable period of time following Customer's receipt from Service Provider of written notice of such use, shall be a material breach of the Agreement and Tiburon may disable Customer's access to the license immediately and without notice.

Section 6, Confidentiality

6.1 Definition of Confidential Information. As used herein, "**Confidential Information**" means all confidential and proprietary information of a party ("**Disclosing Party**") disclosed to the other party ("**Receiving Party**"), whether orally or in writing

(and if disclosed orally, promptly confirmed in writing thereafter), that is designated and clearly identified as confidential, including the Customer Data, the Service, business and marketing plans, technology and technical information, product designs, and business processes. Confidential Information (except for Customer Data) shall not include any information that: (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party; (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party; (iii) was independently developed by the Receiving Party without breach of any obligation owed to the Disclosing Party; or (iv) is received from a third party without breach of any obligation owed to the Disclosing Party.

6.3 Confidentiality. The Receiving Party shall not disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of these Terms and Conditions, except disclosure of Confidential Information shall not be precluded if (i) such disclosure is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof, or in response to a subpoena (or similar instrument) issued in connection with an administrative or judicial proceeding; provided, however, that the recipient of such Confidential Information shall give prompt notice to the other party of such order or subpoena prior to disclosure so that an appropriate protective order or other action regarding such disclosure can be sought; (ii) such disclosure is necessary to establish rights or enforce obligations under these Terms and Conditions, but only to the extent that any such disclosure is necessary for such purpose and the Disclosing Party was provided prior written notice and the opportunity to obtain an injunction against such disclosure; (iii) such disclosure is required by any law, rule, code, or regulation of any governmental entity, agency, or authority, including but not limited to the Texas Public Information Act, Chapter 552, Tex. Gov. Code; or (iv) the recipient of such Confidential Information received the prior written consent to such disclosure from the disclosing party, but only to the extent permitted in such consent.

This Agreement is not Confidential Information.

Section 7, Warranties & Disclaimers

7.1 Warranties. Each party represents and warrants that it has the legal power to enter into these Terms and Conditions. Service Provider represents and warrants that (i) it will provide the Service in a professional, good and workmanlike manner, consistent with commercially accepted best practices and standards in Service Provider's line of business applicable to the provision thereof; (ii) the Service shall perform materially in accordance with the User Guide; (iii) it owns or otherwise has sufficient rights in the Service to grant to Customer the rights to use the Service granted herein; and (iv) the Service does not infringe any intellectual property rights of any third party; and (v) the Service complies and shall at all times comply with all applicable federal, state, and other applicable government laws, rules, regulations, standards, codes, and requirements.

7.2 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, SERVICE PROVIDER MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL

IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

Section 8. Indemnification

8. Service Provider's Indemnification Obligation. Notwithstanding any other provision of this Agreement, Service Provider covenants and agrees to PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS the Customer and the elected and appointed officials, the officers, employees, agents, and representatives of the Customer, and any firm, company, organization, or individual to whom the Customer may be contracted, (collectively, "Customer Persons"), from and against any and all claims, demands, actions, causes of action, lawsuits, proceedings, judgments, harm, damages, losses, expenses, fees, fines, penalties, and liability, made upon or incurred by Customer or any other Customer Person, whether directly or indirectly, of which Service Provider is given prompt notification and over which Service Provider is given control to resolve (*the "Indemnified Matters"*), that arise out of, result from, or relate to (i) Service Provider's warranties and representations hereunder, and/or (ii) Service Provider's willful misconduct or negligence, or the willful misconduct, omission, or negligence, of any owner, officer, director, manager, employee, agent, representative, consultant, contractor or subcontractor of Service Provider, or any other person or entity for whom Service Provider is legally responsible, and their respective owners, officers, directors, managers, employees, agents, representatives, consultants, contractors or subcontractors (collectively, "Service Provider Persons"), in the performance of the Services hereunder; provided, however, that in no event shall Service Provider be liable for the accuracy or completeness of Customer Data, and under no circumstances shall Service Provider be liable for special, incidental or consequential damages. Service Provider agrees to further INDEMNIFY the Customer and all Customer Parties for all reasonable expenses and attorney's fees incurred by the Customer in connection with the Indemnified Matters.

SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE INDEMNIFIED MATTERS ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE WILLFUL MISCONDUCT, OMISSION, NEGLIGENCE OR GROSS NEGLIGENCE OF ANY CUSTOMER PERSON. However, Service Provider's liability under this section shall be reduced by that portion of the total amount of the Indemnified Matters (excluding defense fees and costs) equal to the Customer Person or Customer Persons' proportionate share of the willful misconduct, omission, negligence, or conduct that caused the loss. Likewise, Service Provider's liability for Customer Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Customer Person or Persons' proportionate share of the willful misconduct, omission, negligence, or conduct that caused the loss.

Service Provider shall promptly advise Customer in writing of any claim or demand against Customer, any other Customer Person, Service Provider, or any Service Provider Persons related to or arising out of Service Provider's (or any of Service

Provider Persons') activities under this Agreement, and shall see to the investigation and defense of such claim or demand at Service Provider's sole cost and expense. Customer and other Customer Persons shall have the right, at Customer's and any other Customer Person's option and expense, to participate in such defense without relieving Service Provider of any of its obligations hereunder.

Section 9, Limitation of Liability

9. Limitation of Liability. EXCEPT FOR PAYMENTS FOR DEFENSE, INDEMNIFICATION, AND HOLD HARMLESS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THREE TIMES THE AMOUNTS ACTUALLY PAID BY CUSTOMER HEREUNDER DURING THE TWELVE MONTHS PRECEDING THE INCIDENT GIVING RISE TO LIABILITY. IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Section 10, Insurance

10. Insurance. Service Provider shall procure and maintain in effect at all times during the term of these Terms and Conditions the following insurance coverages, naming (specifically endorsing, either explicitly naming Customer or through a blanket endorsement which includes Customer) Customer (the Town of Addison, Texas) as an additional insured (but this additional insured requirement does not apply to workers compensation or errors and omissions/professional liability insurances), with an insurance company or companies authorized to do business in the State of Texas and approved by the Customer with a Best rating of no less than A:VII:

10.1 Workers' Compensation at statutory (State of Texas) limits, including Employers Liability insurance coverage with minimum limits of One Million Dollars (\$1,000,000.00) per accident, per occurrence/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.

10.2 Commercial General Liability insurance with minimum combined single limits of One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) general aggregate for bodily injury and property damage, which coverage shall include contractual liability for obligations assumed under this Agreement, blanket contractual liability, products and completed operations (\$1,000,000 products/ completed operations aggregate) and owner's and contractor's protective insurance (coverage for products/completed operations must be maintained for at least two (2) years after the termination of this Agreement).

10.3 Comprehensive Auto Liability including bodily injury, personal injury and property damage in the minimum amount of a combined single limit of One Million Dollars (\$1,000,000.00). Coverage must include all automobiles utilized by Service Provider in connection with its performance of the services hereunder, including owned, non-owned and hired automobile coverage.

10.4 (a) In conjunction with Section 3.1 (particularly provisions (i), (iv), (v) and (viii) thereof), Technology Errors and Omissions Insurance, which must not contain an exclusion for personal injury or property damage, for electronic data processing support services at a minimum limit of \$1,000,000.00. This coverage must be maintained for at least two years after the termination of this Agreement; if such coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Agreement (or earlier) must be maintained during the full term of this Agreement.

(b) In conjunction with provisions (i), (ii), (vi) and (vii) of Section 3.1, Cyber Liability Insurance at a minimum limit of \$5,000,000.00 to respond to service provider's legal liability resulting from unauthorized access to the service provider's system as a result of a breach of security or privacy. Coverage should include, but not be limited to: denial of service; interruption in service; interference or alteration of service; corruption of codes or programs; damage, destruction or unauthorized release of customer's data; unauthorized release of confidential information; etc. This coverage must be maintained for at least two years after the termination of this Agreement; if such coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of this Agreement (or earlier) must be maintained during the full term of this Agreement.

10.5 Service Provider shall provide at least thirty (30) days prior written notice to the Customer in the event of any material change in or cancellation or non-renewal of the policy.

10.6 All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison.

10.7 A waiver of subrogation in favor of the Town of Addison, Texas, its officers, employees, and agents shall be contained in each policy required herein.

10.8 All insurance policies, which name the Town of Addison, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.

10.9 Service Provider may maintain reasonable and customary deductibles as determined appropriate by Service Provider.

10.10 All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent (and updated as needed or required), and delivered to Service Provider and Customer, and shall:

(a) List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein.

10.11 Service Provider shall give prompt written notice to the Customer of all known losses, damages, or injuries to any person or to property of the Customer or third persons that may be in any way related to the services being provided hereunder or for which a claim might be made against the Customer. Service Provider shall promptly report to the Customer all such claims that Service Provider has noticed, whether related to matters insured or uninsured. No settlement or payment for any claim for loss, injury or damage or other matter as to which the Customer may be charged with an obligation to make any payment or reimbursement shall be made by Service Provider without the prior written approval of the Customer.

Section 11, Term & Termination

11.2 Term of User Subscriptions. User subscriptions shall commence upon the Service being made available to Customer for live production use (see Section 2.4) and continue through the Initial Term, unless terminated earlier in accordance with these Terms and Conditions. Subject to Customer's right to terminate this Agreement as set forth Section 2.4, , if such productive use does not occur within twelve (12) months from the date these Terms and Conditions are executed by the parties, and such delay in productive use arises out of, relates to or results from any material delay caused by Customer and not attributable in any part to Service Provider, including but not limited to Customer's failure to timely perform its responsibilities, obtain and install the hardware, circuits as well as have the project appropriately staffed with qualified Customer personnel, then the Initial Term shall start at twelve (12) months following execution of this Agreement. Upon completion of the Initial Term or any subsequent Renewal Term, the User subscriptions shall automatically renew for additional one (1) year periods (each such one year period being a "**Renewal Term**") at the list price in effect at the time of renewal unless either party gives the other notice of non-renewal at least sixty (60) days prior to the end of the relevant subscription term. However, provided these Terms and Conditions are fully executed prior to March 31, 2013, the pricing for the Service and all of the products set forth in the Quote Document for each Renewal Term shall be fixed at \$145,044.00 per year for the number of workstation licenses provided hereunder, payable in monthly installments of \$12,087.00 (and such monthly installment amount shall not be modified without Customer's prior written consent). In the event an individual product being provided herein is terminated, the fixed fee for each such Renewal Term specified above shall be modified (reduced) accordingly.

11.3 Termination. (a) *For Convenience.* Either party may terminate this Agreement for convenience at any time for any reason (or for no reason) upon at least sixty (60) days advanced written notice to the other party. If Customer terminates this Agreement for convenience at any time from the Effective Date through the first forty-two (42) months of the Initial Term, Customer shall pay one hundred percent (100%) of the remaining applicable fees owed for the first 42 months of the Initial Term. If Customer terminates these Terms and Conditions for convenience during months forty-three (43) through sixty (60) of the Initial Term, Customer shall not pay a termination fee. If Service Provider

terminates for convenience, Customer shall be under no further obligation to pay for continued subscription fees after the effective date of termination as specified in Service Provider's notice to Customer. The termination fees set forth above are not intended as a penalty, but rather a charge to compensate Service Provider for Customer's failure to satisfy the commitment set forth in these Terms and Conditions on which Customer's pricing is based upon.

(b) *For Cause.* Either party (the “**non-defaulting party**”) may terminate this Agreement if the other party (the “**defaulting party**”) defaults or commits a breach of this Agreement, and such default or breach remains uncured for a period of seven (7) days after notice thereof (which notice shall specifically identify the default or breach) (the “**Notice of Breach**”) is received by the defaulting party; however, if the default or breach cannot with diligence be cured within said 7 day period, if within such 7 day period the defaulting party provides the non-defaulting party written notice of the curative measures which it proposes to undertake to cure the default or breach, and proceeds promptly to initiate such measures to cure such default or breach, and thereafter prosecutes the curing of such default or breach with diligence and continuity, the time within which such default or breach may be cured shall be extended for such period as may be necessary to complete the curing of such default or breach with diligence and continuity, not to exceed 30 days following the date the Notice of Breach is received by the defaulting party.

Notwithstanding the foregoing or any other provision of the Agreement, the Customer may immediately terminate this Agreement in the event Service Provider (i) becomes or is declared insolvent according to any law; (ii) makes a transfer in fraud of creditors according to any applicable law; (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors or (iv) files a petition under any provision, section or chapter of the United States Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar laws (collectively “**Applicable Bankruptcy Law**”), or may be preparing for adjudication as a bankrupt or insolvent in proceedings that may be filed by or against Service Provider; (v) a receiver or trustee is appointed for Service Provider or any Service Provider property or assets, or the interest of Service Provider under this Agreement is levied on under execution or under other legal process; or any involuntary petition is filed against Service Provider under Applicable Bankruptcy Law; or (vi) there may be instituted against Service Provider, or against any affiliate of Service Provider, bankruptcy, insolvency, reorganization, arrangement, debt adjustment, liquidation or receivership proceedings.

If Customer terminates this Agreement for cause (as set forth in this Section 11.3(b)), Customer shall not pay a termination fee or make any other payment for such termination.

11.4 Return of Customer Data. Within ninety (90) days after termination of the Services being provided hereunder, Service Provider will provide Customer with a copy of all Customer Data in its native file format as determined by Service Provider. After a copy of the Customer Data has been provided to the Customer, Service Provider shall have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, delete all Customer Data in its systems or otherwise in its possession or under its control.

11.5 Surviving Provisions. The following provisions shall survive any termination or expiration of these Terms and Conditions: Sections 4, 5, 6, 7, 8, 9, 10, 11, and 12.

Section 12. General Provisions

12.5 Severability. If any provision of these Terms and Conditions is held by a court of competent jurisdiction to be contrary to law, the provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions of these Terms and Conditions shall remain in effect. In lieu of such contrary provision, the parties agree to negotiate the addition of another provision that is as similar in its terms to such contrary provision as may be possible and be legal, valid and enforceable.

12.6 Assignment. Neither party may assign, transfer, sell, subcontract, or otherwise convey (collectively, “assign”) any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld). Notwithstanding the foregoing, Service Provider may assign these Terms and Conditions in its entirety, without consent of the other party, in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets (but Service Provider shall give prompt notice of the same upon its occurrence). Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

12.7 Third Party Beneficiaries. Except as otherwise provided in this Agreement, this Agreement is entered into for the sole benefit of the Customer and Service Provider and, where permitted above, their permitted successors, executors, representatives, administrators and assigns. Except as otherwise provided in this Agreement, nothing in these Terms and Conditions shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the general public or any member thereof, or to authorize anyone not a party to these Terms and Conditions to maintain a suit for personal injuries, property damage, or any other relief in law or equity in connection with these Terms and Conditions.

12.9 Governing Law. This Agreement shall be governed exclusively by the internal laws of the State of Texas in which Customer resides, without regard to its conflicts of laws rules or the conflicts of laws rules of any other jurisdiction.

12.10 Venue; Waiver of Jury Trial. The state and federal courts located in the County of Dallas, State of Texas shall have exclusive jurisdiction to adjudicate any dispute arising out of or relating to these Terms and Conditions. Each party hereby consents to the exclusive jurisdiction of such courts.

Add new sections to read:

12.13 No Waiver of Immunity. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall or may be deemed to be, or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or tort limitation to which

Customer, its officials, officers, employees, representatives, and agents are or may be entitled, including, without limitation, any waiver of immunity to suit.

12.14 Heading; “Includes”. Section headings included in this Agreement are for convenience only and shall not be used in interpretation of this Agreement. The words “include(s)” and “including” are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

Exhibit B

The word “System” is used in various places and is a capitalized term – as if it is defined somewhere – but there is no definition.

Customer Responsibilities

(d) **Maintenance and Back-Ups** The Customer shall be responsible to provide maintenance and back-up activities relating to the Service Provider proprietary software and the System, including without limitation backing up databases and journal logs, purging out of date records and running reports and performing diagnostics, and that the same are timely carried out.

(f) **Third-Party Product Support** Unless otherwise agreed, the Customer shall obtain, pay for and maintain in effect during the term of this Agreement the technical support contracts for certain third party products as specified by Service Provider, and shall be responsible to confirm that, in addition to authorizing the Customer to request support services there under, each such support contract also expressly authorizes Service Provider to request support services there under on the Customer’s behalf.

(g) **System Security** The Customer shall be responsible to provide that the security of the System conforms in all respects to the federal, state, and/or local mandated law enforcement telecommunications requirements.

(h) **System Change, Alteration, or Modification** The Customer shall be responsible to provide and determine that, with respect to the Service Provider proprietary software, such software is installed only on the authorized server and workstations and only at the authorized site. The Customer shall be responsible to provide and determine that each authorized site conforms in all respects to the site specifications as required by Service Provider. The Customer shall be responsible to determine that no change, alteration or modification is made to the System configuration without the express prior written consent of Service Provider; provided, however, that said consent is not intended to constitute in any manner Service Provider’s approval, certification, endorsement, or warranty of the System configuration or System performance.

(i) **Database Administration Change Authorization** Customer shall maintain a system so that only authorized personnel have the ability to perform database administration activities and that a list of all such authorized personnel (and any updates thereto) be promptly delivered to the Service Provider’s Technical Support Services

department. Database administration shall be in compliance with Service Provider provided guidelines. Service Provider cannot assist Customer personnel other than those on the most current authorization list.

(j) **Authorized Customer Representative** The Customer shall designate, in a written notice a single individual to act as the Customer's authorized representative for purposes of these Maintenance and Support Guidelines (for purposes hereof, such person is, unless otherwise designated by Customer, Customer's Director of Information Technology). Such individual (a) must be authorized to act on the Customer's behalf with respect to all matters relating to these Maintenance and Support Guidelines; (b) shall determine the Customer's compliance with its responsibilities under these Maintenance and Support Guidelines; and (c) shall coordinate appropriate schedules in connection with Service Provider's services under these Maintenance and Support Guidelines. The Customer may change the individual designated hereunder by providing Service Provider advance written notice designating the new individual authorized to act as the Customer Representative.

(k) **Technical Support Coordinators** The Customer shall designate, in a written notice one or more individuals to act as the Customer's technical support coordinator (a "Technical Support Coordinator"). The Customer shall be responsible to determine that each Technical Support Coordinator designated hereunder shall have received the appropriate Service Provider proprietary software and System training and shall otherwise be familiar with the Service Provider proprietary software and the System. The Customer shall be responsible to determine that, at all times, a Technical Support Coordinator is available (a) to screen operational assistance calls and handle operational problems, where appropriate; (b) to provide access to the System as required; and (c) to provide on-site technical assistance as required by Service Provider to aid Service Provider in performing its services hereunder. The Customer may change any individual designated hereunder by providing Service Provider with advance written notice designating the new individual authorized to act as a Technical Support Coordinator.

(l) **Training** The Customer shall be responsible to determine that all Technical Support Coordinators and other personnel have received appropriate training on the Service Provider proprietary software and the System, and otherwise maintain sufficient personnel with sufficient training and experience to perform its obligations under these Maintenance and Support Guidelines.

Exhibit C

Audit

8) SERVICE PROVIDER will, upon the request of CUSTOMER, provide either: (a) a reasonable ability to inspect SERVICE PROVIDER's handling of CUSTOMER's data and Law Enforcement Data; or (b) the report of an expert, independent, third party, verifying compliance with the provisions of these CJIS Terms.

Integrity

10) SERVICE PROVIDER will maintain physical or logical separation between the cloud services provided to CUSTOMER and the consumer cloud services, if any, that it provides to other customers. SERVICE PROVIDER will further ensure that there is no commingling of Law Enforcement Data with data in SERVICE PROVIDER's consumer cloud services or with data resulting from any data processing activities conducted by SERVICE PROVIDER as part of its consumer services or with any of its other services. If the system is designed to house evidentiary material, then SERVICE PROVIDER shall maintain records of access to Law Enforcement Data sufficient to allow CUSTOMER to establish a chain of custody for data of evidentiary value.

Council Agenda Item: #R5

AGENDA CAPTION:

Presentation, discussion and consideration of approval of a contract with J. Stowe & Co.'s for providing professional services for the Town's utility rate study.

FINANCIAL IMPACT:

The not-to-exceed price of \$23,250 is more than the \$15,000 budgeted. However, the Utility Fund plans to absorb the difference with potential operating savings. If this isn't possible, staff will come forward with a budget amendment of \$8,250.

BACKGROUND:

N/A

RECOMMENDATION:

Staff recommends approval, subject to City Attorney's final approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Define, measure, evaluate, and improve success for all Town businesses, Infrastructure improvement and maintenance

ATTACHMENTS:

Description:

 [J. Stowe - Utility Rate Study Proposal](#)

Type:

Backup Material



*A Division of
NewGen Strategies & Solutions, LLC*

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Richardson, TX 75082
t 972 680 2000
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515 Congress Avenue, Ste 1515
Austin, TX 78701
t 512 479 7900
f 512 479 7905

February 18, 2013

Ms. Kristi Brutlag
Accounting Manager
Town of Addison
5350 Belt Line Road
Addison, Texas 75001

Subject: Proposal to Conduct Water and Wastewater Cost of Service and Rate Design Study

Dear Ms. Brutlag:

Based on our meeting of February 5, 2013 and our subsequent correspondence, J. Stowe & Co., a division of NewGen Strategies & Solutions LLC, ("J. Stowe & Co.") appreciates this opportunity to propose our assistance to the Town of Addison to conduct a Water and Wastewater Cost of Service and Rate Design Study. Members of J. Stowe & Co. have assisted the Town in a number of prior engagements, and we look forward to renewing our professional relationship with the Town. Previous engagements conducted with the Town by our Project Team members include the following:

- In 2012, Ms. Connie Cannady assisted Mr. Randy Moravec, former Director of Financial & Strategic Services for the Town of Addison, in conducting a review of Franchise Fees remitted by Atmos Energy to the Town
- In 2004, Ms. Cannady assisted Mr. Moravec in negotiating and renewing the Town's Cable Franchise Agreement
- In 2003, Ms. Cannady assisted Mr. Moravec and Mr. Ron Whitehead, Town Manager, in evaluating and analyzing the purchase of the Town's Street lighting system from TXU.
- On several occasions, Ms. Cannady and Mr. Jack Stowe assisted Mr. Moravec and/or Mr. Whitehead by providing analysis, expert witness testimony, and litigation support in natural gas rate cases with Atmos Energy (then TXU and/or Lone Star Gas).

Based on our recent conversations, it is our understanding that at this time the Town is seeking a qualified consultant to conduct a Water and Wastewater Cost of Service and Rate Design Study. As part of this study, the consultant will prepare a five-year forecast of water and wastewater revenue requirements and accompanying rates under the Town's current rate design. Additionally, the consultant should examine the Town's available information on water use by cooling towers and determine appropriate mechanisms for ensuring equitable water and wastewater charges to these customers. As part of this study, the Town is not seeking to make changes to its current rate design, nor does it desire that an electronic rate model be provided as part of the study deliverables.

The remainder of this letter outlines J. Stowe & Co.'s proposed project work plan, project timeline, and proposed project fees. It is our understanding that this solicitation is sought under the same terms and conditions as agreed to between the City of Garland, Texas and J. Stowe & Co. in City of Garland Solicitation No. 3200-13. J. Stowe & Co. agrees to honor those same terms and conditions for this engagement and they are incorporated herein by reference.

Work Plan

To perform the requested study, the Project Team proposes the following work plan. Our proposed work plan closely follows the approaches and methodologies utilized by J. Stowe & Co.'s Project Team members in all of their water and wastewater cost of service and rate design studies. Therefore, the Town can be assured that the work plan proposed by J. Stowe & Co. has been tested and proven in numerous studies across the state and nation. It is understood that, if selected, the Project Team will refine, customize, and finalize the work plan with the Town upon award of the project.

J. Stowe & Co. maintains a strong and active presence before the State of Texas' rate regulatory authorities and is routinely requested to provide expert opinions on rate matters by legal counsels representing clients throughout the State of Texas. For J. Stowe & Co. to maintain its reputation and presence within the regulatory environment, our product must be of such quality to withstand intense scrutiny. The product developed by J. Stowe & Co. for this engagement will withstand such scrutiny. To achieve this, as part of our work plan, J. Stowe & Co. has one of its senior level consultants, who is outside of the study's day-to-day process, provide an independent review of the study to test the assumptions and validity of the results and recommendations. Ms. Connie Cannady, who has thirty (30) years of professional experience and is a recognized expert in rate regulatory matters, will provide the quality control and assurance review for the project.

Task 1 – Initiation of Initial Data Request

The Project Team will develop an initial data request that will be needed to adequately begin the review and evaluation of the Town's retail water and wastewater rates. This data will include, but is not limited to, operating, financial, management, policy, and ordinance data. The purpose of the initial data request is to become more familiar with the Town's operations and policies in order to maximize the effectiveness of our time with Town representatives in the project kick-off meeting. The Project Team will issue the initial data request within five (5) days after receiving notice to proceed on the project.

Task 2 – Initial Data and Information Assessment

Once the Town has submitted the initially requested data, the data will be reviewed for discussion during the project kick-off meeting. Throughout the course of the project, data received by the Project Team will be sampled and tested for accuracy. The sampling and testing of data is imperative in regards to the billing data used to set rates. In all of our rate study engagements, J. Stowe & Co. conducts a thorough review and testing of the billing data queries provided by our clients. It is essential in the development of proper cost allocations and reliable revenue projections that the billing data be as accurate as possible. J. Stowe & Co. will work closely with the Town's billing staff and/or software provider to extract the appropriate billing data. In addition, as necessary, the Project Team will conduct informal interviews with Town staff during our review of the historical data to ensure that the Project Team understands the information provided.

Task 3 –Project Kick-off Meeting

After receiving the initially requested data, the Project Team will work with the Town to schedule a kick-off meeting. The primary reason for the kick-off meeting is to allow the key Project Team consultants and participants from the Town to be introduced and lay the general framework for how the study will be conducted. This meeting will also allow for the finalization of the proposed work approach, as well as discuss and clarify the information analyzed in Task 2.

In addition, the project kick-off meeting will allow for the Project Team to gain a better understanding of the goals and objectives, as well as expectations, the Town desires to achieve from the study. As part of the kick-off meeting, the Project Team members will also discuss:

- Political and customer views/opinions of current rates;
- Capital/operational demand changes anticipated over the study's forecasted period;
- Initial rate design pricing objectives; and,
- Initial strategies for implementing/communicating possible rate changes.

Task 4 – Determination of Test-Year Revenue Requirements

Revenue requirements will be developed for the water and retail wastewater studies using the American Water Works Association ("AWWA") accepted cash needs approach and for the wholesale water study using the utility basis. The cash needs approach closely follows municipal budgeting practices and incorporates a utility's operation and maintenance costs, debt service and bond coverage requirements, cash funded capital outlays, reserve requirements, and transfers.

In developing the revenue requirements, the Project Team will assess and project each utility's cost of service by analyzing each utility's historical costs, the current budget year, any forecasts made for future fiscal years, as well as any debt service ratio or bond covenant requirements. The Project Team will develop a test-year cost of service for each utility. A test-year is a common term in rate studies that refers to an adjusted fiscal year cost that will be used as a basis for setting rates. The test-year cost of service will be adjusted by non-rate revenue sources to develop the test-year revenue required from utility rates.

Task 5 – Forecast of Revenue Requirements

Using the test-year developed in Task 4, the Project Team will begin the development of a five-year revenue requirement forecast. As necessary, interviews with Town staff may be conducted to gather additional data to complete this task. During this task, it is crucial to thoroughly analyze the assumptions used in projecting the revenue requirements. These assumptions may include, but may not be limited to, growth rate, inflation rates, regulatory changes, conservation, increase in contractual obligations, and capital improvements. These assumptions will be supported by standard industry forecasting practices and available indices. In addition, support will come from the Town's master plan studies and current infrastructure ratings. The Project Team will work closely with Town staff to examine the Town's planned method of financing (e.g. cash, debt, grants) future capital improvements and the financing methods' impact on retail rates, operating and capital reserve targets, and debt coverage requirements, as well as examine anticipated operational and/or staffing changes over the five-year forecast. The five-year revenue requirement will serve as

the basis for the development of the financing plan to meet projected capital improvement expenditures.

Task 6 – Determination of Realizable Revenue at Current Rates

The results of this task will provide the data to properly evaluate the cost of service, the magnitude of overall increases, if any, and the probability of redistribution of revenue responsibility between customer classes as well as providing the Project Team the ability to compare the actual cost to provide utility service with the anticipated billed revenues of the utility. In the revenue determination, adjustments will be made to the historical billing data to reflect normalized weather conditions and usage. This task will also provide a “check” of the data provided by Town staff.

Task 7 – Functionalization of Revenue Requirements

Functionalization is the process of grouping costs based on the function, or type, of service provided. Discussions will be held with Town staff to understand the types of services that are provided by the Town (e.g. raw water service, transmission service), and what system information is available from the Town, to determine the appropriate functional cost categories to be utilized in the study.

Task 8 – Classification of Revenue Requirements

After the development of the functionalized costs in Task 7, costs are classified into the components of utility service that are provided. For the water utility, it is proposed that costs be classified using the AWWA recommended Base Extra-Capacity method, where costs are classified as base, extra-capacity and customer related. For the wastewater utility, it is proposed that costs be classified using the Water Environmental Federation (“WEF”) recognized flow, BOD, TSS, and customer parameters.

It should be noted that these are our proposed classification methods. Discussions will be held with Town staff before the finalization of the agreement between the Town and J. Stowe & Co. to determine the appropriate classification methods to utilize in recognition of the Town’s objectives and available system and billing data.

Task 9 – Allocation of Revenue Requirements

One of the most important considerations in the setting of fair and equitable rates for utility service is the establishment of the appropriate grouping of customers (i.e., customer classes for cost distribution after costs are classified). Generally, a customer class should only include those customers who: (a) are in a similar location in relation to the utility; (b) use the same or similar service from the utility; and (c) receive similar service from the utility and place similar demands upon the utility. As part of the Town’s request, the Project Team will analyze the usage patterns of the presently defined customer classes in the above context and evaluate whether a new classification of customers or amendment to the current classification should be recommended.

Costs within each utility will be allocated to the selected customer classes based on each customer class’ level of service provided by the Town. It is imperative that the factors that form the basis of costs incurred by the Town to provide continuous and adequate service to its customers be appropriately identified. This identification requires a thorough understanding of the influencing conditions controlling the design and/or actual operation of a system. These conditions include

normal and peak weather conditions. Members of the Project Team are thoroughly versed in appropriately identifying these costs and are recognized experts before the State's rate regulatory agencies. The factors for the allocation of costs to the customer classes will be dependent on the billing and system information available from the Town.

After the forecasted revenue requirements are allocated to the customer classes, the Project Team will conduct a briefing presentation with Town staff to provide the comparison of the revenue requirements by customer class to each customer class' revenue generation under current rates. This will provide the Town with the magnitude of the potential rate adjustments needed for each customer class.

Task 10 – Determination of Realizable Revenue with Rate Adjustments

The Project Team will analyze and compare the revenues forecasted to be generated under current rate structures, by customer class, to the forecasted cost of service to determine the adequacy of the current rate structures to meet the Town's financial goals, including bond coverage requirements and operating and capital reserves. To the extent the current rates are projected to be inadequate, appropriate rate adjustments for each class will be calculated. In the revenue determination, adjustments will be made to the historical billing data to reflect normalized weather conditions and usage. Also, the monthly impact of rate adjustments on customer bills under the current rate structures will be examined. During this task, the Project Team will also examine the Town's available information on water use by cooling towers and determine appropriate mechanisms for ensuring equitable water and wastewater charges to these customers.

Task 11 – Rate Comparison Review

The Project Team will compare the Town's current and adjusted utility rates to utility rates of municipal utilities of similar size, demographics, and operational characteristics so as to provide an estimation of the Town's comparable and competitive position.

After completing Task 11, members of the Project Team will conduct a briefing presentation with Town staff to discuss the results of the rate design analysis. Included in these discussions will be the development of the strategy(ies) to communicate and institute any significant rate changes.

Task 12 – Draft Report Preparation

The Project Team will develop a draft report summarizing findings, conclusions, and recommendations of the water and wastewater rate study. The report will include all methodologies, assumptions, and calculations, and a background section that includes all data used in the determinations made in the study. The Project Team is committed to ensuring that the Town thoroughly understands the recommendations in the draft report and will be available to discuss findings, answer questions, and receive input. The Project Team will ensure that Town staff has sufficient time to address their concerns and/or questions prior to finalizing the report.

Task 13 – Final Report Preparation and Presentation

Upon receipt of Town staff comments, the Project Team will make appropriate changes and provide the Town with the final report. After completion of the final report, the Project Team will assist the Town in the presentation of the results of the water and wastewater rate study to various

stakeholders, including presenting the study's findings, conclusions, and recommendations to the Town Council.

Project Coordination and Reporting

For a cost of service and rate study to be successful, input into the project and ownership of the results by the Town staff, Town Council, and ratepayers must occur. Efforts to achieve this success include the enhancement of communication between the Town and the Project Team through several coordination activities provided within the scope of services, such as the Project Kick-off Meeting to allow the project participants to finalize the work approach, as well as establish the lines of communication. In addition, after Tasks 9 and 11, the Project Team will conduct briefing presentations with Town representatives on the study's activities to-date. Also, the Project Team will assist Town staff in the presentation of the study's findings, conclusions and recommendations.

Deliverables

The Project Team will provide the Town with the following:

- Monthly Status Reports
 - Provide monthly status reports for the study that summarize the tasks completed-to-date, current assignments, schedule of tasks to be completed, hours expended-to-date, budget-to-date, and any significant problems with suggested solutions.
- Draft Report
 - Within 90 to 120 days of notification of award, given the timely receipt of the required financial and operational data, an electronic draft report will be provided for the Town's review and comment that summarizes the Project Team's findings, conclusions, and recommendations.
- Final Report
 - The final report will be provided to the Town within two weeks after delivery of the draft report, given the timely receipt of the Town's comments.
- Meetings/Presentations
 - The Project Team will conduct four (4) meetings with Town staff during the course of the engagement including: Project Kick-off Meeting, Project Update meetings after Tasks 9 and 11, and one presentation to the Town Council. Additional meetings and/or presentations beyond those listed here will be provided on a time and expense basis at our agreed on hourly billing rates.

Ms. Kristi Brutlag
February 18, 2013
Page 7

Services requested by the City not specifically outlined within the proposed work plan and which the Project Team is unable to provide within the proposed project pricing above will be provided on a time and expense basis at the hourly billing rates indicated below:

- General Manager \$ 250.00
- Director \$ 175.00 - \$ 225.00
- Senior Consultant \$ 125.00 - \$ 150.00
- Staff Consultant \$ 90.00 - \$ 125.00
- Administrative Staff \$ 50.00

Project Timeline

As stated above, the Project Team is committed to delivering a draft report to the Town within 90 to 120 days of receiving notice to proceed and assuming timely receipt of required project data. Assuming notice to proceed is received no later than March 4, 2013, the Project Team commits to delivering a draft report to the Town by June 3, 2013.

Proposed Project Price

Based on the scope of services outlined above, J. Stowe & Co. agrees to perform the requested services for a **not-to-exceed project price of \$23,250.00**. For additional details on the hours by task to complete the proposed project, please see the included attachment.

Again, J. Stowe & Co. appreciates the opportunity to propose our assistance to the Town of Addison and we stand ready to answer any questions or provide any additional information the Town may need as you select a qualified firm for this important project. If you should have any questions regarding this letter and/or require additional information, please contact Chris Ekrut at 972.680.2000 or via e-mail at cekrut@jstoweco.com.

Very truly yours,



Chris Ekrut
Director
J. Stowe & Co.

Cc: Jack Stowe
Lauree Kiely
Kelsey Hughes

Town of Addison, Texas
Water and Wastewater Cost of Service and Rate Study
Proposed Project Price

	Jack Stowe		Chris Ekrut		Kim Bostik		Connie Cannady		Administrative Staff		Total		
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	
Billing Rate		\$ 250.00		\$ 135.00		\$ 135.00		\$ 185.00		\$ 50.00			
<u>Task No.</u>	<u>Description</u>												
1	Data Request	\$ -	2.0	\$ 270	2.0	\$ 270		\$ -		\$ -	4	540	
2	Data and Information Assessment	-	2.0	270	2.0	270		-		-	4	540	
3	Project Kick-off Meeting	2.0	500	2.0	270	-	-	-	-	-	4	770	
4	Determination of Test Year Revenue Requirements	2.0	500	4.0	540	6.0	810				12	1,850	
5	Forecast of Revenue Requirements	2.0	500	4.0	540	8.0	1,080	2.0	370		16	2,490	
6	Realizable Revenue at Current Rates	-	-	2.0	270	2.0	270				4	540	
7	Functionalization of Revenue Requirements	2.0	500	4.0	540	8.0	1,080				14	2,120	
8	Classification of Revenue Requirements	2.0	500	4.0	540	8.0	1,080	2.0	370		16	2,490	
9	Allocation of Revenue Requirements	2.0	500	6.0	810	12.0	1,620	4.0	740		24	3,670	
11	Realizable Revenue with Rate Amendments	-	-	4.0	540	8.0	1,080				12	1,620	
12	Rate Comparison Review	-	-	2.0	270	4.0	540				6	810	
13	Draft Report	4.0	1,000	6.0	810	6.0	810	2.0	370	2.0	100	20	3,090
14	Final Report and Presentations	4.0	1,000	6.0	810	6.0	810			2.0	100	18	2,720
	Total Hours	20.0		48.0		72.0		10.0		4.0		154	
	Total Dollars	\$ 5,000		\$ 6,480		\$ 9,720		\$ 1,850		\$ 200		\$ 23,250	

Council Agenda Item: #R6

AGENDA CAPTION:

Presentation, discussion and consideration of an ordinance amending Chapter 62, Signs, of the Code of Ordinances of the Town by providing for a Meritorious Exception to Article IV. Requirements for Specific Types of Signs, Division 4. Detached Signs, Sec. 62-186. Monument signs at 5220 Belt Line Rd. in order to provide for a single tenant monument sign that is 8 feet above the sidewalk grade on Belt Line Rd. and 10 feet in height above the adjacent parking lot grade on application from The Original Pancake House.

FINANCIAL IMPACT:

None

BACKGROUND:

Section 62-186 Monument Signs of the sign ordinance limits the maximum height of a single tenant monument sign to 6 feet.

RECOMMENDATION:

Staff recommends denial.

COUNCIL GOALS:

Brand Protection and Enhancement

ATTACHMENTS:

Description:

📎 [APPLICATION, OWNER APPROVAL LETTER](#)

📎 [PHOTOS, SITE PLAN](#)

Type:

Backup Material

Backup Material



BUILDING INSPECTION DEPARTMENT 16801 Westgrove Dr Addison Texas 75001 972/450-2881 fax: 972/450-2837

Application for Meritorious Exception to the Town of Addison Sign Ordinance

Application Date: 2/21/13

Filing Fee: \$200.00

Applicant: Allen Perez GHA Architects

Address: 14110 Dallas Pkwy Suite#: 300

Dallas TX 75024 Phone#: 214-461-9650

City State Zip Fax#: 972-239-5054

Status of Applicant: Owner _____ Tenant _____ Agent X

Location where exception is requested:

5120 Beltline Rd. Addison (The Original Pancake House)

Reasons for Meritorious Exception:

Location of existing monument is on a grade 2' below the sidewalk and street level. Cars parked in lot block view of existing monument sign. Proposal is to elevate the existing sign 4'. To allow for visibility to passing traffic.

YOU MUST SUBMIT THE FOLLOWING:

1 ~~18~~ COPIES OF THE PROPOSED SIGN SHOWING:

- 1. Lot Lines
- 2. Names of Adjacent Streets
- 3. Location of Existing Buildings
- 4. Existing Signs
- 5. Proposed Signs
- 6. Sketch of Sign with Scale and Dimensions Indicated (8.5 x 11 PLEASE)

Date Fees Paid 2-21-13 Check # 10528 Receipt # 781204

Susan Steelhammer, CSM
Senior Property Manager
214-720-3642, 214-953-0860 fax
ssteelhammer@cencorrealty.com

February 15, 2013

Mr. John B. Gessner
Vice-President and General Counsel
FRONT BURNER RESTAURANTS, LP
4803 Broadway Rd.
Addison, Texas 75001

RE: Original Pancake House sign variance request

Good Morning John:

Please note that this letter serves as Landlord and Property Owner approval to pursue a sign variance from the Town of Addison in an effort to raise your Original Pancake House monument sign currently located on Beltline Road. We agree that the improved visibility would be of great service to the restaurants success.

Should have any questions or concerns, please don't hesitate to contact me. Thank you for your response and prompt attention to this matter.

Sincerely,



Susan Steelhammer, CSM
Senior Property Manager
Cencor Realty Services, Inc.

/ss



April 24, 2012

**To: Len Chandler
City of Addison
Addison, Texas**

Re: Consent to raise monument sign

Dear Sir,

Please allow Mr. Tony McMillen of Genco Sign Group to apply for an exception to raise our current sign that is located on 5220 Beltline Road.

Please contact me with any questions at 972.977.8552 or ygs@ophdfw.com

Best Regards,

A handwritten signature in black ink, appearing to read 'Jonathan Seyoum', is written over a horizontal line.

**Jonathan Seyoum
Owner, Operator
The Original Pancake House -DFW**



Existing Conditions



Monument Sign Variance
The Original Pancake House
Addison, TX

02/21/2013

GHA Architecture / Development
14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884





Existing Conditions showing level drop of existing landscaping from curb / sidewalk along Beltline Rd.



Monument Sign Variance

The Original Pancake House
Addison, TX

02/21/2013

GHA Architecture / Development

14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884





Proposed Condition with built-up landscaping to match sidewalk at Beltline Rd. and sign raised an additional 2'-0"



Monument Sign Variance

The Original Pancake House
Addison, TX

02/21/2013

GHA Architecture / Development

14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884





Existing Condition with car parking in front of sign.



Monument Sign Variance

The Original Pancake House
Addison, TX

02/21/2013

GHA Architecture / Development

14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884





Proposed Condition with built-up landscaping and sign raised an additional 2'-0", and sidewalk level, with car parking in front of sign.



Monument Sign Variance

The Original Pancake House
Addison, TX

02/21/2013

GHA Architecture / Development

14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884

GH A

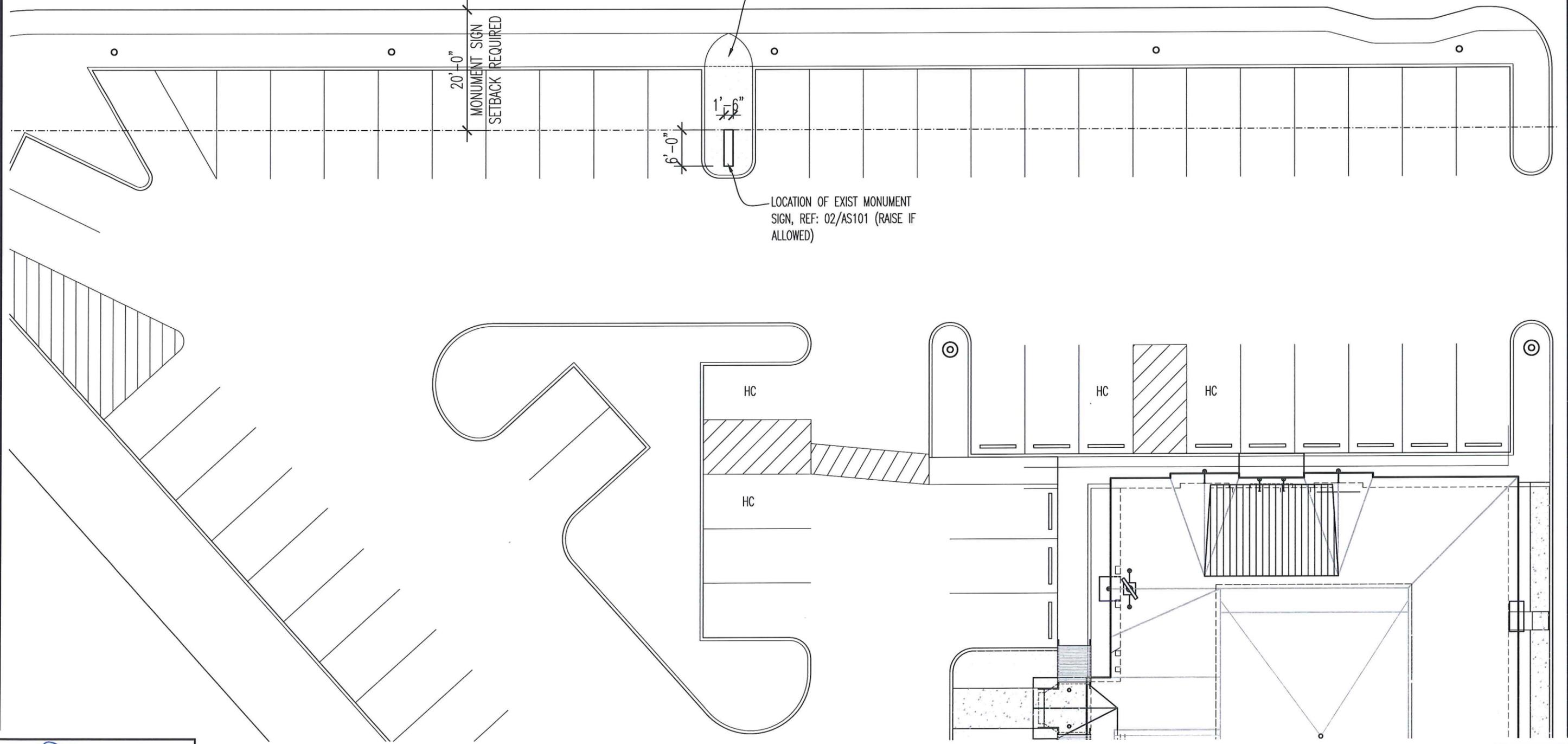
BELT LINE RD

ADD ADDITIONAL SOIL TO CREATE
LANDSCAPE BERM TO HEIGHT OF
EXISTING SIDEWALK ON BELTLINE
TO EXISTING TRAFFIC ISLAND W/
MONUMENT SIGN

20'±0"
MONUMENT SIGN
SETBACK REQUIRED

1'±6"
6'-0"

LOCATION OF EXIST MONUMENT
SIGN, REF: 02/AS101 (RAISE IF
ALLOWED)



Monument Sign Variance

The Original Pancake House
Addison, TX

02/21/2013

SCA □ E □ / 1 □ □ □ 1 □ □ □

GHA Architecture / Development

14110 Dallas Parkway, Suite 300
Dallas, Texas 75254 (972) 239-8884



Council Agenda Item: #R7

AGENDA CAPTION:

Presentation, discussion, and consideration of approval of amendment number 5 to the Program/Project Management Professional Services agreement between the Town of Addison and R.H. Shackelford, Inc. in the amount not to exceed \$357,425.

FINANCIAL IMPACT:

Funding for the Project Design Phases for the Town's 2012 Bond Program, CIP and other miscellaneous projects are allocated to the Town's Capital Projects and Bond Budgets.

Funding for the implementation of the Infrastructure Operations and Services Department operations and maintenance program is allocated in the FY13 Operations and Services Department operations budget.

BACKGROUND:

In November 2010, the Town selected R. H. Shackelford from a list of 11 firms who responded to the Town's request for qualifications (RFQ) to provide Program/Project Management Professional Services on an as-needed basis for current and future projects. Since their selection, R.H. Shackelford has assisted the Town on a number of project including Belt Line, Spring Valley, Redding Trail, and some of the Vitruvian projects. In addition, Shackelford also conducted a thorough review of the Infrastructure Operations and Services Department operations and provided a number of recommendations based on that review.

The proposed amendment will provide continued assistance with the implementation of the Town's Bond program including design phase management for the proposed 2012 bond projects. In addition the amendment also covers the implementation of an operations and maintenance program for the Infrastructure Operations and Services Department and the development of procedures for addressing these items in the future. There services that are proposed to be provided in this agreement, will build on the information that has been gathered thus far. This will be used to help the department determine the path forward that will begin to be implemented in the coming fiscal year.

The amendment covers all services through September 30, 2013.

RECOMMENDATION:

Staff recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance, Implement bond propositions

ATTACHMENTS:

Description:

 [Work Breakdown Schedule](#)

Type:

Backup Material

Work Breakdown Schedule	Estimated Hours	Estimated Cost based on Hours
Beltline Road Improvements		
Project Manager	168	
Engineer II	171	
Administrative Support	18	
		\$48,602.00
Wastewater Management Plan		
Project Manager	102	
Engineer II	70	
Administrative Support	18	
		\$25,589.00
Vitruvian Phase 1		
Project Manager	20	
Engineer II	12	
Administrative Support	4	
		\$4,289.00
Vitruvian Park Next Phase		
Project Manager	102	
Engineer II	224	
Administrative Support	18	
		\$42,728.00
Vitruvian Alpha Road		
Project Manager	107	
Engineer II	299	
Administrative Support	18	
		\$52,299.00
Other CIP/Bond Projects		
Project Manager	51	
Engineer II	34	
Administrative Support	18	
		\$12,917.00
Estimated Total (Above Projects)		\$186,424.00
Infrastructure Operations and Services Dept Implementation		
Principal/Project Manager	233	
Engineer II	1023	
Project/Administrative Support	196	
Estimated Total IOS Department Implementation		\$171,001.00
Total Amendment #5		\$357,425.00

Council Agenda Item: #R8

AGENDA CAPTION:

Presentation and discussion of the Department of Financial & Strategic Services Quarterly Financial Review of the Town for the quarter and year-to-date ended December 31, 2012.

FINANCIAL IMPACT:

There is no financial impact directly associated with the publication of the quarterly financial report.

BACKGROUND:

The Town of Addison's financial policies require the publication of a financial report within sixty days of the end of a fiscal quarter.

RECOMMENDATION:

COUNCIL GOALS:

Mindful Stewardship of Town Resources

ATTACHMENTS:

Description:

 [2013 - Q1 Financial Report](#)

Type:

Backup Material

Department of Financial & Strategic Services
Quarterly Review

For the Period Ended December 31, 2012

*Town of Addison
December 2012*

Quarter Ended 12/31/12

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FY13 Budget Amendment Detail	Exhibit C
First Southwest Portfolio Report and Statement of Compliance	Attached

How to Read This Document

Welcome!

You are holding the internal Town of Addison quarterly review document for the period ending December 31, 2012. This document has been specially prepared to help you, the reader, learn of the year-to-date performance of major funds affecting the Addison community. Although you receive relevant figures of the Town's finances from these pages, the quarterly report has been designed to provide a brief overview for elected officials and Town staff only, with information pertaining to the production and performance of certain individual Town operations. The document is also designed as a communications device in which information is conveyed verbally and graphically.

Report Format

The document is divided into three major sections: Introduction, Financial and Attachments. The Introduction section contains the Memorandum to the City Manager, from the Chief Financial Officer, which explains the revenue/expenditure activity for the Town's four major funds (General, Hotel, Airport, Utility), as well as a report on the cash and investments for the period. This section also contains the executive dashboards, which are graphical slides used to organize and display key performance indicators in a format that is easy to read and interpret. The dashboards serve as a starting point from which the reader can get a sense of the big picture, or snapshot of the current status, before plowing deeper into data.

The Financial section displays the quantitative aspects of the Town's organization. Like many local governments, the Town uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to track the use of hotel/motel occupancy tax. Most people are particularly interested in the General Fund which comprises most of the Town's operations like Police, Fire, and Parks. Financial statement summaries, including the adopted 2012-2013 budget, are presented for each fund. The statements show the fund's financial condition for the specific quarter, as well as the year-to-date totals and a comparison to prior fiscal year numbers. Also included in this section are additional collections related statements, which more fully illustrate various major tax revenue sources, cash receipts/disbursements information, and the Town's collateral summary. The section ends with a glossary of terms.

Finally, any relevant attachments are presented in a separate section towards the end of the document, and are used to more fully describe appropriate detail not included in the quarterly review. Currently, these attachments represent investment data from the Town's financial advisors, First Southwest Co., including the portfolio report and compliance statement for the same time period, as well as detail to any budget amendments for the year.

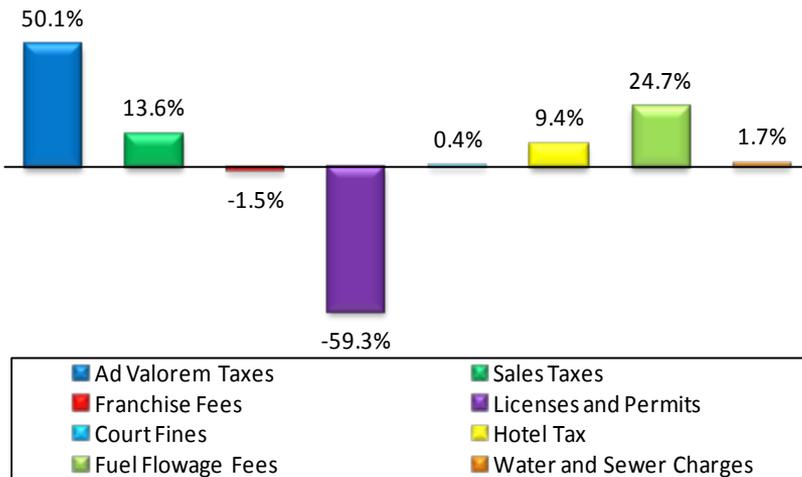
Executive Dashboard – 1st Quarter, 2013 Fiscal Year

Financial Indicators

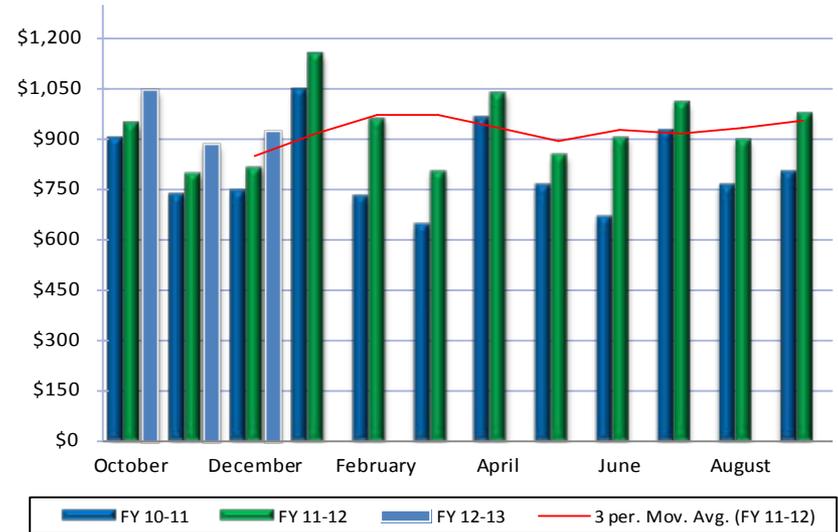
Key Revenue Sources	FY13 Budget	FY13 Qtr 1 Actual	% Annual Budget
Ad Valorem Taxes	\$ 10,483,730	\$ 2,923,521	27.89%
Sales Taxes	\$ 11,560,010	\$ 2,893,118	25.03%
Hotel Tax	\$ 4,200,000	\$ 1,060,702	25.25%
Franchise Fees	\$ 2,724,690	\$ 705,504	25.89%
Service/Permitting/License Fees	\$ 3,777,000	\$ 471,714	12.49%
Rental, Interest and Other Income	\$ 5,747,700	\$ 1,327,888	23.10%
Fuel Flowage Fees	\$ 679,250	\$ 144,224	21.23%
Water and Sewer Charges	\$ 10,661,520	\$ 1,929,508	18.10%

1st Quarter – 25% of FY 2013 Completed

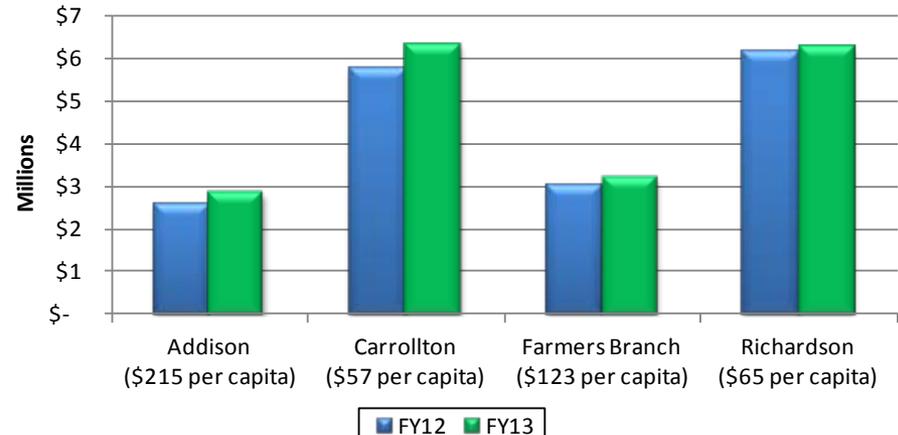
FY12 & FY13 YTD % Change



1st Qtr Addison Sales Tax Collections (\$000's)



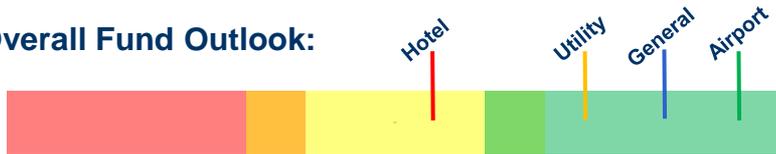
1st Qtr Sales Tax Comparison



Executive Dashboard – 1st Quarter, 2013 Fiscal Year

Financial Indicators

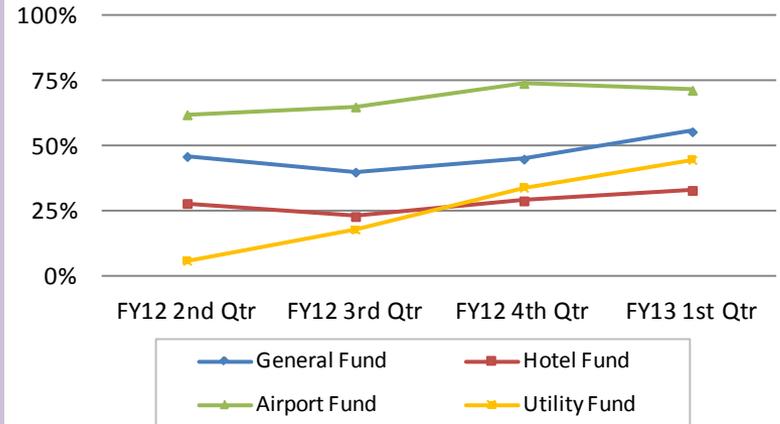
Overall Fund Outlook:



Key Expenditures	FY13 Budget	FY13 Qtr 1 Actual	% Annual Budget
General Fund	\$ 29,547,500	\$ 6,135,624	20.77%
Hotel Fund	\$ 7,264,880	\$ 1,422,913	19.59%
Economic Development	\$ 788,490	\$ 102,093	12.95%
Airport Operations	\$ 4,144,500	\$ 624,561	15.07%
Utility Operations	\$ 11,747,360	\$ 1,525,032	12.98%

1st Quarter – 25% of FY 2013 Completed

Ending Fund Balance - Four Major Funds

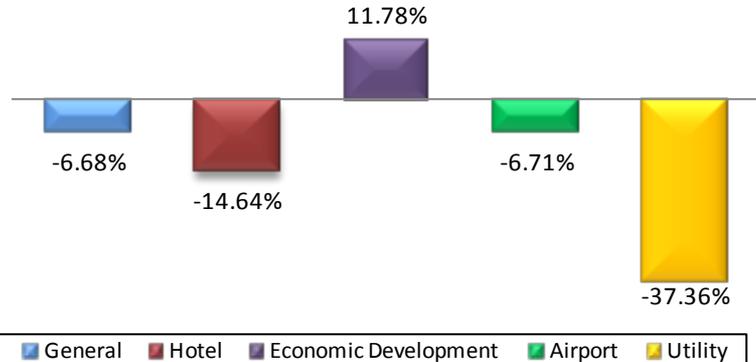


Q1 FY13 Budget Amendments:

Amendment	Amount	Fund
Please see <i>Exhibit C</i> in the Attachments section of this document.		

FY12 & FY13 YTD % Change

(Actual vs. Actual)



Economic Development Incentives:

Executed Agreements	Amount Paid FY13	Total Incentives Committed	Notes
1	\$20,000	\$183,500	

Executive Dashboard – 1st Quarter, 2013 Fiscal Year

Economic Indicators

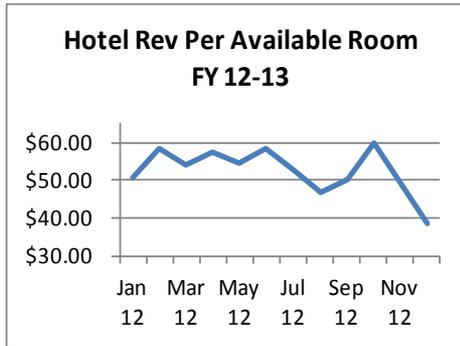
Hotel Indicators:

Hotel Occupancy

RevPAR



Source: STR Report



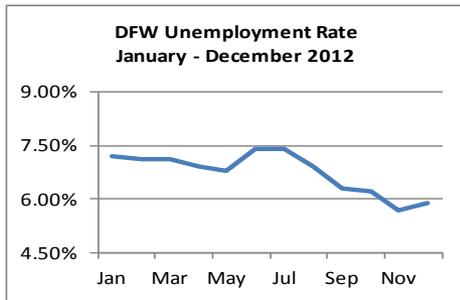
Occupancy Indicators:

Office Occupancy

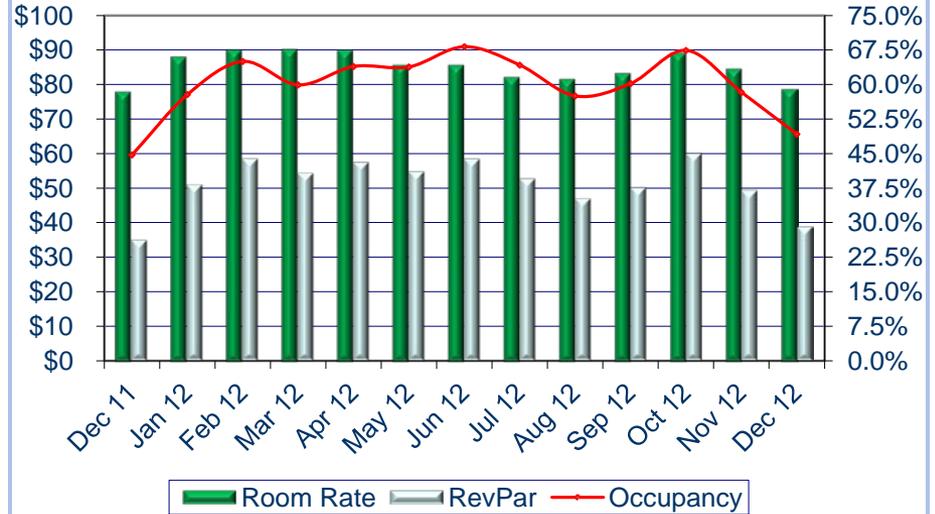
Retail Occupancy



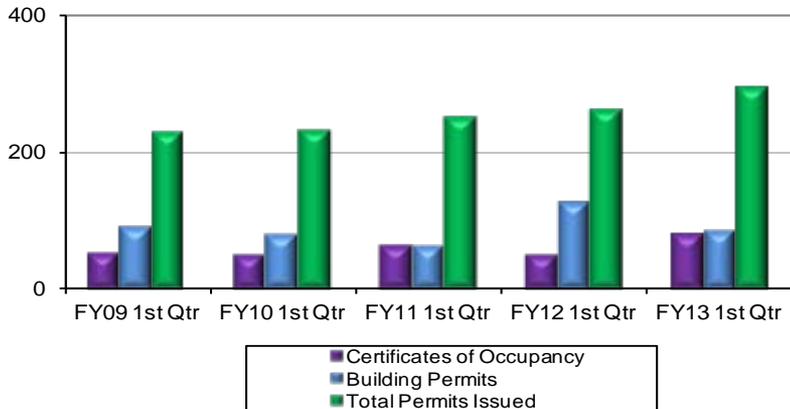
Source: Xceligent



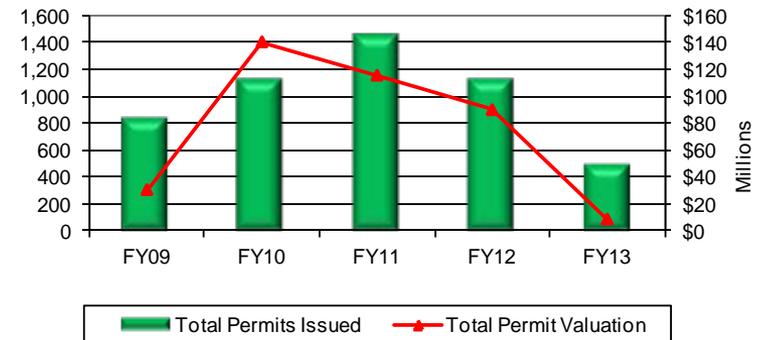
Addison Hotel Statistics



Quarterly Permit Activity



Total Permits Issued and Valuation





MEMO

To: Ron Whitehead, City Manager
From: Eric Cannon, CPA, Chief Financial Officer
Re: First Quarter Financial Review
Date: February 28, 2013

This is the first report for the 2012-2013 fiscal year. Revenues and expenditures reflect activity from October 1, 2012 through December 31, 2012.

GENERAL FUND

- Revenues for the quarter ended December 31, 2012 totaled \$7.4 million, which is \$1.2 million or 19.8% more than received this time last year. Property tax collections are significantly higher than prior year collections but are still projected to meet budget. Sales tax collections total \$2.9 million, a 13.6% increase over the previous year. This increase illustrates a two year trend that seems to indicate a modestly improving local economy. The increase in “other” revenue is attributed to proceeds from the Town’s auction of property. Rental income has experienced an increase because we received several months of FY12 payments in the current period resulting in a significant increase over to this same time last year.
- First quarter expenditures totaled \$6.1 million, which is 20.8% of budget and \$439k or 7% less than spent this time last year. All departments appear to be on pace with budget. Council Projects has spent 62.2% of budgeted expenditures due to the payment of non-profit grant funding in the fall.

HOTEL FUND

- For the first three months, revenues totaled \$1.3 million, an increase of \$69k from this time last year. Hotel occupancy tax (HOT) collections are continuing to improve and the first quarter’s collections are 90k or 10% greater than the same quarter last fiscal year. Most of the other revenue categories are on pace with their budget. Proceeds from special events, theatre and conference center revenues are expected to pick up as their busy season has yet to come.
- Hotel fund expenditures of \$1.4 million are 19.6% of budget and \$244k less than this time a year ago. All departments appear to be on pace with budget.

AIRPORT FUND

Operating revenue for the quarter totaled \$867k, significantly more than the previous year because the FY12 report reflects just two month of income compared to the FY13 report which includes three months of income.

- First quarter operating expenses amounted to \$615k, resulting in net income of \$252k. The FY2013 budget anticipates \$21k in expenditures for the Town's maintenance, to date \$10,895 has been expended, which is 51.7% of budget. This can be attributed to the Airport's IT contribution.

UTILITY FUND

- For the quarter, the fund recorded \$1.9 million in operating revenues, a \$32k increase from the year before. The increased revenue is attributed to as a slight increase in the volume of water sold.
- Operating expenses totaled \$1.3 million, bringing net income to \$587k. Working capital increased \$410k due to no debt service payments as compared to the same quarter in the prior year.

CASH AND INVESTMENT REPORT

- Cash for all funds as of December 31, 2012 totaled \$73 million, an increase of approximately \$1.9 million from the previous quarter. The increase is attributable to the receipt of ad valorem tax payments..
- The Town's average investment yield to maturity at the end of September was 0.319 percent, an increase from the previous quarter's yield of 0.023 percent. This yield is higher than the TexPool benchmark of 0.151 percent. The average weighted maturity increased from 122 days to 222 days.
- As recommended by First Southwest Asset Management, we have invested in commercial paper up to the maximum threshold set in the Town's investment policy. In addition, we will continue to seek out CDs and callable agency securities in order to maximize yields. Finally, with interest rates expected to remain extremely low through the end 2014, we will look to extend the portfolio's duration to the extent cash flows allows.

TOWN OF ADDISON
EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED DECEMBER 31, 2012
UNAUDITED ACTUAL AMOUNTS COMPARED TO THE 2013 ADOPTED BUDGET
With Comparative Information from Prior Fiscal Year

	General Fund			Hotel Fund			Airport Fund			Utility Fund			Total Major Operating Funds*		
	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual
RESOURCES															
Ad Valorem Tax	\$ 10,483,730	\$ 2,923,521	\$ 1,948,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,483,730	\$ 2,923,521	\$ 1,948,313
Non-Property Tax	11,560,010	2,893,118	2,547,166	4,200,000	1,060,702	969,778	-	-	-	-	-	-	15,760,010	3,953,820	3,516,945
Franchise Fees	2,724,690	705,504	716,014	-	-	-	-	-	-	-	-	-	2,724,690	705,504	716,014
Service/Permitting/License Fees	2,160,500	442,239	665,651	1,700,000	48,276	56,314	-	-	122,795	10,578,020	1,910,707	1,897,706	14,438,520	2,401,222	2,742,466
Rental, Interest and Other Income	1,237,230	416,378	282,521	911,290	162,666	176,133	4,174,430	868,609	574,796	104,000	24,459	(9,866)	6,426,950	1,472,112	1,023,584
Transfers and Other Sources	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-
Total Resources	28,216,160	7,380,760	6,159,666	6,811,290	1,271,644	1,202,225	4,174,430	868,609	697,591	10,682,020	1,935,166	1,887,840	49,883,900	11,456,179	9,947,322
APPLICATION OF RESOURCES															
Personal Services	18,925,910	4,304,127	4,573,520	1,565,630	360,931	363,648	366,530	95,887	92,608	1,386,020	296,349	352,037	22,244,090	5,057,294	5,381,814
Supplies and Materials	1,411,490	258,044	260,475	246,940	53,390	66,597	62,600	402	3,861	129,870	15,910	26,242	1,850,900	327,746	357,176
Maintenance	2,844,320	343,523	327,703	487,840	91,965	98,114	2,363,320	341,598	344,798	428,280	48,943	37,266	6,123,760	826,029	807,881
Contractual Services	5,087,960	923,412	1,141,655	4,268,370	755,102	945,858	839,060	176,675	130,701	6,057,670	982,078	1,003,464	16,253,060	2,837,267	3,221,677
Capital Equipment Amortization	1,223,820	-	271,606	76,100	19,025	14,125	-	-	-	-	8,927	5,875	1,299,920	27,952	291,606
Capital Equipment/Projects	54,000	306,518	-	-	-	11,064	118,000	9,999	-	435,000	-	206,185	607,000	316,517	217,249
Transfers and Other Uses**	-	-	-	620,000	142,500	167,500	394,990	-	97,523	3,310,520	172,825	803,658	4,325,510	315,325	1,068,680
Total Application of Resources	29,547,500	6,135,624	6,574,960	7,264,880	1,422,913	1,666,907	4,144,500	624,561	669,491	11,747,360	1,525,032	2,434,726	52,704,240	9,708,130	11,346,083
Net Change in Fund Balances	\$ (1,331,340)	\$ 1,245,136	\$ (415,294)	\$ (453,590)	\$ (151,269)	\$ (464,682)	\$ 29,930	\$ 244,048	\$ 28,101	\$ (1,065,340)	\$ 410,134	\$ (546,885)	\$ (2,820,340)	\$ 1,748,049	\$ (1,398,761)

Notes:

* Totals may not exactly match due to rounding.

** Transfers and other uses includes interfund transfers and retirement of debt in the Airport and Utility funds.

TOWN OF ADDISON
GENERAL FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Ad Valorem taxes:						
Current taxes	\$ 10,452,740	\$ 2,910,029	\$ 2,910,029	27.8%	\$ 1,925,201	17.8%
Delinquent taxes	11,620	10,638	10,638	91.5%	14,503	24.4%
Penalty & interest	19,370	2,854	2,854	14.7%	8,609	19.5%
Non-property taxes:						
Sales tax	10,744,010	2,893,118	2,893,118	26.9%	2,547,166	23.3%
Alcoholic beverage tax	816,000	-	-	0.0%	-	0.0%
Franchise / right-of-way use fees:						
Electric franchise	1,555,500	454,235	454,235	29.2%	478,686	31.1%
Gas franchise	208,650	-	-	0.0%	-	0.0%
Telecommunication access fees	663,000	167,637	167,637	25.3%	165,167	25.0%
Cable franchise	290,540	82,382	82,382	28.4%	69,911	31.1%
Street rental fees	7,000	1,250	1,250	17.9%	2,250	32.1%
Licenses and permits:						
Business licenses and permits	179,740	38,006	38,006	21.1%	38,704	22.6%
Building and construction permits	544,750	115,231	115,231	21.2%	338,254	44.7%
Service fees:						
General government	500	113	113	22.6%	60	0.1%
Public safety	763,460	141,785	141,785	18.6%	155,114	20.8%
Urban development	3,000	1,080	1,080	36.0%	270	9.0%
Streets and sanitation	379,320	75,341	75,341	19.9%	74,737	22.1%
Recreation	64,400	14,350	14,350	22.3%	12,437	14.3%
Interfund	225,330	56,333	56,333	25.0%	46,075	25.0%
Court fines	1,047,000	242,389	242,389	23.2%	241,373	22.6%
Interest earnings	5,000	(658)	(658)	-13.2%	(1,479)	-4.9%
Rental income	137,500	48,958	48,958	35.6%	23,875	15.6%
Other	47,730	125,689	125,689	263.3%	18,752	24.8%
Other financing sources:						
Transfer from Hotel fund	50,000	-	-	0.0%	-	0.0%
Total Revenues	\$ 28,216,160	\$ 7,380,760	\$ 7,380,760	26.2%	\$ 6,159,666	21.3%

TOWN OF ADDISON

GENERAL FUND

FY 2013 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
General Government:						
City manager	\$ 1,233,820	\$ 254,949	\$ 254,949	20.7%	\$ 300,120	24.5%
Financial & strategic services	950,540	216,911	216,911	22.8%	224,324	23.7%
General services	918,710	114,564	114,564	12.5%	158,091	17.9%
Municipal court	519,470	96,554	96,554	18.6%	110,892	22.1%
Human resources	620,590	98,349	98,349	15.8%	136,739	24.7%
Information technology	1,695,990	267,871	267,871	15.8%	259,453	20.1%
Combined services	646,980	150,407	150,407	23.2%	157,306	25.5%
Council projects	379,420	235,987	235,987	62.2%	180,509	60.3%
Public safety:						
Police	7,679,130	1,859,363	1,859,363	24.2%	1,836,607	24.8%
Emergency communications	1,251,770	173,418	173,418	13.9%	339,375	26.1%
Fire	6,073,100	1,421,956	1,421,956	23.4%	1,452,718	24.7%
Development services	984,930	223,617	223,617	22.7%	225,589	25.0%
Streets	1,811,450	213,633	213,633	11.8%	279,630	16.6%
Parks and Recreation:						
Parks	3,225,990	505,184	505,184	15.7%	611,001	20.5%
Recreation	1,555,610	302,864	302,864	19.5%	302,606	20.4%
Other financing uses:						
Transfers	-	-	-	N/A	-	0.0%
Total Expenditures	\$ 29,547,500	\$ 6,135,627	\$ 6,135,627	20.8%	\$ 6,574,960	23.6%

TOWN OF ADDISON

HOTEL FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Hotel/Motel occupancy taxes	\$ 4,200,000	\$ 1,060,702	\$ 1,060,702	25.3%	\$ 969,778	23.1%
Proceeds from special events	1,700,000	48,276	48,276	2.8%	56,314	3.3%
Conference centre rental	603,290	99,845	99,845	16.6%	126,463	24.6%
Visit Addison rental	230,000	49,551	49,551	21.5%	29,303	16.7%
Theatre centre rental	70,000	11,273	11,273	16.1%	17,734	22.7%
Interest and miscellaneous	8,000	1,997	1,997	25.0%	2,632	14.8%
Total Revenues	6,811,290	1,271,644	1,271,644	18.7%	1,202,225	17.9%
Expenditures and other uses:						
Visitor services	1,008,600	177,221	177,221	17.6%	194,288	18.4%
Visit Addison	570,690	85,641	85,641	15.0%	138,628	22.7%
Marketing	995,860	171,375	171,375	17.2%	128,383	16.8%
Special events	2,522,430	335,964	335,964	13.3%	513,777	20.7%
Conference centre	1,041,840	235,106	235,106	22.6%	237,020	21.6%
Performing arts	505,460	275,107	275,107	54.4%	287,311	51.1%
Other financing uses:						
Transfer to debt service fund	620,000	142,500	142,500	23.0%	167,500	25.0%
Total Expenditures and Other Uses	\$ 7,264,880	\$ 1,422,914	\$ 1,422,914	19.6%	\$ 1,666,907	23.0%

NOTES:

1) Amounts spent by special event

Public Relations	\$ -	\$ -	\$ -	0.0%	\$ 45,007	14.3%
Oktoberfest	550,000	(13,225)	(13,225)	-2.4%	7,287	1.4%
Kaboom Town	282,880	4,000	4,000	1.4%	2,750	1.0%
Calendar	-	-	-	0.0%	18,341	61.1%
Hotel Support Program	-	-	-	0.0%	26,959	13.5%
Taste Addison	596,000	1,500	1,500	0.3%	1,500	0.3%
Shakespeare Festival	46,500	33,146	33,146	71.3%	32,502	69.9%
Summer Jazz Festival	44,320	3,194	3,194	7.2%	152	0.3%
WorldFest	219,350	153,465	153,465	70.0%	185,197	82.5%
Book Fair	-	1,055	1,055	0.0%	1,730	59.7%
Weekend to Wipe Out Cancer	13,000	111	111	0.9%	-	0.0%
Vitruvian Park Events	-	-	-	0.0%	131,984	143.5%
TOTAL	\$ 1,752,050	\$ 183,246	\$ 183,246	10.5%	\$ 453,408	19.2%

TOWN OF ADDISON
ECONOMIC DEVELOPMENT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Ad Valorem taxes:						
Current taxes	\$ 698,300	\$ 194,403	\$ 194,403	27.8%	\$ 98,017	17.9%
Delinquent taxes	780	703	703	90.1%	738	150.6%
Penalty & interest	1,290	185	185	14.3%	438	45.2%
Business license fee	85,000	2,900	2,900	3.4%	-	0.0%
Interest income and other	1,500	301	301	20.1%	279	55.8%
Total Revenues and Other Sources	786,870	198,492	198,492	25.2%	99,472	15.6%
Expenditures:						
Personal services	192,140	48,102	48,102	25.0%	31,701	23.3%
Supplies	15,000	4,454	4,454	29.7%	2,485	21.8%
Maintenance	9,090	1,391	1,391	15.3%	-	0.0%
Contractual services	566,890	46,803	46,803	8.3%	56,475	9.4%
Capital replacement/lease	5,370	1,343	1,343	25.0%	675	25.0%
Total Expenditures	\$ 788,490	\$ 102,093	\$ 102,093	12.9%	\$ 91,335	12.1%

TOWN OF ADDISON
ADVANCED FUNDING GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 1,200	\$ 1,200	0.0%	\$ -	0.0%
Interest earnings and other	-	12	12	0.0%	453	11.3%
Total Revenues	-	1,212	1,212	0.0%	453	11.3%
Expenditures:						
Contractual services	-	-	-	0.0%	134	0.7%
Construction and equipment	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ -	0.0%	\$ 134	0.7%

TOWN OF ADDISON
REIMBURSEMENT GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 948	\$ 948	0.0%	\$ 3,900	0.3%
Total Revenues	<u>-</u>	<u>948</u>	<u>948</u>	0.0%	<u>3,900</u>	<u>0.3%</u>
Expenditures:						
Personal services	-	-	-	0.0%	-	0.0%
Supplies	-	-	-	0.0%	1,287	12.9%
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-	0.0%	9,905	176.9%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ 11,192</u>	<u>44.8%</u>

TOWN OF ADDISON
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 88,872	\$ 88,872	0.0%	\$ -	0.0%
Total Revenues	<u>-</u>	<u>88,872</u>	<u>88,872</u>	0.0%	<u>-</u>	<u>0.0%</u>
Expenditures:						
Personal services	-	-	-	0.0%	-	0.0%
Supplies	-	-	-	0.0%	1,199	0.0%
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-	0.0%	-	0.0%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ 1,199</u>	<u>0.2%</u>

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 2,500	\$ 1,025	\$ 1,025	41.0%	\$ 1,312	20.2%
Total Revenues	2,500	1,025	1,025	41.0%	1,312	20.2%
Expenditures:						
Engineering and contractual services	-	39,712	39,712	0.0%	-	0.0%
Construction and equipment	1,294,350	-	-	0.0%	-	0.0%
Total Expenditures	\$ 1,294,350	\$ 39,712	\$ 39,712	3.1%	\$ -	0.0%

TOWN OF ADDISON
PARKS CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ -	\$ 51	\$ 51	0.0%	\$ 85	0.2%
Other financing sources:						
Transfer from General Fund	-	-	-	0.0%	-	0.0%
Total Revenues	-	51	51	0.0%	85	0.2%
Expenditures:						
Maintenance	-	95,335	95,335	0.0%	-	0.0%
Engineering and contractual services	-	-	-	-	8,824	0.0%
Construction and equipment	75,000	-	-	0.0%	7,833	5.5%
Total Expenditures	\$ 75,000	\$ 95,335	\$ 95,335	127.1%	\$ 16,657	11.7%

TOWN OF ADDISON
2002 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ -	\$ 12	\$ 12	0.0%	\$ 688	66.2%
Total Revenues	<u>-</u>	<u>12</u>	<u>12</u>	0.0%	<u>688</u>	<u>66.2%</u>
Expenditures:						
Engineering and contractual services	-	-	-	0.0%	26,074	25.0%
Construction and equipment	-	-	-	0.0%	203,175	27.3%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ 229,249</u>	<u>27.0%</u>

TOWN OF ADDISON
2004 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ -	\$ -	\$ -	0.0%	\$ 364	24.3%
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	0.0%	<u>364</u>	<u>24.3%</u>
Expenditures:						
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-			
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ -</u>	<u>0.0%</u>

Note: This fund was closed as of 9/30/2012

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 500	\$ 269	\$ 269	53.8%	\$ 292	29.2%
Total Revenues	<u>500</u>	<u>269</u>	<u>269</u>	53.8%	<u>292</u>	<u>29.2%</u>
Expenditures:						
Maintenance	354,640	-	-	0.0%	-	0.0%
Engineering and contractual services	-	-	-	0.0%	-	-
Total Expenditures	<u>\$ 354,640</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ -</u>	<u>0.0%</u>

TOWN OF ADDISON
2008 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 9,000	\$ 3,038	\$ 3,038	33.8%	\$ 5,623	3.3%
Total Revenues	<u>9,000</u>	<u>3,038</u>	<u>3,038</u>	33.8%	<u>5,623</u>	<u>3.3%</u>
Expenditures:						
Engineering and contractual services	-	9,022	9,022	0.0%	140,855	20.7%
Construction and equipment	1,725,000	285,975	285,975	16.6%	599,118	35.7%
Total Expenditures	<u>\$ 1,725,000</u>	<u>\$ 294,997</u>	<u>\$ 294,997</u>	17.1%	<u>\$ 739,973</u>	<u>31.4%</u>

AIRPORT FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Operating grants	\$ 50,000	\$ 33,016	\$ 33,016	66.0%	\$ -	0.0%
Fuel flowage fees	679,250	144,224	144,224	21.2%	115,640	16.8%
Rental	3,363,080	680,407	680,407	20.2%	572,098	16.2%
User fees	52,300	8,236	8,236	15.7%	7,155	10.9%
Other income	-	1,105	1,105	0.0%	889	8.6%
Total operating revenues	4,144,630	866,988	866,988	20.9%	695,783	16.0%
Operating expenses:						
Town - Personal services	366,530	95,887	95,887	26.2%	92,608	28.6%
Town - Supplies	62,600	402	402	0.6%	3,861	6.2%
Town - Maintenance	21,000	10,859	10,859	51.7%	12,848	38.6%
Town - Contractual services	543,850	84,128	84,128	15.5%	77,038	14.1%
Grant - Maintenance	100,000	1,860	1,860	1.9%	1,650	1.7%
Operator operation & maintenance	2,242,320	328,879	328,879	14.7%	330,299	14.9%
Operator service contract	295,210	92,547	92,547	31.3%	53,663	17.6%
Total operating expenses	3,631,510	614,562	614,562	16.9%	571,968	15.9%
Net operating income	513,120	252,426	252,426	49.2%	123,815	16.2%
Non-Operating revenues (expenses):						
Interest earnings and other	29,800	1,621	1,621	5.4%	1,808	8.5%
Interest on debt, fiscal fees & other	(104,990)	-	-	0.0%	(28,773)	25.0%
Total non-operating revenues (expenses)	(75,190)	1,621	1,621	-2.2%	(26,965)	28.8%
Net income (excluding depreciation)	\$ 437,930	\$ 254,047	\$ 254,047	58.0%	\$ 96,850	14.5%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 437,930	\$ 254,047	\$ 254,047	58.0%	\$ 96,850	14.5%
Sources (uses) of working capital:						
Retirement of long-term debt	(290,000)	-	-	0.0%	(68,750)	25.0%
Net additions to fixed assets with grants	(98,000)	(9,999)	(9,999)	10.2%	-	0.0%
Other net additions to fixed assets	(20,000)	-	-	0.0%	-	0.0%
Net sources (uses) of working capital	(408,000)	(9,999)	(9,999)	2.5%	(68,750)	5.6%
Net increase (decrease) in working capital	29,930	244,048	244,048	815.4%	28,100	-5.0%
Beginning working capital	1,539,664	1,539,664	1,539,664	100.0%	1,511,564	71.9%
Ending working capital	\$ 1,569,594	\$ 1,783,712	\$ 1,783,712	113.6%	\$ 1,539,664	100.0%

NOTES:

1) Current year operating revenues and operator expenses reflect three months of data. FY2012 operating revenues and operator expenses reflect only two months of data from airport operator due to reporting delay.

UTILITY FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

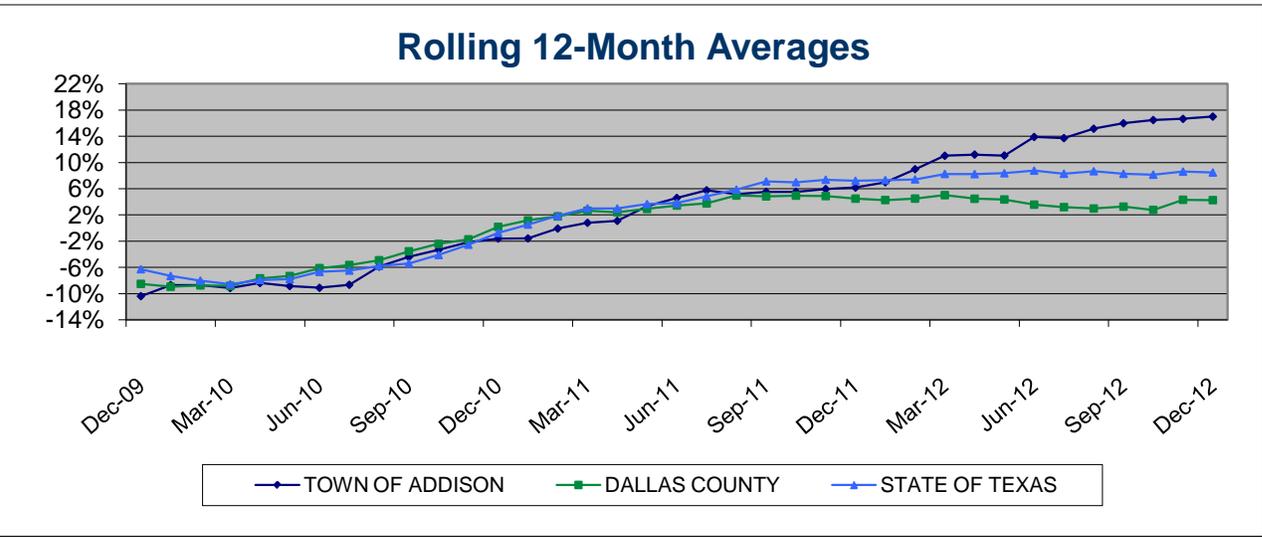
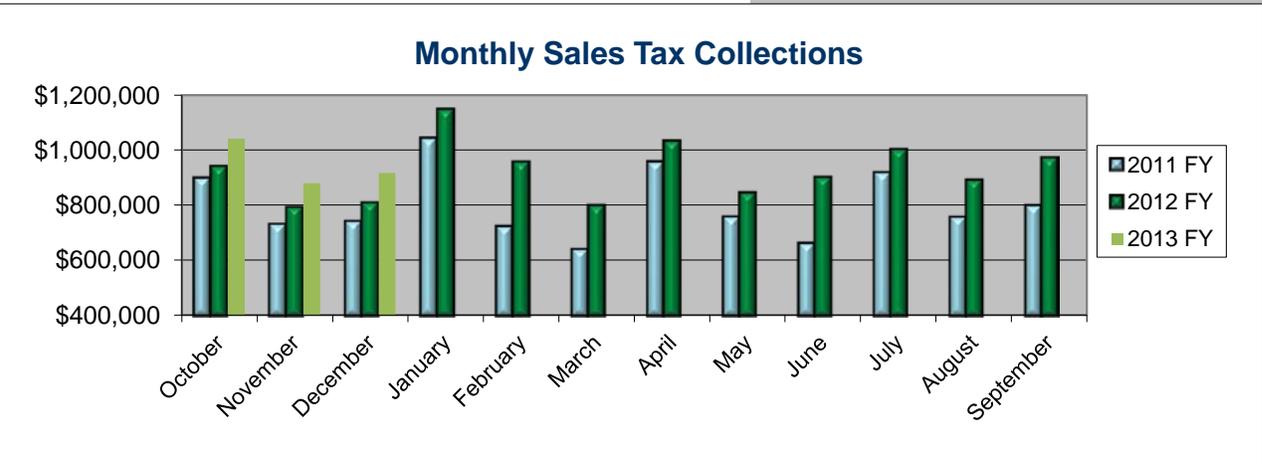
Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Water sales	\$ 5,933,820	\$ 1,094,402	\$ 1,094,402	18.4%	\$ 1,078,035	17.6%
Sewer charges	4,644,200	816,305	816,305	17.6%	804,306	17.0%
Tap fees	10,000	35	35	0.4%	3,105	31.1%
Penalties	73,500	18,766	18,766	25.5%	12,260	16.7%
Total operating revenues	10,661,520	1,929,508	1,929,508	18.1%	1,897,706	17.4%
Operating expenses:						
Water purchases	2,955,200	494,673	494,673	16.7%	488,399	17.2%
Wastewater treatment	2,279,460	339,528	339,528	14.9%	380,556	18.5%
Utility operations	2,721,410	514,211	514,211	18.9%	555,929	20.2%
Total operating expenses	7,956,070	1,348,412	1,348,412	16.9%	1,424,883	18.6%
Net operating income	2,705,450	581,096	581,096	21.5%	472,823	14.4%
Non-Operating revenues (expenses):						
Interest earnings and other	20,500	5,658	5,658	27.6%	(9,866)	19.9%
Interest on debt, fiscal fees & other	(395,970)	-	-	0.0%	(114,958)	25.0%
Total non-operating revenues (expenses)	(375,470)	5,658	5,658	-1.5%	(124,824)	24.5%
Net income (excluding depreciation)	\$ 2,329,980	\$ 586,754	\$ 586,754	25.2%	\$ 348,000	12.5%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 2,329,980	\$ 586,754	\$ 586,754	25.2%	\$ 348,000	12.5%
Sources (uses) of working capital:						
Retirement of long-term debt	(2,878,840)	-	-	0.0%	(688,700)	25.0%
Transfer of debt proceeds	-	-	-	0.0%	-	0.0%
Net additions to fixed assets	(516,480)	(176,621)	(176,621)	34.2%	(206,185)	8.8%
Net sources (uses) of working capital	(3,395,320)	(176,621)	(176,621)	5.2%	(894,885)	27.4%
Net increase (decrease) in working capital	(1,065,340)	410,133	410,133	-38.5%	(546,885)	110.6%
Beginning working capital	2,315,121	2,315,121	2,315,121	100.0%	2,862,006	101.9%
Ending working capital	\$ 1,249,781	\$ 2,725,254	\$ 2,725,254	218.1%	\$ 2,315,121	100.0%

TOWN OF ADDISON

Schedule of Sales Tax Collections and Related Analyses

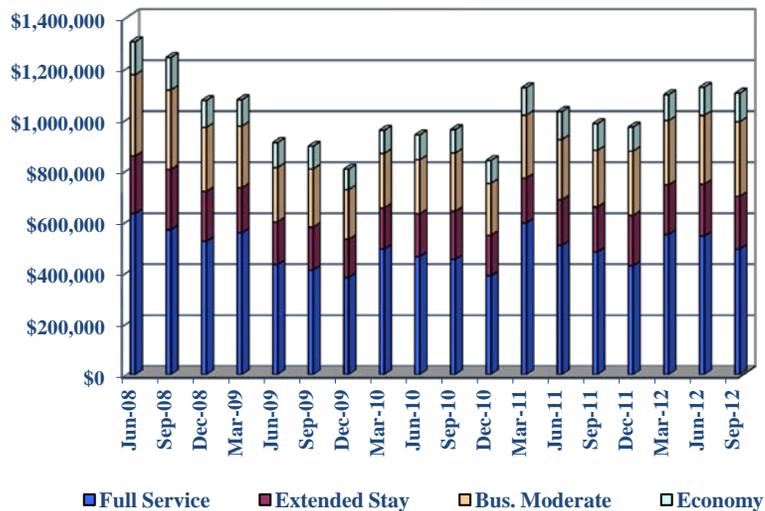
For the fiscal year ending December 31, 2012

	TOWN OF ADDISON				DALLAS COUNTY		STATE OF TEXAS	
	2012-13 Collections		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
October	\$ 1,041,298	\$ 1,041,298	15.6%	15.6%	-0.7%	2.8%	4.1%	8.1%
November	879,908	1,921,206	20.1%	17.6%	18.6%	4.3%	14.2%	8.6%
December	916,410	2,837,616	23.2%	19.4%	2.3%	4.3%	6.6%	8.5%
January								
February								
March								
April								
May								
June								
July								
August								
September								
Budget 12-13:		\$ 10,744,010						
Projected Year End		\$ 11,084,667						



TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-to-Date Ended December 31, 2012
With Comparative Information from Prior Fiscal Year

	Rooms		1st Quarter FY13		13 to 12	YTD FY 13		13 to 12
	Number	Percentage	Amount	Percentage	% Diff.	Amount	Percentage	% Diff.
Full Service								
Marriott Quorum	535	14%	\$ 178,119	18%	4%	\$ 178,119	18%	23%
Intercontinental	532	13%	161,817	16%	-1%	161,817	16%	-9%
Crowne Plaza	429	11%	104,650	11%	4%	104,650	11%	1%
	<u>1,496</u>	<u>38%</u>	<u>444,585</u>	<u>45%</u>	<u>-8%</u>	<u>444,585</u>	<u>45%</u>	<u>-77%</u>
Extended Stay								
Budget Suites	344	9%	3,463	0%	-29%	3,463	0%	-32%
Hawthorne Suites	70	2%	15,794	2%	8%	15,794	2%	27%
Marriott Residence	150	4%	41,644	4%	-3%	41,644	4%	-10%
Summerfield Suites	132	3%	38,279	4%	33%	38,279	4%	49%
Homewood Suites	128	3%	46,259	5%	5%	46,259	5%	1%
Springhill Suites	159	4%	46,668	5%	50%	46,668	5%	-25%
	<u>983</u>	<u>25%</u>	<u>192,107</u>	<u>19%</u>	<u>9%</u>	<u>192,107</u>	<u>19%</u>	<u>-72%</u>
Business Moderate								
Marriott Courtyard Quorum	176	4%	60,079	6%	48%	60,079	6%	-22%
LaQuinta Inn	152	4%	33,093	3%	11%	33,093	3%	24%
Marriott Courtyard Proton	145	4%	36,597	4%	38%	36,597	4%	-27%
Holiday Inn Express	102	3%	34,889	4%	22%	34,889	4%	13%
Hilton Garden Inn	96	2%	42,379	4%	30%	42,379	4%	12%
Holiday Inn - Arapaho	101	3%	23,092	2%	5%	23,092	2%	5%
Comfort Inn	86	2%	14,894	2%	107%	14,894	2%	97%
	<u>858</u>	<u>22%</u>	<u>245,024</u>	<u>25%</u>	<u>10%</u>	<u>245,024</u>	<u>25%</u>	<u>-73%</u>
Economy								
Motel 6	126	3%	16,858	2%	0%	16,858	2%	-2%
Hampton Inn	159	4%	50,331	5%	13%	50,331	5%	20%
Quality Inn	115	3%	9,140	1%	4%	9,140	1%	8%
Comfort Suites	78	2%	16,392	2%	5%	16,392	2%	3%
Super 8	78	2%	8,340	1%	8%	8,340	1%	15%
Best Value	60	2%	3,399	0%	-3%	3,399	0%	7%
	<u>616</u>	<u>16%</u>	<u>104,460</u>	<u>11%</u>	<u>0%</u>	<u>104,460</u>	<u>11%</u>	<u>-75%</u>
TOTAL	<u>3,953</u>	<u>100%</u>	<u>\$ 986,177</u>	<u>100%</u>	<u>12%</u>	<u>\$ 986,177</u>	<u>100%</u>	<u>2%</u>



TOWN OF ADDISON
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Quarter Ending December 31 2012

Fund	Balance 9/30/2012	Quarter Receipts	Quarter Disbursements	Balance 12/31/2012
General Fund	\$ 12,780,633	\$ 11,391,322	\$ 11,616,948	\$ 12,555,007
Special Revenue Funds:				
Hotel	2,390,798	1,653,197	2,521,673	1,522,322
Economic Development	542,936	394,115	323,891	613,160
Public Safety	37,932	31	17,796	20,167
Municipal Court	419,117	215,288	205,769	428,636
Advanced Funding Grant	14,729	1,215	-	15,944
Reimbursement Grant	(633,647)	399,959	-	(233,688)
ARRA Grant	(557,914)	560,872	-	2,958
Debt Service Funds:				
G. O. Bonds	1,214,300	3,858,097	1,928,739	3,143,658
Hotel Revenue Bonds	761,502	143,242	-	904,744
Capital Projects Funds:				
Streets	1,445,001	1,299	138,016	1,308,284
Parks	106,226	71	95,336	10,961
2002 G.O. Bonds	59,257	23	51,283	7,997
2004 G.O. Bonds	-	-	-	-
2006 G.O. Bonds	354,406	337	-	354,743
2008 C.O. Bonds	4,175,820	3,831	306,815	3,872,836
2012 C.O. Bonds	34,954,300	33,201	-	34,987,501
Enterprise Funds:				
Utility	4,641,138	3,304,055	1,933,717	6,011,476
Airport	2,005,540	1,288,957	1,029,061	2,265,436
Internal Service Funds:				
Capital Replacement	3,859,863	149,751	447,250	3,562,364
Information Technology	2,806,479	190,189	2,456	2,994,212
TOTAL - ALL FUNDS	\$ 71,378,416	\$ 23,589,052	\$ 20,618,750	\$ 74,348,718

Note: Cash inflows and outflows represent revenues, expenditures, and investment transactions.

INVESTMENTS BY MATURITY AND TYPE				
<i>For the Quarter Ending December 31 2012</i>				
	Type	% of Portfolio	Yield to Maturity	Amount
	Pools	31.66%	0.16%	\$ 23,117,222
	Agencies	31.05%	0.34%	22,669,933
	Bank CD's	9.00%	0.58%	6,569,700
	Treasuries	0.00%	0.00%	-
	Commercial Paper	28.29%	0.39%	20,659,169
Total Investments		100.00%	0.32%	73,016,024
	Accrued Interest Earnings			145,298
	Demand Deposits			1,187,396
TOTAL				\$ 74,348,718

COLLATERAL SUMMARY

The first and most important objective for public funds investments is safety of assets. Therefore, all non-government security investments and bank accounts in excess of FDIC coverage must be secured by collateral. The bank balances and investments are monitored on a regular basis for appropriate coverage by marking the collateral to market. Collateral levels are adjusted to secure the varying levels of receipts throughout the fiscal year.

Town of Addison Collateral Analysis Demand Deposit Cash December 31, 2012

Pledging Institution	Safekeeping Location	Account Title	Pledged Security Description	Security Par Value	Market Value	FDIC Insurance	Ending Bank Balance	Difference Over(Under)
Frost Bank	Federal Reserve	Operating	GNMA due 9/15/2024	\$ 4,149,503	\$ 4,443,528			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	\$ 199,512	\$ 218,884			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	582,576	639,140			
				<u>\$ 4,931,591</u>	<u>\$ 5,301,551</u>	<u>\$ 1,887,084</u>	<u>\$ 1,637,084</u>	<u>\$ 5,551,551</u>

Glossary of Terms

A

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

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

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

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

B

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

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

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

C

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

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

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

D

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

E

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

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

F

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

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

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

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

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

G

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

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

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

M

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

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

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

O

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

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

P

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

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

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

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

R

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

S

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

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

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

T

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

W

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

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Revenues and Other Sources								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in current property taxes	-	-	-	-	-	-	-	-
Increase in delinquent property taxes	-	-	-	-	-	-	-	-
Increase in property tax penalty and interest	-	-	-	-	-	-	-	-
Increase in sales tax	-	-	-	-	-	-	-	-
Increase in electric franchise fees	-	-	-	-	-	-	-	-
Increase in telecommunication access fees	-	-	-	-	-	-	-	-
Increase in building and construction permits	-	-	-	-	-	-	-	-
Reduction in court fines	-	-	-	-	-	-	-	-
Increase in recycling proceeds	-	-	-	-	-	-	-	-
Increase in other income	-	-	-	-	-	-	-	-
Total General Fund Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / City Manager								
Total City Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Financial & Strategic Services								
Increase in professional services for CFO recruitment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in salary reimbursement	-	-	-	-	-	-	-	-
Total Financial & Strategic Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / General Services								
Concord Commercial - Svc Center Lobby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Combined Services								
Total Combined Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Council Projects								
Increase in rental costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Increase for expanded service with Metrocrest Chamber	-	-	-	-	-	-	-	-
Streaming of Bond Evaluation Committee meeting	-	-	-	-	-	-	-	-
Total Council Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Police								
Overtime for special events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Forensics related to crimes	-	-	-	-	-	-	-	-
Increase wearing appeal and uniform cost	-	-	-	-	-	-	-	-
Decrease in combined services saving	-	-	-	-	-	-	-	-
Total Police	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Emergency Communications								
iXP Dispatch Systems agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Emergency Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Fire								
Total Fire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Streets								
Increase in trash disposal; offset by additional revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Parks								
Transfer to Parks Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Parks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Recreation								
Total Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Revenues and Other Sources								
Decrease in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in hotel occupancy taxes	-	-	-	-	-	-	-	-
Increase in Conference Centre rental	-	-	-	-	-	-	-	-
Reduction in Visitor Centre rental	-	-	-	-	-	-	-	-
Total Hotel Fund Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Visit Addison								
Total Visit Addison	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Special Events								
Increase due to expanded special guest area/general attendance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Special Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic Development Fund / ED Department								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduction in Business License Fees	-	-	-	-	-	-	-	-
Total Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Funding Grant Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize American Heart Association grant	-	-	-	-	-	-	-	-
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total Advanced Funding Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
Reimbursement Grant Fund								
Decrease in beginning fund balance, delay in reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize Dallas County grant	-	-	-	-	-	-	-	-
Recognize various public safety grants	-	-	-	-	-	-	-	-
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total Reimbursement Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ARRA Grant Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total ARRA Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase court awards revenue	\$ -	-	-	-	-	-	-	-
Total Public Safety Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Court Fund								
Recognize higher beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduce interest income revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Municipal Court Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation Debt Service Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	-	-	-	-	-	-	-	-
Total General Obligation Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy Tax Debt Service Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Occupancy Tax Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay	
Street Capital Project Fund							
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize delay of capital project expenditures	-	-	-	-	-	-	-
Total Street Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parks Capital Project Fund							
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize project donations	-	-	-	-	-	-	-
Recognize project transfer from General Fund	-	-	-	-	-	-	-
Total Parks Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2002 Capital Project Fund							
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize additional interest earnings	-	-	-	-	-	-	-
Additional expenses related to Belt Line Streetscape	-	-	-	-	-	-	-
Total 2002 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2004 Capital Project Fund							
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Additional expenses related to Belt Line Streetscape	-	-	-	-	-	-	-
Total 2004 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2006 Capital Project Fund							
Reduce beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize delay of capital project expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total 2006 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

Fourth Quarter of Calendar Year 2012 Review

Financial market focus during the fourth quarter was squarely fixed on the so-called fiscal cliff, which took on the dreaded uncertainty of Y2K. A frantic, last minute deal was eventually reached, which didn't seem to make anyone on either side of the political aisle happy. The key component was an extension of the Bush tax cuts for everyone ...up to \$400,000 for individuals and \$450,000 for families. Income beyond these earnings points is to be taxed at 39.6% instead of 35%. Some of the other important compromises were:

- Federal long-term unemployment benefits were extended *for another year*.
- The payroll tax (which funds social security) will revert back to 6.2% from the "tax holiday" rate of 4.2%.
- The Alternative Minimum Tax will be permanently indexed for inflation.
- The dividend and capital gains tax rate will increase from 15% to 20% for more affluent Americans, while the estate tax will climb from 35% to 40%.
- The Child Tax Credit, the Earned Income Tax Credit and the American Opportunity Tax Credit were extended for five more years.

The "sequestration," or sequester cuts, which are what we are now calling the \$1.2 trillion in across-the-board spending cuts, were postponed. These cuts were scheduled to begin this year after the "Super Committee" failed to reach an agreement in November 2011. After crunching through all the numbers, the Congressional Budget Office (CBO) reported the new fiscal compromise would increase the deficit by \$3.9 trillion over the next 10 years.

Much of the economic data produced during the quarter may have been negatively influenced by the looming crisis as businesses and individuals delayed spending until the picture became less cloudy. "Superstorm Sandy" complicated things even further as it hammered the eastern seaboard in late October and forced the first unscheduled, market-wide shutdown since 9-11, as well as the first weather-related market close in over 100 years.

The final revision to U.S. third quarter GDP brought the annualized growth rate up to 3.1%, the strongest economic growth of the year, although the initial forecasts for the 4th quarter are about half that.

EMPLOYMENT

Job growth has proceeded at a lackluster pace over the past six months after a very poor spring hiring season. December nonfarm payrolls increased by 155,000 and November payrolls were revised upward by 15,000 to 161,000. For all of 2012, payroll growth averaged 153,000 per month, the exact same average as 2011. Although this may sound like a significant number of jobs created, most experts believe it is merely enough to satisfy the job demands of new workers entering the labor force, while bypassing the 12.2 million Americans currently out of work. The December unemployment rate exactly matched the revised 7.8% rate from November. Although this was the lowest level in almost 5 years, the decline is almost entirely due to a drop in the labor force participation rate, which is hovering at a 30-year low. Of course, unemployment becomes an even more important indicator now that the Fed is targeting specific levels (more on that below). Analysts at the Brookings Institution, a Washington think tank, did a rough calculation on how long it would take to reduce the unemployment rate to 6.5% at the current pace of 150k new jobs per month - the answer was spring 2018. At 200k per month, the expected timeframe shortens to fall 2015.

HOUSING

The housing market improved throughout 2012, and has begun a positive contribution to GDP that is generally expected to accelerate in 2013. According to the National Association of Realtors, 2012 U.S. home sales are on track to reach a 5-year high. The National Association of Homebuilders December housing index climbed to its *highest level since April 2006*. Existing home sales (which now make up 93% of all sales) rose by 5.9% in November to a 5.04 million unit annual rate, *the fastest pace in three years*. New home sales reached an annualized pace of

377k, the highest since the Federal new home buyer tax credit ended in April 2010. As sales increase and housing inventory is reduced, more homes are scheduled to be built. October housing starts confirmed this by rising at the highest pace in over five years. And the demand for houses is pushing prices higher as well. The median price for an existing home climbed to \$180,600 in November, an increase of 10% from a year ago. The Fed continues to make a huge contribution to the housing comeback story by ratcheting interest rates down to a series of record lows. In mid-December, Freddie Mac reported the average 30-year fixed rate mortgage had fallen to a new low of 3.32%.

CONSUMER SPENDING

After a stellar third quarter in which monthly retail sales averaged nearly a 1.0% increase per month, purchases slowed significantly in the fourth quarter. Retail sales dropped by 0.3% in October, perhaps due in part to Hurricane Sandy barreling up the east coast during the final week. In November, sales rose by 0.3%, although apparently this disappointing number was attributed to a decline in gasoline and service station receipts resulting from a sharp drop in gasoline prices. By contrast, car and light truck sales rose to a 4½-year high of 15.5 million annualized units in November as a number of vehicles destroyed by Superstorm Sandy were replaced. For all of 2012, Kelly Blue Book believes 14.5 million vehicles were sold, a 13% increase over last year, and the strongest pace since the financial crisis struck. The relatively brisk car and truck sales were not totally unexpected. When 2012 began, the average U.S. vehicle was 10.8 years old. A year later, the average age has increased to 11, providing ample reason to expect solid sales in the future. The Conference Board's measure of consumer confidence rose in October to the highest level in almost five years. The 73.7 reading was nearly triple the low point experienced back in February 2009. But, confidence withered in both November and December as consumers expressed concern over the fiscal cliff.

INFLATION

On the inflation front, the producer price index (PPI) actually declined every month in the fourth quarter, with readings of -0.2%, -0.8% and -0.2%. Headline PPI is now rising at a very pedestrian 1.3% pace, the slowest rate of producer inflation in six months. The consumer price index (CPI), which is a much more important inflation indicator, was unchanged in December and up just 1.7% on a year-over-year basis. Energy costs are a major contributor to the declines, as the average price for a gallon of gasoline fell to the lowest level in a year during December. Core CPI, which excludes food and energy costs, rose by just 1.9% for all of 2012. With the economy in a low gear, and a near-term upsurge considered unlikely, consumer inflation appears benign. In theory, this grants the Fed considerable leeway in conducting its super-accommodative monetary policy.

THE FED

In December, Fed officials announced they had replaced the date specific timeframe for eventual tightening with actual data targets. As a result, the FOMC no longer expects to hold short-term rates at exceptionally low levels until "at least mid-2015," and instead will hold the fed funds rate near zero until the unemployment rate dips below 6.5% and/or future inflation expectations rise above 2.5%. Actually, these aren't hard targets either as Fed officials granted themselves considerable leeway in adding that they will "consider other information, including additional measures of labor market conditions, indications of inflation pressures and inflation expectations, and readings on financial developments."

Note that the current official unemployment rate is 7.8%, but the labor force participation rate is at the lowest point in over 30 years, and the broader U6 measure of unemployment is 14.4%. In theory, if the economy were to strengthen in the future and hiring increased, the millions of people who have abandoned job searches and involuntary part-time workers would reenter the workforce and keep the unemployment rate from falling too much, or perhaps even cause it to inch higher. So, the days of 6.5% unemployment are probably still many years away. As far as inflation is concerned, the Fed's favorite measure, the personal consumption expenditure (PCE) deflator, is currently rising at around 1.5%, and with global demand slowing (both the 17-member Euro-zone and Japan have recently reentered recession), an inflation rate above 2.5% is also unlikely anytime soon.

The Fed also announced in December it would continue buying \$40 billion in mortgage-backed securities every month as part of the most recent round of quantitative easing (QE3), which has no specific end date or targeted total purchase amount. They will also continue reinvesting all

principal payments received into additional agency mortgage-back securities. On top of this, the FOMC voted to begin outright purchases of Treasury securities following the December conclusion of "Operation Twist." The targeted Treasury purchase amount will add another \$45 billion per month to the Fed's balance sheet, which suggests the Fed's already massive security portfolio could approach \$4 trillion within the next couple of years. Since the Treasury purchases will be concentrated in the intermediate-to-long area of the curve, mortgage lending rates should remain near historical lows for the foreseeable future.

STOCK MARKET MOVEMENT

Despite all the uncertainty surrounding the fiscal cliff, the S&P 500 closed the year near a 5-year high and actually established that high point in early 2013, shortly after the fiscal agreement was announced. This probably says as much about a lack of viable investment alternatives as it does absolute confidence in the equity markets, but there's no denying past performance. Corporate profits in the third quarter reached a record high of \$1.75 trillion, up 18.6% year-over-year. According to Forbes Magazine, Q3 profits accounted for a record 11.1% of the U.S. economy. For all of 2012, the S&P 500 index rose 13.4%.

	DOW	S&P 500	NASDAQ
12/31/11	12,218	1,258	2,605
9/30/12	13,437	1,441	3,116
12/31/12	13,104	1,426	3,020
% Change for Q4-2012	- 2.5%	- 1.0%	- 3.1%
% Change for 12 Months	+ 7.3%	+ 13.4%	+ 15.9%

INTEREST RATES

		Fed Funds	3 mo T-bill	6 mo T-bill	2 yr T-note	5 yr T-note	10 yr T-note
Last	9/30/12	0.00%	0.09%	0.13%	0.23%	0.63%	1.63%
High		0.00%	0.11%	0.16%	0.31%	0.82%	1.87%
Low		0.00%	0.01%	0.09%	0.23%	0.54%	1.39%
End	12/31/12	0.00%	0.04%	0.11%	0.25%	0.63%	1.63%

PORTFOLIO ACTIVITY SINCE SEPTEMBER 30TH

- No calls were exercised during the quarter, but there were four maturities totaling \$10 million, as three separate commercial paper positions and one CD matured.
- There were several investment purchases during the quarter as much of the \$35 million in bond proceeds received during September was invested. Final maturities for these investments were matched against expected cash flow requirements. When combined with non-bond related purchases, a total of \$33mm was invested in seven positions. Purchases included \$11.35mm in an agency bullet maturing in Feb-2014; one CD for \$2mm maturing in Dec-2014; and five separate CP positions totaling \$19.7mm with maturities ranging from April through September 2013. The weighted average yield on these purchases was 0.35%, more than double the quarter's average LGIP rate of 0.16%.

SUMMARY / OUTLOOK

The fiscal cliff was narrowly averted, but not without a cost. Moody's estimated the deal would result in 600,000 fewer jobs in 2013 than would have been created had existing tax policies been extended. And, the stakes for February could be even higher, with a possible government shutdown if the debt ceiling isn't raised, as well as a Moody's downgrade on U.S. debt if the government doesn't make credible spending cuts. What's likely to make the upcoming fights even tougher than the December battles is that both sides believe they've already made significant concessions and are likely to demand more from the other side. The GOP may have a stronger

argument here since the Bush tax cuts were not fully extended for the wealthy. In return, Republican leaders are now looking for significant spending cuts; in particular to entitlement programs like Social Security and Medicare, considered the third rail of politics.

But the future isn't entirely dim. There is a counter-balance that should keep growth from softening further. Household balance sheets have improved substantially as equity portfolios and home values have steadily risen. According to the Federal Reserve, combined net worth of U.S. households increased by \$4.5 trillion during the first three quarters of 2012, and is now just \$2.5 trillion below the \$67.3 trillion high point of Q3 2006. This suggests consumers are in better position to spend, and pent-up demand in housing and autos suggests a great deal of spending may take place in the big ticket arena.

During the 10-year period before the recession struck, the pace of new household formation had averaged 1.5 million per year. During the recession, the average pace plunged to 500,000 as elderly parents moved in with their kids, kids moved back with their parents (or simply never left) and struggling Americans found roommates. In recent years, the trend toward shared households has slowly turned around, and it may be a game-changer. The Atlantic Online proclaimed in December that household formation was "the most overlooked statistic in economics" and declared it on the verge of an epic comeback. As reported in a December *Business Insider* story, analysis by a trio of Goldman economists showed annual household formation increasing from its current rate of 1.0 million to 1.2 million in 2013, and 1.3 million in each of the next three years. Obviously, this bodes well for continuation of the housing recovery that finally established itself in 2012. The ongoing clean-up and reconstruction effort from Sandy alone is expected to *add* half a percentage point to GDP growth in 2013. The housing bubble, which ignited and fueled the recession, seems to have deflated, and is now growing at a more reasonable pace.

State and local governments, which account for 12% of the U.S. economy, have generally emerged from a five-year period of belt-tightening and consolidation, and according to Bloomberg News will not restrain GDP growth for the first time since 2009. Mark Zandi, the Chief Economist at Moody's, believes state and local governments are in their best financial shape since 2007 and predicts that by the fourth quarter their payrolls will be 220,000 higher than in the same period in 2012.

Factory sector growth and exports, to a large degree, will depend on how quickly the global economy mends. But there is hope here as well. In a recent Bloomberg News poll, two-thirds of the 862 investors surveyed described the global economy as stable or improving, the best outlook in 18 months. And, according to forecasts by economists at the UN, World Gross Product is expected to gradually increase from 2.2% in 2012, to 2.4% in 2013, and 3.2% in 2014. By comparison, the Conference Board forecast for U.S. annual Gross Domestic Product is 2.2% for 2012, 1.6% for 2013 and 2.4% for 2014. Given the optimism noted above, these are disappointing projections. The U.S. forecasted growth rates, if they materialize, would not likely be strong enough to ratchet unemployment down below 6.5% or push inflation up above 2.5%. In fact, if the economy were to continue to grow at such a mediocre pace, the Fed could find itself holding the overnight funds rate within the same 0.00% to 0.25% target range for much longer than the recently abandoned mid-2015 estimated tightening date. Hopefully, we can do better.

PROJECTED STRATEGY FOR THE FIRST QUARTER 2013:

We continue to advocate reducing low yielding cash and LGIP balances in favor of higher yielding commercial paper, bank CD's, and callable agency securities. With the Fed committed to aggressive monetary policy, and a very flat yield curve on the short-end, we prefer callable agencies with final maturities in the three- to five-year range. We believe these bonds offer a more attractive risk/reward trade-off than shorter maturities. However, we must be cognizant of cash needs and remain vigilant in the maintenance of adequate liquidity.

FirstSouthwest

A PlainsCapital Company



Investment Portfolio Summary

Town of Addison

Addison!

For the Quarter Ended

December 31, 2012

Report Name

Certification Page
Executive Summary
Benchmark Comparison
Detail of Security Holdings
Change in Value
Earned Income
Investment Transactions
Amortization and Accretion
Projected Fixed Income Cash Flows

MARKET RECAP:

Not surprisingly, the big story in December was the fiscal cliff, which has overshadowed most other news including an important FOMC announcement on monetary policy. Markets spent much of the month caught in a tug-of-war of competing fiscal policy headlines. Periodic word of a possible compromise is cheered by the markets one day, and then quickly panned the next as hopes for a deal are repeatedly shattered. Congress did manage to reach a limited agreement on January 1st, narrowly averting a complete disaster. However, many of the most troublesome decisions, including those on spending cuts, entitlement reform, and the debt ceiling were postponed temporarily and still must be addressed in the next few months.

Fed officials concluded their final FOMC meeting of the year by dropping the date-specific “until at least mid-2015” timeframe from their policy statement and replacing it with actual economic data targets. The FOMC said it would hold the fed funds target near zero until the unemployment rate dips below 6.5% and/or future inflation expectations rise above 2.5%. However, Fed officials gave themselves quite a bit of leeway on these targets by adding that they will “consider other information, including additional measures of labor market conditions, indications of inflation pressures and inflation expectations, and readings on financial developments.” The Fed also voted to continue buying \$40 billion in mortgage-backed securities per month as part of the most recent round of quantitative easing (QE3), and announced it would add another \$45 billion in Treasury notes every month for an undetermined period. The Treasury purchases will be concentrated in the long-to-intermediate area of the curve, which suggests mortgage lending rates should continue to stay very low for the foreseeable future.

Those low mortgage rates have been a significant contributor to continuing improvement in the housing market. Existing home sales rose 5.9% in November to a 5 million unit annualized pace, the highest in three years. The median price for a single family home increased from \$177k to \$181k in November, more than 10% higher than a year ago. Meanwhile, the final revision to third quarter gross domestic product (GDP) pushed the annualized growth rate of the economy up from 2.7% to 3.1%. This solidified third-quarter growth as the strongest of the year after growth of 2.0% and 1.3% in Q1 and Q2 respectively.



**For the Quarter Ended
December 31, 2012**

This report is prepared for the **Town of Addison** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:

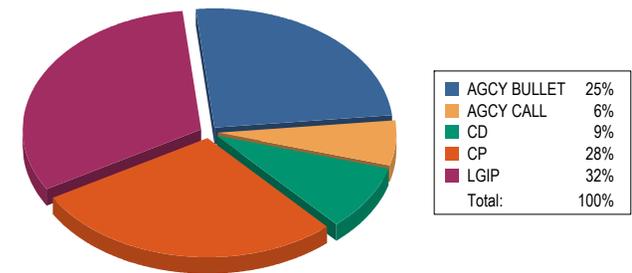
Account Summary

Allocation by Security Type

Beginning Values as of 09/30/12

Ending Values as of 12/31/12

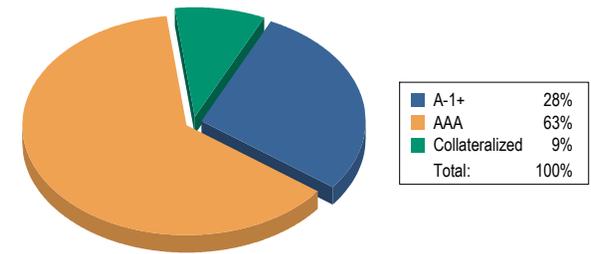
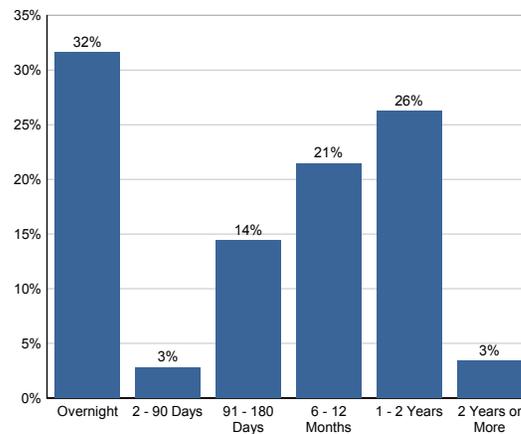
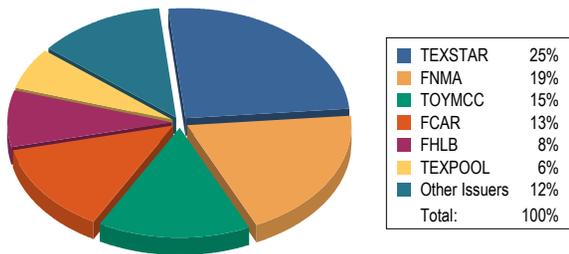
Par Value	71,092,950.33	72,736,921.95
Market Value	71,112,528.33	73,044,263.45
Book Value	71,098,604.22	73,016,023.74
Unrealized Gain / Loss	13,924.11	28,239.71
Market Value %	100.03%	100.42%
Weighted Avg. YTW	0.284%	0.307%
Weighted Avg. YTM	0.296%	0.319%



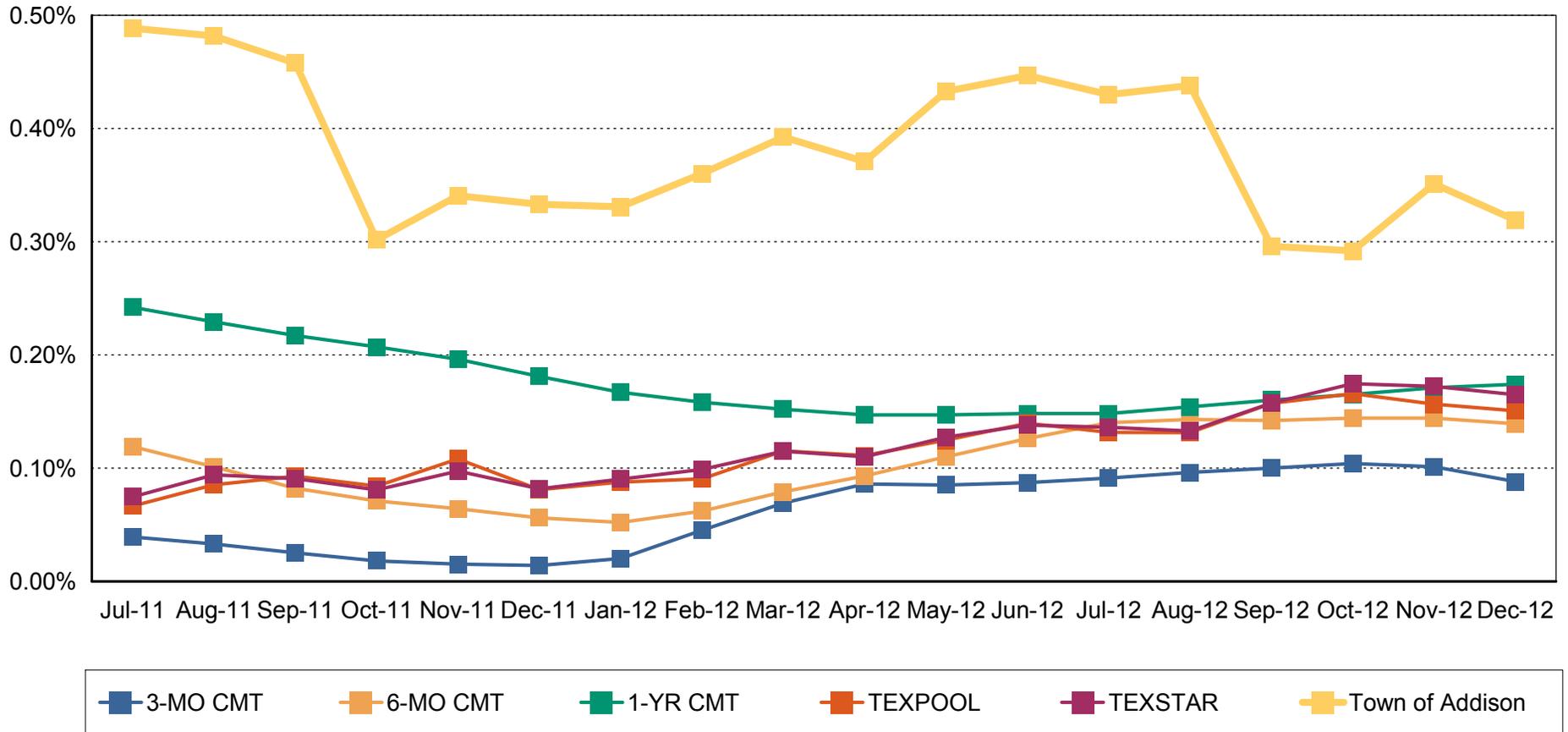
Allocation by Issuer

Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 222



Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.

Note 3: Benchmark data for TexSTAR is the monthly average yield.



Town of Addison
Detail of Security Holdings
 As of 12/31/2012

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
Pooled Funds																	
TEXPOOL		LGIP	TexPool					4,604,621.34	100.000	4,604,621.34	4,604,621.34	100.000	4,604,621.34	1		0.151	0.151
TEXSTAR		LGIP	TexSTAR					18,512,600.47	100.000	18,512,600.47	18,512,600.47	100.000	18,512,600.47	1		0.165	0.165
CD-6693	09/08/11	CD	Comerica Bk CD	0.570	12/10/12			0.00	100.000	0.00	0.00	100.000	0.00	-21		0.571	0.571
CD-8993-2	01/19/12	CD	Comerica Bk CD	0.560	01/21/13			2,051,173.96	100.000	2,051,173.96	2,051,173.96	100.000	2,051,173.96	21		0.561	0.561
89233GR24	12/03/12	CP - DISC	Toyota Mtr Cr		04/02/13			4,000,000.00	99.920	3,996,800.00	3,997,573.32	99.941	3,997,648.00	92		0.240	0.240
CD-2270	10/07/11	CD	ViewPoint Bk CD	0.599	04/08/13			2,518,526.18	100.000	2,518,526.18	2,518,526.18	100.000	2,518,526.18	98		0.599	0.599
3024A0SA4	08/15/12	CP - DISC	FCAR Owner Trust		05/10/13			1,000,000.00	99.576	995,756.67	997,957.50	99.866	998,664.00	130		0.572	0.572
89233GSF4	11/16/12	CP - DISC	Toyota Mtr Cr		05/15/13			3,000,000.00	99.855	2,995,650.00	2,996,761.68	99.903	2,997,075.00	135		0.290	0.290
89233GUC8	10/16/12	CP - DISC	Toyota Mtr Cr		07/12/13			3,000,000.00	99.768	2,993,050.83	2,995,040.01	99.845	2,995,335.00	193		0.311	0.311
3024A0V69	11/09/12	CP - DISC	FCAR Owner Trust		08/06/13			8,700,000.00	99.625	8,667,375.00	8,673,779.16	99.728	8,676,292.50	218		0.502	0.502
313376WB7	08/20/12	AGCY BULET	FHLB	0.280	08/13/13			2,000,000.00	100.046	2,000,920.00	2,000,578.80	100.060	2,001,200.00	225		0.233	0.233
89233GWH5	12/21/12	CP - DISC	Toyota Mtr Cr		09/17/13			1,000,000.00	99.798	997,975.00	998,057.50	99.762	997,617.00	260		0.271	0.271
3134G3BF6	03/27/12	AGCY BULET	FHLMC	0.625	12/23/13			1,000,000.00	100.356	1,003,560.00	1,002,005.39	100.400	1,004,000.00	357		0.419	0.419
31398AVD1	11/07/12	AGCY BULET	FNMA	2.750	02/05/14			11,350,000.00	103.097	11,701,509.50	11,659,206.46	102.860	11,674,610.00	401		0.256	0.256
313379LM9	07/24/12	AGCY BULET	FHLB	0.350	02/25/14			2,000,000.00	100.127	2,002,540.00	2,001,842.52	100.170	2,003,400.00	421		0.270	0.270
3134G3YW4	08/28/12	AGCY BULET	FHLMC	0.375	08/28/14			1,500,000.00	100.092	1,501,374.00	1,501,139.85	100.180	1,502,700.00	605		0.329	0.329
313380JV0	09/12/12	AGCY CALL	FHLB	0.400	12/04/14	03/04/13	QRTLY	2,000,000.00	100.000	2,000,000.00	2,000,000.00	100.040	2,000,800.00	703	63	0.400	0.400
CD-6693-1	12/10/12	CD	Comerica Bk CD	0.570	12/19/14			2,000,000.00	100.000	2,000,000.00	2,000,000.00	100.000	2,000,000.00	718		0.570	0.570
3135G0LB7	05/30/12	AGCY CALL	FNMA	1.000	05/29/15	05/29/13	QRTLY	2,500,000.00	100.500	2,512,500.00	2,505,159.60	100.320	2,508,000.00	879	149	0.831	0.497
Total for Pooled Funds								72,736,921.95	100.450	73,055,932.95	73,016,023.74	100.433	73,044,263.45	222		0.319	0.307
Total for Town of Addison								72,736,921.95	100.450	73,055,932.95	73,016,023.74	100.433	73,044,263.45	222		0.319	0.307



Town of Addison
Change in Value
 From 09/30/2012 to 12/31/2012

CUSIP	Security Type	Security Description	09/30/12 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/12 Book Value	09/30/12 Market Value	12/31/12 Market Value	Change in Mkt Value
Pooled Funds											
TEXPOOL	LGIP	TexPool	3,853,092.60	1,000,995.56	(249,466.82)	0.00	0.00	4,604,621.34	3,853,092.60	4,604,621.34	751,528.74
TEXSTAR	LGIP	TexSTAR	40,665,359.49	2,008,471.77	(24,161,230.79)	0.00	0.00	18,512,600.47	40,665,359.49	18,512,600.47	(22,152,759.02)
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	2,999,229.99	0.00	(3,000,000.00)	770.01	0.00	0.00	2,999,838.00	0.00	(2,999,838.00)
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	3,995,940.00	0.00	(4,000,000.00)	4,060.00	0.00	0.00	3,998,864.00	0.00	(3,998,864.00)
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	2,011,439.69	1,911.32	(2,013,351.01)	0.00	0.00	0.00	2,011,439.69	0.00	(2,011,439.69)
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	998,807.50	0.00	(1,000,000.00)	1,192.50	0.00	0.00	999,636.00	0.00	(999,636.00)
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	2,048,320.66	2,853.30	0.00	0.00	0.00	2,051,173.96	2,048,320.66	2,051,173.96	2,853.30
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	0.00	3,996,800.00	0.00	773.32	0.00	3,997,573.32	0.00	3,997,648.00	3,997,648.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	2,514,737.89	3,788.29	0.00	0.00	0.00	2,518,526.18	2,514,737.89	2,518,526.18	3,788.29
3024A0S44	CP - DISC	FCAR Owner Trust 0.000 05/10/13	996,500.83	0.00	0.00	1,456.67	0.00	997,957.50	997,040.00	998,664.00	1,624.00
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	0.00	2,995,650.00	0.00	1,111.68	0.00	2,996,761.68	0.00	2,997,075.00	2,997,075.00
89233GUC8	CP - DISC	Toyota Mtr Cr 0.000 07/12/13	0.00	2,993,050.83	0.00	1,989.18	0.00	2,995,040.01	0.00	2,995,335.00	2,995,335.00
3024A0V69	CP - DISC	FCAR Owner Trust 0.000 08/06/13	0.00	8,667,375.00	0.00	6,404.16	0.00	8,673,779.16	0.00	8,676,292.50	8,676,292.50
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	2,000,813.22	0.00	0.00	(234.42)	0.00	2,000,578.80	2,001,400.00	2,001,200.00	(200.00)
89233GWH5	CP - DISC	Toyota Mtr Cr 0.000 09/17/13	0.00	997,975.00	0.00	82.50	0.00	998,057.50	0.00	997,617.00	997,617.00
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	1,002,516.61	0.00	0.00	(511.22)	0.00	1,002,005.39	1,004,500.00	1,004,000.00	(500.00)
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	0.00	11,701,509.50	0.00	(42,303.04)	0.00	11,659,206.46	0.00	11,674,610.00	11,674,610.00
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	2,002,242.38	0.00	0.00	(399.86)	0.00	2,001,842.52	2,003,000.00	2,003,400.00	400.00
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	1,501,311.18	0.00	0.00	(171.33)	0.00	1,501,139.85	1,502,850.00	1,502,700.00	(150.00)
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	2,001,200.00	2,000,800.00	(400.00)
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	0.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00	2,000,000.00
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	2,508,292.18	0.00	0.00	(3,132.58)	0.00	2,505,159.60	2,511,250.00	2,508,000.00	(3,250.00)
Total for Pooled Funds			71,098,604.22	36,370,380.57	(34,424,048.62)	(28,912.43)	0.00	73,016,023.74	71,112,528.33	73,044,263.45	1,931,735.12
Total for Town of Addison			71,098,604.22	36,370,380.57	(34,424,048.62)	(28,912.43)	0.00	73,016,023.74	71,112,528.33	73,044,263.45	1,931,735.12



Town of Addison
Earned Income
 From 09/30/2012 to 12/31/2012

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
Pooled Funds									
TEXPOOL	LGIP	TexPool	0.00	1,528.74	1,528.74	0.00	0.00	0.00	1,528.74
TEXSTAR	LGIP	TexSTAR	0.00	11,775.48	11,775.48	0.00	0.00	0.00	11,775.48
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	0.00	0.00	0.00	0.00	0.00	770.01	770.01
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	0.00	0.00	0.00	0.00	0.00	4,060.00	4,060.00
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	657.84	2,256.88	2,914.72	0.00	0.00	0.00	2,256.88
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	0.00	0.00	0.00	0.00	0.00	1,192.50	1,192.50
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	313.40	2,885.12	2,853.30	0.00	345.22	0.00	2,885.12
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	0.00	0.00	0.00	0.00	0.00	773.32	773.32
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	41.16	3,788.35	3,788.29	0.00	41.22	0.00	3,788.35
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	0.00	0.00	0.00	0.00	0.00	1,456.67	1,456.67
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	0.00	0.00	0.00	0.00	0.00	1,111.68	1,111.68
89233GUC8	CP - DISC	Toyota Mtr Cr 0.000 07/12/13	0.00	0.00	0.00	0.00	0.00	1,989.18	1,989.18
3024A0V69	CP - DISC	FCAR Owner Trust 0.000 08/06/13	0.00	0.00	0.00	0.00	0.00	6,404.16	6,404.16
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	746.67	1,400.00	0.00	0.00	2,146.67	(234.42)	1,165.58
89233GWH5	CP - DISC	Toyota Mtr Cr 0.000 09/17/13	0.00	0.00	0.00	0.00	0.00	82.50	82.50
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	1,701.39	1,562.50	3,125.00	0.00	138.89	(511.22)	1,051.28
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	0.00	46,818.75	0.00	(79,765.28)	126,584.03	(42,303.04)	4,515.71
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	700.00	1,750.00	0.00	0.00	2,450.00	(399.86)	1,350.14
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	515.63	1,406.25	0.00	0.00	1,921.88	(171.33)	1,234.92
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	600.00	2,000.00	2,000.00	0.00	600.00	0.00	2,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	0.00	406.03	0.00	0.00	406.03	0.00	406.03
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	8,472.22	6,250.00	12,500.00	0.00	2,222.22	(3,132.58)	3,117.42
Total for Pooled Funds			13,748.31	83,828.10	40,485.53	(79,765.28)	136,856.16	(28,912.43)	54,915.67
Total for Town of Addison			13,748.31	83,828.10	40,485.53	(79,765.28)	136,856.16	(28,912.43)	54,915.67



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
Pooled Funds															
Maturities															
10/15/12	10/15/12	89233GKF2	CP - DISC	Toyota Mtr Cr		10/15/12		3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.663	
12/03/12	12/03/12	89233GM37	CP - DISC	Toyota Mtr Cr		12/03/12		4,000,000.00	100.000	4,000,000.00	0.00	4,000,000.00		0.583	
12/10/12	12/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		2,013,351.01	100.000	2,013,351.01	0.00	2,013,351.01		0.571	
12/21/12	12/21/12	89233GMM5	CP - DISC	Toyota Mtr Cr		12/21/12		1,000,000.00	100.000	1,000,000.00	0.00	1,000,000.00		0.532	
Total for: Maturities								10,013,351.01		10,013,351.01	0.00	10,013,351.01		0.599	
Purchases															
10/15/12	10/16/12	89233GUC8	CP - DISC	Toyota Mtr Cr		07/12/13		3,000,000.00	99.768	2,993,050.83	0.00	2,993,050.83		0.311	0.311
11/06/12	11/07/12	31398AVD1	AGCY BULET	FNMA	2.750	02/05/14		11,350,000.00	103.097	11,701,509.50	79,765.28	11,781,274.78		0.256	0.256
11/08/12	11/09/12	3024A0V69	CP - DISC	FCAR Owner Trust		08/06/13		8,700,000.00	99.625	8,667,375.00	0.00	8,667,375.00		0.502	0.502
11/15/12	11/16/12	89233GSF4	CP - DISC	Toyota Mtr Cr		05/15/13		3,000,000.00	99.855	2,995,650.00	0.00	2,995,650.00		0.290	0.290
11/30/12	12/03/12	89233GR24	CP - DISC	Toyota Mtr Cr		04/02/13		4,000,000.00	99.920	3,996,800.00	0.00	3,996,800.00		0.240	0.240
12/10/12	12/10/12	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		0.570	0.570
12/20/12	12/21/12	89233GWH5	CP - DISC	Toyota Mtr Cr		09/17/13		1,000,000.00	99.798	997,975.00	0.00	997,975.00		0.271	0.271
Total for: Purchases								33,050,000.00		33,352,360.33	79,765.28	33,432,125.61		0.346	0.346
Income Payments															
10/08/12	10/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	939.77	939.77			
10/19/12	10/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	940.21	940.21			
10/31/12	10/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,275.85	1,275.85			
11/08/12	11/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	971.55	971.55			
11/19/12	11/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	972.00	972.00			
11/29/12	11/29/12	3135G0LB7	AGCY CALL	FNMA	1.000	05/29/15				0.00	12,500.00	12,500.00			
11/30/12	11/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,235.32	1,235.32			
12/04/12	12/04/12	313380JV0	AGCY CALL	FHLB	0.400	12/04/14				0.00	2,000.00	2,000.00			
12/10/12	12/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	1,003.40	1,003.40			
12/19/12	12/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	941.09	941.09			
12/24/12	12/23/12	3134G3BF6	AGCY BULET	FHLMC	0.625	12/23/13				0.00	3,125.00	3,125.00			
12/31/12	12/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,277.12	1,277.12			



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW	
Pooled Funds																
Total for: Income Payments											0.00	27,181.31	27,181.31			
Capitalized Interest																
10/08/12	10/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		939.77	100.000	939.77	0.00	939.77				
10/19/12	10/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		940.21	100.000	940.21	0.00	940.21				
10/31/12	10/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,275.85	100.000	1,275.85	0.00	1,275.85				
11/08/12	11/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		971.55	100.000	971.55	0.00	971.55				
11/19/12	11/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		972.00	100.000	972.00	0.00	972.00				
11/30/12	11/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,235.32	100.000	1,235.32	0.00	1,235.32				
12/19/12	12/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		941.09	100.000	941.09	0.00	941.09				
12/31/12	12/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,277.12	100.000	1,277.12	0.00	1,277.12				
Total for: Capitalized Interest								8,552.91	8,552.91	0.00	8,552.91					



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
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Total for All Portfolios

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Maturities	10,013,351.01	10,013,351.01		0.599	
Total Purchases	33,050,000.00	33,432,125.61		0.346	0.346
Total Income Payments	0.00	27,181.31			
Total Capitalized Interest	8,552.91	8,552.91			



Town of Addison
Amortization and Accretion
 From 09/30/2012 to 12/31/2012

CUSIP	Settle Date	Security Type	Security Description	Next Call Date	Purchase Qty	Orig Price	Original Cost	Amrt/Accr for Period	Total Amrt/Accr Since Purch	Remaining Disc / Prem	Book Value
Pooled Funds											
89233GKF2	01/20/12	CP - DISC	Toyota Mtr Cr 0.000 10/15/12		0.00	99.507	0.00	770.01	0.00	0.00	0.00
89233GM37	03/09/12	CP - DISC	Toyota Mtr Cr 0.000 12/03/12		0.00	99.567	0.00	4,060.00	0.00	0.00	0.00
CD-6693	09/08/11	CD	Comerica Bk CD 0.570 12/10/12		0.00	100.000	0.00	0.00	0.00	0.00	0.00
89233GMM5	03/27/12	CP - DISC	Toyota Mtr Cr 0.000 12/21/12		0.00	99.604	0.00	1,192.50	0.00	0.00	0.00
CD-8993-2	01/19/12	CD	Comerica Bk CD 0.560 01/21/13		2,051,173.96	100.000	2,051,173.96	0.00	0.00	0.00	2,051,173.96
89233GR24	12/03/12	CP - DISC	Toyota Mtr Cr 0.000 04/02/13		4,000,000.00	99.920	3,996,800.00	773.32	773.32	2,426.68	3,997,573.32
CD-2270	10/07/11	CD	ViewPoint Bk CD 0.599 04/08/13		2,518,526.18	100.000	2,518,526.18	0.00	0.00	0.00	2,518,526.18
3024A0SA4	08/15/12	CP - DISC	FCAR Owner Trust 0.000 05/10/13		1,000,000.00	99.576	995,756.67	1,456.67	2,200.83	2,042.50	997,957.50
89233GSF4	11/16/12	CP - DISC	Toyota Mtr Cr 0.000 05/15/13		3,000,000.00	99.855	2,995,650.00	1,111.68	1,111.68	3,238.32	2,996,761.68
89233GUC8	10/16/12	CP - DISC	Toyota Mtr Cr 0.000 07/12/13		3,000,000.00	99.768	2,993,050.83	1,989.18	1,989.18	4,959.99	2,995,040.01
3024A0V69	11/09/12	CP - DISC	FCAR Owner Trust 0.000 08/06/13		8,700,000.00	99.625	8,667,375.00	6,404.16	6,404.16	26,220.84	8,673,779.16
313376WB7	08/20/12	AGCY BULET	FHLB 0.280 08/13/13		2,000,000.00	100.046	2,000,920.00	(234.42)	(341.20)	(578.80)	2,000,578.80
89233GWH5	12/21/12	CP - DISC	Toyota Mtr Cr 0.000 09/17/13		1,000,000.00	99.798	997,975.00	82.50	82.50	1,942.50	998,057.50
3134G3BF6	03/27/12	AGCY BULET	FHLMC 0.625 12/23/13		1,000,000.00	100.356	1,003,560.00	(511.22)	(1,554.61)	(2,005.39)	1,002,005.39
31398AVD1	11/07/12	AGCY BULET	FNMA 2.750 02/05/14		11,350,000.00	103.097	11,701,509.50	(42,303.04)	(42,303.04)	(309,206.46)	11,659,206.46
313379LM9	07/24/12	AGCY BULET	FHLB 0.350 02/25/14		2,000,000.00	100.127	2,002,540.00	(399.86)	(697.48)	(1,842.52)	2,001,842.52
3134G3YW4	08/28/12	AGCY BULET	FHLMC 0.375 08/28/14		1,500,000.00	100.092	1,501,374.00	(171.33)	(234.15)	(1,139.85)	1,501,139.85
313380JV0	09/12/12	AGCY CALL	FHLB 0.400 12/04/14	03/04/13	2,000,000.00	100.000	2,000,000.00	0.00	0.00	0.00	2,000,000.00
CD-6693-1	12/10/12	CD	Comerica Bk CD 0.570 12/19/14		2,000,000.00	100.000	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3135G0LB7	05/30/12	AGCY CALL	FNMA 1.000 05/29/15	05/29/13	2,500,000.00	100.500	2,512,500.00	(3,132.58)	(7,340.40)	(5,159.60)	2,505,159.60
Total for Pooled Funds					49,619,700.14		49,938,711.14	(28,912.43)	(39,909.21)	(279,101.79)	49,898,801.93
Total for Town of Addison					49,619,700.14		49,938,711.14	(28,912.43)	(39,909.21)	(279,101.79)	49,898,801.93



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 12/31/2012

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Pooled Funds						
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	01/19/13	968.21	0.00	968.21
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	01/21/13	957.21	2,051,173.96	2,052,131.17
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	01/31/13	1,281.27	0.00	1,281.27
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	02/05/13	156,062.50	0.00	156,062.50
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	02/13/13	2,800.00	0.00	2,800.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	02/19/13	968.21	0.00	968.21
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	02/25/13	3,500.00	0.00	3,500.00
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	02/28/13	2,812.50	0.00	2,812.50
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	02/28/13	1,157.28	0.00	1,157.28
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	03/19/13	874.52	0.00	874.52
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	03/31/13	1,281.27	0.00	1,281.27
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	04/02/13	0.00	4,000,000.00	4,000,000.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	04/08/13	86.96	2,518,526.18	2,518,613.14
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	04/19/13	968.21	0.00	968.21
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	05/10/13	0.00	1,000,000.00	1,000,000.00
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	05/15/13	0.00	3,000,000.00	3,000,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	05/19/13	936.98	0.00	936.98
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	05/29/13	12,500.00	2,500,000.00	2,512,500.00
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	06/04/13	4,000.00	0.00	4,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	06/19/13	968.21	0.00	968.21
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	06/23/13	3,125.00	0.00	3,125.00
Total for Pooled Funds				195,248.33	15,069,700.14	15,264,948.47



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 12/31/2012

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
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Total for All Portfolios

January 2013	3,206.69	2,051,173.96	2,054,380.65
February 2013	167,300.49	0.00	167,300.49
March 2013	2,155.79	0.00	2,155.79
April 2013	1,055.17	6,518,526.18	6,519,581.35
May 2013	13,436.98	6,500,000.00	6,513,436.98
June 2013	8,093.21	0.00	8,093.21
Total Projected Cash Flows for Town of Addison	195,248.33	15,069,700.14	15,264,948.47

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
2008 Capital Project Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in interest earnings	-	-	-	-	-	-	-	-
Additional developer contributions for Spring Valley	-	-	-	-	-	-	-	-
Additional expenses related to Vitruvian Park	-	-	-	-	-	-	-	-
Additional expenses related to Redding Trail & Bush Elementary	-	-	-	-	-	-	-	-
Additional expenses related to Halff - Prof. Services Stormwater	-	-	-	-	-	-	-	-
Recognize transfer of bond proceeds to Utility Fund	-	-	-	-	-	-	-	-
Total 2008 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Airport Enterprise Fund								
Increase in fuel flowage fees	\$ -	-	-	-	-	-	-	-
Increase in rental income	\$ -	-	-	-	-	-	-	-
Increase in user fees	\$ -	-	-	-	-	-	-	-
Total Airport Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Enterprise Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in water sales revenue	\$ -	-	-	-	-	-	-	-
Reduce interest income	\$ -	-	-	-	-	-	-	-
Additional expenses related to Elevated Storage Tank	-	-	-	-	-	-	-	-
Recognize transfer of bond proceeds from 2008 CPF	-	-	-	-	-	-	-	-
Total Utility Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Internal Service Fund								
Total Information Technology Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Internal Service Fund								
Purchase of self-contained breathing apparatus	-	-	-	-	-	-	-	-
Total Capital Replacement Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Council Agenda Item: #R9

AGENDA CAPTION:

Presentation, discussion, and consideration of approval of an Art Donation Policy.

FINANCIAL IMPACT:

N/A

BACKGROUND:

In an effort to fully integrate the Arts as part of our brand, staff recommends adopting a formal policy for accepting donated works of art and procedures for administering the Town's collection of Public Art. As stated in the policy, these guidelines are intended to be flexible and allow for discretion. Art often invokes a very personal reaction, but the Town's collection is for the Public and the brand presented to our citizens and visitors should be at the forefront of decision-making. City Council will have final approval for accepting Public Art and the proposed site plan.

The implementation of this policy will formalize the Town's ongoing public-private partnership with the Addison Arbor Foundation. Currently, the Addison Arbor Foundation works with the Town's Parks Department to refurbish and relocate Public Art in the Town's collection. The Parks Department will take on the additional role of maintaining records and an inventory up to the standards of the American Alliance of Museums.

RECOMMENDATION:

Staff recommends approval.

COUNCIL GOALS:

Fully integrate the Arts as part of our brand

ATTACHMENTS:

Description:

 [Art Donation Policy](#)

Type:

Backup Material

TOWN OF ADDISON POLICY ON PUBLIC ART

The Town of Addison recognizes the cultural importance of public art and its impact on our Town's identity, economy, and community. The Town will continue to maintain a policy of encouraging donated works for public display. Policies and guidelines included in this document provide a general direction when the Town is making decisions about public art; however, the policies and guidelines are intended to be flexible, are not absolute, and may be changed or modified by the Town Council as deemed appropriate.

I. PUBLIC ART PURPOSE AND GOALS

- a. The goal of this public art policy is to update our current standards of conservation and bring public art back to its original intent: making art accessible to the citizens of the Town, improving public spaces in Addison visually, and supporting the arts community in general.
- b. In keeping with the long-range vision for the Town, as set forth by the 2020 and 2030 Vision Plans, public art will improve our parks and central nodes, be integrated into new developments, and encourage a walkable, urban feel.

II. GENERAL GUIDELINES FOR ACCEPTING DONATED WORKS OF ART – In evaluating the acceptance of a donated work of art, the following will serve as general guidelines:

- a. A citizen or group of citizens, such as the Addison Arbor Foundation, may bring forth an original work of art to be considered for acceptance and public display by the Town. The Town shall make no financial commitment when acquiring legal ownership of the work. Prior to accepting a work of art, the Town shall require the Donor to provide recent appraisal documentation, or valuation by the artist.
- b. Works of art should be accessible and appropriate for viewing by all citizens, and be of high, enduring quality and reflect the values of the community and the Addison Way, inviting visitors and making residents feel at home.
- c. The quality of work and cost of maintenance will be considered by the Town when evaluating acceptance of a work of art.
- d. The Town will have discretion in determining whether or not to accept, where to locate, how to maintain, and all other matters pertaining to donated works of art. A specific location and placement of the work may be proposed along with the donation. Donated works of art should visually enhance and complement the area of proposed placement, including the relation to other works of art in the space, such as a Town park, trail, or gateway into the community.

III. GENERAL GUIDELINES FOR PURCHASING PUBLIC ART

- a. The Town of Addison may purchase existing works of art or commission new works of art through an artist selection process.
- b. Payment for works of art will be in accordance with State and Town purchasing guidelines.

- c. The same general guidelines for accepting donated works of art apply to purchased or commissioned works; however, other guidelines and standards may be applied.

IV. PROCESS

- a. The Addison Arbor Foundation will review proposals from potential donors. They will work with citizens and groups to ensure the proposed work of art is appropriate and aligns with Town goals and guidelines for public art. Residents, businesses, or nonprofits interested in donating a sculpture to the Town shall contact the Addison Arbor Foundation regarding donation.
- b. The Parks Department and the Addison Arbor Foundation will determine an appropriate location for the work, subject to Council approval.
- c. If both the acceptance and site plan for a work of art are approved, the Parks Department (or a contractor approved by the Town) will install the work, and oversee administration and general maintenance once the art piece is accessioned.

V. INSTALLATION AND MAINTENANCE GUIDELINES

- a. The Addison Arbor Foundation (or other person or entity, pursuant to an agreement with the Town) should be responsible for the cost of installation. The Parks Department (or a contractor approved by the Town) will install the work.
- b. The Town shall be responsible for the general administration, maintenance and care of works once installed.
- c. The Parks Department shall keep proper records of inventory, including an accession ledger, artist information sheet, and catalogue sheet per the standards of the American Alliance of Museums (American Alliance of Museums, 2013).
- d. A sign or plaque may be placed permanently near the work to identify the artist, title, year made, and materials (if known). The identifying sign should not detract from the work visually.
- e. The Parks Department shall conduct an inventory of public art every five years.
- f. The Town of Addison may insure the work.

VI. DE-ACCESSION AND STORAGE GUIDELINES

- a. De-accessioning an art piece means removing it from the collection permanently. The decision to remove a piece should not be taken lightly. De-accessioning may be considered when one or more of the following is true:
 - 1. The art piece is damaged beyond reasonable repair, destroyed, or stolen.
 - 2. The art piece is believed to be fraudulent.
 - 3. The art piece is a safety liability.
 - 4. The art piece has been in storage for more than two years with no plans to display it in the future.

- b. The Parks Department may recommend that a work of art be de-accessioned, and shall present their recommendations for consideration of approval by the Town Council.
 - 1. Should de-accession be approved, the artist, if known, may be notified in writing of the de-accession and provided an opportunity to acquire the work of art.
 - 2. The Town may seek professional guidance to sell the art piece, subject to the rules and regulations for the disposal of property set forth in the Town Purchasing Manual.

- c. A work of art on public display may be put into storage by the Parks Department if it requires repair or restoration. It may also be moved to storage if the site where it is located must be renovated or altered and the renovation or alteration cannot be made without moving the art piece.
 - 1. The storage facility must maintain proper standards of security and shelter for the art piece.
 - 2. When an art piece must go into storage, a timeline should be in place for its eventual return to public view. An art piece should not go to storage indefinitely; once the art piece has reached the maximum time of two years in storage, it is eligible for de-accession.

References:

American Alliance of Museums. (2013, February 14). *Collections Stewardship*. Retrieved from The American Alliance of Museums: <http://www.aam-us.org/resources/ethics-standards-and-best-practices/characteristics-of-excellence-for-u-s-museums/collections-stewardship>

Council Agenda Item: #R10

AGENDA CAPTION:

Discussion of the annual City Council photo.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

COUNCIL GOALS:

Mindful Stewardship of Town Resources

ATTACHMENTS:

Description:

Type:

No Attachments Available

Council Agenda Item: #ES1

AGENDA CAPTION:

Closed (Executive) session of the Addison City Council pursuant to Section 551.074, Texas Government Code, to deliberate the evaluation of the City Manager.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:

Type:

No Attachments Available