



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

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## **AGENDA**

### **REGULAR MEETING OF THE CITY COUNCIL**

**AND / OR**

### **WORK SESSION OF THE CITY COUNCIL**

**6:00 PM**

**August 12, 2014**

### **ADDISON TOWN HALL**

**5300 BELT LINE RD., DALLAS, TX 75254**

**6:00PM WORK SESSION**

**7:30PM REGULAR MEETING**

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### **WORK SESSION**

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WS1 Discussion and update regarding Bond Proposition 5 (Communications equipment and wireless network infrastructure) and presentation of a financial transparency and business intelligence application.

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WS2 Presentation and discussion of Fork and Cork 2014.

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WS3 Discussion regarding the use of "Town of Addison" on the new Addison website.

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WS4 Presentation and discussion regarding the George H. W. Bush Elementary School Graphics and Displays project.

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## REGULAR MEETING

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### Pledge of Allegiance

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R1 Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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R2 Consent Agenda.

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R2a Approval of the Minutes for the July 8, 2014 City Council Meeting and Work Session.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

07-08-2014 Minutes

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R2b Approval of a Resolution removing certain persons from, and appointing certain persons to, the Board of Directors of the North Dallas County Water Supply Corporation.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Appointing Resolution

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Regular Items

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R3 **PUBLIC HEARING.** Public hearing regarding the Town of Addison's Annual Budget and proposed tax rate for the Fiscal Year ending September 30, 2015.

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R4 Presentation, discussion and take action regarding a resolution establishing a vote of record that proposes a property tax rate for the Town's fiscal year beginning October 1, 2014 and ending September 30, 2015, and designating dates for the holding of public hearings regarding, and a proposed date for the adoption of, the property tax rate for the said 2014/2015 fiscal year, and scheduling a date for a public hearing on the proposed budget for the said 2013/2014 fiscal year.

**RECOMMENDATION:**

Because the City Manager's Proposed Budget provides for a tax rate exceeding the net effective rate, it is recommended that Council establishes a rate through the attached resolution.

**Attachments**

- Proposed Tax Rate Resolution
  - Notice of Proposed Tax Rate
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R5 **PUBLIC HEARING** Case 1700-SUP/Union Park. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property within the Town located at 5076 Addison Circle, which property is currently zoned, UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, in order to add a second patio and to increase the size of the existing bar, on application from Addison Union Park, LLC, represented by Mr. Jose Quiroga.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on July 24, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5076 Addison Circle, which property is currently zoned UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a second patio and to increase the size of the existing bar, subject to the following

condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Voting Aye: Groce, Hughes, Hunse, Oliver, Smith, Wheeler

Voting Nay: none

Absent: Doherty

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

1700-SUP Council Zoning Packet

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- R6 Presentation from Kanter Financial Forensics, LLC and discussion regarding the Town's financial and accounting practices.

**Attachments**

Finance Org Chart

Management Response Letter

- 
- R7 Discussion, consider and take action regarding the authorization of the positions for the Senior Accountant and Finance Department Assistant.

**RECOMMENDATION:**

Administration recommends approval.

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- R8 Presentation and discussion regarding the upcoming Zip Code Election.

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- R9 Discussion, consider and take action re-awarding a construction contract with John Burns Company of Texas, Inc., and authorizing the City Manager to execute the contract for the construction of the Belt Line Road Underground Utilities and Right-of-Way Enhancement project for an amount not to exceed \$8,820,802.

**RECOMMENDATION:**

Administration recommends approval.

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- R10 Discussion, consider and take action re-awarding a contract with Alliance Geotechnical Group for the construction materials testing and geotechnical services associated with the Belt Line Road Underground Utilities and Right-of-Way Enhancement project and authorizing the City Manager to execute the contract for an amount not to exceed \$60,834.

**RECOMMENDATION:**

Administration recommends approval.

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- R11 Presentation and discussion of the Town's sustainability program.

**Attachments**

Sustainability Update

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- R12 Presentation and discussion of the Finance Department Quarterly Financial Review and Capital Projects Update of the Town for the quarter and year-to-date ended June 30, 2014.

**RECOMMENDATION:**

**Attachments**

3rd Quarter Report

Capital Projects Update

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- R13 Presentation, discussion, consider and take action approving an ordinance amending the Town's Annual budget for the fiscal year ending September 30, 2014.

**RECOMMENDATION:**

It is recommended that Council approve the attached ordinance amending the Town's annual budget for the fiscal year ending September 30, 2014.

**Attachments**

FY14 Budget Amendments  
Ordinance Amending Budget

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- R14 Presentation and discussion regarding the 2013 Police Annual Report.

**Attachments**

2013 Police Annual Report

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- R15 Presentation, discussion, consider and take action approving and authorizing the execution by the City Manager of an easement granting to Oncor Electric Delivery Company LLC an easement and right-of-way for electrical supply and communication facilities in Addison right-of-way on the west side of Quorum Road at the railroad right-of-way to facilitate improvements related to increased service reliability.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Oncor Easement Quorum/RR

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Executive Session

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- ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.
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Regular Items Continued

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- R16 Discussion, consider and take action regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

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Adjourn Meeting

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Posted:  
Matthew McCombs, August 8, 2014, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.  
PLEASE CALL (972) 450-7090 AT LEAST  
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

**Combined Meeting**

**WS1**

**Meeting Date:** 08/12/2014

**Council Goals:** Implement bond propositions

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**AGENDA CAPTION:**

Discussion and update regarding Bond Proposition 5 (Communications equipment and wireless network infrastructure) and presentation of a financial transparency and business intelligence application.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**WS2**

**Meeting Date:** 08/12/2014

**Council Goals:** Fully integrate the Arts as part of our brand

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**AGENDA CAPTION:**

Presentation and discussion of Fork and Cork 2014.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**WS3**

**Meeting Date:** 08/12/2014

**Council Goals:** Fully integrate the Arts as part of our brand

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**AGENDA CAPTION:**

Discussion regarding the use of "Town of Addison" on the new Addison website.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**WS4**

**Meeting Date:** 08/12/2014

**Council Goals:** Enhance sense of community for all stakeholders/Expand  
Volunteer Opportunities

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**AGENDA CAPTION:**

Presentation and discussion regarding the George H. W. Bush Elementary School Graphics and Displays project.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R2a**

**Meeting Date:** 08/12/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Approval of the Minutes for the July 8, 2014 City Council Meeting and Work Session.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

07-08-2014 Minutes

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# **DRAFT**

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

July 8, 2014

4:00 PM

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

4:00 PM Work Session | 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Meier; Moore

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

July 8, 2014

4:00 PM

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

4:00 PM Work Session | 7:30 PM Regular Agenda

Posted by: Matthew McCombs, July 4, 2014, 5:00pm

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### **WORK SESSION**

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- WS1 Discussion regarding the Town of Addison Budget and Strategic Plan, including City Council goals, objectives and visioning, and including a presentation by and discussion with Karen Walz, Strategic Community Solutions, regarding the Town of Addison Budget and Strategic Plan, and including City Council goals, objectives, and visioning, and including demographics, economic characteristics, development patterns, comprehensive plan, and vision documents of and pertaining to the Town.

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### **REGULAR MEETING**

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## Pledge of Allegiance

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Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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Consent Agenda.

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- R2a Approval of the Minutes for the June 24, 2014 City Council Meeting and Work Session.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2b Approval of a contract for services with United Dominion Realty (UDR) in the amount of \$83,000 for Addison's co-sponsorship of Vitruvian Nights, Vitruvian Salsa Festival and other events held in Vitruvian Park in summer 2014, subject to review and final approval of the City Manager and City Attorney.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2c Approval of a Resolution adopting rental rates and fees for the use of, and a commission structure for the sale of food and beverages by vendors at, the Addison Events District, including the Addison Conference and Theatre Centre, and at Visit Addison and repealing Resolution No. R12-022.

**RECOMMENDATION:**

Administration recommends approval.

Motion made by Clemens to approve, as submitted,

Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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Regular Items

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- R3 **PUBLIC HEARING** Case 1697-SUP/Bitter Sisters Brewing Company. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property located at 15103 Surveyor Boulevard, which property is currently zoned I-1, Industrial 1, by approving for that property a Special Use Permit for a microbrewery and a Special Use Permit for the sale of alcoholic beverages, limited to beer only, for on-premises consumption only, on application from Bitter Sisters Brewing Company, LLC, represented by Mr. Matt Ehinger.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on June 26, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 15103 Surveyor Boulevard, which property is currently zoned I-1, Industrial-1, by approving for that property a Special Use Permit for a microbrewery and a Special Use Permit for the sale of alcoholic beverages, limited to beer only, for on-premises consumption only, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver

Voting Nay: none

Absent: Smith, Wheeler

**RECOMMENDATION:**

Administration recommends approval.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

Matt Ehinger with Bitter Sisters Brewing also spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by Arfsten to approve, subject to no conditions,  
Seconded by DeFrancisco

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R4 **PUBLIC HEARING** Case 1698-SUP/Ramen Hakata. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property located at 3714 Belt Line Road, which property is currently zoned PD, Planned Development, through Ordinance 097-031, by approving for that property a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Soo Hyun Park represented by Mr. Greg Paik.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on June 26, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 3714 Belt Line Road, which property is currently zoned PD, Planned Development, through Ordinance 097-031, by approving for that property a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following condition:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signs.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver

Voting Nay: none

Absent: Smith, Wheeler

**RECOMMENDATION:**

Administration recommends approval.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by DeFrancisco to approve, subject to the conditions listed,

Seconded by Carpenter

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

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- R5 **PUBLIC HEARING** Case 1699-SUP/Chuy's Mexican Food. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property located at 4440 Belt Line Road, which property is currently zoned LR, Local Retail, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add an outdoor bar area, on application from Chuy's Mexican Food, represented by Mr. Bill Pounds of Parkway Construction and Associates.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on June 26, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 4440 Belt Line Road, which property is currently zoned LR, Local Retail, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add an outdoor bar area, subject to no conditions.

Voting Aye: Doherty, Groce, Hughes, Hunse, Oliver

Voting Nay: none

Absent: Smith, Wheeler

**RECOMMENDATION:**

Administration recommends approval.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by Arfsten to approve, subject to no conditions,

Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

- 
- R6 Presentation and discussion regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

Lisa Pyles, Director of Infrastructure Operations and Services, spoke regarding this item.

There was no action taken on this item.

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- R7 Presentation, discussion, consider and take action regarding the Town of Addison's compensation philosophy.

**RECOMMENDATION:**

Administration recommends proposed compensation presented by staff on June 16, 2014.

Passion Hayes, Director of Human Resources, Lea Dunn, City Manager, and Matt Weatherly with Public Sector personnel consultants, spoke regarding this item.

Motion made by DeFrancisco to adopt the City Manager proposed compensation philosophy,

Seconded by Arfsten

**Voting** AYE: Arfsten, DeFrancisco

NAY: Carpenter, Clemens, Heape, Meier, Moore

Failed

Motion made by DeFrancisco to adopt considered philosophy but look to fund the philosophy in a span of two years,

Seconded by Arfsten

**Voting** AYE: Arfsten, DeFrancisco

NAY: Carpenter, Clemens, Heape, Meier, Moore

Failed

Motion made by Meier to approve the current philosophy with the addition of "We will annually budget for Market and Merit adjustments for compensation that are fair and sustainable,"

Seconded by Clemens

**Voting** AYE: Carpenter, Clemens, Heape, Meier, Moore  
NAY: Arfsten, DeFrancisco  
Passed

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- R8 Discussion regarding the financial impact and estimated costs of the Belt Line Road utility undergrounding project.

Eric Cannon, Chief Financial Officer, and Lea Dunn, City Manager, spoke regarding this item.  
David Medanich with First Southwest also spoke regarding this item.

There was no action taken on this item.

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- R9 Presentation, discussion, consider and take action regarding rejecting all bids for the relocation of water, sewer, and storm water drainage system on Addison Airport to accommodate the construction of a new \$3 million hangar at Addison Airport.

**RECOMMENDATION:**  
Administration recommends approval.

Lisa Pyles, Director of Infrastructure Operations and Services, spoke regarding this item.

Motion made by Arfsten to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore  
Passed

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- R10 Discussion regarding the Elevated Storage Tank located within the Town adjacent to the southeast corner of the intersection of Surveyor Boulevard and Arapaho Road and the wind turbines located thereon.

Lisa Pyles, Director of Infrastructure Operations and Services, Lea Dunn, City Manager, and Ron Davis, Chief of Police spoke regarding this item.

There was no action taken on this item.

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R11 Discussion, consider and take action regarding the Mayor's weekly newsletter.

Motion made by Clemens to approve seven weekly newsletters with the same distribution list,

Seconded by Moore

**Voting** AYE: Carpenter, Clemens, Meier, Moore

NAY: Arfsten, DeFrancisco, Heape

Passed

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R12 Discussion, consider, and take action regarding modifications to the City Council's Procedures.

Motion made by Clemens to approve, as submitted,

Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

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R13 Discussion, consider, and take action regarding an Ordinance amending Section 2-93 (Standards of Conduct) of the Code of Ordinances, being a portion of the Town Code of Ethics, by (A) amending subsection (11) thereof, which prohibits the use of official position and Town resources for private purposes, personal advantage, pecuniary gain, or a political campaign, by providing that the prohibition shall not prohibit members of the Council from lending their name and official Town title in connection with an election for public office or an election ordered by the Town on a proposition or measure, and (B) amending subsection (12) thereof, which prohibits the use of prestige of an official's position with the Town for a political party, by providing that it is not a violation of that subsection for members of the Council to lend their name and official Town title in connection with an election for public office or an election ordered by the Town on a proposition or measure.

Motion made by Clemens to approve, with one modification,

Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

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R14 Discussion, consider and take action regarding the application of Section 2-93(11) of the Code of Ordinances, which prohibits the use of official position and Town resources for private purposes, personal advantage, pecuniary gain, or a political campaign, to certain activities of the Mayor that occurred during the 2014 political campaign leading up to the Town's 2014 general election held on May 10, 2014.

Council Member Clemens made a motion that the Mayor did not use his title in the Town's 2014 general election held on May 10, 2014, therefore there was not a violation of Section 2-93(11) of the Code of Ordinance.

Mayor Meier recused himself.

Council Member Heape abstained.

Council Member Clemens withdrew his motion. There was no further action taken on this item.

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R15 Discussion, consider and take action regarding establishing a process for making appointments to the Town's Planning and Zoning Commission and the Board of Zoning Adjustments.

Motion made by Arfsten to approve, subject to a two week waiting period,

Seconded by DeFrancisco

**Voting** AYE: Arfsten, DeFrancisco

NAY: Carpenter, Clemens, Heape, Meier, Moore

Failed

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R16 Discussion, consider and take action regarding Addison's recognition and naming policy for town parks, trails, or facilities.

Item R16 was pulled.

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Executive Session

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ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with

Chapter 551, Tex. Gov. Code, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

City Council entered Executive Session at 11:14 pm.  
City Council closed Executive Session at 12:08 am.

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- ES2 Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

City Council entered Executive Session at 11:14 pm.  
City Council closed Executive Session at 12:08 am.

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#### Regular Items Continued

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- R17 Discussion, consider and take action regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

There was no action taken on this item.

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- R18 Discussion, consider and take action regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or any action regarding the offer of a financial or other incentive to such business prospect or business prospects.

**RECOMMENDATION:**

Administration recommends approval.

Motion made by Arfsten to proceed as discussed in Executive Session,

Seconded by Clemens

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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Adjourn Meeting

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

Attest:

\_\_\_\_\_  
City Secretary-Matthew McCombs

**Combined Meeting**

**R2b**

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Infrastructure improvement and maintenance

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**AGENDA CAPTION:**

Approval of a Resolution removing certain persons from, and appointing certain persons to, the Board of Directors of the North Dallas County Water Supply Corporation.

**FINANCIAL IMPACT:**

There is no direct financial impact associated with this item.

**BACKGROUND:**

The Resolution will remove Ron Whitehead from the Board of Directors of the North Dallas County Water Supply Corporation, and appoint Lea Dunn, City Manager, to occupy Place 1 on the Board and Lisa Pyles, Director of Infrastructure and Operational Services to occupy Place 3 on the Board. Eric Cannon, Chief Financial Officer, currently occupies Place 2 on the Board.

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Appointing Resolution

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**TOWN OF ADDISON, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS REMOVING PERSONS FROM AND APPOINTING PERSONS TO THE BOARD OF DIRECTORS OF THE NORTH DALLAS COUNTY WATER SUPPLY CORPORATION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the North Dallas County Water Supply Corporation (the "Corporation"), a Texas non-profit corporation, was established in 1991 with the approval of the City Council of the City of Farmers Branch ("Farmers Branch") and the City Council of the Town of Addison, Texas ("City") (Farmers Branch and the City being referred to herein together as the "Cities"); and

**WHEREAS**, the purpose of the Corporation, as set forth in Article Four of its Articles of Incorporation ("Articles"), is to furnish and provide sewer services to the Cities, and to such other towns and cities as may be expressly approved by concurrent resolution adopted by the governing bodies of the Cities; and

**WHEREAS**, Article Eight of the Articles, and Article II, Section of the Corporation's Bylaws ("Bylaws"), provide that the Corporation is managed by a Board of Directors ("Board") consisting of six (6) persons who each occupy a place on the Board ("Place"), three (3) of whom are appointed by the City Council of the City and occupy Places 1, 2 and 3, and three (3) of whom are appointed by the Farmers Branch City Council and occupy Places 4, 5 and 6; and

**WHEREAS**, the Articles names the members of the initial Board and provide that each of them held office for the term for which they were appointed and until a successor shall have been appointed and qualified, unless sooner removed or resigned, and the Bylaws provide that thereafter each successor member of the Board shall be appointed and shall serve for three (3) years or until his successor is appointed; and

**WHEREAS**, each of the Articles and the Bylaws provide that any Director may be removed from office by the appointing authority at will; and

**WHEREAS**, the current Directors named by the City and their respective Places are Ron Whitehead, Place 1, Eric Cannon, Place 2, and Lea Dunn, Place 3, and by adoption of this Resolution the City Council desires to remove Ron Whitehead as a Director and to replace them with the person named herein.

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

Section 1. Removal, Appointment of Directors. Ron Whitehead is hereby removed from the Board of Directors of the North Dallas County Water Supply Corporation, and Lea Dunn, City Manager for the Town of Addison, is hereby appointed to occupy Place 1 on the Board. Lisa Pyles, Director of Infrastructure and Operational Services is hereby appointed as a member of the Board of Directors of the Corporation and shall occupy Place 3 on the Board.

Lea Dunn, Eric Cannon, and Lisa Pyles shall serve for a term of three (3) years as set forth in and in accordance with the Bylaws or until such time as their respective successor is appointed and qualified, unless they are sooner removed or resign. Further, each of Lea Dunn, Eric Cannon, and Lisa Pyles may be removed as a Director by the City Council at will.

Section 2. Incorporation of Recitals; Effective Date. The above and foregoing recitals are incorporated herein and made a part of this Resolution for all purposes. This Resolution shall take effect upon its passage and approval.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the 12<sup>th</sup> day of August, 2014.

\_\_\_\_\_  
Todd Meier, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Matt McCombs, City Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
John Hill

**Combined Meeting**

**R3**

**Meeting Date:** 08/12/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

**PUBLIC HEARING.** Public hearing regarding the Town of Addison's Annual Budget and proposed tax rate for the Fiscal Year ending September 30, 2015.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

A Public Hearing is provided to hear any comments from the public regarding the Fiscal Year 2015 Budget.

**RECOMMENDATION:**

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## Combined Meeting

R4

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Implement bond propositions

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### **AGENDA CAPTION:**

Presentation, discussion and take action regarding a resolution establishing a vote of record that proposes a property tax rate for the Town's fiscal year beginning October 1, 2014 and ending September 30, 2015, and designating dates for the holding of public hearings regarding, and a proposed date for the adoption of, the property tax rate for the said 2014/2015 fiscal year, and scheduling a date for a public hearing on the proposed budget for the said 2013/2014 fiscal year.

### **FINANCIAL IMPACT:**

The costs associated with publishing notices of the tax rate are approximately \$6,000 and will be paid from the Finance department.

### **BACKGROUND:**

The State's Truth in Taxation law requires calculation and publication of each taxing entity's net effective tax and rollback tax rates. These rates have been calculated by the Dallas County Tax Appraiser to be \$0.536339 and \$0.578359 per \$100, respectively. These rates will be published in the August 15, 2014 edition of the Dallas Morning News: NeighborsGo. Included with this agenda item is a copy of the publication notice.

The city manager's proposed budget assumes a property tax rate of \$0.5718, which exceeds the net effective tax rate. Should the Council consider a rate higher than the net effective rate, the Truth in Taxation law requires a vote of record, publication of the result of the vote of record and two public hearings. Whatever tax rate Council adopts for next year's budget, it can be no higher than the rate established by the vote of record, although it can be less than that rate.

### **RECOMMENDATION:**

Because the City Manager's Proposed Budget provides for a tax rate exceeding the net effective rate, it is recommended that Council establishes a rate through the attached resolution.

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## **Attachments**

Proposed Tax Rate Resolution

Notice of Proposed Tax Rate

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**TOWN OF ADDISON, TEXAS**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS PROPOSING A PROPERTY TAX RATE OF \$0.5718 PER \$100 OF TAXABLE VALUE FOR THE TOWN'S FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING THAT A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE CONDUCTED AT MEETINGS OF THE CITY COUNCIL TO BE HELD ON AUGUST 26, 2014 AND SEPTEMBER 2, 2014, EACH COMMENCING AT 7:30 P.M., AT ADDISON TOWN HALL, COUNCIL CHAMBERS, 5300 BELT LINE ROAD, DALLAS, TEXAS 75254; SCHEDULING A VOTE ON THE PROPERTY TAX RATE FOR THE SAID 2014/2015 FISCAL YEAR AT A COUNCIL MEETING TO BE HELD ON SEPTEMBER 9, 2014 COMMENCING AT 7:30 P.M. AT THE SAID ADDISON TOWN HALL, SUCH DATE AND TIME SUBJECT TO CHANGE AS THE COUNCIL MAY DETERMINE; SCHEDULING A PUBLIC HEARING ON THE PROPOSED BUDGET OF THE TOWN FOR SAID 2014/2015 FISCAL YEAR AT A COUNCIL MEETING TO BE HELD ON SEPTEMBER 2, 2014, COMMENCING AT 7:30 P.M., AT THE SAID ADDISON TOWN HALL; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the Town of Addison, Texas (the "City") is in the process of evaluating and establishing a budget and a property tax rate for its fiscal year that begins October 1, 2014 and ends September 30, 2015; and

**WHEREAS**, Section 26.05(d) of the Texas Tax Code (the "Code") provides in part that the governing body of a municipality may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until the governing body has held two public hearings on the proposed tax rate; and

**WHEREAS**, Section 26.06(b) of the Code specifies certain information to be included in the notice of such public hearings, including the date, time and location of each of the public hearings, the percentage by which the proposed tax rate exceeds the lower of the rollback tax rate or the effective tax rate, and the names of all members of the governing body, showing how each voted on the proposal to consider the tax increase (or if a member is absent, indicating the absence); and

**WHEREAS**, the City's tax assessor/collector, being the Dallas County Tax Assessor/Collector, has calculated the City's effective tax rate to be \$0.536339 and the rollback tax rate to be \$0.578359, and each of those rates have been published in accordance with State law; and

**WHEREAS**, this Resolution, among other things, proposes a property tax rate for the City's fiscal year beginning October 1, 2014 and ending September 30, 2015 that exceeds the lower of the said effective tax rate and the rollback tax rate.

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

Section 1. A property tax rate of \$0.5718 per \$100 of tax value is proposed for the City's fiscal year beginning October 1, 2014 and ending September 30, 2015 (the "2014/2015 Fiscal Year").

The City Council will hold and conduct two public hearings on this proposed tax rate. The first public hearing will be held on August 26, 2014 at 7:30 p.m. and the second public hearing will be held on September 2, 2014 at 7:30 p.m. Each public hearing will be held and conducted at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. Notice of each of the said meetings and public hearings will be published and posted in accordance with law.

Section 2. The adoption of the property tax rate for the 2014/2015 Fiscal Year is scheduled to be considered by the City Council at a meeting of the City Council to be held on September 9, 2014, commencing at 7:30 p.m., at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. The said meeting date and time for consideration of the adoption of the property tax rate are subject to change as the Council may determine, and such change may be made by the Council by motion or otherwise, and without amending this Resolution.

Section 3. The City Council will hold and conduct a public hearing on the proposed budget for the City for the 2014/2015 Fiscal Year on September 2, 2014 commencing at 7:30 p.m. at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. Notice of the said meeting and public hearing will be published and posted in accordance with law.

Section 4. The above and foregoing recitals are true and correct and are incorporated into and made a part of this Resolution.

Section 5. This Resolution shall take effect upon its passage and approval.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this 12th day of August, 2014.

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_  
\_\_\_\_\_

ABSENCES: \_\_\_\_\_

\_\_\_\_\_  
Todd Meier, Mayor

ATTEST:

By: \_\_\_\_\_  
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
John Hill, City Attorney

# NOTICE OF 2014 TAX YEAR PROPOSED PROPERTY TAX RATE FOR TOWN OF ADDISON

A tax rate of \$0.571800 per \$100 valuation has been proposed for adoption by the governing body of Town of Addison. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

PROPOSED TAX RATE	\$0.571800 per \$100
PRECEDING YEAR'S TAX RATE	\$0.571800 per \$100
EFFECTIVE TAX RATE	\$0.536339 per \$100
ROLLBACK TAX RATE	\$0.578359 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for Town of Addison from the same properties in both the 2013 tax year and the 2014 tax year.

The rollback tax rate is the highest tax rate that Town of Addison may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

John R. Ames, CTR  
Dallas County Tax Assessor/Collector  
500 Elm 1st Floor Records Bldg Dallas TX  
214-653-7811  
TNTHELP@dallascounty.org  
<http://www.addisontx.gov/>

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 26, 2014 at 7:30 pm at Addison Town Hall-Council Chambers 5300 Belt Line Rd Dallas TX.

Second Hearing: September 2, 2014 at Addison Town Hall-Council Chambers 5300 Belt Line Rd Dallas TX.

**Combined Meeting**

**R5**

**Meeting Date:** 08/12/2014

**Council Goals:** Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

**PUBLIC HEARING** Case 1700-SUP/Union Park. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property within the Town located at 5076 Addison Circle, which property is currently zoned, UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, in order to add a second patio and to increase the size of the existing bar, on application from Addison Union Park, LLC, represented by Mr. Jose Quiroga.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on July 24, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5076 Addison Circle, which property is currently zoned UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a second patio and to increase the size of the existing bar, subject to the following condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Voting Aye: Groce, Hughes, Hunse, Oliver, Smith, Wheeler

Voting Nay: none

Absent: Doherty

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

Administration recommends approval.

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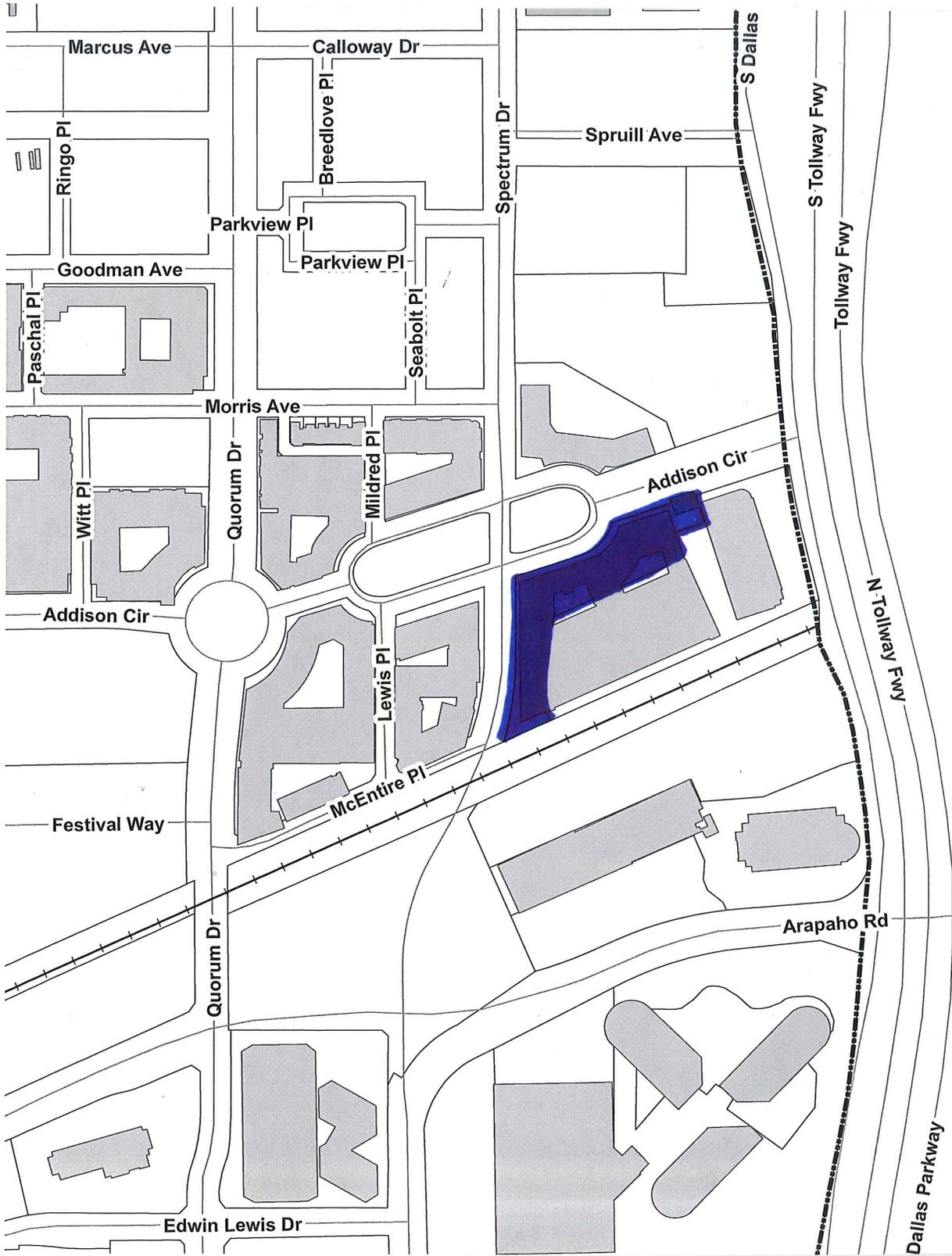
## **Attachments**

1700-SUP Council Zoning Packet

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# 1700-SUP

**PUBLIC HEARING** Case 1700-SUP/Union Park. Public hearing, discussion, and take action on the Commission's report and recommendation to the City Council concerning a final report to be submitted to the City Council regarding changing the zoning on property located within the Town at 5076 Addison Circle, which property is currently zoned UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a second patio and to increase the size of the existing bar, on application from Addison Union Park, LLC, represented by Mr. Jose Quiroga.



July 18, 2014

## STAFF REPORT

RE: Case 1700-SUP/Union Park

LOCATION: 5076 Addison Circle

REQUEST: Approval of an amendment to the Special Use Permit for a restaurant and an amendment to the Special Use Permit for the sale of alcoholic beverages for on-premises consumption only

APPLICANT: Addison Union Park, LLC, represented by Mr. Jose Quiroga

### DISCUSSION:

Background: Union Park is a modern dinner concept with a full menu and alcohol service. They have one other location on Main Street in downtown Dallas

The applicant is proposing to occupy a 3,485 square foot leased space in the mixed-use building owned and managed by Post Properties to the south east of Beckert Park. The space was originally occupied by Don Chuy's restaurant and currently has an SUP for a restaurant and an SUP for the sale of alcoholic beverages for on-premises consumption. Since Don Chuy's closed, the site has been occupied by the Dugout restaurant and was used by Trophy Fitness as an aerobics room, juice bar and café, but is currently vacant. The space is unusual in that it is long and narrow. The kitchen and restroom facilities currently in place essentially divide the space into two main seating areas with additional seating in an outdoor patio interior to the site. There is currently a small bar in the back of the space where previous tenants have served alcohol from.

Proposed Plan: The applicant is proposing to add a second patio to the east of the building totally approximately 350 square feet. On the interior of the space, the floor plan indicates that the rear bar will be modified to include an indoor/outdoor counter in order to service the new patio. In addition to serving alcohol, this will be used to serve walk-up traffic during the morning and at lunch time for people working in the office building adjacent to this space. A second bar is being proposed in the front portion of the space. The plan, including the patios, contemplates seating for 134.

Exterior Facades: The applicant is proposing no major changes to the existing façade.

Parking. Addison Circle is zoned under the Urban Center District, which requires a parking ratio of 1 space per 70 square feet for restaurants. The new patio will require an additional 5 spaces. Parking for this restaurant is provided in the public parking spaces in the garage owned by Post Properties.

Landscaping. The landscaping around this site is in compliance with the ordinance.

Food Service Code. The kitchen installation must meet all requirements of the Food Service Code. The Environmental Services Official has noted that the plans indicate a full-sized and good quality kitchen.

Signs. The applicant should be aware that all signs must be permitted under the requirements of the Addison Sign Ordinance and cannot be approved through this process. The applicant should also be aware that the Town has a policy against the use of any terms, such as “bar” or “tavern”, or any graphic depictions that denote alcoholic beverages, in exterior signs.

RECOMMENDATION:

Union Park is a good concept and will add to the Vibrancy of the Addison Circle neighborhood. Staff recommends approval of the request, subject to the following condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Respectfully submitted,

Charles Goff  
Assistant Director  
Development Services and Planning

## Land Use Analysis

### Attributes of Success Matrix

Union Park, 5076 Addison Circle

1700-SUP

Attribute	Comment	Score
Competitive	This proposed restaurant is a good operator, but previous restaurant uses have struggled in this location.	
Safe	The project will be safe.	
Functional	The space is functional as a restaurant, however the space has issues with flow because it is long and narrow with the kitchen and facilities in the center.	
Visually Appealing	The restaurant will have a modern aesthetic and will be visually appealing and consistent with the neighborhood.	
Supported with Amenities	The site is in a very amenity-rich area.	
Environmentally Responsible	The space is part of one of the premier new urbanist neighborhoods in the county.	
Walkable	The site is extremely walkable.	
<b>Overall Assessment</b>	<b>This is a quality restaurant in a difficult location. The Town is hopeful that the new patio will open the space to the adjacent office building and encourage additional business for the applicant.</b>	

Case 1700-SUP/Union Park  
July 25, 2014

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on July 24, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5076 Addison Circle, which property is currently zoned UC, Urban Center, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a second patio and to increase the size of the existing bar, subject to the following condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Voting Aye: Groce, Hughes, Hunse, Oliver, Smith, Wheeler

Voting Nay: none

Absent: Doherty

**From:** Chandra Hamric [<mailto:chamric@hldallas.com>]  
**Sent:** Thursday, July 17, 2014 12:36 PM  
**To:** Lynn Chandler  
**Subject:** Union Park

Hi Lynn,

Union Park has move in plans for a vacant space in Addison Circle next to Trophy Fitness. We just got word that Union Park is having a hard time receiving their permit since they plan to serve alcohol. Please know that this restaurant will serve as a **huge** amenity for our tenants since we do not have a restaurant in our building. Yes, there are other restaurants in the circle but the employees in our building have been requesting a deli/restaurant in our covered breezeway path (directly west of Addison Circle One) for over 3 years. We have 140,000 square feet of leasing activity (move in – Allied World Insurance, possible move outs or renewals– Noble Royalties, Behringer Harvard, Hagen, Streiff, Newton & Oshiro and NuCompass Mobility) from October 2014 to July 2015 so it is crucial that we snag this restaurant ASAP. Please let me know what I can do to make this deal work for Addison Circle.

Thanks so much,

Chandra Hamric  
*Client Manager*  
**Holt Lunsford Commercial**

Addison Circle One/Liberty Plaza/Willow Bend Office Center  
15601 Dallas Parkway, Suite 175 | Addison, TX 75001  
Phone:: 972.239.7945 • Fax: 972.239.7925  
[www.holtlunsford.com](http://www.holtlunsford.com)



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**Combined Meeting**

**R6**

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.

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**AGENDA CAPTION:**

Presentation from Kanter Financial Forensics, LLC and discussion regarding the Town's financial and accounting practices.

**FINANCIAL IMPACT:**

To date:

Kanter Financial Forensics, LLC- \$49,500

Gradient Solutions Corporation- \$16,500

Proposed Positions- \$99,460

**BACKGROUND:**

Mr. Larry Kanter will be presenting his final report and Management will provide their response.

**RECOMMENDATION:**

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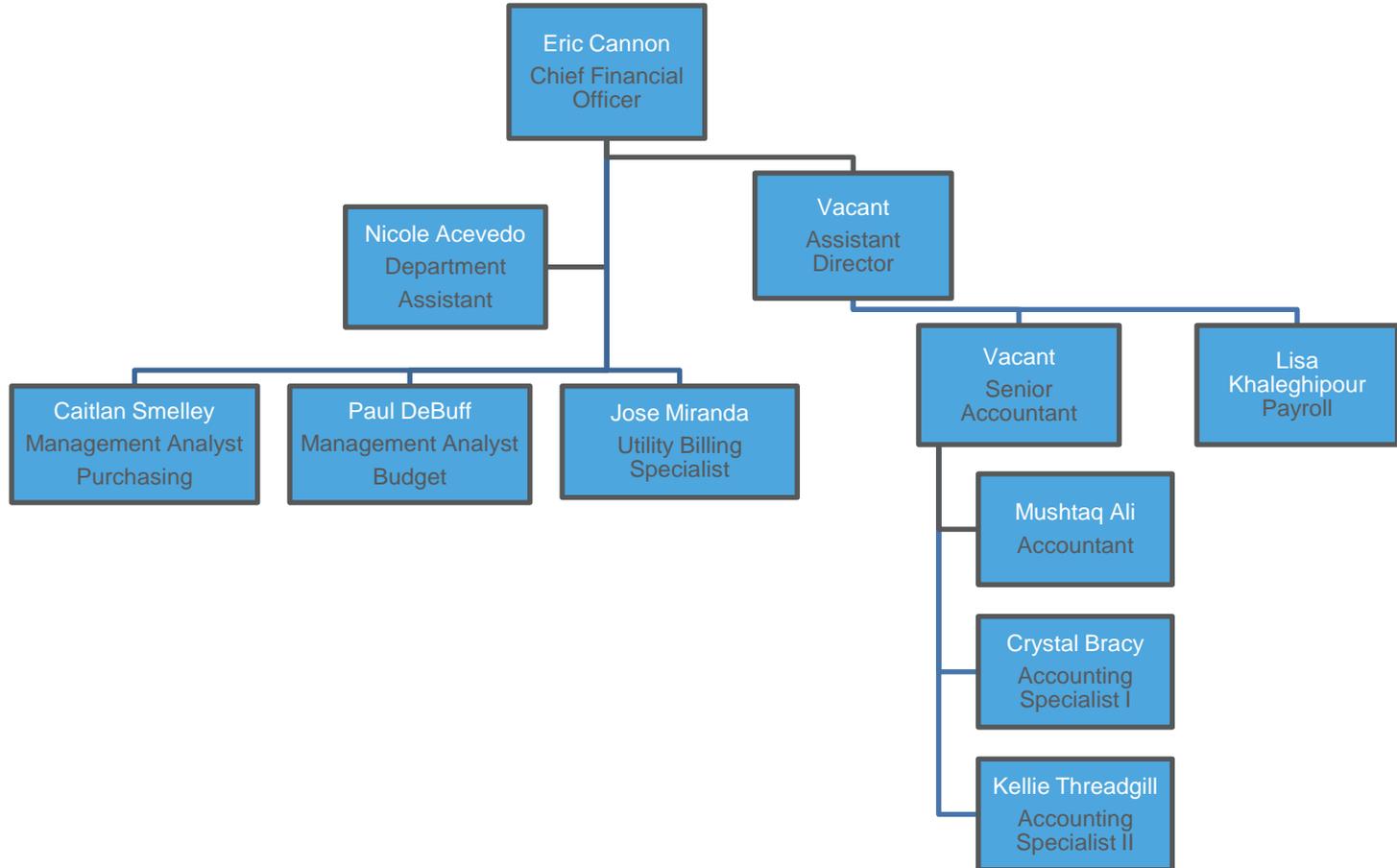
**Attachments**

Finance Org Chart

Management Response Letter

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# Finance Organizational Chart



\*Utility Billing Supervisor is also funded from the Hotel Fund and Stormwater Fund

July 11, 2014

Honorable Mayor Todd Meier  
and Members of the Town Council  
Town of Addison, Texas  
5300 Belt Line Road  
Dallas, Texas 75254-7606

## INTRODUCTION

Pursuant to Addendum #1 to our Engagement Letter dated April 23, 2014, we are submitting this First Set of Recommendations regarding the operations, policies, procedures and internal controls over the Town's accounting and finance functions. This First Set of Recommendations is being provided as a guide and is not intended to provide all of the details associated with the implementation of each recommendation. The footnotes are an integral part of this report and should be carefully reviewed.

It is important to note that our work is ongoing in several areas such as procurement cards, inventory accounting, interfund activities, special events and account reconciliations, to name a few. We expect to have further recommendations in the coming weeks. We are happy to discuss each individual recommendation in depth, answer any questions, address any concerns and, of course, stand ready to assist you and the Town's staff in any way we can.

## EXECUTIVE SUMMARY

Based on information we have gleaned during our interviews with Town staff, it appears that beginning in roughly 2009 the then Town Manager made a decision to significantly reduce the staffing in the Town's Finance Department (including purchasing). Although we have not studied the structure of, and procedures in the Finance Department on a historical basis, it is clear that the current staffing, experience and training levels in the Finance Department are inadequate. These inadequacies make the Town vulnerable to experiencing instances of fraud, waste and/or misapplication of assets. Further, these deficiencies also mean that it would be difficult for the Town to detect instances of fraud, waste and/or misapplication of assets should they be occurring.

The current staff appears to be working effectively to the best of their abilities, prior experiences and training. However, most of the staff that does exist in the Finance Department are either clerical or have limited professional experiences. The result of this lack of sufficient qualified staff in the Finance Department has resulted in a defacto delegation of certain accounting and internal control functions to the various departments. Unfortunately, the Town's departments have no CPA's or other trained accounting personnel to competently institute uniform accounting processes or perform accounting functions.

Accordingly, each department has instituted their own processes for performing accounting related tasks, most of which do not document an appropriate level of internal control over purchasing, receiving, disbursement and asset tracking. For example, when department level personnel were asked about the lack of documentation accompanying invoices submitted for payment (i.e. packing lists, receiving reports, receiving employee's name, confirmation of quantity received, etc.) the responses given were typically "the proof that everything was correct was that the invoice was forwarded to Accounts Payable for payment" or that "of course we received what we ordered – I would not have sent the invoice in otherwise".

The detrimental effect of the lack of adequate experienced Finance Department staff has also resulted in many key accounting procedures simply not being performed such as accounting for the purchase of fixed assets, performing physical inventories, reconciliation of physical inventories to the Town's accounting records, and updating the Town's banking authorizations to remove long departed employees from the Town's wiring authorizations.

Additionally, the Town's processing of payroll was reportedly moved to the Human Resources Department an unknown number of years ago. The Town's payroll processing is performed by a Human Resources ("HR") Department employee who, among other things: a.) Accesses the Town's Employee Master File, b.) Sets-up employee paychecks, and c.) Singularly, authorizes the disbursement of funds from the Town's payroll bank account. This results in a significant concentration of duties. Both the Town's Chief Financial Officer ("CFO") and the Vice President assigned by the bank to manage its relationship with the Town were unaware that the HR employee was initiating and authorizing the bank to fund payroll using a bank FTP site that was not understood to even exist.

#### Management Response

Management generally agrees with the recommendations provided in this report. Immediate action has been taken to improve controls for wires and ACH payments, for payroll, and for accounts payable. More detail is provided below. Further, the CFO is working with Gradient Solutions to develop a comprehensive implementation plan responding to the recommendations. In fact, Gradient worked with us this week to do walk through reviews of accounts payable, cash receipts, wires and ACH payments, municipal court cash handling and record keeping, and payroll.

Management is appreciative of this opportunity to review the financial operations of the organization. While we generally agree with the provided recommendations, we will also evaluate the cost-benefit of these recommendations as they relate to the various processes. Throughout this process we will make sure our recommendations are those of best practice, yet feasible to the organization.

We expect the plan to be completed in September. However, implementation of the recommendations will take time and financial investment. The City Manager and CFO will share the plan with the Council and will provide periodic updates on the progress of the implementation.

PURCHASING, PROCUREMENT & ACCOUNTS PAYABLE PROCESSING

## Recommendations

- Accounts Payable Processing – a new policy should be issued and enforced. Among other things, the policy should require all invoices submitted for payment be accompanied by the following:

- a) A packing list from the vendor;
- b) A notation on the packing list by the receiving employee that includes the name of the employee receiving the goods or service, the date the good or service was received, a confirmation of the quantity received, a confirmation that the goods or services received matched what was ordered with any exceptions explicitly noted on the packing list;
- c) Alternatively, if the vendor did not provide a packing list, the Town should make available to all employees a receiving report form that can be used in lieu of a packing list;
- d) All invoices and receiving documents should be matched to the Purchase Order (“PO”) and verified as to price, quantity and product description, with any exceptions properly resolved prior to payment by accounts payable.

- Procurement – a new policy should be issued and enforced that requires all purchases be made on a PO (except for those specifically permitted on a procurement card). The use of Payment Authorization Memorandums (PAMs) should be restricted to cases of extreme emergency. This new policy should require:

- a) All vendors be vetted and pre-approved by the Purchasing Agent;
- b) One of the five permitted types of POs be completed at the beginning of the purchasing cycle (or at the beginning of the fiscal year);
- c) Amounts exceeding the original amount authorized on the PO be approved at the appropriate levels;
- d) Purchases made via Interlocal Agreement should be shopped by the Purchasing Agent to ensure that the Interlocal Agreement with the best pricing is being utilized.

This policy change will require that all known recurring vendors currently being paid with a PAM or a procurement card be set up on a PO, consequently a ramp-up period will be required. We believe that the necessary preliminary steps can be undertaken so that this policy can be implemented and enforced as of the beginning of the new fiscal year (October 1, 2014).

## Basis for Recommendations

Our analysis determined that there are significant deficiencies in the Town’s Purchase and Cash Disbursement System, which need immediate remediation. The Town is at significant risk for theft, fraud and/or misapplication of assets.

In fiscal year 2011 and 2012, the Town’s auditors, Weaver, in their Federal Single Audit Reports noted a “Significant deficiency in internal controls over financial reporting” in the Purchase and Cash Disbursement System.

Specifically, Weaver, in their FY 2012 Federal Single Audit Report noted:

Finding 12-02 Purchase and Cash Disbursement System

Type of Finding: Significant deficiency in internal control over financial reporting

Questioned Cost: Not Applicable

CRITERIA OR SPECIFIC REQUIREMENT:

Purchases made and disbursements processed where Town purchasing procedures were not followed.

CONDITION:

Purchasing and disbursement processing procedures were not consistently followed.

- Purchase orders created after goods/services ordered or received.
- Check requiring dual signatures did not have required signature.

CAUSE:

Town purchasing policies are not enforced.

EFFECT:

Purchase orders are created after goods and services are ordered.

RECOMMENDATIONS:

We recommend management review the Town's purchase and cash disbursement policies and implement a purchase and cash disbursement system and policy that will allow for controls to be in place as intended.

This issue was not included in Weaver's FY 2013 Federal Single Audit Report but it was included in their FY 2013 Management Letter. During our interviews, it was noted that although there are reportedly fewer occurrences of POs being created after goods are received, a form known as a "Purchase Acquisition Memo" ("PAM") is being used instead of a PO. The PAM is a form prepared by the department making the purchase and is usually prepared at the time the invoice is being sent to the Accounts Payable clerk for payment. It appears that the remedy adopted to resolve the deficiency noted by Weaver was to simply stop using PO's. The PAM is not a suitable substitute for a PO<sup>1</sup>.

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<sup>1</sup> Purchase orders ("PO") are generally considered to be beneficial to an entity's internal control environment. Among other things, the PO:

- Ensures that budgeted funds are available and encumbered prior to incurring a liability;
- Ensures that budgeted funds are available and encumbered prior to incurring a liability;
- Allows the department head to approve the expenditure of funds for a specific product before they are expended, at an agreed price and quantity;
- Allows management to gain a more complete picture of the purchases planned for the year;
- Increases purchasing efficiency by forecasting routine recurring purchases at the beginning of the year;
- Allows for the comparison of the quantity requisitioned to the quantity actually received;
- Allows for the comparison of the price of the goods requisitioned to the price actually appearing on the invoice;
- Assists with the detection of duplicate invoicing by vendors.

In addition to the use of PAM forms in lieu of POs, additional deficiencies noted included little attention being paid to standard documentation and accountability processes typically found in virtually every functioning internal control environment:

- Receiving documents such as packing lists with notations such as circling and initialing quantities received or the use of a receiving form that documents items and quantities received were not found. Accordingly, invoices are paid without documentation that the quantity and type of good actually received matched what was ordered and invoiced;
- Invoices being paid without documentation of the name of the employee actually receiving the good or service (or even if the good or service was actually received);
- Invoices being paid without formal approval documented on the face of the invoice. Best practices dictate that approval by the department head be indicated on the face of the invoice (or electronically in the GEMS<sup>2</sup> system) prior to its submission for payment;
- Some PAM forms show no evidence of managerial approval other than a rubber stamp of a signature stamped on the PAM form;<sup>3 4</sup>
- The A/P system does not interface with a fixed asset register. We noted that fixed assets are maintained on an Excel Spreadsheet. Significant risk exists that assets are purchased and are not recorded in the Town's fixed asset register.

Although the Town's Purchasing Manual assigns distinct duties and responsibilities to the Purchasing Agent<sup>5</sup>, it appears the duties actually being performed by the Town's Purchasing Agent are limited to mostly clerical functions such as:

a) Facilitating the bidding process – including maintaining the BidSync system, verification and maintenance of a bidder's insurance and maintenance of bid files and contracts;

b) P-Card set-up;

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<sup>2</sup> GEMS is an Enterprise Resource Management system from Harris Computer Systems Inc. According to the Harris website, GEMS Financial, Payroll, Human Resources and Utility Billing solution has been serving hundreds of customers across 33 states since 1983.

<sup>3</sup> Our procedures did not include testing of transactions. However, we observed a transaction where ammunition was purchased without a PO. There were no documented approvals on the vendor's invoice, no receiving documents, no confirmation of the quantities and price and no indication that the ammunition was logged in to an inventory system. In addition, the PAM form included no authorization except that of a rubber-stamped signature of the police chief.

<sup>4</sup> Numerous examples of PAM forms being used in place of POs were observed without clear indications that the purchases were authorized and made in accordance with the bid requirement of the Town's Purchasing Manual.

<sup>5</sup> The Town's Purchasing Manual states, in part that:  
"A. ....the Purchasing Agent [has] the authority to procure all goods and services and dispose of all salvage/surplus and seized property for any department or any using agency that derives its support wholly or in part from the City. The Purchasing Agent shall administer the purchasing rules and regulations as established by Texas State and Local Government Codes.

B. Purchasing Agent – The Purchasing Agent performs or oversees compliance with all procurement requirements for goods and services as prescribed in the Texas Local Government Code, and the City Policy and Procedure. The Purchasing Agent ensures that all procurement activities are conducted with the highest level of ethical standards, provide suppliers a fair opportunity to compete for City business and protect public funds."

c) Facilitating the disposal of surplus assets.

The Town's Purchasing Agent is not performing the duties assigned in the Town's Purchasing Manual because she does not have the proper training or experience. At time of our original interviews, the Purchasing Agent had no formal training in the purchasing rules and regulations promulgated in the Texas State and Local Government Codes and did not view her role as one of monitoring compliance in any area except for the bidding process. Subsequently, we understand that the Purchasing Agent has completed one training class.

#### Management Responses:

Management generally agrees with the recommendations provided in this section. The Town currently has a decentralized purchasing process, due in large part to volume and staffing levels. Also, the Town contracted with Carol Cooper of N & C Consulting to train staff and craft a policy providing best practices with the resources that were available. We realize that there is an opportunity to improve the use of Purchase Orders throughout the organization, and currently we are in the process of evaluating and developing an approach that can be implemented and is also effective for the organization. However, this will not completely remove the need for Payment Authorization Memos (PAM's).

Additionally, vendor set up and approval will now be the responsibility of the purchasing agent. The Purchasing Agent, rather than accounts payable, will be responsible for verifying that vendor information is accurate and that a completed W-9 is provided. Purchasing will also verify the vendor Tax Identification Number (TIN) with the IRS and validate vendor HUB eligibility, if appropriate. Once the required steps are taken, Purchasing will approve the authorized vendor.

In the future, Purchasing Agent will shop between Interlocal Agreements in order to ensure that the best value is being found for similar products and services. This shopping will be done through BidSync, a digital resource that allows rapid and efficient searches of Interlocals.

## BANKING

#### Recommendations

- Banking – the Town currently disburses funds through various account access points. We suggest that the Town inform the Bank to cancel, reassign and reauthorize all currently authorized account access points and streamline the access points into just two points of access. This entails cancelling the Human Resources Department's Payroll Account FTP<sup>6</sup> access point and the call-in wire

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<sup>6</sup> FTP allows a part-time employee of the HR department to use a user id and password followed up with a fax to the bank to singularly fund payroll. Frost Bank could produce no records or documentation where the Town authorized this FTP access point.

access point. The only two access points should be checks and the bank's electronic Cash Manager System. All other access points should be terminated.

In addition, we suggest that all privileges and tokens that currently exist in the bank's electronic Cash Manager System be revoked and reassigned based on authorities and permissions consistent with proper segregation of duties.

### Basis for Recommendations

In connection with our interviews, we requested information from Frost Bank regarding the persons authorized to disburse funds on behalf of the Town as well as the limits to each person's authority. We also inquired as to whether dual signatories, wire security codes and wire callbacks were required.

The responses that were received from Frost Bank were confusing and contradictory<sup>7</sup>. Eventually it was determined that prior to our inquiries, a single check signer could sign a check in any amount, as dual signatures were not required<sup>8</sup>. In addition, we noted that authorized individuals were permitted to access a call-in wire service. However, the individuals authorized to perform call-in wires had not been active employees of the Town for several years<sup>9</sup>. Also noted were significant deficiencies in internal controls over wiring authorities, including employees having the authority to initiate wires in any amount and giving virtually every member of the Finance Department staff the permission to initiate and/or approve wire transfers in the Cash Manager System<sup>10</sup>. This broad access to wiring authority gives employees who could make general ledger entries and perform bank account reconciliations the ability to also initiate and/or approve wire transfers in the Cash Manager System. This is a significant internal control weakness. In addition, we noted that six account access validation tokens were reported by the Bank to be issued to the Town but not assigned to a user.

It should be noted that Weaver, in their FY 2012 Federal Single Audit Report noted that certain checks did not have dual signatures as required by the Town's Policies.

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<sup>7</sup> Multiple e-mails were received from Frost Bank, each with different authorized check and/or wire signers and confusion as to whether dual signatures were or were not required in the past. As a result of the confusing responses, an in-person meeting was subsequently held with representatives of KFF LLC, Frost Bank, the Town Manager and the Town CFO. The Frost Bank representative was not able to satisfactorily address the questions regarding account access privileges and promised to do further research. After multiple conference calls and e-mails, it was determined that another account access point existed that the Bank was not aware of until raised by a representative of KFF, LLC. This access point is the FTP access point discussed above.

<sup>8</sup> Because of Bank automation, the effectiveness of signatures as a control has been greatly diminished. However, we believe the Town should still be on record with the Bank requiring dual signatures of authorized individuals.

<sup>9</sup> The Bank was asked to search their records to determine if these former employees had performed wire transfers. The Bank reported that no wires from the call-in wire access point had been processed by the departed employees.

<sup>10</sup> Currently, the Cash Manager account administrator privileges are assigned to the CFO. The CFO has established dual control over Cash Manager wires where 2 employees are required in order for a wire to be sent.

## Management Response

Management generally agrees with the recommendations provided in this section. However, it is important to get the facts correct: the individual responsible for the bank reconciliations does not have and has not in the past had ACH or wire authority to approve transactions. This is an important internal control point. Also, an important control function exists and is referenced in footnote 10 regarding the established dual approval of wires and ACH payments. Several individuals within the Finance Department have level 2 approval authority, but the CFO is the only authorized level 1 approver. In order to process a wire transaction, both a level 1 and a level 2 approval is required. Management recently completed a request for proposal (RFP) for banking consulting services to assist staff in analyzing our bank services proposals for our upcoming RFP. Our contract for banking services with Frost Bank is set to expire at the end of fiscal year 2015.

Additionally, management has canceled both the FTP and the call-in wire functions. Currently, the only means of accessing Town funds is through the "Cash Manager" platform or with an authorized check. Only necessary personnel have access tokens for the Cash Manager system, and all profiles have limited capability based on their job related duties.

## PAYROLL

### Recommendations

- Payroll Processing – the town currently processes its payroll in the Human Resources Department. We suggest that the Town engage a third party payroll vendor to process the Town's payroll. The marketplace currently has several highly qualified providers who can very efficiently perform all the functions required by the Town in a highly controlled and efficient manner.
- Payroll Administration – we understand that the Town will have to solicit bids for an outsourced payroll provider and the process will likely take some time to complete. As an interim step, we recommend that the payroll processing function currently performed and supervised in the Human Resources Department be immediately moved to the Finance Department and supervised by the Chief Financial Officer.

### Basis for Recommendations

Payroll is the Town's biggest recurring expense. Currently, the payroll function is performed in-house by one part time employee.<sup>11</sup> The HR record keeping function should be completely separate from the processing of payroll. Currently, there is not a proper segregation of duties. This employee can:

- Add new employees
- Modify current employees pay rate

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<sup>11</sup> This part-time employee is the wife of a Town Department Head.

- Enter hours worked
- Adjust hours worked
- Adjust vacation accruals
- Code time to vacation, overtime, normal pay
- Set up garnishments
- Prepare payroll tax reports
- Prepare W-2 forms
- Make payroll tax payments
- Set-up Paychecks
- Prepare and send positive pay files to the bank

The payroll function, as it currently exists puts the Town at significant risk in a number of areas. This one employee has access to virtually every aspect of each employee's personal information including social security numbers, bank account numbers, retirement accounts, employee name and addresses, pay rates, garnishments, etc. A great deal of responsibility (and trust) is being placed on one employee. In addition, it does not appear that the work of this one employee is being audited in any way.

Currently, the bank automatically deducts from the Town's operating account every debit that hits the Payroll account, without any oversight from any management level employee.<sup>12</sup>

Many organizations have found that outsourcing the payroll processing function is beneficial because:

- Regulatory Issues– IRS and Department of Labor regulations are constantly changing;
- Segregation of Duties- The people performing the payroll processing have no personal connection with the client's employees;
- Expertise and Accuracy– Payroll processing firms are extremely well versed in the preparation of all payroll related forms and reporting requirements;
- Cost– Many organizations find it cost effective;
- Accountability– When issues arise, many organizations get a sense of comfort in knowing there is an "expert" available who can help deal with the issues that invariably arise.

If payroll is performed in-house, proper segregation of duties in the payroll function entails ensuring that no single employee can access the Employee Master File and process payroll. The Employee Master File should be maintained and modified only as a result of a series of approvals by authorized persons in the Human Resources Department. Persons in the Human Resources Department who are involved in making hiring and termination decisions should not have direct access to the Employee Master File. The reporting of hours worked (for hourly employees) should be administered by the Human Resources Department by an employee who is not authorized to access the Employee Master File. The actual processing of payroll should be a completely separate function that is supervised by the Chief Financial Officer.

### Management Response

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<sup>12</sup> During our interviews, it was clear that the Chief Financial Officer had no knowledge of how payroll was funded or who was authorizing the funding of the payroll bank account.

Management generally agrees with the recommendations provided in this section. Recently the Town's payroll specialist was moved from HR to Finance, and is under the direct supervision of the CFO. We are in the process of working with HR to establish revised processes and responsibilities, in order to ensure the proper segregation of duties and access to make changes to the employee master file.

The Town now uses Cash Manager, a highly secure website, to process our payroll ACH file. The change provides controls that were not previously a part of the process.

## CASH RECEIPTS

### Recommendations

- Remittance Processing – contract with a bank to provide lockbox services for the receipt of payments remitted to the Town by mail (similar to the system currently in place for the payment of water bills). This will require that payers mail all payments currently being mailed to the Finance Department directly to the bank for deposit. The bank will then electronically report details of each deposit to the Town for entry into the Town's accounting system.
- Cash Receipts – contract with a bank or other provider to install electronic local cash receipts lockboxes at each of the Town's sites that collect cash and checks at point of sale. These services are referred to by various proprietary names but generally, they provide for the cash and checks that are currently collected at the Town's Courts Building, Conference Center, Athletic Facility and Service Center to be deposited at the end of each business day with the bank, off-site and with immediate account credit. The local cash receipts lockbox would then serviced periodically be an armored car service.

### Basis for Recommendations

The Cash Receipts Clerk<sup>13</sup> receives checks and cash, prepares deposits and makes entries to the GEMS System. The functions of receiving, posting, reconciling and deposit preparation should be separated. The Town also receives monies from a variety of other sources including utility billings<sup>14</sup>, court fines, property taxes, conference center fees, airport fees, athletic center fees, special events and a variety of other proceeds from permits, fees and taxes. These monies may be received in the form of credit cards, checks and cash and are received at several different locations.

The current system is highly decentralized in that cash and checks are received at various locations and delivered in "bank bags" to the Cash Receipts Clerk. This process results in the routine transfer of cash and cash equivalents by a Town employee to more than one

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<sup>13</sup> The Cash Receipts Clerk is a recent college graduate and is in need of training.

<sup>14</sup> Utility receipts are routed directly to a dedicated utilities lockbox at the bank.

location before receipt by the bank. Each added physical movement of cash and cash equivalents between locations outside of the bank puts the Town at added risk of loss. It increases the workload of the Cash Receipts Clerk and the Town employee who is acting as the courier.

In addition, two of the four Court Clerks are responsible for aggregating the monies collected each day into a bank deposit and entering the amount of the deposit into the GEMS system. The deposit bags are then handed to the Town's mail courier who then delivers them to the Cash Receipts Clerk at the Finance Department mentioned above.

### Management Response

Management agrees with the recommendations provided in this section. These solutions provide great controls for various processes throughout the Town. We are in the process of evaluating the cost and the benefit that these services provide. Communication with Frost Bank is on-going in an attempt to reduce the amount of checks that are mailed directly to the Town. The Town has also received a quote from Loomis, a third party vendor with Frost Bank, to provide a more secure process for our higher volume cash receipts locations.

## FIXED ASSETS

### Recommendations

- Fixed Asset Accounting - the Town should activate the GEMS accounting system's Fixed Asset Module. After activating the module, all purchases that are above a specified dollar amount or are sensitive in nature (such as weapons) would be automatically added to the GEMS Fixed Asset Module at the time of purchase. As soon as practicable, a vendor should be retained to perform a physical count of all fixed assets currently in the Town's possession. The assets identified in the physical count (not previously recorded) should be recorded in the GEMS Fixed Asset module. The physical count of assets should also be compared to the various MS Excel and department level fixed asset spreadsheets currently in existence in an attempt to locate any missing assets. Going forward, as a matter of policy, fixed assets should be periodically counted and reconciled to the GEMS system.

### Basis for Recommendations

The Town does not uniformly track fixed assets. Departments are currently tracking their assets separately, using various methods and with varying degrees of precision. The Finance Department attempts to track the Town's fixed assets using an Excel spreadsheet. In addition, there is no institutional memory of the last time a physical inventory of Town assets was performed, with the results being reconciled to the Town's financial information.

The Town has many sensitive and highly marketable assets such as weapons, ammunition and computers.<sup>15</sup>

Without these basic accounting procedures and controls, the Town is at significant risk of misappropriation of assets.

### Management Response:

Management generally agrees with the recommendations provided in this section. The Town is currently in the final stages of the RFP process for a new financial system, sometimes called Enterprise Resource Planning (ERP) system. This new system upgrade will provide an enhanced capability to track our fixed assets as well as our inventory. Fixed assets are items with a per-unit cost of greater than \$5,000. Items that do not meet that threshold but are still sensitive in nature should also be tracked in inventory.

The Town's current Fixed Asset system is meant for "capital items," which are items with a minimum per-unit cost of \$5,000. It is management's intention to have all Town assets listed within a fixed asset module of its ERP. The due diligence process and implementation of a fixed asset module within the Town's ERP will take time.

Management intends to contract with an independent third party to review our current fixed assets and inventory detail to ensure that we have the most accurate information possible. Once this has been completed and a decision has been made on the ERP system, that finding will serve as our baseline for the new accounting process.

## Finance Department Staffing and Segregation of Duties

### Recommendations

- Finance Department Staffing – the staffing in the Finance Department is insufficient to provide for the current workload while maintaining an appropriate level of internal controls. We recommend the hiring of two experienced persons who are Certified Public Accountants to augment the current staff. The two additional professionals will allow for the appropriate segregation of duties and implementation of needed internal controls.
- Segregation of Duties – as soon as practicable, the duties of the current staff in the Finance and Courts Departments should be reassigned to assure that duties, permissions and responsibilities are properly segregated. The process of reassignment of duties is highly dependent on the implementation of the recommendations listed above.

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<sup>15</sup>The Town maintains an armory for its police force. The responsibility for maintaining an inventory list of weapons and ammunition was split between two police sergeants, one for SWAT weapons and the other for routine policing weapons. The lists were maintained informally on Excel spreadsheets and were stored on each sergeant's "local drive". Based on interviews, it was discovered that the purpose of the inventory lists were to comply with legal requirements such as the tracking of serial numbers. The inventory lists were not maintained for the purpose of accounting controls. Accordingly, there was no tracking of cost or reconciliation to the Town's accounting records. There was no institutional memory of there ever being a physical inventory count of the weapons and ammunition for the purpose of reconciliation to the Town's accounting records.

- Review and re-assign permissions and authorizations to the finance, accounting and human resources related modules within the GEMS system.

### Basis for Recommendations

The lack of proper segregation of duties was observed to be a significant deficiency in internal controls in several areas. A significant risk exists that the Town is unnecessarily exposed to the risk of theft or fraud and will not be in a position to prevent or detect misapplication of Town assets. The following observations are being presented by position title. It is important to note that no information has come to our attention that a misapplication of Town assets has actually occurred.

#### CHIEF FINANCIAL OFFICER POSITION

It appears that the CFO has unlimited GEMS system access to initiate and modify transactions and postings to the General Ledger, Accounts Receivable, Cash Receipts, Accounts Payable and Budget modules (“the financial modules”). In addition, the CFO is an authorized check signer and is authorized to perform wire transfers as a single signatory on all bank accounts for an unlimited amount and is the administrator for assigning authorities and privileges in the Frost Bank Cash Manager System.

The CFO should not have unlimited GEMS access to the financial modules, and move and disburse funds. Currently, the CFO could initiate or edit a variety of events that would permit the misappropriation of assets or the reversing of a liability without detection. While it is not possible to enumerate all of the possible events, the CFO could initiate or change transactions in the system such as setting up a vendor, entering an invoice, voiding an invoice, paying an invoice, changing the address of a vendor or editing a variety of existing transactions. In addition, the CFO could enter Journal Entries to write off assets, adjust asset values or transfer assets. This lack of segregation of duties puts the Town at significant risk of theft, fraud or misappropriation of assets.<sup>16</sup>

#### ACCOUNTS PAYABLE CLERK POSITION

The A/P clerk currently has the ability to<sup>17</sup>:

- Set up new vendors in the Vendor Master File, Enter invoices for payment into the A/P system,
- Initiate the writing of checks,
- Transmit the Positive Pay file to the Bank,
- Access the check stock,

---

<sup>16</sup> In addition to being a signatory on all bank accounts, the CFO is effectively performing the function of a Treasurer in that he is able to move money between operating and investment Funds. The issue of segregation of duties was discussed in depth with the CFO. The CFO agrees that this is a significant issue that should be rectified as soon as practicable. The CFO indicated that the Finance Department is understaffed and underfunded and would welcome the opportunity to delegate the treasury function to another member of management.

<sup>17</sup> The person in this position is also cross-trained to cover for the Cash Receipts clerk as needed.

- Print checks with signatures,
- Mail checks.

The employee with responsibility for modifying the Vendor Master File should not be responsible for entering vendor invoices in the cash disbursement system or have the ability to generate and authorize cash disbursements. Currently, the Accounts Payable Clerk could, in theory, set-up a vendor and pay that vendor without authorization or detection.

The lack of segregation of duties between the person setting up and modifying vendors, entering and posting disbursements to the GEMS system with custody and control over check stock and signature authority coupled with the lack of visible approval of invoices and extensive use of PAM forms puts the Town at extreme risk of fraud, theft or the misapplication of assets and should be remediated immediately.

#### ACCOUNTANT POSITION

Currently, the person doing the bank and other reconciliations is able to make Journal Entries. A typical compensating control is to require that each Journal Entry be approved by the CFO. Based on interviews, it appears that all Journal Entries require the approval of the CFO but the approval process is performed via the CFO's manual signature on a paper copy of the Journal Entry. Currently, the GEMS system has the capability to require that Journal Entries be approved in the system, but this capability is not being utilized. Not using the GEMS approval process makes it impossible to run computerized reports to monitor the proper approval of Journal Entries. There is a risk that Journal Entries are being made without the CFO's approval.

The person in the accountant position is also authorized to make transfers in the Cash Manager System.

#### COURT CLERK POSITIONS

Court fines, traffic ticket payments and bonds are currently received by one of four Court Clerks. All four of these individuals maintain a "till" for the purpose of receiving funds and making change to persons paying in person. Each Court Clerk is responsible for balancing their "till" at the end of each day by reconciling the funds in the "till" to the printout from the Infosol court software.<sup>18</sup> Best practices suggest that the person(s) who are able to enter/modify transactions in the Infosol system and collect cash should not be able to perform reconciliation of the "till" to the system.

Best practices require that certain of these tasks be separated. As discussed above, the Town should implement a centralized Lockbox system whereby all cash and cash equivalents are directed to a bank. The duties and system access rights of the four Court Clerks should be immediately modified so that the person responsible for reconciliations is not the same person who accepts monies, has system access and prepares deposits. In

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<sup>18</sup> The Courts department uses a software package called Infosol to record activity. This system apparently does not electronically interface with the GEMS system.

addition, the Town should consider moving the person responsible for reconciling and recording Court transactions to the Finance Department.

#### INFORMATION TECHNOLOGY

A critical component of the internal control environment is the control of access to the Town's GEMS computer system. We noted that employees might have access to modules of the system for which they no longer require access (or should not have access to achieve proper segregation of duties). We also observed the names of former employees who continued to have access rights to certain GEMS Modules even though they were no longer employees of the Town.<sup>19</sup> As the segregation of duties issues are addressed, GEMS systems access rights should be updated.

#### Management Response

Management agrees with the recommendations provided in this section. As part of our efforts to rebalance and right-size organizational staffing, we have elevated the Accounting Manager position to an Assistant Director in an attempt to attract better talent and become more financially competitive within the market. In addition, we have budgeted funds for a new Senior Accountant position with a CPA license and included funds to bring the administrative position from part time to full time. A revised organization chart is attached for reference.

The increased staffing will enable Finance to accomplish much of the recommended segregation of duties and will accelerate implementation of the work plan mentioned above.

We have asked Gradient Solutions to review our system administration process and evaluate the access available in the financial, payroll, and court systems. This is part of the aforementioned work plan. It will not be feasible to limit the CFO's system access, as recommended, until the additional hiring is accomplished.

Management has taken action to remove vendor file maintenance responsibilities from the person responsible for processing accounts payable. Additional checks and balances have been implemented in accounts payable as part of the review by Gradient Solutions. These are listed on a detailed checklist that is signed by both the preparer and the reviewer to ensure all processes are completed.

#### SUMMARY COMMENTS

Our recommendations are based primarily on interviews of members of the Town's staff. Limited analysis of documents, along with information obtained from the Town's bank were also factored into our recommendations. Detailed testing of transactions were outside the scope of this engagement. Although other compensating policies, procedures and internal controls may exist, we were unable to identify compensating policies, procedures or internal

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<sup>19</sup> We were told that although the names of former employees still have access rights to certain modules of GEMS, the former employees could not actually access the GEMS system because their overall permissions had been withdrawn.

controls that would reliably mitigate the risks associated with the staffing shortages and internal control weaknesses observed.

Our engagement did not involve an audit, review, compilation, Internal Control Review or attest service as those terms are defined by the American Institute of Certified Public Accountants. Further, our procedures were not designed to detect fraud or non-compliance with laws, contracts or regulations nor were they designed to detect the misapplication of assets.

**Combined Meeting**

**R7**

**Meeting Date:** 08/12/2014

**Council Goals:** Continue to attract, hire, develop, and retain great employees

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**AGENDA CAPTION:**

Discussion, consider and take action regarding the authorization of the positions for the Senior Accountant and Finance Department Assistant.

**FINANCIAL IMPACT:**

The impact for the Department Assistant is \$18,316.

The impact for the Senior Accountant is \$81,144.

The total financial impact is \$99,460.

**BACKGROUND:**

The two positions have been recommended by Kanter Financial Forensics, LLC.

**RECOMMENDATION:**

Administration recommends approval.

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**Combined Meeting**

**R8**

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Brand Protection and Enhancement

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**AGENDA CAPTION:**

Presentation and discussion regarding the upcoming Zip Code Election.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Council Member Moore will provide an update regarding the status of the Zip Code Election.

**RECOMMENDATION:**

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## **Combined Meeting**

**R9**

**Meeting Date:** 08/12/2014

**Council Goals:** Infrastructure improvement and maintenance  
Implement bond propositions

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### **AGENDA CAPTION:**

Discussion, consider and take action re-awarding a construction contract with John Burns Company of Texas, Inc., and authorizing the City Manager to execute the contract for the construction of the Belt Line Road Underground Utilities and Right-of-Way Enhancement project for an amount not to exceed \$8,820,802.

### **FINANCIAL IMPACT:**

This project will be funded through the 2000 and 2012 Bond proceeds.

### **BACKGROUND:**

On June 24, 2014, the Council rescinded the award of the contract for the construction for the undergrounding of the utilities on Belt Line to John Burns Construction, Inc., pending a Town Hall meeting to be scheduled on August 4, 2014. The Town Hall meeting was conducted and staff now recommends that the contract be re-awarded to John Burns Construction, Inc., for an amount not to exceed \$8,820,802.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Combined Meeting**

**R10**

**Meeting Date:** 08/12/2014

**Council Goals:** Infrastructure improvement and maintenance  
Implement bond propositions

---

### **AGENDA CAPTION:**

Discussion, consider and take action re-awarding a contract with Alliance Geotechnical Group for the construction materials testing and geotechnical services associated with the Belt Line Road Underground Utilities and Right-of-Way Enhancement project and authorizing the City Manager to execute the contract for an amount not to exceed \$60,834.

### **FINANCIAL IMPACT:**

This project will be funded through the 2000 and 2012 Bond proceeds.

### **BACKGROUND:**

On June 24, 2014, Council rescinded the award of the contract to Alliance Geotech for the construction materials testing and geotechnical services associated with the Belt Line Road Underground Utilities and Right-of-Way Enhancement project pending a Town Hall meeting to be scheduled on August 4, 2014. The Town Hall meeting was conducted and now staff recommends that the Council re-award the contract for an amount not to exceed \$60,834.

### **RECOMMENDATION:**

Administration recommends approval.

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**Combined Meeting**

**R11**

**Meeting Date:** 08/12/2014

**Council Goals:** Promote Sustainability

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**AGENDA CAPTION:**

Presentation and discussion of the Town's sustainability program.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Staff will provide a briefing on the proposed sustainability program.

**RECOMMENDATION:**

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**Attachments**

Sustainability Update

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**Sustainability Program Update**  
**August 12<sup>th</sup> 2014**



# GOALS

1. To create a comprehensive Sustainability Plan for the city that provides a framework for our sustainability goals and initiatives.
2. To educate residents on the importance of living a sustainable lifestyle
3. To responsibly manage our natural resources through conservation, reuse, reduction or diversion
4. To increase community integrity and involvement from single-family and multi-family residents, businesses, and restaurants



# Accomplishments

- Fork and Cork – composted 560lbs of food waste
- Exhibited at Earth Day Texas
- Learning Center classes scheduled September 2014
- Increased signage at Kaboom





# Interdepartmental Sustainability Team

## Addison's Definition of Sustainability:

The responsible stewardship of our resources in a way that benefits the social, environmental and economic health and vitality of our local community now and in the future.

## Vision

A city where sustainability is a core value, woven into all aspects of our community.



# Sustainability Plan

- Divided into 4 different aspects of life in Addison: Live, Work, Visit, Support
- Within each different aspect of life, there will be six Sustainable Focus Areas
  1. Resource Management
  2. Development/Land Use
  3. Mobility
  4. Energy Efficiency & Conservation
  5. Economic Diversity & Vitality
  6. Community Integrity & Involvement



# Multi-Family Recycling Pilot Program

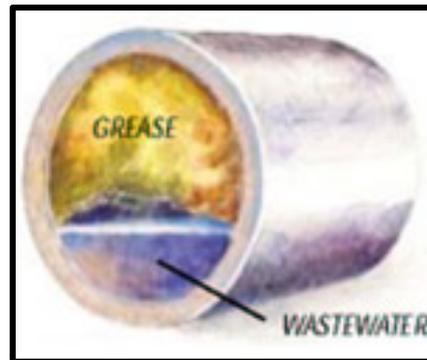
- 1-year pilot program at Garden Oaks Apartments
- City funds the cost of the enclosure, hauling, and recycling educational materials
- Goal is to provide council with the information to implement the program city-wide
- Success measured by diversion rate/contamination rate





# Cease the Grease

- City of Dallas program
- Offers residents a way to dispose of FOG (Fat, Oils & Grease)
- Hardens and causes sewer pipes to clog
- Drop-off location on the Dallas/Addison border





# “What Can I Recycle?” Campaign

Goal: To educate residents on what can be recycled

- Educational materials
  - Flyers
  - Water bill inserts
  - Refrigerator magnets
  - Kiosk ads
- Success measured by recycling percentage increase
- Exhibit booth at fall Town Hall Meeting





# Recyclebank

## Recyclebank®

- In conjunction with Waste Management
- Points earned for recycling

Redeemable for gift cards at local and national businesses



\* Only available in select communities

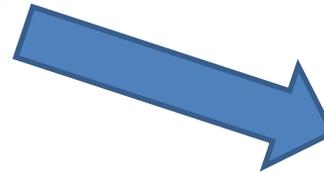


# Increase Recycling Carts Size



18 gallon  
16"x25.75x14.75"

- Many residents request larger bins
- Slightly larger footprint (18 gal – 64 gal)
- Can be rolled to curb
- Projected to increase tons recycled by 40%



64 gallon  
24"x27.5"X40.24"



**QUESTIONS?**

**Combined Meeting**

**R12**

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.

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**AGENDA CAPTION:**

Presentation and discussion of the Finance Department Quarterly Financial Review and Capital Projects Update of the Town for the quarter and year-to-date ended June 30, 2014.

**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:**

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**Attachments**

3rd Quarter Report

Capital Projects Update

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Department of Finance  
*Quarterly Review*

*For the Period Ended June 30, 2014*

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*Town of Addison*

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## How to Read This Document

### Welcome!

The information attached is the internal City of Addison's quarterly review document for the period ending June 30, 2014. This document has been specially prepared to help the reader understand the year-to-date performance of the City's major funds.

### Report Format

The document is divided into three major sections: Introduction, Financial and Appendices. The Introduction section contains the Memorandum to the City Manager from the Chief Financial Officer, which summarizes the revenue/expenditure activity for the City's five major funds (General, Hotel, Airport, Utility, Stormwater), as well as a report on the cash and investments for the period. This section also contains the executive dashboards, which are visual illustrations used to organize and display key performance indicators.

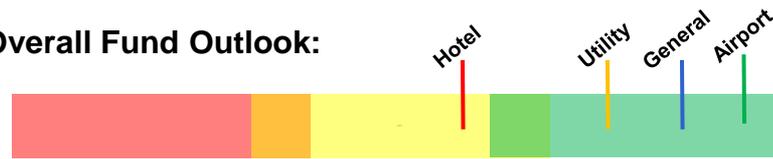
The Financial section displays the quantitative aspects of the City's organization. Like many local governments, the City uses the fund method of accounting. Simply stated, a fund is a unit which tracks the application of various public resources. For example, the Hotel Fund is established to track the use of hotel/motel occupancy tax. Most people are particularly interested in the General Fund which comprises the majority of the City's operations, such as Police, Fire, and Parks. Financial statement summaries, including the adopted 2013-2014 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 period. 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 City's collateral summary.

Finally, additional relevant information is presented in the appendices section of the document, and is used to more fully describe appropriate detail not included in the quarterly review. Currently, these attachments represent investment data from the City's financial advisors, First Southwest Co., including the portfolio report and compliance statement for the same time period, as well as a glossary of terms.

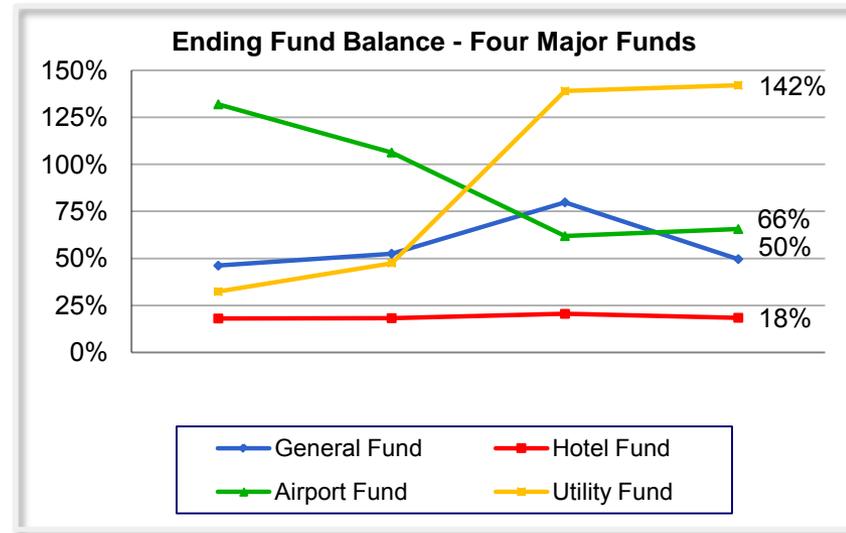
# Executive Dashboard – 3rd Quarter, 2014 Fiscal Year

## Financial Indicators

### Overall Fund Outlook:



Key Revenue Sources	FY14 Budget	Actual through 06/30/14	% Annual Budget
Ad Valorem Taxes	\$ 11,624,270	\$ 11,417,846	98.22%
Non-Property Taxes	\$ 13,035,000	\$ 11,121,081	85.32%
Hotel Tax	\$ 4,922,495	\$ 3,798,912	77.17%
Franchise Fees	\$ 2,627,000	\$ 2,174,118	82.76%
Service/Permitting/License Fees	\$ 2,183,500	\$ 1,753,069	80.29%
Rental, Interest and Other Income	\$ 229,000	\$ 315,449	137.75%
Fuel Flowage Fees	\$ 724,840	\$ 590,637	81.49%
Water and Sewer Charges	\$ 10,088,450	\$ 6,076,900	60.24%



Key Expenditures	FY14 Budget	FY14 YTD 06/30/14	% Annual Budget
General Fund	\$ 31,477,439	\$ 21,277,180	67.60%
Hotel Fund	\$ 6,919,799	\$ 4,371,487	63.17%
Economic Development	\$ 1,220,975	\$ 793,323	64.97%
Airport Operations	\$ 4,380,222	\$ 2,778,086	63.42%
Utility Operations	\$ 8,190,979	\$ 5,639,434	68.85%

# Executive Dashboard – 3<sup>rd</sup> Quarter, 2014 Fiscal Year

## Financial Indicators

### Personnel Information:

New Hires – Benefitted Positions				
Department	PT Positions	FT Positions	Total, 3 <sup>rd</sup> Qtr	YTD
Conference Centre	0	0	0	3
Finance	1	0	1	3
Fire	0	1	1	6
General Services	0	0	0	1
Human Resources	0	0	0	1
Infrastructure Ops and Svcs	0	0	0	1
Parks	0	1	1	2
Police	0	1	1	5
Recreation	1	0	1	3
Streets	0	0	0	1
<b>Grand Total</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>26</b>

Separations – Benefitted Positions				
Department	PT Positions	FT Positions	Total, 3 <sup>rd</sup> Qtr	YTD
City Manager	0	1	1	3
Conference Centre	0	0	0	1
Infrastructure Ops & Svcs	0	0	0	1
Emergency Communications -PD	0	1	1	1
Development Services	0	0	0	1
Finance	0	0	0	1
Fire	0	2	2	3
General Services	0	0	0	1
Parks	0	2	2	2
Police	0	3	3	8
Streets	0	0	0	1
Recreation	0	0	0	3
<b>Grand Total</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>26</b>

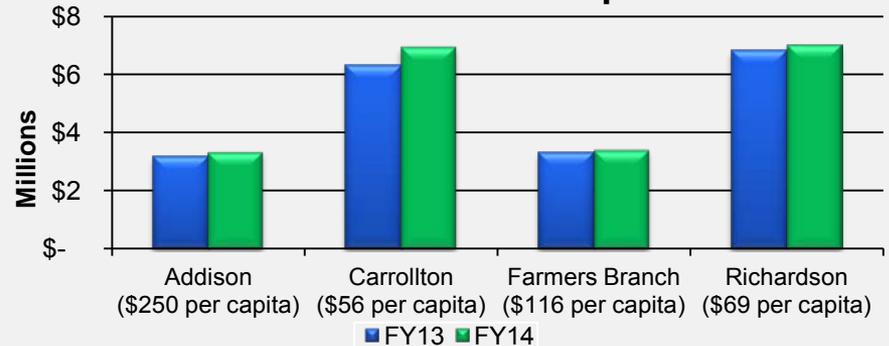
### Economic Development Incentives:

Executed Agreements	Amount Paid FY14	Total Incentives Committed
9	\$33,333.33	\$560,000

### Purchasing Information:

FY13 Savings	FY14 Goal	FY14 YTD
\$612,557	\$650,000	\$188,231

### 3rd Quarter Sales Tax Comparison



## Economic Indicators

### Hotel Indicators:

Hotel Occupancy

RevPAR



Source: STR Report  
(compares to prior year)

### Occupancy Indicators:

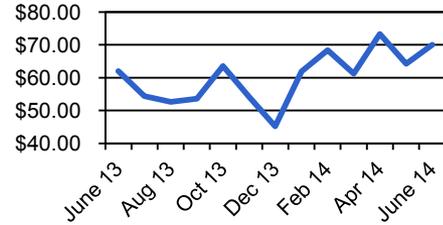
Office Occupancy

Retail Occupancy

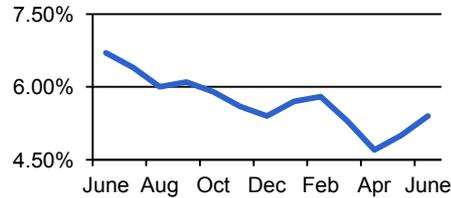


Source: Xceligent

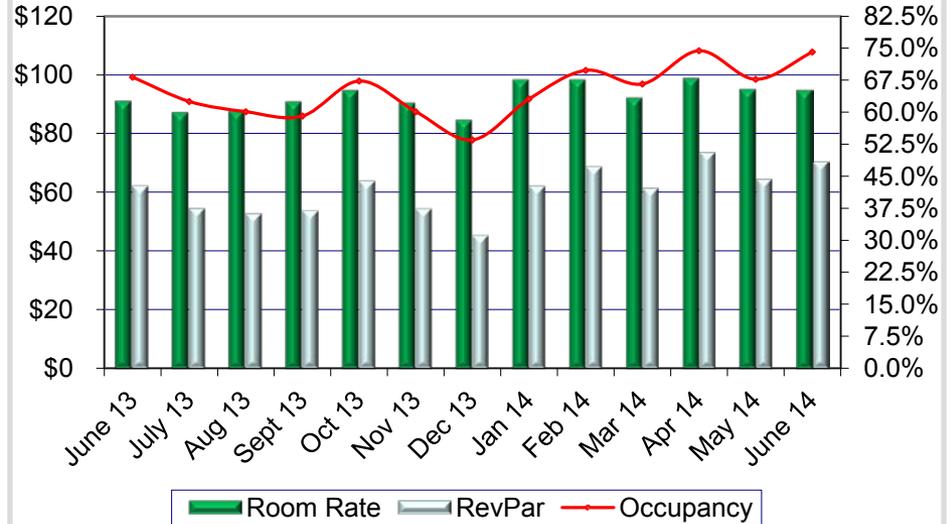
Hotel Rev Per Available Room  
Last 12 months



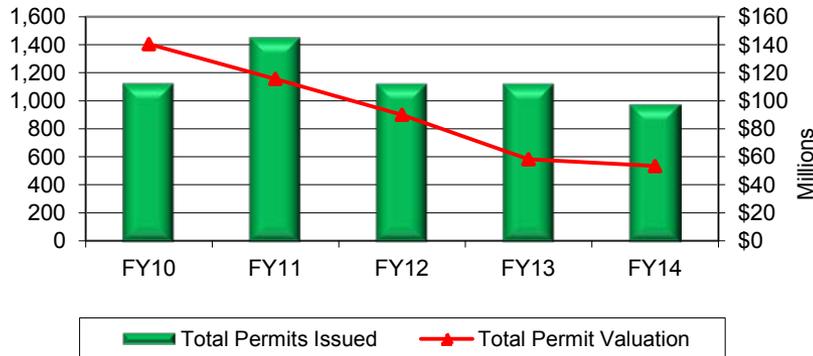
DFW Unemployment Rate  
Last 12 months



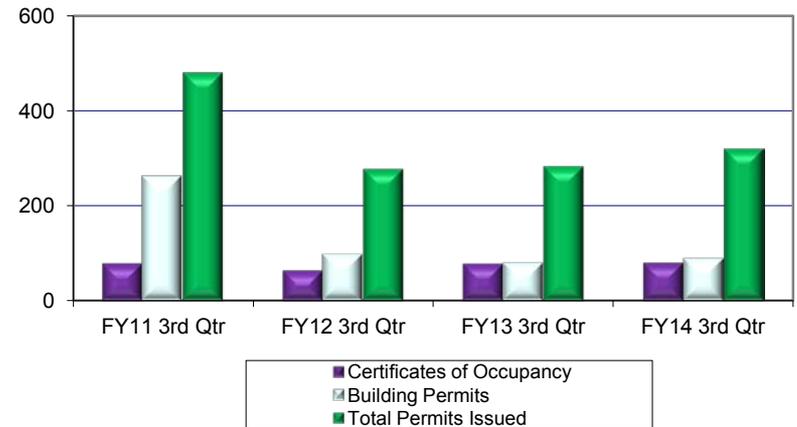
### Addison Hotel Statistics



### Total Permits Issued and Valuation



### Quarterly Permit Activity





# MEMO

**To:** Lea Dunn, City Manager  
**From:** Eric Cannon, CPA, Chief Financial Officer  
**Re:** Second Quarter Financial Review  
**Date:** August 6, 2014

This is the third quarter report for the 2013-2014 fiscal year. Revenues and expenditures reflect activity from October 1, 2013 through June 30, 2014.

## GENERAL FUND

- Revenues through the quarter ended June 30, 2014 totaled \$27.4 million, approximately \$2.6 million or 10.5 percent more than received this time last year. Sales tax collections totaled \$10.38 million, a 13.7 percent increase over the previous year-to-date collections. Currently, delinquent tax collections are significantly under their budgeted numbers due to refunds; however, we anticipate meeting our budgeted amount by the end of the fiscal year. Rental income is higher than last year as rental properties are currently occupied and operating under new lease agreements. Current year alcoholic beverage tax includes three payments compared to two in the prior year. Municipal court is also trending slightly behind budget; this is primarily due to the vacancies in the police department.
- Expenditures totaled \$21.277 million, which is 67.6 percent of budget and \$1.4 million, or 7.4 percent more than spent this time last year. This is due to various departments implementing projects in a more timely fashion. All departments are currently under or on pace with their budget.

## HOTEL FUND

- Through the first three quarters revenues totaled \$5.03 million, a decrease of \$40 thousand from prior year. Hotel occupancy tax collections are continuing to improve through FY 2014; collections are \$328 thousand, or 9.5 percent greater than FY 2013. Conference Centre rental is currently trending behind budget. Based on current bookings, staff anticipates that budgeted revenues may not meet their original projections. Also, proceeds from Special Events are below budget primarily due to the new event, Fork & Cork. With this being a new event attendance was lower than initially expected; therefore, resulting in lower than budget revenues. An amendment has been proposed reflecting the reduced revenues.
- Hotel fund expenditures of \$4.8 million are 64.1 percent of budget and \$201 thousand less than this time a year ago. All departments are currently trending at or slightly under their budget,

with the exception of Performing Arts. The Performing Arts budget has historically been higher due to the time of their events.

#### **AIRPORT FUND**

- Operating revenue through the third quarter totaled \$3.58 million, compared to \$3.45 million the same time in the prior year. This represents an increase of 3.6 percent. This can be attributed to slight increases in both rental and fuel flowage revenue. Revenues are trending either on pace or slightly ahead of their budgeted amounts.
- Through the first three quarters, operating expenses amounted to \$2.78 million, resulting in a net operating income of \$798 thousand. All expenses are tracking on line with their budgeted amounts. In the prior quarter, the Town funded a substantial portion of the EMAS capital project, resulting in a decrease in net income.

#### **UTILITY FUND**

- Operating revenue through the third quarter totaled \$6.08 million, compared to \$6.5 million the same time in the prior year. This represents a decrease of 6.6 percent. This can be attributed to the cooler temperatures and increased rainfall compared to the prior year; resulting in decreased consumption. Revenues are trending either on pace or slightly behind their budgeted amounts.
- Operating expenses through the second quarter totaled \$5.6 million, bringing net operating income to \$437 thousand. Working capital increased \$424 thousand, due in large part to increased revenue

#### **CASH AND INVESTMENT REPORT**

- Cash and investments for all funds as of June 30, 2014 totaled \$101 million, representing a decrease of approximately \$8.1 million from the previous quarter. The decrease can be attributed to the Town's operating cycle and use of bond proceeds for capital projects.
- The City's average investment yield to maturity at the end of June was 0.282 percent, a increase from the previous quarter's yield of .035 percent. This yield is higher than the TexPool benchmark of 0.028 percent. The average weighted maturity increased from 222 days to 231 days.
- As recommended by First Southwest Asset Management, staff has invested in commercial paper up to the maximum threshold provided for in the City's investment policy. In addition, staff 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 of 2015, we will look to extend the portfolio's duration to the extent that cash flow allows.

**TOWN OF ADDISON**  
**EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED JUNE 30, 2014**  
 UNAUDITED ACTUAL AMOUNTS COMPARED TO THE FY13-14 ADOPTED BUDGET  
 With Comparative Information from Prior Fiscal Year

RESOURCES	General Fund			Hotel Fund			Airport Fund			Utility Fund			Stormwater 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	Budget	Actual	PY Actual
Ad Valorem Tax	\$ 11,624,270	\$ 11,417,846	\$ 10,482,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,624,270	\$ 11,417,846	\$ 10,482,712
Non-Property Tax	13,035,000	11,121,081	9,518,837	4,922,495	3,798,912	3,470,670	-	-	-	-	-	-	-	-	-	17,957,495	14,919,994	12,989,507
Franchise Fees	2,627,000	2,174,118	2,092,898	-	-	-	-	-	-	-	-	-	-	-	-	2,627,000	2,174,118	2,092,898
Service/Permitting/License Fees	2,183,500	1,753,069	1,617,554	1,817,500	525,632	876,776	-	-	-	10,088,450	6,008,786	6,442,445	1,552,000	1,105,836	778,721	15,641,450	9,393,323	9,715,496
Rental, Interest and Other Income	1,229,000	962,955	1,107,858	949,600	703,175	709,785	4,414,830	3,576,100	3,451,008	161,396	68,114	64,215	5,000	-	-	6,759,826	5,310,344	5,332,866
Transfers and Other Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Resources</b>	<b>30,698,770</b>	<b>27,429,070</b>	<b>24,819,859</b>	<b>7,689,595</b>	<b>5,027,719</b>	<b>5,057,231</b>	<b>4,414,830</b>	<b>3,576,100</b>	<b>3,451,008</b>	<b>10,249,846</b>	<b>6,076,900</b>	<b>6,506,660</b>	<b>1,557,000</b>	<b>1,105,836</b>	<b>778,721</b>	<b>54,610,041</b>	<b>43,215,625</b>	<b>40,613,479</b>
<b>APPLICATION OF RESOURCES</b>																		
Personal Services	19,925,581	13,861,582	13,157,378	1,096,261	1,024,370	1,109,407	370,553	248,531	289,257	1,565,085	907,217	942,747	101,341	28,326	7,480	23,058,821	16,070,026	15,506,268
Supplies	1,371,228	942,322	843,362	626,588	133,214	143,998	62,600	11,753	34,550	129,220	88,111	80,650	-	4,925	-	2,189,636	1,180,326	1,102,560
Maintenance and Materials	3,363,252	1,969,547	1,698,967	917,800	299,673	309,844	3,080,589	1,860,320	1,432,723	943,820	458,511	258,866	-	-	-	8,305,461	4,588,051	3,700,400
Contractual Services	5,218,278	3,377,753	3,176,585	2,615,202	2,812,429	2,463,670	1,066,480	657,482	598,187	6,490,803	4,129,158	3,716,857	-	181,114	11,796	15,390,763	11,157,935	9,967,096
Capital Equipment Amortization	1,338,100	959,708	917,225	1,098,607	86,445	57,075	611,730	521,163	54,943	1,261,919	525,929	250,759	215,000	402,659	0	4,525,356	2,495,905	1,280,002
Capital Equipment/Projects	261,000	166,269	20,978	565,341	15,392	451,370	2,110,000	4,824,032	36,981	824,400	214,956	219,146	544,018	21,115	-	4,304,759	5,241,764	728,475
Transfers and Other Uses**	-	-	-	570,000	427,500	465,000	-	-	-	-	-	-	2,930,000	-	-	3,500,000	427,500	465,000
<b>Total Application of Resources</b>	<b>31,477,439</b>	<b>21,277,182</b>	<b>19,814,496</b>	<b>7,489,799</b>	<b>4,799,023</b>	<b>5,000,363</b>	<b>7,301,952</b>	<b>8,123,281</b>	<b>2,446,640</b>	<b>11,215,247</b>	<b>6,323,881</b>	<b>5,469,026</b>	<b>3,790,359</b>	<b>638,140</b>	<b>19,275</b>	<b>61,274,796</b>	<b>41,161,506</b>	<b>32,749,801</b>
<b>Net Change in Fund Balances</b>	<b>\$ (778,669)</b>	<b>\$ 6,151,888</b>	<b>\$ 5,005,363</b>	<b>\$ 199,796</b>	<b>\$ 228,696</b>	<b>\$ 56,868</b>	<b>\$ (2,887,122)</b>	<b>\$ (4,547,181)</b>	<b>\$ 1,004,368</b>	<b>\$ (965,401)</b>	<b>\$ (246,981)</b>	<b>\$ 1,037,634</b>	<b>\$ (2,233,359)</b>	<b>\$ 467,696</b>	<b>\$ 759,446</b>	<b>\$ (6,664,755)</b>	<b>\$ 2,054,118</b>	<b>\$ 7,863,678</b>

**TOWN OF ADDISON**  
**GENERAL FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
Ad Valorem taxes:							
Current taxes	\$ 11,603,710	\$ 3,050	\$ 11,403,963	98.3%	\$ 10,436,452	99.8%	
Delinquent taxes	5,880	4,741	(8,707)	-148.1%	13,238	113.9%	
Penalty & interest	14,680	9,888	22,590	153.9%	33,022	170.5%	
Non-property taxes:							
Sales tax	12,250,000	3,290,521	10,380,854	84.7%	9,126,357	73.6%	
Alcoholic beverage tax	785,000	265,020	740,227	94.3%	392,480	48.1%	
Franchise / right-of-way use fees:							
Electric franchise	1,500,000	389,766	1,214,485	81.0%	1,168,928	75.1%	
Gas franchise	175,000	-	203,641	116.4%	171,849	82.4%	
Telecommunication access fees	665,000	167,506	487,182	73.3%	499,405	75.3%	
Cable franchise	280,000	87,136	268,810	96.0%	251,466	86.6%	
Street rental fees	7,000	-	-	0.0%	1,250	17.9%	
Licenses and permits:							
Business licenses and permits	180,000	63,303	137,679	76.5%	121,002	67.3%	
Building and construction permits	560,000	302,046	568,058	101.4%	455,549	75.3%	
Service fees:							
General government	500	381	874	174.8%	348	69.6%	
Public safety	765,000	202,071	528,275	69.1%	545,872	71.5%	
Urban development	3,000	240	1,870	62.3%	2,010	67.0%	
Streets and sanitation	380,000	97,514	271,067	71.3%	266,667	70.3%	
Recreation	65,000	39,396	69,724	107.3%	57,108	88.7%	
Interfund	230,000	58,507	175,522	76.3%	168,998	75.0%	
Court fines	1,000,000	229,267	647,506	64.8%	736,983	70.4%	
Interest earnings	10,000	14,710	36,513	365.1%	5,210	104.2%	
Rental income	170,000	65,000	195,000	114.7%	188,959	137.4%	
Other	49,000	(64,121)	83,936	171.3%	176,706	190.6%	
<b>Total Revenues</b>	<b>\$ 30,698,770</b>	<b>\$ 5,225,942</b>	<b>\$ 27,429,070</b>	<b>89.3%</b>	<b>\$ 24,819,859</b>	<b>82.9%</b>	

**TOWN OF ADDISON**  
**GENERAL FUND**  
**FY 2014 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
General Government:							
City manager	\$ 1,151,075	\$ 309,014	\$ 871,892	75.7%	\$ 780,373	63.2%	
Financial & strategic services	943,775	203,071	588,641	62.4%	649,182	68.3%	
General services	746,942	166,850	505,339	67.7%	435,755	47.4%	
Municipal court	567,319	125,308	349,001	61.5%	317,018	61.0%	
Human resources	622,237	172,331	417,987	67.2%	334,322	53.9%	
Information technology	1,963,064	411,428	1,058,611	53.9%	1,088,830	64.2%	
Combined services	904,760	151,213	471,569	52.1%	476,629	73.7%	
Council projects	570,058	62,670	342,849	60.1%	376,841	99.3%	
Public safety:							
Police	8,027,015	2,063,767	5,835,961	72.7%	5,558,594	72.4%	
Emergency communications	1,284,668	273,841	883,406	68.8%	759,474	60.7%	
Fire	6,786,806	1,697,316	4,614,987	68.0%	4,403,718	72.5%	
Development services	1,019,372	216,382	676,681	66.4%	670,458	68.1%	
Streets	1,836,671	382,098	1,133,085	61.7%	1,011,612	55.8%	
Parks and Recreation:							
Parks	3,523,652	967,227	2,453,822	69.6%	1,924,129	59.6%	
Recreation	1,530,027	407,923	1,073,349	70.2%	1,027,561	66.1%	
Other financing uses:							
Transfers	-	-	-	N/A	-	0.0%	
<b>Total Expenditures</b>	<b>\$ 31,477,441</b>	<b>\$ 7,610,439</b>	<b>\$ 21,277,180</b>	<b>67.6%</b>	<b>\$ 19,814,496</b>	<b>67.1%</b>	

**TOWN OF ADDISON**  
**HOTEL FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Revenues:</b>							
Hotel/Motel occupancy taxes	\$ 4,922,495	\$ 1,379,455	\$ 3,798,912	77.2%	\$ 3,470,670	75.5%	
Proceeds from special events	1,817,500	494,175	525,632	28.9%	876,776	47.9%	
Conference centre rental	632,100	134,144	432,204	68.4%	486,357	80.6%	
Visit Addison rental	237,500	111,009	209,675	88.3%	168,002	73.0%	
Theatre centre rental	70,000	20,615	58,031	82.9%	44,891	64.1%	
Interest and miscellaneous	10,000	1,949	3,265	32.6%	10,535	-127.7%	
<b>Total Revenues</b>	<b>7,689,595</b>	<b>2,141,347</b>	<b>5,027,719</b>	<b>65.4%</b>	<b>\$ 5,057,231</b>	<b>69.1%</b>	
<b>Expenditures and other uses:</b>							
Visitor services	1,096,261	263,346	634,026	57.8%	580,084	57.5%	
Visit Addison	626,588	191,894	463,273	73.9%	368,322	64.5%	
Marketing	917,800	250,573	686,275	74.8%	506,148	50.8%	
Special events	2,615,202	801,207	1,318,988	50.4%	1,434,745	54.5%	
Conference centre	1,098,607	254,003	755,111	68.7%	1,174,916	69.5%	
Performing arts	565,341	168,447	513,814	90.9%	471,148	93.2%	
Capital projects	-	-	-	0.0%	-	0.0%	
Other financing uses:							
Transfer to debt serv & general funds	570,000	285,000	427,500	75.0%	465,000	81.6%	
<b>Total Expenditures and Other Uses</b>	<b>\$ 7,489,799</b>	<b>\$ 2,214,470</b>	<b>\$ 4,798,987</b>	<b>64.1%</b>	<b>\$ 5,000,363</b>	<b>62.7%</b>	

**TOWN OF ADDISON**  
**ECONOMIC DEVELOPMENT FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Revenues:</b>							
<b>Ad Valorem taxes:</b>							
Current taxes	\$ 792,000	\$ 208	\$ 778,646	98.3%	\$ 697,165	99.8%	
Delinquent taxes	400	322	(596)	-149.0%	895	114.7%	
Penalty & interest	1,000	675	1,511	151.1%	2,201	170.6%	
Business license fee	80,000	3,300	64,505	80.6%	66,550	78.3%	
Interest income and other	1,500	558	1,658	110.5%	1,933	128.9%	
Transfer from General Fund	-	-	-	0.0%	-	0.0%	
<b>Total Revenues and Other Sources</b>	<b>874,900</b>	<b>5,063</b>	<b>845,724</b>	<b>96.7%</b>	<b>\$ 768,744</b>	<b>97.7%</b>	
<b>Expenditures:</b>							
Personal services	295,428	69,921	191,272	64.7%	169,938	88.4%	
Supplies	18,300	5,786	11,843	64.7%	17,142	114.3%	
Maintenance	7,500	1,000	3,000	40.0%	1,391	15.3%	
Contractual services	894,377	478,522	581,906	65.1%	254,931	45.0%	
Capital replacement/lease	5,370	1,767	5,302	98.7%	4,028	75.0%	
<b>Total Expenditures</b>	<b>\$ 1,220,975</b>	<b>\$ 556,996</b>	<b>\$ 793,323</b>	<b>65.0%</b>	<b>\$ 447,430</b>	<b>56.7%</b>	

**TOWN OF ADDISON**  
**CAPITAL PROJECT FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Revenues:</b>							
Interest income and other	\$ 2,500	\$ 93,100	\$ 150,680		6027.2%	\$ 83,579	86.2%
2014 GO Bond proceeds - Beltline Rd	-	-	10,000,000		0.0%	\$ -	
2014 GO Bond proceeds - Midway Rd	-	-	2,000,000		0.0%	\$ -	
Bond premium	-	-	97,299		0.0%	\$ -	
Other	-	-	-		0.0%	-	
<b>Total Revenues</b>	<b>2,500</b>	<b>93,100</b>	<b>12,247,978</b>			<b>83,579</b>	<b>86.2%</b>
<b>Expenditures:</b>							
<b>Administration:</b>							
Supplies	-	262	3,410		0.0%	-	0.0%
Maintenance	-	-	9,650		0.0%	110,462	31.1%
Contractual Services	-	-	-		0.0%	-	0.0%
Debt issue costs	-	-	97,299			-	
Other	-	-	-		0.0%	-	0.0%
<b>Design and Engineering:</b>							
Engineering and contractual services	2,031,550	1,635,807	2,408,903		118.6%	1,020,428	29.0%
Land, construction and equipment	30,527,709	4,504,714	5,041,305		16.5%	422,464	9.9%
<b>Total Expenditures</b>	<b>\$ 32,559,259</b>	<b>\$ 6,140,782</b>	<b>\$ 7,560,566</b>		<b>23.2%</b>	<b>\$ 1,553,354</b>	<b>20.0%</b>
<b>Capital Projects:</b>							
Street and Lighting Improvement Projects	\$ 260,900	\$ -	\$ 15,600		6.0%		
Ashton Woods Development Streets	517,000	-	384,000		74.3%		
Railroad Improvements/Quiet Zones	362,081	-	-		0.0%		
Keller Springs Road/Addison Road Intersection	211,990	-	-		0.0%		
Undesignated Residential Lighting Projects	180,000	-	-		0.0%		
Various Streets Improvements	174,473	-	-		0.0%		
Surveyor Learning Center	175,000	-	6,320		3.6%		
Belt Line Road Streetscape and Interchange	9,152,172	174,182	618,378		6.8%		
Vitruvian Park Public Infrastructure	8,574,774	46,332	154,250		1.8%		
Public Safety Radio Replacement	3,000,000	1,129,162	1,243,570		41.5%		
Park and Pedestrian Connectivity	3,200,546	54,845	249,778		7.8%		
Midway Road Design	1,000,000	151,990	151,990		15.2%		
Airport Land Acquisition	5,750,323	4,584,010	4,626,322		80.5%		
<b>Total</b>	<b>\$ 32,559,259</b>	<b>\$ 6,140,520</b>	<b>\$ 7,450,208</b>		<b>22.9%</b>		

**AIRPORT FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES**  
**COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Operating revenues:</b>							
Operating grants	\$ 50,000	\$ -	\$ 48,140	96.3%	\$ 47,942	95.9%	
Fuel flowage fees	724,840	193,931	590,637	81.5%	579,986	85.4%	
Rental	3,587,690	965,009	2,821,162	78.6%	2,768,534	82.3%	
User fees	52,300	19,590	51,932	99.3%	41,139	78.7%	
Other income	-	36,626	64,229	0.0%	13,407	0.0%	
<b>Total operating revenues</b>	<b>4,414,830</b>	<b>1,215,156</b>	<b>3,576,100</b>	<b>81.0%</b>	<b>3,451,008</b>	<b>83.3%</b>	
<b>Operating expenses:</b>							
Town - Personal services	370,553	84,302	248,531	67.1%	289,257	78.9%	
Town - Supplies	62,600	4,588	11,753	18.8%	34,550	55.2%	
Town - Maintenance	57,300	11,754	45,897	80.1%	41,020	195.3%	
Town - Contractual services	546,810	214,240	404,917	74.1%	311,222	57.2%	
Grant - Maintenance	100,000	70,502	70,502	70.5%	1,860	1.9%	
Operator operation & maintenance	2,923,289	701,192	1,743,922	59.7%	1,389,843	62.0%	
Operator service contract	319,670	80,101	252,565	79.0%	270,948	91.8%	
<b>Total operating expenses</b>	<b>4,380,222</b>	<b>1,166,678</b>	<b>2,778,086</b>	<b>63.4%</b>	<b>2,338,700</b>	<b>64.4%</b>	
<b>Operating Income/(Loss) (excluding depreciation)</b>	<b>34,608</b>	<b>48,478</b>	<b>798,014</b>	<b>2305.9%</b>	<b>1,112,308</b>	<b>216.8%</b>	
<b>Non-Operating revenues (expenses):</b>							
Interest earnings	5,000	2,632	9,188	183.8%	4,735	15.9%	
Principal & interest on debt, fiscal fees & other	(611,730)	1,859	(521,163)	85.2%	(344,942)	328.5%	
Capital grants	-	21,407	2,610,162	0.0%	(9,999)	0.0%	
Capital outlay	(2,310,000)	94,426	(4,824,032)	208.8%	(43,000)	0.0%	
Depreciation	-	-	-	0.0%	-	0.0%	
<b>Total non-operating revenues (expenses)</b>	<b>(2,916,730)</b>	<b>120,324</b>	<b>(2,725,845)</b>	<b>93.5%</b>	<b>(393,206)</b>	<b>522.9%</b>	
<b>NET INCOME/(LOSS)</b>	<b>\$ (2,882,122)</b>	<b>\$ 168,802</b>	<b>\$ (1,927,831)</b>	<b>66.9%</b>	<b>\$ 719,102</b>	<b>164.2%</b>	

**UTILITY FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES**  
**COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Operating revenues:</b>							
Water sales	\$ 5,767,686	\$ 1,271,003	\$ 3,173,595	55.0%	\$ 3,371,090	56.5%	
Sewer charges	4,320,764	1,053,900	2,835,191	65.6%	3,071,355	65.6%	
Tap fees	10,280	1,600	3,955	38.5%	8,315	44.9%	
Penalties	151,116	15,890	65,449	43.3%	55,900	76.1%	
Other Income/(Expenses)	-	(5,485)	(1,290)	0.0%	-	0.0%	
<b>Total operating revenues</b>	<b>10,249,846</b>	<b>2,336,908</b>	<b>6,076,900</b>	<b>59.3%</b>	<b>6,506,660</b>	<b>60.6%</b>	
<b>Operating expenses:</b>							
Water purchases	2,972,065	686,317	1,884,152	63.4%	1,754,669	59.4%	
Wastewater treatment	2,337,586	735,447	1,736,820	74.3%	1,488,757	65.3%	
Utility operations	2,881,328	622,021	2,018,462	70.1%	1,770,403	65.1%	
<b>Total operating expenses</b>	<b>8,190,979</b>	<b>2,043,785</b>	<b>5,639,434</b>	<b>68.8%</b>	<b>5,013,829</b>	<b>63.0%</b>	
<b>Operating Income/(Loss) (excluding depreciation)</b>	<b>2,058,867</b>	<b>293,123</b>	<b>437,466</b>	<b>21.2%</b>	<b>1,492,831</b>	<b>53.6%</b>	
<b>Non-Operating revenues (expenses):</b>							
Debt proceeds	7,500,000	-	7,565,000	100.9%	-	0.0%	
Interest earnings and other	(110,510)	57,523	14,598	-13.2%	(60,903)	123.0%	
Principal and interest on debt, fiscal fees & other	(1,186,669)	(32,540)	(469,492)	39.6%	(3,108,344)	94.9%	
Capital outlay	(1,837,600)	(83,047)	(214,956)		(230,692)	44.7%	
Depreciation	-	-	-	0.0%	-	0.0%	
<b>Total non-operating revenues (expenses)</b>	<b>4,365,221</b>	<b>(58,064)</b>	<b>6,895,150</b>	<b>158.0%</b>	<b>(3,399,939)</b>	<b>88.5%</b>	
<b>NET INCOME/(LOSS)</b>	<b>\$ 6,424,088</b>	<b>\$ 235,060</b>	<b>\$ 7,332,617</b>	<b>114.1%</b>	<b>\$ (1,907,108)</b>	<b>180.5%</b>	

**STORM WATER UTILITY FUND**  
**FY 2014 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES**  
**COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2013-14				YTD as % of Budget	FY2012-13	
	Budget	3rd Quarter	Year-to-Date			3rd Quarter	% of Budget
<b>Operating revenues:</b>							
Drainage Fees	\$ 1,552,000	\$ 411,388	\$ 1,105,836			778,721	
Total Operating Revenues	<u>1,552,000</u>	<u>411,388</u>	<u>1,105,836</u>	71.3%	<u>778,721</u>	65.8%	
<b>Operating expenses</b>							
Personal services	101,341	17,126	28,326	28.0%	7,480	0.0%	
Contractual services	<u>215,000</u>	<u>93,489</u>	<u>186,040</u>	86.5%	<u>11,796</u>	18.1%	
Total operating expenses	<u>316,341</u>	<u>110,615</u>	<u>214,366</u>	67.8%	<u>19,276</u>	29.7%	
<b>Operating Income/(Loss) (excluding depreciation)</b>	<u>1,235,659</u>	<u>300,773</u>	<u>891,470</u>	72.1%	<u>759,445</u>	68.0%	
<b>Non-Operating revenues (expenses):</b>							
Interest earnings and other	5,000	5,882	15,479	309.6%	(2,460)	-70.3%	
Interest and principal on debt, fiscal fees & other	(544,018)	3,095	(402,659)	74.0%	-	0.0%	
Capital outlay	<u>(2,930,000)</u>	<u>(18,315)</u>	<u>(21,115)</u>	0.7%	-	0.0%	
Total non-operating revenues (expenses)	<u>(3,469,018)</u>	<u>(9,338)</u>	<u>(408,295)</u>	11.8%	<u>(2,460)</u>	-70.3%	
<b>NET INCOME/(LOSS)</b>	<u>\$ (2,233,359)</u>	<u>\$ 291,435</u>	<u>\$ 483,175</u>	-21.6%	<u>\$ 756,985</u>	67.5%	

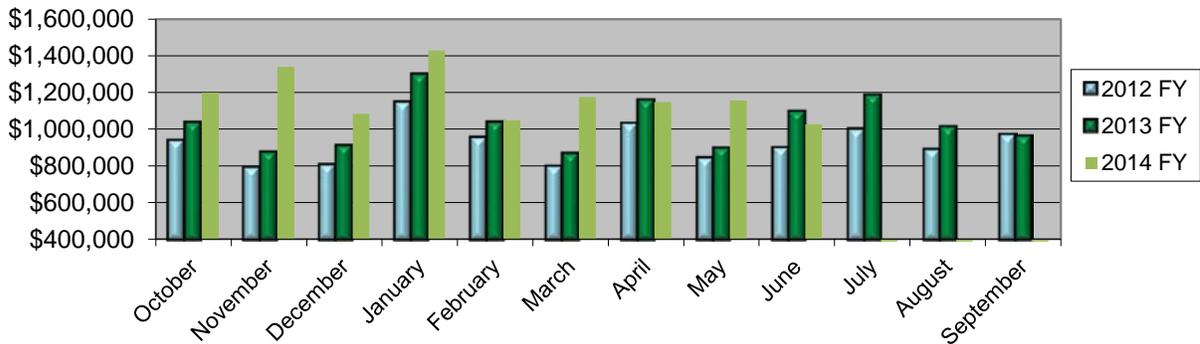
# TOWN OF ADDISON

## Schedule of Sales Tax Collections and Related Analyses

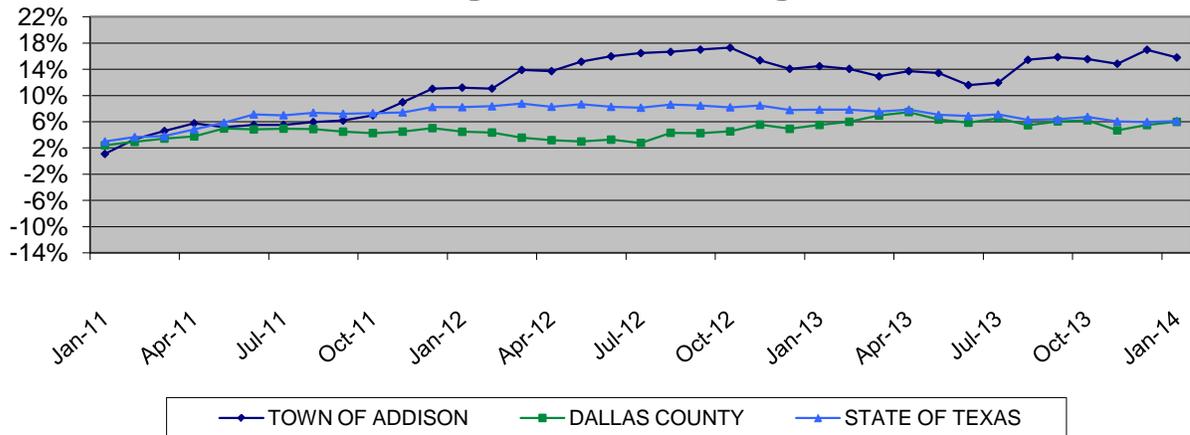
*For the period ending June 30, 2014*

	TOWN OF ADDISON				DALLAS COUNTY		STATE OF TEXAS	
	2013-14 Collections		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
October	\$ 1,199,509	\$ 1,199,509	15.2%	15.2%	7.5%	6.5%	6.8%	7.1%
November	1,340,129	2,539,638	52.3%	32.2%	5.7%	5.5%	4.5%	6.3%
December	1,082,852	3,622,490	18.2%	27.7%	9.4%	6.1%	7.4%	6.4%
January	1,427,450	5,049,940	9.6%	22.0%	6.1%	6.2%	8.0%	6.7%
February	1,047,776	6,097,716	0.5%	17.6%	-2.8%	4.7%	3.1%	6.0%
March	1,175,760	7,273,476	34.6%	20.1%	12.3%	5.5%	5.6%	6.0%
April	1,146,373	8,419,849	-1.5%	16.6%	9.4%	6.0%	6.8%	6.1%
May	1,155,281	9,575,130	28.0%	17.9%	7.6%	5.9%	10.7%	6.3%
June	1,025,039	10,600,169	-6.9%					
July	-							
August	-							
September	-							
Budget 13-14:		\$ 12,250,000						
Projected Year End		\$ 13,500,000						

### Monthly Sales Tax Collections

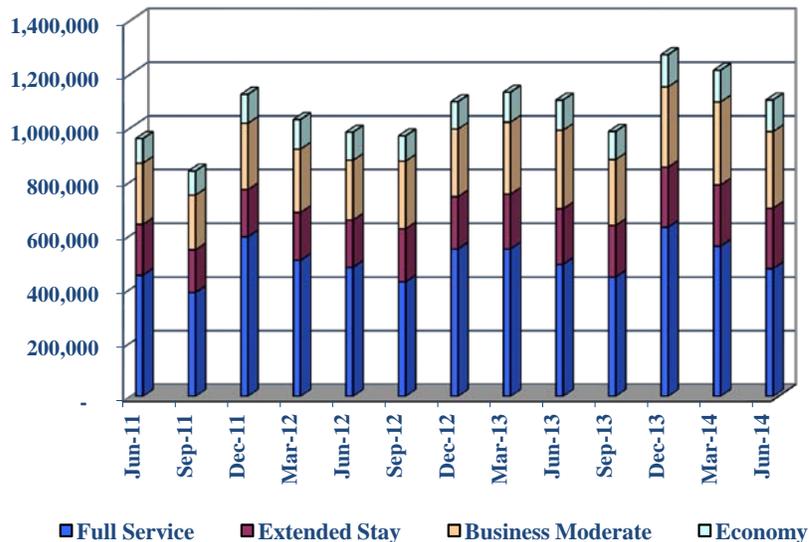


### Rolling 12-Month Averages



**TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION**  
**Hotels By Service Type for the Quarter and Year-to-Date Ended June 30, 2014**  
*With Comparative Information from Prior Fiscal Year*

	Rooms		April - June		14 to 13 % Diff.	YTD FY 14		14 to 13 % Diff.	
	Number	Percentage	Amount	Percentage		Amount	Percentage		
<b>Full Service</b>									
Marriott Quorum	535	14%	\$ 232,400	17%	12%	\$ 675,760	18%	11%	
Intercontinental	532	13%	270,977	20%	24%	721,644	19%	12%	
Crowne Plaza	429	11%	152,047	11%	14%	420,948	11%	11%	
	<u>1,496</u>	<u>38%</u>	<u>655,424</u>	<u>48%</u>		<u>1,818,352</u>	<u>48%</u>		
<b>Extended Stay</b>									
Budget Suites	344	9%	3,815	0%	7%	9,800	0%	-11%	
Hawthorne Suites	70	2%	15,204	1%	-2%	47,931	1%	5%	
Marriott Residence	150	4%	50,359	4%	-5%	149,196	4%	11%	
Summerfield Suites	132	3%	45,290	3%	14%	137,878	4%	9%	
Homewood Suites	128	3%	50,792	4%	-3%	145,755	4%	-5%	
Springhill Suites	159	4%	65,501	5%	2%	187,641	5%	8%	
	<u>983</u>	<u>25%</u>	<u>230,961</u>	<u>17%</u>		<u>678,202</u>	<u>18%</u>		
<b>Business Moderate</b>									
Marriott Courtyard Quorum	176	4%	92,611	7%	9%	249,305	7%	10%	
LaQuinta Inn	152	4%	55,221	4%	28%	131,154	3%	17%	
Marriott Courtyard Proton	145	4%	57,734	4%	29%	139,070	4%	5%	
Holiday Inn Express	102	3%	43,404	3%	10%	118,978	3%	7%	
Hilton Garden Inn	96	2%	52,846	4%	6%	139,338	4%	1%	
Holiday Inn - Arapaho	101	3%	35,136	3%	33%	90,709	2%	19%	
Comfort Inn	86	2%	20,240	1%	0%	81,586	2%	13%	
	<u>858</u>	<u>22%</u>	<u>357,192</u>	<u>26%</u>		<u>950,140</u>	<u>25%</u>		
<b>Economy</b>									
Motel 6	126	3%	22,348	2%	21%	61,392	2%	17%	
Hampton Inn	159	4%	59,983	4%	8%	169,357	4%	4%	
Quality Inn	115	3%	17,173	1%	42%	39,310	1%	24%	
Comfort Suites	78	2%	22,300	2%	18%	64,437	2%	14%	
Super 8	78	2%	9,268	1%	0%	24,647	1%	-12%	
Best Value	60	2%	4,309	0%	27%	12,263	0%	15%	
	<u>616</u>	<u>16%</u>	<u>135,381</u>	<u>10%</u>		<u>371,405</u>	<u>10%</u>		
<b>TOTAL</b>	<u>3,953</u>	<u>100%</u>	<u>\$ 1,378,958</u>	<u>100%</u>	<u>14%</u>	<u>\$ 3,818,098</u>	<u>100%</u>	<u>9%</u>	



**TOWN OF ADDISON**  
**INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
*For the Quarter Ending June 30, 2014*

Fund	Balance 3/31/2014	Quarter Receipts	Quarter Disbursements	Balance 6/30/2014
<b>General Fund</b>	\$ 20,621,514	\$ 5,772,560	\$ 7,803,475	\$ 18,590,600
<b>Special Revenue Funds:</b>				
Hotel	1,169,163	2,091,495	2,197,371	1,063,286
Economic Development	1,268,703	11,311	541,806	738,208
Public Safety	19,089	7,766	2,000	24,856
Municipal Court	403,995	198,067	180,660	421,402
Reimbursement Grant	(233,715)	3,030	-	(230,685)
Advanced Funding Grant	17,218	4,655	-	21,873
<b>Debt Service Funds:</b>				
G. O. Bonds	2,545,422	66,456	53,367	2,558,510
Hotel Revenue Bonds	242,539	142,694	-	385,233
<b>Capital Projects Funds:</b>				
Streets	915,070	671	-	915,741
2006 G.O. Bonds	355,863	261	-	356,124
2008 C.O. Bonds	2,064,448	58,200	3,154	2,119,494
2012 C.O. Bonds	31,242,620	150,138	1,558,505	29,834,253
2013 Tax Exempt Bonds	4,066,110	1,886	2,911,553	1,156,443
2013 AMT Bonds	1,802,475	29,834	1,832,309	-
2013 Taxable Bonds	1,604	1	1,605	-
2014 G.O. Bonds	12,000,000	8,804	-	12,008,804
<b>Enterprise Funds:</b>				
Utility	11,778,600	2,400,365	2,540,651	11,638,313
Storm Water Fund	8,835,412	429,855	129,257	9,136,010
Airport	3,358,879	537,954	346,922	3,549,911
<b>Internal Service Funds:</b>				
Capital Replacement	3,528,322	183,003	178,086	3,533,239
Information Technology	3,147,986	189,779	126,715	3,211,050
<b>TOTAL - ALL FUNDS</b>	<b>\$ 109,151,319</b>	<b>\$ 12,288,784</b>	<b>\$ 20,407,437</b>	<b>\$ 101,032,666</b>

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

<b>INVESTMENTS BY MATURITY AND TYPE</b>				
<i>For the Quarter Ending June 30, 2014</i>				
	Type	% of Portfolio	Yield to Maturity	Amount
	Pools	36.89%	0.04%	\$ 24,260,470
	Agencies	25.75%	0.33%	34,583,263
	Bank CD's	27.92%	0.45%	29,623,539
	Commercial Paper	9.43%	0.24%	9,990,939
<b>Total Investments</b>		<b>100.00%</b>	<b>0.25%</b>	<b>98,458,211</b>
	Accrued Interest Earnings			49,544
	Demand Deposits			2,524,911
<b>TOTAL</b>				<b>\$ 101,032,666</b>

## 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 June 30, 2014

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	\$ 906,343	\$ 973,704			
Frost Bank	Federal Reserve	Operating	GNMA due 9/15/2024	\$ 1,663,113	\$ 1,786,716			
Frost Bank	Federal Reserve	Operating	GNMA due 9/15/2024	2,795,597	3,003,371			
				<u>\$ 5,365,053</u>	<u>\$ 5,763,791</u>	<u>\$ 3,845,386</u>	<u>\$ 3,595,386</u>	<u>\$ 6,013,791</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**



**For the Quarter Ended**

**June 30, 2014**

### Report Name

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- 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:

An erroneous data release set the tone for the month of June as the ISM manufacturing index initially showed an unexpected decline to 53.2. That figure was later corrected to a much more palatable 55.4 after the ISM realized they had misapplied a seasonal adjustment factor. The ensuing confusion seemed to pervade the rest of the month as mixed economic data did nothing to clear the picture. The non-manufacturing ISM surged to 56.3, the highest level since last August. The employment report showed 217k jobs were created during May while the unemployment rate held steady at 6.3%. The fourth straight month of job creation above 200k finally took U.S. payrolls over their pre-recession peak. Consumers remained cautious as retail sales rose just +0.3% in May, well below the +0.6% median forecast, although an upward revision to April data countered some of that shortfall. Inflation data was mixed as the producer price index (PPI) reversed April's surprising 0.6% jump by falling 0.2%. Consumer prices rose by the most since February 2013 with the consumer price index (CPI) climbing 0.4%. On a year-over-year basis, the core rates of both PPI and CPI are up 2.0%. Better weather and the lowest mortgage rates in over a year boosted housing as existing home sales rose 4.9% to a 4.89 million unit annual pace and new home sales shot up 18.6% to a 504k unit annual rate.

The final revision to Q1 GDP has muddied the waters once again as the economy actually *contracted* by 2.9%. That was the worst reading since the first quarter of 2009 when the economy was mired in recession and, according to Bank of America/Merrill Lynch, "was easily the worst non-recession quarter in modern history." The GDP report has many economists reassessing their 2014 growth estimates. At this point, the economy will struggle to show positive growth in the first half of the year, leaving a lot of ground to make up in the second half. With a flat first half, it will take 4%+ in the second half just to get to 2% for the year. Despite the somewhat conflicting signals coming from economic data, the Fed continues to taper its QE program and current expectations call for rate hikes to begin around the middle of 2015. If those expectations are to be realized, however, we'll need to see a clearer picture of improving trends in employment and the economy at large.

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**For the Quarter Ended**  
**June 30, 2014**

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:**



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Chief Financial Officer

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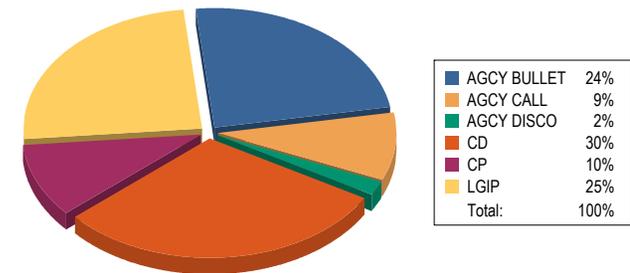
**Account Summary**

**Allocation by Security Type**

Beginning Values as of 03/31/14

Ending Values as of 06/30/14

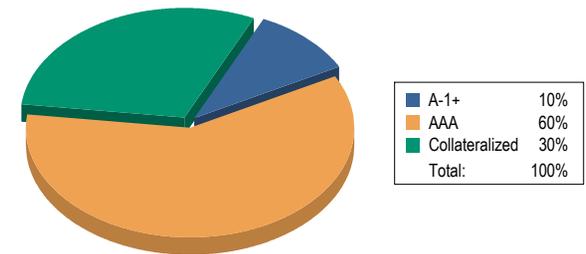
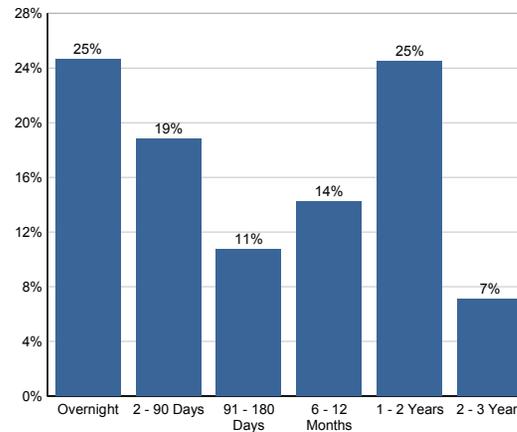
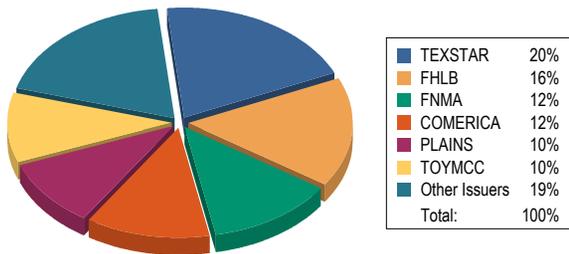
Par Value	105,904,336.73	98,384,008.86
Market Value	106,007,572.43	98,465,253.86
Book Value	105,987,175.05	98,458,211.22
Unrealized Gain / Loss	20,397.38	7,042.64
<b>Market Value %</b>	<b>100.02%</b>	<b>100.01%</b>
Weighted Avg. YTW	0.247%	0.282%
Weighted Avg. YTM	0.247%	0.282%



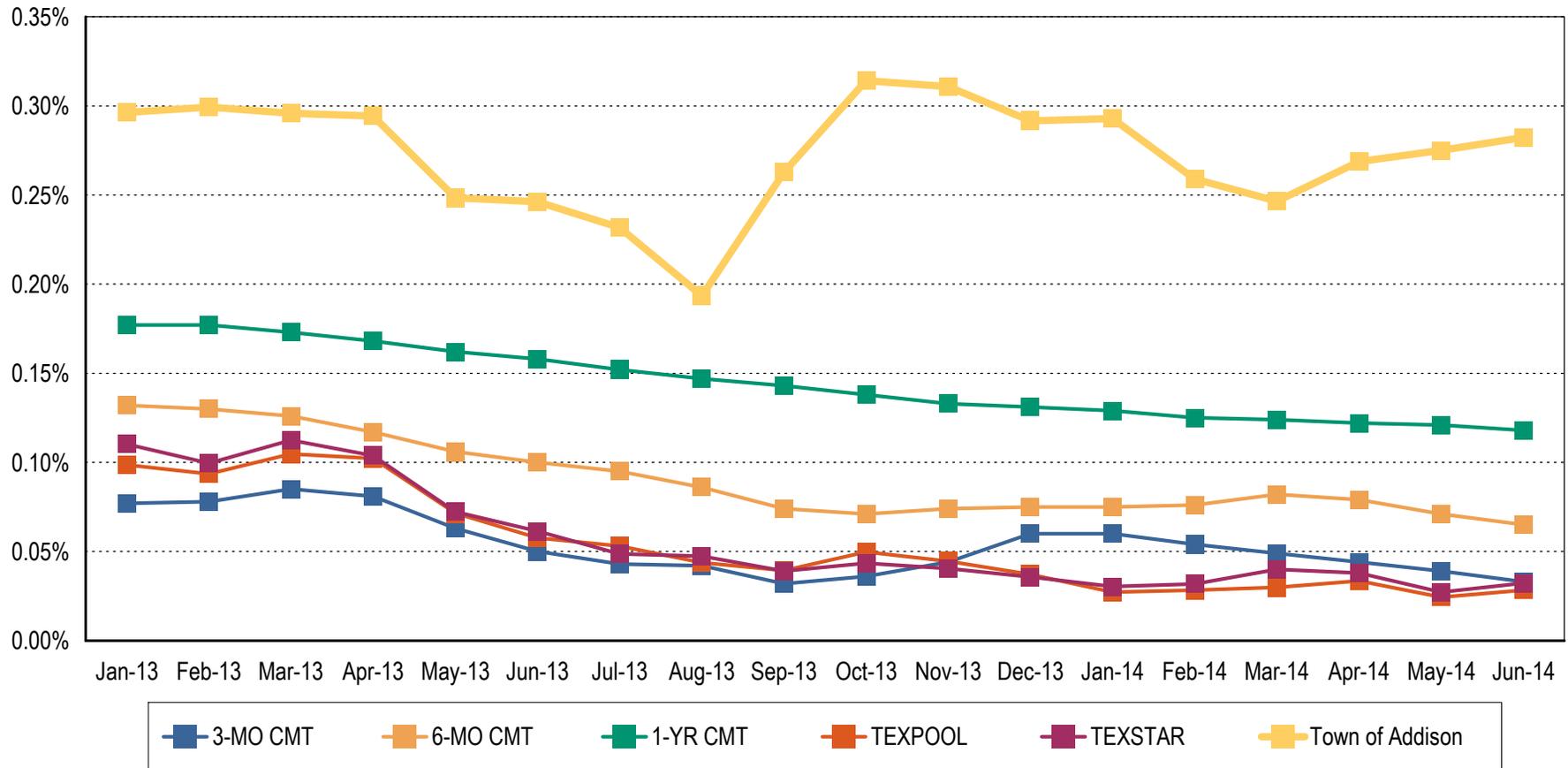
**Allocation by Issuer**

**Maturity Distribution %**

**Credit Quality**



**Weighted Average Days to Maturity: 231**



**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 06/30/2014

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
<b>Pooled Funds</b>																	
TEXPOOL		LGIP	TexPool					4,608,323.54	100.000	4,608,323.54	4,608,323.54	100.000	4,608,323.54	1		0.028	0.028
TEXSTAR		LGIP	TexSTAR					19,652,146.14	100.000	19,652,146.14	19,652,146.14	100.000	19,652,146.14	1		0.032	0.032
89233HGU2	01/27/14	CP - DISC	Toyota Mtr Cr		07/28/14			5,000,000.00	99.894	4,994,691.67	4,999,212.50	99.995	4,999,745.00	28		0.210	0.210
CD-1233	08/22/13	CD	PlainsCapital Bk CD	0.320	08/22/14			10,023,953.34	100.000	10,023,953.34	10,023,953.34	100.000	10,023,953.34	53		0.320	0.320
3134G3YW4	08/28/12	AGCY BULET	FHLMC	0.375	08/28/14			1,500,000.00	100.092	1,501,374.00	1,500,119.04	100.050	1,500,750.00	59		0.329	0.329
313385E44	03/26/14	AGCY DISCO	FHLB		09/03/14			2,000,000.00	99.960	1,999,195.00	1,999,680.00	99.990	1,999,800.00	65		0.090	0.090
CD-2270-1	04/08/13	CD	ViewPoint Bk CD	0.600	10/08/14			2,541,220.11	100.000	2,541,220.11	2,541,220.11	100.000	2,541,220.11	100		0.594	0.594
313382MM2	05/21/14	AGCY BULET	FHLB	0.230	10/15/14			4,000,000.00	100.059	4,002,372.00	4,001,713.12	100.040	4,001,600.00	107		0.082	0.082
3130A03Q1	03/26/14	AGCY BULET	FHLB	0.210	11/07/14			2,000,000.00	100.055	2,001,100.00	2,000,627.26	100.040	2,000,800.00	130		0.120	0.120
CD-6693-1	12/10/12	CD	Comerica Bk CD	0.570	12/19/14			2,017,153.47	100.000	2,017,153.47	2,017,153.47	100.000	2,017,153.47	172		0.570	0.570
CD-3820	01/29/14	CD	Green Bk CD	0.370	01/30/15			5,000,000.00	100.000	5,000,000.00	5,000,000.00	100.000	5,000,000.00	214		0.370	0.370
3130A16W3	03/26/14	AGCY BULET	FHLB	0.125	03/04/15			4,000,000.00	99.955	3,998,220.00	3,998,720.12	99.980	3,999,200.00	247		0.172	0.172
89233HQH0	06/20/14	CP - DISC	Toyota Mtr Cr		03/17/15			5,000,000.00	99.828	4,991,375.00	4,991,726.40	99.805	4,990,250.00	260		0.230	0.230
CD-3620	09/17/13	CD	Comerica Bk CD	0.550	09/17/15			10,041,212.26	100.000	10,041,212.26	10,041,212.26	100.000	10,041,212.26	444		0.550	0.550
3135G0NV1	03/26/14	AGCY BULET	FNMA	0.500	09/28/15			8,000,000.00	100.295	8,023,600.00	8,019,469.92	100.330	8,026,400.00	455		0.303	0.303
31398A4M1	10/07/13	AGCY BULET	FNMA	1.625	10/26/15			4,000,000.00	102.515	4,100,600.00	4,064,751.28	101.710	4,068,400.00	483		0.394	0.394
3133EDK84	04/25/14	AGCY CALL	FFCB	0.390	04/25/16	07/25/14	CONT	2,000,000.00	99.900	1,998,000.00	1,998,182.72	99.780	1,995,600.00	665	25	0.440	0.440
3134G56B6	05/30/14	AGCY CALL	FHLMC	0.580	08/26/16	11/26/14	QRTLY	3,000,000.00	100.000	3,000,000.00	3,000,000.00	99.890	2,996,700.00	788	149	0.580	0.580
3130A1N20	04/28/14	AGCY CALL	FHLB	0.750	10/28/16	07/28/14	QRTLY	4,000,000.00	100.000	4,000,000.00	4,000,000.00	100.050	4,002,000.00	851	28	0.750	0.750
<b>Total for Pooled Funds</b>								<b>98,384,008.86</b>	<b>100.114</b>	<b>98,494,536.53</b>	<b>98,458,211.22</b>	<b>100.084</b>	<b>98,465,253.86</b>	<b>231</b>		<b>0.282</b>	<b>0.282</b>
<b>Total for Town of Addison</b>								<b>98,384,008.86</b>	<b>100.114</b>	<b>98,494,536.53</b>	<b>98,458,211.22</b>	<b>100.084</b>	<b>98,465,253.86</b>	<b>231</b>		<b>0.282</b>	<b>0.282</b>



**Town of Addison**  
**Change in Value**  
 From 03/31/2014 to 06/30/2014

CUSIP	Security Type	Security Description	03/31/14 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	06/30/14 Book Value	03/31/14 Market Value	06/30/14 Market Value	Change in Mkt Value
<b>Pooled Funds</b>											
TEXPOOL	LGIP	TexPool	4,607,992.99	330.55	0.00	0.00	0.00	4,608,323.54	4,607,992.99	4,608,323.54	330.55
TEXSTAR	LGIP	TexSTAR	34,494,220.08	0.00	(14,842,073.94)	0.00	0.00	19,652,146.14	34,494,220.08	19,652,146.14	(14,842,073.94)
89233HFD1	CP - DISC	Toyota Mtr Cr 0.000 06/13/14	4,997,363.90	0.00	(5,000,000.00)	2,636.10	0.00	0.00	4,999,340.00	0.00	(4,999,340.00)
89233HGU2	CP - DISC	Toyota Mtr Cr 0.000 07/28/14	4,996,558.35	0.00	0.00	2,654.15	0.00	4,999,212.50	4,997,025.00	4,999,745.00	2,720.00
CD-1233	CD	PlainsCapital Bk CD 0.320 08/22/14	10,016,138.01	7,815.33	0.00	0.00	0.00	10,023,953.34	10,016,138.01	10,023,953.34	7,815.33
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	1,500,306.99	0.00	0.00	(187.95)	0.00	1,500,119.04	1,500,600.00	1,500,750.00	150.00
313385E44	AGCY DISCO	FHLB 0.000 09/03/14	1,999,225.00	0.00	0.00	455.00	0.00	1,999,680.00	1,999,600.00	1,999,800.00	200.00
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	2,537,422.50	3,797.61	0.00	0.00	0.00	2,541,220.11	2,537,422.50	2,541,220.11	3,797.61
313382MM2	AGCY BULET	FHLB 0.230 10/15/14	0.00	4,002,372.00	0.00	(658.88)	0.00	4,001,713.12	0.00	4,001,600.00	4,001,600.00
3130A03Q1	AGCY BULET	FHLB 0.210 11/07/14	2,001,075.14	0.00	0.00	(447.88)	0.00	2,000,627.26	2,001,200.00	2,000,800.00	(400.00)
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	2,014,258.18	2,895.29	0.00	0.00	0.00	2,017,153.47	2,014,258.18	2,017,153.47	2,895.29
CD-3820	CD	Green Bk CD 0.370 01/30/15	5,000,000.00	0.00	0.00	0.00	0.00	5,000,000.00	5,000,000.00	5,000,000.00	0.00
3130A16W3	AGCY BULET	FHLB 0.125 03/04/15	3,998,246.32	0.00	0.00	473.80	0.00	3,998,720.12	3,998,000.00	3,999,200.00	1,200.00
89233HQH0	CP - DISC	Toyota Mtr Cr 0.000 03/17/15	0.00	4,991,375.00	0.00	351.40	0.00	4,991,726.40	0.00	4,990,250.00	4,990,250.00
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	10,027,304.97	13,907.29	0.00	0.00	0.00	10,041,212.26	10,027,304.97	10,041,212.26	13,907.29
3135G0NV1	AGCY BULET	FNMA 0.500 09/28/15	8,023,382.88	0.00	0.00	(3,912.96)	0.00	8,019,469.92	8,028,800.00	8,026,400.00	(2,400.00)
31398A4M1	AGCY BULET	FNMA 1.625 10/26/15	4,076,985.88	0.00	0.00	(12,234.60)	0.00	4,064,751.28	4,082,000.00	4,068,400.00	(13,600.00)
3135G0TT0	AGCY CALL	FNMA 0.500 01/29/16	2,707,000.00	0.00	(2,707,000.00)	0.00	0.00	0.00	2,707,270.70	0.00	(2,707,270.70)
3133EDK84	AGCY CALL	FFCB 0.390 04/25/16	0.00	1,998,000.00	0.00	182.72	0.00	1,998,182.72	0.00	1,995,600.00	1,995,600.00
3135G0XU2	AGCY CALL	FNMA 0.520 05/27/16	2,989,693.86	0.00	(3,000,000.00)	10,306.14	0.00	0.00	2,996,400.00	0.00	(2,996,400.00)
3134G56B6	AGCY CALL	FHLMC 0.580 08/26/16	0.00	3,000,000.00	0.00	0.00	0.00	3,000,000.00	0.00	2,996,700.00	2,996,700.00
3130A1N20	AGCY CALL	FHLB 0.750 10/28/16	0.00	4,000,000.00	0.00	0.00	0.00	4,000,000.00	0.00	4,002,000.00	4,002,000.00
<b>Total for Pooled Funds</b>			<b>105,987,175.05</b>	<b>18,020,493.07</b>	<b>(25,549,073.94)</b>	<b>(382.96)</b>	<b>0.00</b>	<b>98,458,211.22</b>	<b>106,007,572.43</b>	<b>98,465,253.86</b>	<b>(7,542,318.57)</b>
<b>Total for Town of Addison</b>			<b>105,987,175.05</b>	<b>18,020,493.07</b>	<b>(25,549,073.94)</b>	<b>(382.96)</b>	<b>0.00</b>	<b>98,458,211.22</b>	<b>106,007,572.43</b>	<b>98,465,253.86</b>	<b>(7,542,318.57)</b>



**Town of Addison**  
**Earned Income**  
 From 03/31/2014 to 06/30/2014

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>Pooled Funds</b>									
TEXPOOL	LGIP	TexPool	0.00	330.55	330.55	0.00	0.00	0.00	330.55
TEXSTAR	LGIP	TexSTAR	0.00	2,328.29	2,328.29	0.00	0.00	0.00	2,328.29
89233HFD1	CP - DISC	Toyota Mtr Cr 0.000 06/13/14	0.00	0.00	0.00	0.00	0.00	2,636.10	2,636.10
89233HGU2	CP - DISC	Toyota Mtr Cr 0.000 07/28/14	0.00	0.00	0.00	0.00	0.00	2,654.15	2,654.15
CD-1233	CD	PlainsCapital Bk CD 0.320 08/22/14	3,336.88	7,993.70	7,815.33	0.00	3,515.25	0.00	7,993.70
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	484.38	1,406.25	0.00	0.00	1,890.63	(187.95)	1,218.30
313385E44	AGCY DISCO	FHLB 0.000 09/03/14	0.00	0.00	0.00	0.00	0.00	455.00	455.00
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	41.71	3,797.67	3,797.61	0.00	41.77	0.00	3,797.67
313382MM2	AGCY BULET	FHLB 0.230 10/15/14	0.00	1,022.22	0.00	(920.00)	1,942.22	(658.88)	363.34
3130A03Q1	AGCY BULET	FHLB 0.210 11/07/14	1,680.00	1,050.00	2,100.00	0.00	630.00	(447.88)	602.12
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	408.92	2,864.38	2,895.29	0.00	378.01	0.00	2,864.38
CD-3820	CD	Green Bk CD 0.370 01/30/15	3,091.78	4,612.33	4,561.64	0.00	3,142.47	0.00	4,612.33
3130A16W3	AGCY BULET	FHLB 0.125 03/04/15	375.00	1,250.00	0.00	0.00	1,625.00	473.80	1,723.80
89233HQH0	CP - DISC	Toyota Mtr Cr 0.000 03/17/15	0.00	0.00	0.00	0.00	0.00	351.40	351.40
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	2,266.45	13,759.12	13,907.29	0.00	2,118.28	0.00	13,759.12
3135G0NV1	AGCY BULET	FNMA 0.500 09/28/15	333.33	10,000.00	0.00	0.00	10,333.33	(3,912.96)	6,087.04
31398A4M1	AGCY BULET	FNMA 1.625 10/26/15	27,986.11	16,250.00	32,500.00	0.00	11,736.11	(12,234.60)	4,015.40
3135G0TT0	AGCY CALL	FNMA 0.500 01/29/16	2,331.03	1,052.72	3,383.75	0.00	0.00	0.00	1,052.72
3133EDK84	AGCY CALL	FFCB 0.390 04/25/16	0.00	1,430.00	0.00	0.00	1,430.00	182.72	1,612.72
3135G0XU2	AGCY CALL	FNMA 0.520 05/27/16	5,373.33	2,426.67	7,800.00	0.00	0.00	10,306.14	12,732.81
3134G56B6	AGCY CALL	FHLMC 0.580 08/26/16	0.00	1,498.33	0.00	0.00	1,498.33	0.00	1,498.33
3130A1N20	AGCY CALL	FHLB 0.750 10/28/16	0.00	5,250.00	0.00	0.00	5,250.00	0.00	5,250.00
<b>Total for Pooled Funds</b>			<b>47,708.92</b>	<b>78,322.23</b>	<b>81,419.75</b>	<b>(920.00)</b>	<b>45,531.40</b>	<b>(382.96)</b>	<b>77,939.27</b>
<b>Total for Town of Addison</b>			<b>47,708.92</b>	<b>78,322.23</b>	<b>81,419.75</b>	<b>(920.00)</b>	<b>45,531.40</b>	<b>(382.96)</b>	<b>77,939.27</b>



**Town of Addison**  
**Investment Transactions**  
 From 04/01/2014 to 06/30/2014

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
<b>Pooled Funds</b>															
<b>Calls</b>															
04/23/14	04/29/14	3135G0TT0	AGCY CALL	FNMA	0.500	01/29/16	04/29/14	2,707,000.00	100.000	2,707,000.00	3,383.75	2,710,383.75		0.500	
05/26/14	05/27/14	3135G0XU2	AGCY CALL	FNMA	0.520	05/27/16	05/27/14	3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.681	0.520
<b>Total for: Calls</b>								<b>5,707,000.00</b>		<b>5,707,000.00</b>	<b>3,383.75</b>	<b>5,710,383.75</b>		<b>0.595</b>	<b>0.273</b>
<b>Maturities</b>															
06/13/14	06/13/14	89233HFD1	CP - DISC	Toyota Mtr Cr		06/13/14		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		0.261	
<b>Total for: Maturities</b>								<b>5,000,000.00</b>		<b>5,000,000.00</b>	<b>0.00</b>	<b>5,000,000.00</b>		<b>0.261</b>	
<b>Purchases</b>															
04/16/14	04/28/14	3130A1N20	AGCY CALL	FHLB	0.750	10/28/16	07/28/14	4,000,000.00	100.000	4,000,000.00	0.00	4,000,000.00		0.750	0.750
04/16/14	04/25/14	3133EDK84	AGCY CALL	FFCB	0.390	04/25/16	07/25/14	2,000,000.00	99.900	1,998,000.00	0.00	1,998,000.00		0.440	0.440
05/20/14	05/30/14	3134G56B6	AGCY CALL	FHLMC	0.580	08/26/16	11/26/14	3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.580	0.580
05/20/14	05/21/14	313382MM2	AGCY BULET	FHLB	0.230	10/15/14		4,000,000.00	100.059	4,002,372.00	920.00	4,003,292.00		0.082	0.082
06/19/14	06/20/14	89233HQH0	CP - DISC	Toyota Mtr Cr		03/17/15		5,000,000.00	99.828	4,991,375.00	0.00	4,991,375.00		0.230	0.230
<b>Total for: Purchases</b>								<b>18,000,000.00</b>		<b>17,991,747.00</b>	<b>920.00</b>	<b>17,992,667.00</b>		<b>0.394</b>	<b>0.394</b>
<b>Income Payments</b>															
04/08/14	04/19/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14				0.00	975.12	975.12			
04/17/14	04/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15				0.00	4,683.99	4,683.99			
04/27/14	04/26/14	31398A4M1	AGCY BULET	FNMA	1.625	10/26/15				0.00	32,500.00	32,500.00			
04/30/14	04/30/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14				0.00	1,251.33	1,251.33			
04/30/14	04/30/14	CD-3820	CD	Green Bk CD	0.370	01/30/15				0.00	4,561.64	4,561.64			
05/07/14	05/07/14	3130A03Q1	AGCY BULET	FHLB	0.210	11/07/14				0.00	2,100.00	2,100.00			
05/08/14	05/19/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14				0.00	944.12	944.12			
05/17/14	05/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15				0.00	4,535.01	4,535.01			
05/22/14	05/22/14	CD-1233	CD	PlainsCapital Bk CD	0.320	08/22/14				0.00	7,815.33	7,815.33			
05/27/14	05/27/14	3135G0XU2	AGCY CALL	FNMA	0.520	05/27/16				0.00	7,800.00	7,800.00			
05/31/14	05/31/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14				0.00	1,293.69	1,293.69			
06/08/14	06/19/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14				0.00	976.05	976.05			



**Town of Addison**  
**Investment Transactions**  
 From 04/01/2014 to 06/30/2014

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
<b>Pooled Funds</b>															
<b>Income Payments</b>															
06/17/14	06/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15				0.00	4,688.29	4,688.29			
06/30/14	06/30/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14				0.00	1,252.59	1,252.59			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>75,377.16</b>	<b>75,377.16</b>			
<b>Capitalized Interest</b>															
04/08/14	04/08/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14		975.12	100.000	975.12	0.00	975.12			
04/17/14	04/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15		4,683.99	100.000	4,683.99	0.00	4,683.99			
04/30/14	04/30/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14		1,251.33	100.000	1,251.33	0.00	1,251.33			
05/08/14	05/08/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14		944.12	100.000	944.12	0.00	944.12			
05/17/14	05/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15		4,535.01	100.000	4,535.01	0.00	4,535.01			
05/22/14	05/22/14	CD-1233	CD	PlainsCapital Bk CD	0.320	08/22/14		7,815.33	100.000	7,815.33	0.00	7,815.33			
05/31/14	05/31/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14		1,293.69	100.000	1,293.69	0.00	1,293.69			
06/08/14	06/08/14	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14		976.05	100.000	976.05	0.00	976.05			
06/17/14	06/17/14	CD-3620	CD	Comerica Bk CD	0.550	09/17/15		4,688.29	100.000	4,688.29	0.00	4,688.29			
06/30/14	06/30/14	CD-2270-1	CD	ViewPoint Bk CD	0.600	10/08/14		1,252.59	100.000	1,252.59	0.00	1,252.59			
<b>Total for: Capitalized Interest</b>								<b>28,415.52</b>	<b>28,415.52</b>	<b>0.00</b>	<b>28,415.52</b>				



**Town of Addison**  
**Investment Transactions**  
 From 04/01/2014 to 06/30/2014

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 Calls	5,707,000.00	5,710,383.75		0.595	0.273
Total Maturities	5,000,000.00	5,000,000.00		0.261	
Total Purchases	18,000,000.00	17,992,667.00		0.394	0.394
Total Income Payments	0.00	75,377.16			
Total Capitalized Interest	28,415.52	28,415.52			



**Town of Addison**  
**Amortization and Accretion**  
 From 03/31/2014 to 06/30/2014

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
<b>Pooled Funds</b>											
89233HFD1	09/16/13	CP - DISC	Toyota Mtr Cr 0.000 06/13/14		0.00	99.805	0.00	2,636.10	0.00	0.00	0.00
89233HGU2	01/27/14	CP - DISC	Toyota Mtr Cr 0.000 07/28/14		5,000,000.00	99.894	4,994,691.67	2,654.15	4,520.83	787.50	4,999,212.50
CD-1233	08/22/13	CD	PlainsCapital Bk CD 0.320 08/22/14		10,023,953.34	100.000	10,023,953.34	0.00	0.00	0.00	10,023,953.34
3134G3YW4	08/28/12	AGCY BULET	FHLMC 0.375 08/28/14		1,500,000.00	100.092	1,501,374.00	(187.95)	(1,254.96)	(119.04)	1,500,119.04
313385E44	03/26/14	AGCY DISCO	FHLB 0.000 09/03/14		2,000,000.00	99.960	1,999,195.00	455.00	485.00	320.00	1,999,680.00
CD-2270-1	04/08/13	CD	ViewPoint Bk CD 0.600 10/08/14		2,541,220.11	100.000	2,541,220.11	0.00	0.00	0.00	2,541,220.11
313382MM2	05/21/14	AGCY BULET	FHLB 0.230 10/15/14		4,000,000.00	100.059	4,002,372.00	(658.88)	(658.88)	(1,713.12)	4,001,713.12
3130A03Q1	03/26/14	AGCY BULET	FHLB 0.210 11/07/14		2,000,000.00	100.055	2,001,100.00	(447.88)	(472.74)	(627.26)	2,000,627.26
CD-6693-1	12/10/12	CD	Comerica Bk CD 0.570 12/19/14		2,017,153.47	100.000	2,017,153.47	0.00	0.00	0.00	2,017,153.47
CD-3820	01/29/14	CD	Green Bk CD 0.370 01/30/15		5,000,000.00	100.000	5,000,000.00	0.00	0.00	0.00	5,000,000.00
3130A16W3	03/26/14	AGCY BULET	FHLB 0.125 03/04/15		4,000,000.00	99.955	3,998,220.00	473.80	500.12	1,279.88	3,998,720.12
89233HQH0	06/20/14	CP - DISC	Toyota Mtr Cr 0.000 03/17/15		5,000,000.00	99.828	4,991,375.00	351.40	351.40	8,273.60	4,991,726.40
CD-3620	09/17/13	CD	Comerica Bk CD 0.550 09/17/15		10,041,212.26	100.000	10,041,212.26	0.00	0.00	0.00	10,041,212.26
3135G0NV1	03/26/14	AGCY BULET	FNMA 0.500 09/28/15		8,000,000.00	100.295	8,023,600.00	(3,912.96)	(4,130.08)	(19,469.92)	8,019,469.92
31398A4M1	10/07/13	AGCY BULET	FNMA 1.625 10/26/15		4,000,000.00	102.515	4,100,600.00	(12,234.60)	(35,848.72)	(64,751.28)	4,064,751.28
3135G0TTO	01/29/13	AGCY CALL	FNMA 0.500 01/29/16		0.00	100.000	0.00	0.00	0.00	0.00	0.00
3133EDK84	04/25/14	AGCY CALL	FFCB 0.390 04/25/16	07/25/14	2,000,000.00	99.900	1,998,000.00	182.72	182.72	1,817.28	1,998,182.72
3135G0XU2	10/07/13	AGCY CALL	FNMA 0.520 05/27/16	05/27/14	0.00	99.580	0.00	10,306.14	0.00	0.00	0.00
3134G56B6	05/30/14	AGCY CALL	FHLMC 0.580 08/26/16	11/26/14	3,000,000.00	100.000	3,000,000.00	0.00	0.00	0.00	3,000,000.00
3130A1N20	04/28/14	AGCY CALL	FHLB 0.750 10/28/16		4,000,000.00	100.000	4,000,000.00	0.00	0.00	0.00	4,000,000.00
<b>Total for Pooled Funds</b>					<b>74,123,539.18</b>		<b>74,234,066.85</b>	<b>(382.96)</b>	<b>(36,325.31)</b>	<b>(74,202.36)</b>	<b>74,197,741.54</b>
<b>Total for Town of Addison</b>					<b>74,123,539.18</b>		<b>74,234,066.85</b>	<b>(382.96)</b>	<b>(36,325.31)</b>	<b>(74,202.36)</b>	<b>74,197,741.54</b>



**Town of Addison**  
**Projected Cash Flows**  
*Cash Flows for next 180 days from 06/30/2014*

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
<b>Pooled Funds</b>						
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	07/17/14	4,537.05	0.00	4,537.05
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	07/19/14	944.56	0.00	944.56
89233HGU2	CP - DISC	Toyota Mtr Cr 0.000 07/28/14	07/28/14	0.00	5,000,000.00	5,000,000.00
CD-3820	CD	Green Bk CD 0.370 01/30/15	07/30/14	4,612.32	0.00	4,612.32
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	07/31/14	1,294.33	0.00	1,294.33
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	08/17/14	4,688.29	0.00	4,688.29
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	08/19/14	976.05	0.00	976.05
CD-1233	CD	PlainsCapital Bk CD 0.320 08/22/14	08/22/14	8,019.16	10,023,953.34	10,031,972.50
3134G56B6	AGCY CALL	FHLMC 0.580 08/26/16	08/26/14	4,156.66	0.00	4,156.66
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	08/28/14	2,812.50	1,500,000.00	1,502,812.50
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	08/31/14	1,294.33	0.00	1,294.33
313385E44	AGCY DISCO	FHLB 0.000 09/03/14	09/03/14	0.00	2,000,000.00	2,000,000.00
3130A16W3	AGCY BULET	FHLB 0.125 03/04/15	09/04/14	2,500.00	0.00	2,500.00
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	09/17/14	4,688.29	0.00	4,688.29
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	09/19/14	976.05	0.00	976.05
3135G0NV1	AGCY BULET	FNMA 0.500 09/28/15	09/28/14	20,000.00	0.00	20,000.00
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	09/30/14	1,252.58	0.00	1,252.58
CD-2270-1	CD	ViewPoint Bk CD 0.600 10/08/14	10/08/14	87.85	2,539,967.52	2,540,055.37
313382MM2	AGCY BULET	FHLB 0.230 10/15/14	10/15/14	4,600.00	4,000,000.00	4,004,600.00
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	10/17/14	4,537.05	0.00	4,537.05
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	10/19/14	944.56	0.00	944.56
3133EDK84	AGCY CALL	FFCB 0.390 04/25/16	10/25/14	3,900.00	0.00	3,900.00
31398A4M1	AGCY BULET	FNMA 1.625 10/26/15	10/26/14	32,500.00	0.00	32,500.00
3130A1N20	AGCY CALL	FHLB 0.750 10/28/16	10/28/14	15,000.00	0.00	15,000.00
CD-3820	CD	Green Bk CD 0.370 01/30/15	10/30/14	4,663.01	0.00	4,663.01
3130A03Q1	AGCY BULET	FHLB 0.210 11/07/14	11/07/14	2,100.00	2,000,000.00	2,002,100.00
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	11/17/14	4,688.29	0.00	4,688.29
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	11/19/14	976.05	0.00	976.05
CD-3620	CD	Comerica Bk CD 0.550 09/17/15	12/17/14	4,537.05	0.00	4,537.05
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	12/19/14	944.56	2,016,177.42	2,017,121.98
<b>Total for Pooled Funds</b>				<b>142,230.59</b>	<b>29,080,098.28</b>	<b>29,222,328.87</b>



**Town of Addison**  
**Projected Cash Flows**  
*Cash Flows for next 180 days from 06/30/2014*

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
<b>Total for All Portfolios</b>						
			July 2014	11,388.26	5,000,000.00	5,011,388.26
			August 2014	21,946.99	11,523,953.34	11,545,900.33
			September 2014	29,416.92	2,000,000.00	2,029,416.92
			October 2014	66,232.47	6,539,967.52	6,606,199.99
			November 2014	7,764.34	2,000,000.00	2,007,764.34
			December 2014	5,481.61	2,016,177.42	2,021,659.03
<b>Total Projected Cash Flows for Town of Addison</b>				<b>142,230.59</b>	<b>29,080,098.28</b>	<b>29,222,328.87</b>



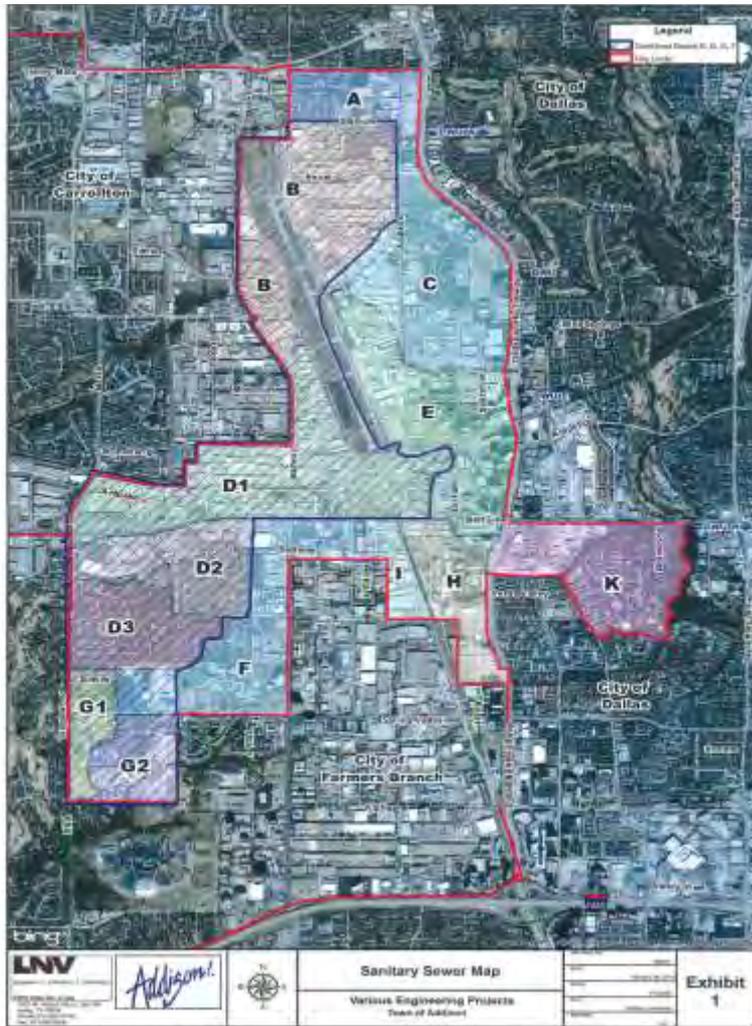
**Capital Projects**

**Update**

August 12, 2014



# Wastewater System Evaluation and Assessment



- System evaluation survey
- Inspection of manholes complete; analysis in progress
- Vapor testing Basins A and C end of August
- Door hangars will be distributed 2-3 days prior to testing to all affected residents and businesses
- Year 2 budget - \$320,633
  - To date: \$56,938.90
  - Remaining: \$263,695.10



# Belt Line Road – Utilities Conversion

Marsh Lane to Tollway



- Undergrounding of aerial utilities – electrical and telecom
- John Burns Construction low bidder: \$8,820,802
- Construction Geotechnical – Alliance Geotechnical Group: \$60,834
- Design - \$2,411,952;
  - To date: \$1,831,974
  - Remaining: \$579,978
- Public meeting held August 4, 2014
- Re-award contracts – August 12, 2014
- Re-engage contractors
- Develop schedule to begin



# Vitruvian Phase IV

- Connection from Vitruvian to Brookhaven College
- Bella Road to Alpha Road in Farmers Branch
- Waiting on final alignment approval from Brookhaven College
- Budget: \$1,775,597
  - Design: \$301,000
  - Spent to date: \$99,274.76
  - Remaining: \$201,725.24





# Water System Assessment & Evaluation

- Existing system assessment
- Develop CIP projects and O&M practices
- Field work 90% complete
- Used to build GIS map and water model
- Budget: \$386,500
  - To date: \$37,000
  - Remaining: \$349,500





# Pond De-Silting Projects

## Les Lacs Pond:

- No desilting needed
- Water quality testing underway – continue until fall
- Once complete, BMPs to improve quality will be recommended



## Winnwood Pond:

- 60% design plans submitted; now in review by staff
- USCAE permit required for de-silting work
- Late spring start to avoid wetter weather
- Design budget - \$147,496
  - To date: \$101,326.79
  - Remaining: \$46,169.21





# Brookhaven Trail Connection

- July 22, 2014 Ribbon cutting ceremony
- Trail complete
- Project cost: \$2,226,000
  - Dallas County holds construction contract
  - On budget
- Dallas County commitment: \$1,050,000
- Town contribution: \$1,176,000 through NCTCOG grant
- Retainage amount to be returned to Addison: \$227,351





# Water Storage Tank Evaluation

- Tank Inspection Complete
- Final Report with CIP and cost estimates received
- Addison EST structural improvements included in proposed FY15 budget
- Contract amount:
  - \$93,461
- To date:
  - \$88,787.95
- Remaining:
  - \$4,673.05





# Midway Road Street Reconstruction



- 2012 Bond Project: Midway Road, Spring Valley to Keller Springs
- Paving reconstruction, drainage, lighting and landscaping improvements.
- Final scope and fee formulation for design underway
- \$16 million bonds approved
- Project Management Cost: \$543,816
  - Spent to date: \$35,816.16
  - Remaining: \$507,999.84
- Design contract amount: TBD
  - Spent to date:
  - Remaining:





# EMAS – Engineered Materials Arrestor System

- Construction began - April 14, 2014
- Completed the culvert installation under the eastbound Lindbergh Drive
- Began culvert installation under the westbound Lindbergh Drive
- Began demolition for the drainage behind the localizer antenna.
- Began grading operations for the detention areas south of the aircraft holding bay.
- Contract: \$2,511,110
  - To date: \$1,008,531
  - Remaining: \$1,502,579





# Airport Master Plan



- Airport Master Plan Update
- Revisions to property map complete
- Facility requirements complete
- Lease review and progress
- Development standards recommendations in process
  
- Plan completion expected March, 2015
  
- Contract amount \$239,000
  - To date: \$94,543.24
  - Remaining: \$144,456.76
  
- Administered by TxDOT Aviation





# Pedestrian Connectivity Project

## North & South Quorum



- Master Plan for North and South Quorum was presented to Town Council February 11<sup>th</sup>, 2014.
- The proposed master plan includes:
  - Public Art
  - Enhanced Lighting
  - Widened Sidewalks
  - Strategic Way-finding
  - Outdoor Seating Areas and Bus Stop Plazas
- South Quorum
  - Construction documents for the lighting in South Quorum have been approved by council and will be complete in Summer 2014 with bidding and construction to follow.



# Pedestrian Connectivity Project

## Beltway/Proton



- The pedestrian connectivity project for Beltway/Proton has been divided into three projects.
- Phase 1 – Trail extension from Fire Station 2 to Arapaho Road:
  - Construction documents will be completed in Spring 2014 with bidding and construction to follow.
- Phase 2 – Enhanced Lighting along Beltway and Proton Drives:
  - Construction Documents to begin following Phase 1
- Phase 3 – Pedestrian Enhancements along Beltway (Addison Athletic Club and East Beltway):
  - Construction Documents have begun with an anticipated completion date of Winter 2014. Bidding and construction to follow.



# Facilities & Fleet Rebranding

- Fleet vehicles - 58
- Flags
- Facility Entry Mats
- ACTC - Daktronics Sign





# CASA Radar System

## Collaborative **A**daptive **S**ensing of the **A**tmosphere



- Sept. 26, 2013 Town received notice to proceed.
- Feb. 11, 2014 – Radar Installed Addison Service Center.
- April 1, 2014 – Calibration & Testing completed - Online
- Project Budget - \$45,000
- Project Cost - \$25,250





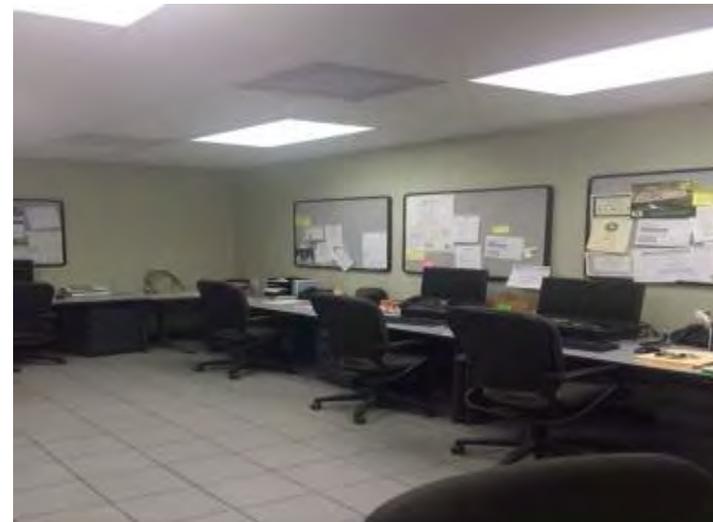
# Information Technology Server Room And Parks Office Relocation

Service Center



Server Room

- Provide greater security and protection for the IT Network & Telecom Infrastructure
- Project Timeline – 1/20/14 – 3/7/14
- Project Budget \$100,000
- Project Cost \$ 94,381



Parks Office



# Service Center Emergency Generator Replacement

- Provides emergency back up power to the Service Center facility
- Critical for:
  - IT/ Telecom Network
  - SCADA System
  - Fleet Operations
- Project Budget - \$60,000
- Project Cost - \$40,170



2014 Generator



1984 Generator



# Fire Station No. 2

## Bathroom Plumbing Repairs & Renovation



- Reconfiguration of old plumbing lines/ piping to improve water flow service
- Updated 31 year old bathroom fixtures
- Project Budget - \$42,000
- Project Cost - \$24,770.25





**Questions?**

**Combined Meeting**

**R13**

**Meeting Date:** 08/12/2014

**Council Goals:** Mindful stewardship of Town Resources.

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**AGENDA CAPTION:**

Presentation, discussion, consider and take action approving an ordinance amending the Town's Annual budget for the fiscal year ending September 30, 2014.

**FINANCIAL IMPACT:**

There is no direct financial impact associated with this item. Details of the amendments are presented in the attached materials. Below is a summary of the changes in total revenues, expenditures, and fund balance.

	<b>Original</b>	<b>Amended</b>
Total Revenues	\$64,335,492	\$65,469,837
Decreases in Fund Balance	\$34,227,168	\$33,695,118
Total Appropriations	\$98,562,660	\$99,164,955

**BACKGROUND:**

The annual budget is a blueprint of how financial resources are expected to be received and appropriated throughout the fiscal year. Inevitably, as the fiscal year progresses, variances of the budget occur in the various categories of revenue and expenditures. Each year, Finance staff reviews the budget to determine which items should be recognized with formal budget amendments. Although variances occur in almost every financial line item that the Town maintains, budget amendments are presented to Council for only a few major categories using the following primary criteria:

- o Appropriations for major cost centers (departments) will be exceeded. Excess expenditures in one category are usually absorbed within the existing operating budget via transfers of surpluses in other categories. However, if the excess expenditures are so large that they cannot be absorbed by the existing operating budget, the total department budget will be exceeded, and these items must be addressed with a budget amendment.
- o Revenues are significantly less than budgeted. A material shortage in a particular category may impact the ability to fund certain programs or

significantly reduce fund balance.

In other words, amendments address variances that substantively impact the Town's planned budget, due to unforeseen expenditures and unexpected revenues.

Many of the expenditure amendments to the FY2013-14 budget can be traced back to Council articulated initiatives. For example:

- o Amendments related to Addison's Rebranding efforts reflect Council's desire to protect and enhance the Addison Brand.
- o The amendments that recognize construction and rental related to moving the Economic Development Department to the Tree House location are part of Council's desire to both develop the next Great Idea and enhance our unique culture of creativity and innovation by bringing cutting-edge entrepreneurs together under one roof in Addison. Additionally, it reflects the effort to explore new revenue sources by developing Addison into a preferred destination for innovative entrepreneurs and businesses.
- o Internal Audit expenditure amendments are pursuant to Council's desire to rebalance and "right-size" staffing in order to operate effectively and efficiently. This process also promotes continued fiscal transparency.

In addition to pursuing Council initiatives and interests, budget amendments also recognize a change in expected annual revenues. Notable revenue changes include:

- o A decrease in Special Event Revenues. This item is attributable to an expected drop in revenues during the remaking of Taste Addison into the specialty culinary event of Fork & cork. The re-imagining of this event better reflects the roots of Taste as a specialty culinary event designed to maintain and enhance Addison's unique culture of imaginative creativity and innovation.
- o An increase over expected sales tax revenues. Although a portion of this increase is due to the ebb and flow of the business cycle, it also reflects an achievement of Council's expectation that Addison become a destination city due to creating "raving fans" of the Addison experience.

## **RECOMMENDATION:**

It is recommended that Council approve the attached ordinance amending the Town's annual budget for the fiscal year ending September 30, 2014.

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### **Attachments**

FY14 Budget Amendments  
Ordinance Amending Budget

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# **TOWN OF ADDISON**

## **CITY COUNCIL AMENDED FISCAL YEAR 2013 – 2014 ANNUAL BUDGET**

**Presented for Adoption by Ordinance  
August 12, 2014**



**TOWN OF ADDISON**  
CITY COUNCIL AMENDED BUDGET  
FOR THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2014

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Other Special Revenue Fund Statements	Exhibits B-4 to B-9
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**TOWN OF ADDISON**  
**COMBINED SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ALL FUNDS SUBJECT TO APPROPRIATION**  
*Amendments to the 2013-2014 Annual Budget With Comparisons to Adopted 2013-2014 Annual Budget*

	Special Revenue Funds										Capital Proj. Fund			Proprietary Funds			TOTAL	
	General Fund	Hotel	Economic Development	Combined Grants	Combined Other	Combined Debt Service	Combined Bonds	Airport	Utility	Stormwater	Combined Replacement	Amended	Original	2013-14 % of Total				
												2013-14	2013-14					
<b>BEGINNING BALANCES</b>	\$ 13,979,398	\$ 1,313,869	\$ 664,401	\$ 10,810	\$ 285,979	\$ 1,863,236	\$ 41,699,251	\$ 4,788,684	\$ 3,802,325	\$ 8,843,198	\$ 6,347,451	\$ 83,598,602	\$ 80,358,599					
<b>REVENUES:</b>																		
Ad valorem tax	11,624,270	-	793,400	-	-	7,386,660	-	-	-	-	-	19,804,330	19,804,330	30.2%				
Non-property taxes	14,385,000	4,972,495	-	-	-	-	-	-	-	-	-	19,357,495	17,957,495	29.6%				
Franchise fees	2,655,641	-	-	-	-	-	-	-	-	-	-	2,655,641	2,627,000	4.1%				
Licenses and permits	740,000	-	-	-	-	-	-	-	-	-	-	740,000	740,000	1.1%				
Intergovernmental	-	-	-	-	-	-	50,000	-	-	-	-	50,000	50,000	0.1%				
Service fees	1,443,500	1,428,204	80,000	-	-	-	777,140	10,098,730	1,552,000	1,472,000	16,851,574	17,240,870	25.7%					
Fines and penalties	1,000,000	-	-	-	40,000	-	-	151,116	-	-	1,191,116	1,191,116	1.8%					
Rental income	220,000	939,600	-	-	-	-	3,587,690	-	-	-	4,747,290	4,697,290	7.3%					
Interest & other income	104,000	10,000	1,500	-	10,400	9,500	2,500	5,000	(110,510)	5,000	35,000	72,390	27,390	0.1%				
<b>TOTAL REVENUES</b>	<b>32,172,411</b>	<b>7,350,299</b>	<b>874,900</b>	<b>-</b>	<b>50,400</b>	<b>7,396,160</b>	<b>2,500</b>	<b>4,419,830</b>	<b>10,139,336</b>	<b>1,557,000</b>	<b>1,507,000</b>	<b>65,469,837</b>	<b>64,335,492</b>	<b>100%</b>				
Transfers from other funds	-	-	-	-	-	570,000	-	-	-	-	-	570,000	570,000					
Bond Proceeds	-	-	-	-	-	-	-	-	7,500,000	-	-	7,500,000	7,500,000					
<b>TOTAL AVAILABLE RESOURCES</b>	<b>46,151,809</b>	<b>8,664,168</b>	<b>1,539,301</b>	<b>10,810</b>	<b>336,379</b>	<b>9,829,396</b>	<b>41,701,751</b>	<b>9,208,514</b>	<b>21,441,661</b>	<b>10,400,198</b>	<b>7,854,451</b>	<b>157,138,439</b>	<b>152,764,091</b>					
<b>EXPENDITURES:</b>																		
General Government	7,557,830	-	-	-	63,500	-	-	-	-	-	2,271,000	9,892,330	9,803,730	9.3%				
Public Safety	16,103,956	-	-	-	24,000	-	-	-	-	-	818,650	16,946,606	16,941,138	15.9%				
Urban Development	1,030,147	-	-	-	-	-	-	-	-	-	-	1,030,147	1,019,372	1.0%				
Streets	1,836,671	-	-	-	-	-	-	-	-	-	75,000	1,911,671	1,911,671	1.8%				
Parks & Recreation	5,071,138	-	-	-	-	-	-	-	-	-	173,000	5,244,138	5,226,679	4.9%				
Tourism & Economic Development	-	7,117,268	1,503,499	-	-	-	-	-	-	-	-	8,620,768	8,140,775	8.1%				
Aviation	-	-	-	-	-	-	-	4,380,222	-	-	-	4,380,222	4,380,222	4.1%				
Utilities	-	-	-	-	-	-	-	-	8,190,979	316,341	-	8,507,320	8,507,320	8.0%				
Debt service	-	-	-	-	-	8,152,478	-	611,730	1,186,669	544,018	-	10,494,895	10,494,895	9.8%				
Capital projects and other uses	-	-	-	-	-	-	32,559,259	2,310,000	1,837,600	2,930,000	-	39,636,859	39,636,859	37.2%				
<b>TOTAL EXPENDITURES</b>	<b>31,599,741</b>	<b>7,117,268</b>	<b>1,503,499</b>	<b>-</b>	<b>87,500</b>	<b>8,152,478</b>	<b>32,559,259</b>	<b>7,301,952</b>	<b>11,215,248</b>	<b>3,790,359</b>	<b>3,337,650</b>	<b>106,664,955</b>	<b>106,062,660</b>	<b>100%</b>				
Transfers to other funds	-	570,000	-	-	-	-	-	-	-	-	-	570,000	570,000					
<b>ENDING FUND BALANCES</b>	<b>\$ 14,552,068</b>	<b>\$ 976,900</b>	<b>\$ 35,802</b>	<b>\$ 10,810</b>	<b>\$ 248,879</b>	<b>\$ 1,676,918</b>	<b>\$ 9,142,492</b>	<b>\$ 1,906,562</b>	<b>\$ 10,226,413</b>	<b>\$ 6,609,839</b>	<b>\$ 4,516,801</b>	<b>\$ 49,903,484</b>	<b>\$ 46,131,431</b>					

Amended Budget:	Total Revenues	\$ 65,469,837	
	Decrease in Fund Balance	33,695,118	
	Total Appropriable Funds	<u>\$ 99,164,955</u>	Total Appropriations <u>\$ 106,664,955</u>

**TOWN OF ADDISON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES BY SOURCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
Ad valorem taxes:				
Current taxes	\$ 10,424,833	\$ 11,603,710	\$ -	\$ 11,603,710
Delinquent taxes	18,555	5,880	-	5,880
Penalty and interest	36,920	14,680	-	14,680
Non-property taxes:		-		
Sales tax	12,217,439	12,250,000	1,250,000	13,500,000
Alcoholic beverage tax	812,273	785,000	100,000	885,000
Franchise / right-of-way use fees:		-		
Electric franchise	1,523,021	1,500,000	-	1,500,000
Gas franchise	171,849	175,000	28,641	203,641
Telecommunication access fees	656,512	665,000	-	665,000
Cable franchise	337,341	280,000	-	280,000
Street rental fees	6,350	7,000	-	7,000
Licenses and permits:		-		
Business licenses and permits	243,016	180,000	-	180,000
Building and construction permits	643,407	560,000	-	560,000
Service fees:		-		
General government	401	500	-	500
Public safety	767,869	765,000	-	765,000
Urban development	2,485	3,000	-	3,000
Streets and sanitation	384,303	380,000	-	380,000
Recreation	89,327	65,000	-	65,000
Interfund	225,330	230,000	-	230,000
Court fines	959,684	1,000,000	-	1,000,000
Interest earnings	3,790	10,000	-	10,000
Rental income	243,958	170,000	50,000	220,000
Recycling proceeds	25,539	24,000	(5,000)	19,000
Other	35,715	25,000	50,000	75,000
<b>TOTAL REVENUES</b>	<b>\$ 29,829,917</b>	<b>\$ 30,698,770</b>	<b>\$ 1,473,641</b>	<b>\$ 32,172,411</b>

**TOWN OF ADDISON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 12,373,064	\$ 13,335,745	\$ 643,653	\$ 13,979,398
REVENUES:				
Ad valorem taxes	10,480,308	11,624,270	-	11,624,270
Non-property taxes	13,029,712	13,035,000	1,350,000	14,385,000
Franchise fees	2,695,073	2,627,000	28,641	2,655,641
Licenses and permits	886,423	740,000	-	740,000
Service fees	1,469,715	1,443,500	-	1,443,500
Fines and penalties	959,684	1,000,000	-	1,000,000
Interest earnings	3,790	10,000	-	10,000
Rental income	243,958	170,000	50,000	220,000
Other	61,254	49,000	45,000	94,000
TOTAL REVENUES	<u>29,829,917</u>	<u>30,698,770</u>	<u>1,473,641</u>	<u>32,172,411</u>
TOTAL RESOURCES AVAILABLE	<u>42,202,981</u>	<u>44,034,515</u>	<u>2,117,294</u>	<u>46,151,809</u>
EXPENDITURES:				
General government:				
City manager	1,222,016	1,151,075	-	1,151,075
Finance	837,460	943,775	88,600	1,032,375
General services	762,959	746,942	-	746,942
Municipal court	452,140	567,319	-	567,319
Human resources	458,875	622,237	-	622,237
Information technology	1,482,873	1,963,064	-	1,963,064
Combined services	708,921	904,760	-	904,760
Council projects	421,947	570,058	-	570,058
Public safety:				
Police	7,770,463	8,027,015	-	8,027,015
Emergency communications	1,059,103	1,284,668	-	1,284,668
Fire	6,049,372	6,786,806	5,468	6,792,274
Development services	927,684	1,019,372	10,775	1,030,147
Streets	1,750,500	1,836,671	-	1,836,671
Parks and recreation:				
Parks	2,822,739	3,523,652	6,825	3,530,477
Recreation	1,493,950	1,530,027	10,634	1,540,661
TOTAL EXPENDITURES	<u>28,221,002</u>	<u>31,477,439</u>	<u>122,302</u>	<u>31,599,741</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	2,960			
Transfers Out	(5,541)			
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,581)</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 13,979,398</u>	<u>\$ 12,557,076</u>	<u>\$ 1,994,992</u>	<u>\$ 14,552,068</u>
<b>Ending balance as a % of expenditures</b>	<b>49.5%</b>	<b>39.9%</b>		<b>46.1%</b>

**TOWN OF ADDISON**  
**HOTEL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 2,030,014	\$ 1,471,211	\$ (157,342)	\$ 1,313,869
REVENUES:				
Hotel/motel occupancy taxes	4,575,083	4,922,495	50,000	4,972,495
Proceeds from special events	1,469,891	1,817,500	(389,296)	1,428,204
Conference Centre rental	601,509	632,100	-	632,100
Visitor Centre rental	215,623	237,500	-	237,500
Theatre Centre rental	58,647	70,000	-	70,000
Interest earnings and other	49,436	10,000	-	10,000
TOTAL REVENUES	6,970,189	7,689,595	(339,296)	7,350,299
TOTAL AVAILABLE RESOURCES	9,000,203	9,160,806	(496,638)	8,664,168
EXPENDITURES:				
Visitor services	967,711	1,096,261	-	1,096,261
Visit Addison	498,655	626,588	2,735	629,323
Marketing	880,924	917,800	151,759	1,069,559
Special events	2,646,869	2,615,202	30,303	2,645,505
Conference centre	1,626,644	1,098,607	12,672	1,111,279
Performing arts	495,531	565,341	-	565,341
TOTAL EXPENDITURES	7,116,334	6,919,799	197,469	7,117,268
OTHER FINANCING SOURCES (USES):				
Transfer to Debt Service Fund	(570,000)	(570,000)	-	(570,000)
TOTAL OTHER FINANCING SOURCES (USES)	(570,000)	(570,000)	-	(570,000)
ENDING FUND BALANCE	\$ 1,313,869	\$ 1,671,007	\$ (694,107)	\$ 976,900

**TOWN OF ADDISON**  
**ECONOMIC DEVELOPMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 516,823	\$ 619,526	\$ 44,875	\$ 664,401
REVENUES:				
Ad valorem taxes:				
Current taxes	698,700	792,000	-	792,000
Delinquent taxes	400	400	-	400
Penalty and interest	1,000	1,000	-	1,000
Business license fee	70,800	80,000	-	80,000
Interest earnings and other	2,253	1,500		1,500
<b>TOTAL REVENUES</b>	<b>773,153</b>	<b>874,900</b>	<b>-</b>	<b>874,900</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,289,976</b>	<b>1,494,426</b>	<b>44,875</b>	<b>1,539,301</b>
EXPENDITURES:				
Personal services	238,914	295,428	-	295,428
Supplies	18,864	18,300	-	18,300
Maintenance	1,391	7,500	108,059	115,559
Contractual services	361,036	894,377	174,465	1,068,842
Capital replacement/lease	5,370	5,370	-	5,370
<b>TOTAL EXPENDITURES</b>	<b>625,575</b>	<b>1,220,975</b>	<b>282,524</b>	<b>1,503,499</b>
OTHER FINANCING SOURCES (USES):				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING BALANCE</b>	<b>\$ 664,401</b>	<b>\$ 273,450</b>	<b>\$ (237,649)</b>	<b>\$ 35,802</b>

**TOWN OF ADDISON**  
**ADVANCED FUNDING GRANT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 14,732	\$ 17,182	\$ (8)	\$ 17,174
REVENUES:				
Intergovernmental	2,400	-	-	-
Interest earnings and other	42	-	-	-
TOTAL REVENUES	2,442	-	-	-
TOTAL AVAILABLE RESOURCES	17,174	17,182	(8)	17,174
EXPENDITURES:				
Supplies	-	-	-	-
Contractual services	-	-	-	-
Construction and equipment	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
ENDING BALANCE	\$ 17,174	\$ 17,182	\$ (8)	\$ 17,174

**TOWN OF ADDISON**  
**REIMBURSEMENT GRANT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ (3,422)	\$ 100	\$ (6,464)	\$ (6,364)
REVENUES:				
Intergovernmental	5,008	-	-	-
Interest earnings and other	64	-	-	-
TOTAL REVENUES	<u>5,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL AVAILABLE RESOURCES	<u>1,650</u>	<u>100</u>	<u>(6,464)</u>	<u>(6,364)</u>
EXPENDITURES:				
Personal services		-	-	-
Supplies	4,151	-	-	-
Contractual services		-	-	-
Construction and equipment	3,863	-	-	-
TOTAL EXPENDITURES	<u>8,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer from Street Capital Project Fund	-	-	-	-
Transfer to General Fund	-	-	-	-
Transfer to Street Capital Project Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING BALANCE	<u>\$ (6,364)</u>	<u>\$ 100</u>	<u>\$ (6,464)</u>	<u>\$ (6,364)</u>

**TOWN OF ADDISON**  
**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ (461)	\$ -	\$ -	\$ -
REVENUES:				
Intergovernmental	66,170	-	-	-
Interest earnings and other	3	-	-	-
TOTAL REVENUES	<u>66,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL AVAILABLE RESOURCES	<u>65,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Personal services	62,752	-	-	-
Supplies	-	-	-	-
Maintenance and materials	-	-	-	-
Contractual services	-	-	-	-
Contractual services	-	-	-	-
Construction and equipment	-	-	-	-
TOTAL EXPENDITURES	<u>62,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT	(2,960)			
ENDING BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF ADDISON**  
**PUBLIC SAFETY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 36,793	\$ 21,393	\$ 842	\$ 22,235
REVENUES:				
Court awards	3,822	7,500	-	7,500
Interest earnings and other	60	100	-	100
TOTAL REVENUES	3,882	7,600	-	7,600
TOTAL AVAILABLE RESOURCES	40,675	28,993	842	29,835
EXPENDITURES:				
Supplies	17,156	24,000	-	24,000
Contractual services	1,240	-	-	-
Capital outlay	44	-	-	-
TOTAL EXPENDITURES	18,440	24,000	-	24,000
ENDING BALANCE	\$ 22,235	\$ 4,993	\$ 842	\$ 5,835

**TOWN OF ADDISON**  
**MUNICIPAL COURT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 143,895	\$ 102,825	\$ 160,919	\$ 263,744
REVENUES:				
Court Awards	12,794			
Court security fees	15,008	16,000	-	16,000
Court technology fees	20,007	24,000	-	24,000
Interest earnings and other	1,045	2,800	-	2,800
TOTAL REVENUES	<u>48,854</u>	<u>42,800</u>	<u>-</u>	<u>42,800</u>
TOTAL AVAILABLE RESOURCES	<u>192,749</u>	<u>145,625</u>	<u>160,919</u>	<u>306,544</u>
EXPENDITURES:				
Personal services	12,784	24,000	-	24,000
Supplies	1,129	2,000	-	2,000
Maintenance	39,199	30,000	-	30,000
Contractual services	-	7,500	-	7,500
TOTAL EXPENDITURES	<u>53,112</u>	<u>63,500</u>	<u>-</u>	<u>63,500</u>
ENDING BALANCE	<u>\$ 263,744</u>	<u>\$ 82,125</u>	<u>\$ 160,919</u>	<u>\$ 243,044</u>

**TOWN OF ADDISON**  
**GENERAL OBLIGATION DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 1,079,254	\$ 1,097,930	\$ 136,797	\$ 1,234,727
REVENUES:				
Ad valorem taxes	6,867,590	7,386,660	-	7,386,660
Interest earnings and other	32,075	7,500	-	7,500
TOTAL REVENUES	<u>6,899,665</u>	<u>7,394,160</u>	<u>-</u>	<u>7,394,160</u>
TOTAL AVAILABLE RESOURCES	<u>7,978,919</u>	<u>8,492,090</u>	<u>136,797</u>	<u>8,628,887</u>
EXPENDITURES:				
Debt service - principal	4,101,161	4,461,153	-	4,461,153
Debt service - interest	2,643,031	2,969,375	-	2,969,375
Fiscal fees	-	10,000	-	10,000
TOTAL EXPENDITURES	<u>6,744,192</u>	<u>7,440,528</u>	<u>-</u>	<u>7,440,528</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	-	-	-	-
ENDING BALANCE	<u>\$ 1,234,727</u>	<u>\$ 1,051,562</u>	<u>\$ 136,797</u>	<u>\$ 1,188,359</u>

**TOWN OF ADDISON**  
**OCCUPANCY TAX DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 761,647	\$ 629,987	\$ (1,478)	\$ 628,509
REVENUES:				
Interest earnings and other	1,485	2,000	-	2,000
TOTAL REVENUES	1,485	2,000	-	2,000
TOTAL AVAILABLE RESOURCES	763,132	631,987	(1,478)	630,509
EXPENDITURES:				
Debt service - principal	600,000	625,000	-	625,000
Debt service - interest	104,623	86,650	-	86,650
Fiscal fees		300	-	300
TOTAL EXPENDITURES	704,623	711,950	-	711,950
OTHER FINANCING SOURCES (USES):				
Transfer from Hotel Fund	570,000	570,000	-	570,000
ENDING BALANCE	\$ 628,509	\$ 490,037	\$ (1,478)	\$ 488,559

**TOWN OF ADDISON**  
**CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
BEGINNING BALANCE	\$ 39,639,892	\$ 42,111,497	\$ (412,246)	\$ 41,699,251
REVENUES:				
Interest earnings and other	102,004	2,500	-	2,500
TOTAL REVENUES	<u>102,004</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
		-		
TOTAL AVAILABLE RESOURCES	<u>39,741,896</u>	<u>42,113,997</u>	<u>(412,246)</u>	<u>41,701,751</u>
EXPENDITURES:				
Supplies	80,660	-	-	-
Maintenance	3,946	-	-	-
Contractual Services	49	-	-	-
Other	138,236	-	-	-
Engineering and contractual services	2,165,012	2,031,550	-	2,031,550
Construction and equipment	3,742,776	30,527,709	-	30,527,709
TOTAL EXPENDITURES	<u>6,130,679</u>	<u>32,559,259</u>	<u>-</u>	<u>32,559,259</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	7,790,000	-	-	-
Premium (discount) on bond Issuance	292,493	-	-	-
Transfers In	5,541	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	<u>8,088,034</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING BALANCE	<u>\$ 41,699,251</u>	<u>\$ 9,554,738</u>	<u>\$ (412,246)</u>	<u>\$ 9,142,492</u>

**TOWN OF ADDISON**  
**AIRPORT ENTERPRISE FUND**  
**STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
<b>INCOME STATEMENT</b>				
Operating revenues:		-		
Operating grants	\$ 23,770	\$ 50,000	\$ -	\$ 50,000
Fuel flowage fees	758,758	724,840	-	724,840
Rental	3,665,520	3,587,690	-	3,587,690
User fees	57,382	52,300	-	52,300
Total operating revenues	<u>4,505,430</u>	<u>4,414,830</u>	<u>-</u>	<u>4,414,830</u>
Operating expenses:				
Town - Personal services	389,488	370,553	-	370,553
Town - Supplies	47,226	62,600	-	62,600
Town - Maintenance	2,202,822	57,300	-	57,300
Town - Contractual services	796,949	546,810	-	546,810
Grant - Maintenance		100,000	-	100,000
Operator - Operations and maintenance		2,923,289	-	2,923,289
Operator - Service contract		319,670	-	319,670
Total operating expenses	<u>3,436,485</u>	<u>4,380,222</u>	<u>-</u>	<u>4,380,222</u>
Net operating income	<u>1,068,945</u>	<u>34,608</u>	<u>-</u>	<u>34,608</u>
Non-operating revenues (expenses):				
Interest earnings and other	6,830	5,000	-	5,000
Sale of Assets	3,911	-	-	-
Interest on debt, fiscal fees and other	(127,473)	(216,730)	-	(216,730)
Amortization Expense	(499)	-	-	-
Capital Contributions	9,238,288	-	-	-
Net non-operating revenues (expenses)	<u>9,121,057</u>	<u>(211,730)</u>	<u>-</u>	<u>(211,730)</u>
Net income (excluding depreciation)	<u>\$ 10,190,002</u>	<u>\$ (177,122)</u>	<u>\$ -</u>	<u>\$ (177,122)</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Net income (excluding depreciation)	<u>\$ 10,190,001</u>	<u>\$ (177,122)</u>	<u>\$ -</u>	<u>\$ (177,122)</u>
Sources (uses) of working capital:				
Retirement of long-term debt	(290,000)	(395,000)	-	(395,000)
Bond Proceeds	3,003,120	(2,280,000)	-	(2,280,000)
Net additions to fixed assets (incl. capital contributions from grants)	(9,547,273)	(30,000)	-	(30,000)
Increase in customer deposits	20,135	-	-	-
Other net additions to fixed assets	(126,963)	-	-	-
Net sources (uses) of working capital	<u>(6,940,981)</u>	<u>(2,705,000)</u>	<u>-</u>	<u>(2,705,000)</u>
Net increase (decrease) in working capital	3,249,020	(2,882,122)	-	(2,882,122)
Beginning fund balance	<u>1,539,664</u>	<u>4,940,795</u>	<u>(152,111)</u>	<u>4,788,684</u>
Ending fund balance	<u>\$ 4,788,684</u>	<u>\$ 2,058,673</u>	<u>\$ (152,111)</u>	<u>\$ 1,906,562</u>

**TOWN OF ADDISON**  
**UTILITY ENTERPRISE FUND**  
**STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
<b>INCOME STATEMENT</b>				
Operating revenues:				
Water sales	\$ 5,935,142	\$ 5,767,686	\$ -	\$ 5,767,686
Sewer charges	4,760,166	4,320,764	-	4,320,764
Tap fees and other	16,359	10,280	-	10,280
Penalties	88,090	151,116	-	151,116
Other Income / (Expense)	2,935			
Total operating revenues	<u>10,802,692</u>	<u>10,249,846</u>	<u>-</u>	<u>10,249,846</u>
Operating expenses:				
Water purchases	3,032,183	2,972,065	-	2,972,065
Wastewater treatment	2,146,382	2,337,586	-	2,337,586
Utility operations	2,622,524	2,881,328	-	2,881,328
Total operating expenses	<u>7,801,089</u>	<u>8,190,979</u>	<u>-</u>	<u>8,190,979</u>
Net operating income	<u>3,001,603</u>	<u>2,058,867</u>	<u>-</u>	<u>2,058,867</u>
Non-operating revenues (expenses):				
Interest earnings and other	(115,869)	(110,510)	-	(110,510)
Interest on debt, fiscal fees and other	(577,817)	(675,750)	-	(675,750)
Net non-operating revenues (expenses)	<u>(693,686)</u>	<u>(786,260)</u>	<u>-</u>	<u>(786,260)</u>
Net income (excluding depreciation)	<u>\$ 2,307,917</u>	<u>\$ 1,272,607</u>	<u>\$ -</u>	<u>\$ 1,272,607</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Net income (excluding depreciation)	<u>\$ 2,307,917</u>	<u>\$ 1,272,607</u>	<u>\$ -</u>	<u>\$ 1,272,607</u>
Sources (uses) of working capital:				
Retirement of long-term debt	(382,609)	(510,919)	-	(510,919)
Bond Proceeds	3,003,120	7,500,000	-	7,500,000
Net additions to fixed assets	(308,985)	(1,837,600)	-	(1,837,600)
Net (increase) decrease in other assets	3,911			
Net increase (decrease) in other liabilities	(3,147,448)	-	-	-
Net sources (uses) of working capital	<u>(832,011)</u>	<u>5,151,481</u>	<u>-</u>	<u>5,151,481</u>
Net increase (decrease) in working capital	1,475,906	6,424,088	-	6,424,088
Beginning Working Capital	<u>2,326,419</u>	<u>984,068</u>	<u>2,818,257</u>	<u>3,802,325</u>
Ending Working Capital	<u>\$ 3,802,325</u>	<u>\$ 7,408,156</u>	<u>\$ 2,818,257</u>	<u>\$ 10,226,413</u>

**TOWN OF ADDISON**  
**STORM WATER ENTERPRISE FUND**  
**STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Budget 2013-14
<b>INCOME STATEMENT</b>				
Operating revenues:				
Drainage fees	\$ 1,307,573	\$ 1,552,000	\$ -	\$ 1,552,000
Other		-	-	-
Total operating revenues	<u>1,307,573</u>	<u>1,552,000</u>	<u>-</u>	<u>1,552,000</u>
Operating expenses:				
Water purchases			-	-
Wastewater treatment			-	-
Utility operations	82,787	316,341	-	316,341
Total operating expenses	<u>82,787</u>	<u>316,341</u>	<u>-</u>	<u>316,341</u>
		-		
Net operating income	<u>1,224,786</u>	<u>1,235,659</u>	<u>-</u>	<u>1,235,659</u>
		5,000		
Non-operating revenues (expenses):				
Interest earnings and other	3,029	5,000	-	5,000
Interest on debt, fiscal fees and other	(57,056)	(309,018)	-	(309,018)
Net non-operating revenues (expenses)	<u>(54,027)</u>	<u>(304,018)</u>	<u>-</u>	<u>(304,018)</u>
Net income (excluding depreciation)	<u>\$ 1,170,759</u>	<u>\$ 931,641</u>	<u>\$ -</u>	<u>\$ 931,641</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Net income (excluding depreciation)	<u>\$ 1,170,759</u>	<u>\$ 931,641</u>	<u>\$ -</u>	<u>\$ 931,641</u>
Sources (uses) of working capital:				
Retirement of long-term debt	-	(235,000)	-	(235,000)
Bond proceeds	7,535,577	-	-	-
Net change in accounts receivable	(274,572)		-	-
Net additions to fixed assets		(2,930,000)	-	(2,930,000)
Net sources (uses) of working capital	<u>7,261,005</u>	<u>(3,165,000)</u>	<u>-</u>	<u>(3,165,000)</u>
Net increase (decrease) in working capital	8,431,764	(2,233,359)	-	(2,233,359)
Beginning Working Capital		8,637,481	205,717	8,843,198
Ending Working Capital	<u>\$ 8,431,764</u>	<u>\$ 6,404,122</u>	<u>\$ 205,717</u>	<u>\$ 6,609,839</u>

**TOWN OF ADDISON**  
**INFORMATION TECHNOLOGY INTERNAL SERVICE FUND**  
**STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
<b>INCOME STATEMENT</b>				
Operating revenues:				
Department contributions and other	\$ 750,001	\$ 750,000	\$ -	\$ 750,000
Total operating revenues	<u>750,001</u>	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Operating expenses:				
Maintenance		-	-	-
Contractual services	6,926	55,000	-	55,000
Capital Outlay	264,982			
Total operating expenses	<u>271,908</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Net operating income	<u>478,093</u>	<u>695,000</u>	<u>-</u>	<u>695,000</u>
Non-operating revenues (expenses):				
Interest earnings and other	7,599	5,000	-	5,000
Other revenues (expenses)		-	-	-
Net non-operating revenues	<u>7,599</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net income (excluding depreciation)	<u>\$ 485,692</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 700,000</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Net income (excluding depreciation)	<u>\$ 485,692</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 700,000</u>
Sources (uses) of working capital:				
Acquisition of capital hardware/software:				
General government	(239,959)	(2,175,000)	-	(2,175,000)
Public safety	-	(653,650)	-	(653,650)
Net sources (uses) of working capital	<u>(239,959)</u>	<u>(2,828,650)</u>	<u>-</u>	<u>(2,828,650)</u>
Net increase (decrease) in working capital	245,733	(2,128,650)	-	(2,128,650)
Beginning fund balance	<u>2,804,920</u>	<u>3,210,360</u>	<u>(159,707)</u>	<u>3,050,653</u>
Ending fund balance	<u>\$ 3,050,653</u>	<u>\$ 1,081,710</u>	<u>\$ (159,707)</u>	<u>\$ 922,003</u>

**TOWN OF ADDISON**  
**CAPITAL REPLACEMENT INTERNAL SERVICE FUND**  
**STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL**  
*Amendments to the 2013-2014 Budget*

	Actual 2012-13	Budget 2013-14	Amendments	Amended Budget 2013-14
<b>INCOME STATEMENT</b>				
Operating revenues:				
Department contributions	\$ 584,999	\$ 722,000	\$ -	\$ 722,000
Total operating revenues	<u>584,999</u>	<u>722,000</u>	<u>-</u>	<u>722,000</u>
Operating expenses:				
Maintenance and Materials	630			
Capital outlay	160,379			
Contractual services	7,991	6,000	-	6,000
Total operating expenses (excl. depreciation)	<u>169,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net operating income	<u>415,999</u>	<u>716,000</u>	<u>-</u>	<u>716,000</u>
Non-operating revenues (expenses):				
Interest earnings and other	8,788	10,000	-	10,000
Proceeds from sale of assets	59,194	20,000	-	20,000
Net non-operating revenues	<u>67,982</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net income (excluding depreciation)	<u>\$ 483,981</u>	<u>\$ 746,000</u>	<u>\$ -</u>	<u>\$ 746,000</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Net income (excluding depreciation)	<u>\$ 483,981</u>	<u>\$ 746,000</u>	<u>\$ -</u>	<u>\$ 746,000</u>
Sources (uses) of working capital:				
Acquisition of capital equipment:				
General government	-	(35,000)	-	(35,000)
Development Services	-	-	-	-
Public safety	(1,023,782)	(165,000)	-	(165,000)
Streets	-	(75,000)	-	(75,000)
Parks and recreation	-	(173,000)	-	(173,000)
Net sources (uses) of working capital	<u>(1,023,782)</u>	<u>(448,000)</u>	<u>-</u>	<u>(448,000)</u>
Net increase (decrease) in working capital	(539,801)	298,000	-	298,000
Beginning fund balance	<u>3,836,599</u>	<u>3,178,599</u>	<u>118,199</u>	<u>3,296,798</u>
Ending fund balance	<u>\$ 3,296,798</u>	<u>\$ 3,476,599</u>	<u>\$ 118,199</u>	<u>\$ 3,594,798</u>

**TOWN OF ADDISON**  
**DETAIL OF RECOMMENDED FY 13-14 BUDGET AMENDMENTS**

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personnel Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
<b>General Fund / Revenues and Other Sources/Uses</b>								
Increase in beginning fund balance	\$ 643,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in sales tax	1,250,000	-	-	-	-	-	-	-
Alcoholic Beverage Tax	100,000	-	-	-	-	-	-	-
Franchise Fee - Gas	28,641	-	-	-	-	-	-	-
Rental Income - General	50,000	-	-	-	-	-	-	-
Sale of City Property	25,000	-	-	-	-	-	-	-
Recycling Revenue	(5,000)	-	-	-	-	-	-	-
Miscellaneous Income	25,000	-	-	-	-	-	-	-
<b>Total General Fund Revenues and Other Sources</b>	<b>\$ 2,117,294</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund / Finance</b>								
Finance Review and Implementation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,000	\$ -	\$ 66,000
Assistant Finance Director Search: SGR						\$ 22,600	\$ -	\$ 22,600
<b>Total Finance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,600</b>	<b>\$ -</b>	<b>\$ 88,600</b>
<b>General Fund / Fire</b>								
Rebranding	\$ -	\$ -	\$ 5,468	\$ -	\$ -	\$ -	\$ -	\$ 5,468
<b>Total Fire</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,468</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,468</b>
<b>Development Services</b>								
Rebranding			\$ 10,775					\$ 10,775
<b>Total Development Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,775</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,775</b>
<b>General Fund / Parks</b>								
Rebranding	\$ -	\$ -	\$ 6,825	\$ -	\$ -	\$ -	\$ -	\$ 6,825
<b>Total Parks</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,825</b>
<b>General Fund / Rec</b>								
Rebranding	\$ -	\$ -	\$ 10,634	\$ -	\$ -	\$ -	\$ -	\$ 10,634
<b>Total Rec</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,634</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,634</b>
<b>Total General Fund</b>	<b>\$ 2,117,294</b>	<b>\$ -</b>	<b>\$ 33,702</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,600</b>	<b>\$ -</b>	<b>\$ 122,302</b>

**TOWN OF ADDISON**  
**DETAIL OF RECOMMENDED FY 13-14 BUDGET AMENDMENTS**

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personnel Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
<b>Hotel Fund / Revenues and Other Sources</b>								
Decrease in beginning fund balance	\$ (157,342)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in Hotel Tax Revenue	\$ 50,000							
Reduction in Special Event Revenues	\$ (389,296)	-	-	-	-	-	-	-
<b>Total Hotel Fund Revenues and Other Sources</b>	<b>\$ (496,638)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Hotel Fund / Conference Centre</b>								
Rebranding	\$ -	\$ -	\$ 12,672	\$ -	\$ -	\$ -	\$ -	\$ 12,672
<b>Total Conference Centre</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,672</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,672</b>
<b>Hotel Fund / Visit Addison</b>								
Rebranding	\$ -	\$ -	\$ 2,735	\$ -	\$ -	\$ -	\$ -	\$ 2,735
<b>Total Visitor Addison</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,735</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,735</b>
<b>Hotel Fund / Special Events</b>								
Rebranding	\$ -	\$ -	\$ 30,303	\$ -	\$ -	\$ -	\$ -	\$ 30,303
<b>Total Special Events</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,303</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,303</b>
<b>Hotel Fund / Marketing</b>								
Rebranding	\$ -	\$ -	\$ 151,759	\$ -	\$ -	\$ -	\$ -	\$ 151,759
<b>Total Marketing</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,759</b>
<b>Total Hotel Fund</b>	<b>\$ (496,638)</b>	<b>\$ -</b>	<b>\$ 197,469</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,469</b>

**TOWN OF ADDISON  
DETAIL OF RECOMMENDED FY 13-14 BUDGET AMENDMENTS**

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personnel Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
<b>Economic Development Fund / ED Department</b>								
Increase in beginning fund balance	\$ 44,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treehouse Construction	-	-	-	-	174,465	-	-	174,465
Treehouse Rental	-	-	-	108,059	-	-	-	108,059
<b>Total Economic Development</b>	<b>\$ 44,875</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 108,059</b>	<b>\$ 174,465</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 282,524</b>
<b>Advanced Funding Grant Fund</b>								
Decrease in beginning fund balance	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Advanced Funding Grant Fund</b>	<b>\$ (8)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reimbursement Grant Fund</b>								
Decrease in beginning fund balance	\$ (6,464)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Reimbursement Grant Fund</b>	<b>\$ (6,464)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Public Safety Fund</b>								
Increase in beginning fund balance	\$ 842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Public Safety Fund</b>	<b>\$ 842</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Municipal Court Fund</b>								
Increase in beginning fund balance	\$ 160,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Municipal Court Fund</b>	<b>\$ 160,919</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Obligation Debt Service Fund</b>								
Increase in beginning fund balance	\$ 136,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total General Obligation Debt Service Fund</b>	<b>\$ 136,797</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Occupancy Tax Debt Service Fund</b>								
Decrease in beginning fund balance	\$ (1,478)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Occupancy Tax Debt Service Fund</b>	<b>\$ (1,478)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Combined Capital Project Fund</b>								
Decrease in beginning fund balance	\$ (412,246)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Combined Capital Project Fund</b>	<b>\$ (412,246)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWN OF ADDISON**  
**DETAIL OF RECOMMENDED FY 13-14 BUDGET AMENDMENTS**

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personnel Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
<b>Airport Enterprise Fund</b>								
Decrease in beginning fund balance	\$ (152,111)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Airport Enterprise Fund	\$ (152,111)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Utility Enterprise Fund</b>								
Increase in beginning fund balance	\$ 2,818,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Enterprise Fund	\$ 2,818,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Storm Water Fund</b>								
Increase in beginning fund balance	\$ 205,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Enterprise Fund	\$ 205,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Information Technology Internal Service Fund</b>								
Increase in beginning fund balance	\$ (159,707)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Replacement Internal Service Fund	\$ (159,707)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Capital Replacement Internal Service Fund</b>								
Increase in beginning fund balance	\$ 118,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Replacement Internal Service Fund	\$ 118,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. 013-032**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014; PROVIDING THAT EXPENDITURES SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET AS AMENDED; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the Town of Addison, Texas (the “City”) adopted a budget for the City for the fiscal year beginning October 1, 2013 and ending September 30, 2014 as set forth in Ordinance No. 013-032 of the City; and

**WHEREAS**, Section 5.08 of the City Charter provides that the budget may be amended or changed, under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, to provide for any additional expense in which the general welfare of the citizenry is involved, that such amendments shall be by Ordinance, and that they shall become an attachment to the original budget; and

**WHEREAS**, Section 102.010 of the Texas Local Government Code authorizes the City Council to make changes in the adopted budget for municipal purposes, and the changes to the budget made herein are for municipal purposes; and

**WHEREAS**, the amendments and changes to the City’s 2013-2014 budget made herein are as a result of conditions that have arisen and could not reasonably have been foreseen in the normal process of planning the budget, provide for additional expenses in which the general welfare of the citizenry is involved, and the City Council finds that the amendments provided for herein are of a serious public necessity and an urgent need for the City.

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

Section 1. In accordance with Section 5.08 of the City Charter, Ordinance No. 013-032 of the Town of Addison, Texas (the “City”), adopting the 2013-14 annual budget, is hereby amended to appropriate \$99,164,955 for budget expenditures in the particulars stated in Exhibits A, B, and C attached hereto and made a part of this Ordinance.

Section 2. The above and foregoing recitals are true and correct and are incorporated herein and made a part of this Ordinance.

Section 3. This Ordinance shall take effect upon its passage and approval.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Todd Meier, Mayor

ATTEST:

By: \_\_\_\_\_  
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
John Hill, City Attorney

**Combined Meeting**

**R14**

**Meeting Date:** 08/12/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Presentation and discussion regarding the 2013 Police Annual Report.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Staff will provide a briefing on the 2013 Police Annual Report.

**RECOMMENDATION:**

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**Attachments**

2013 Police Annual Report

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ADDISON POLICE  
DEPARTMENT

2013

ANNUAL REPORT



## *Law Enforcement Officer's Code of Ethics*

*As a Law Enforcement Officer, my fundamental duty is to serve mankind; to safeguard lives and property; to protect the innocent against deception, the weak against oppression or intimidation, and the peaceful against violence or disorder; and to respect the Constitutional rights of all persons to liberty, equality and justice.*

*I will keep my private life unsullied as an example to all; maintain courageous calm in the face of danger, scorn or ridicule; develop self-restraint; and be constantly mindful of the welfare of others. Honest in thought and deed in both my personal and official life, I will be exemplary in obeying the laws of the land and the regulations of my department. Whatever I see or hear of a confidential nature or that is confided to me in my official capacity will be kept ever secret unless revelation is necessary in the performance of my duty.*

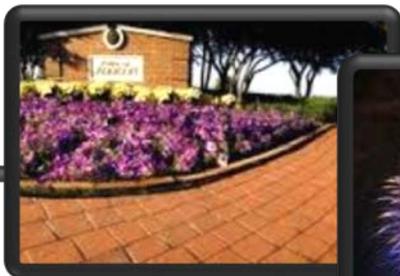
*I will never act officiously or permit personal feelings, prejudices, animosities or friendships to influence my decisions. With no compromise for crime and with relentless prosecution of criminal, I will enforce the law courteously and appropriately without fear or favor, malice or ill will, never employing unnecessary force or violence and never accepting gratuities.*

*I recognize the badge of my office as a symbol of public faith, and I accept it as a public trust to be held so long as I am true to the ethics of the police service. I will constantly strive to achieve these objectives and ideals, dedicating myself before God to my chosen profession...law enforcement.*

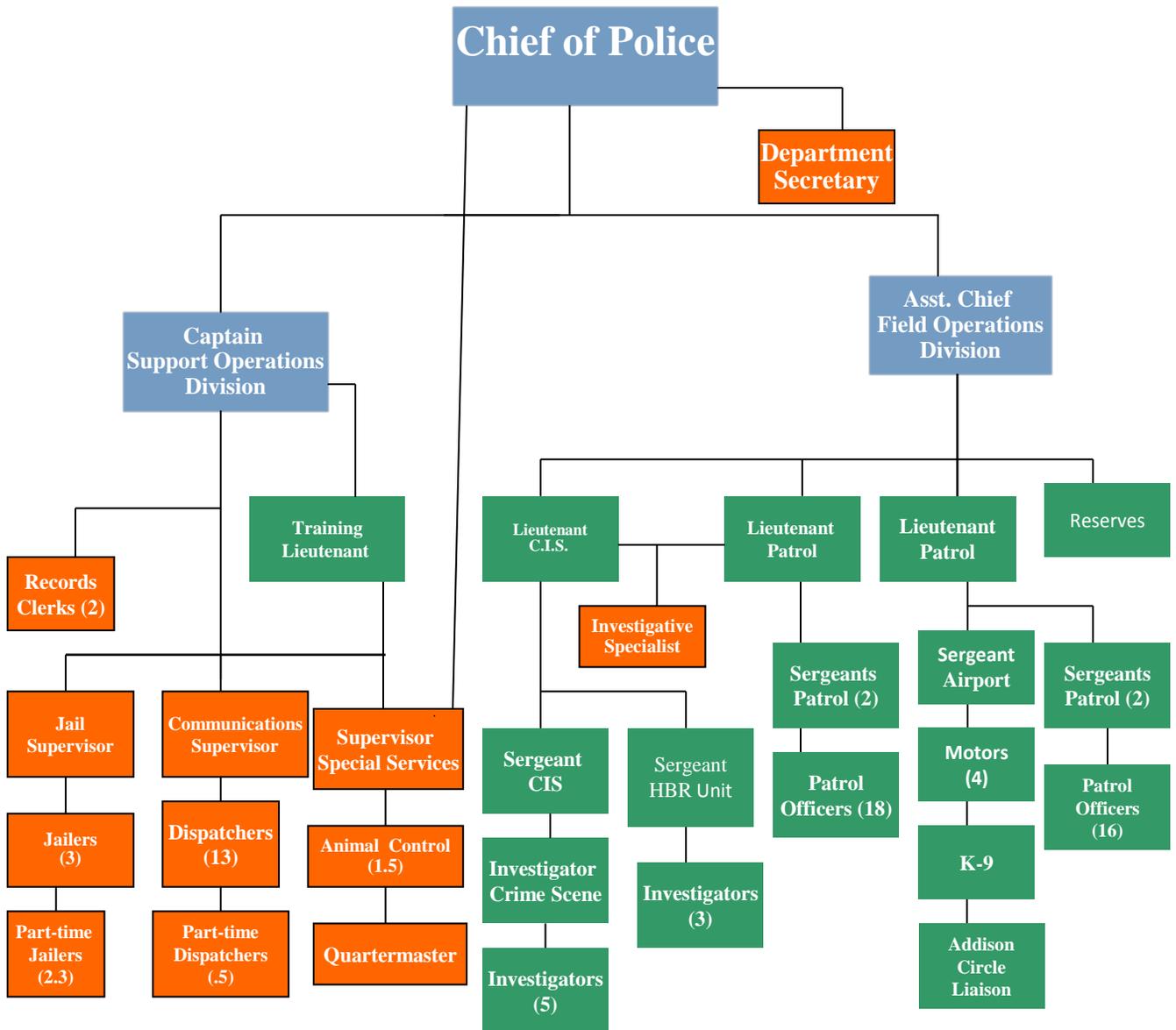
# PREFACE

With a resident population of just under 14,000 Addison enjoys a unique position in the Dallas Metroplex. Addison is a destination point in North Texas with 12 million square feet of commercial and office space, over 175 restaurants/bars, and 22 hotels. These businesses bring in tens of thousands of employees and visitors each day to Addison's 4.4 square miles. As a result Addison's population is recognized as being well over 100,000 during the day and in excess of 30,000 at night. This influx of people makes it difficult to accurately compare crime statistics to other cities, based on population, using the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting requirements. Applying a conservative but more accurate average population of 100,000 shows Addison is one of the safest cities in the Dallas Metroplex.

In 2013 Addison continued to experience declining levels of crime with property and violent crimes at their lowest levels since 2000. Although property crimes are up slightly over 2012 they are significantly lower than any other year since 2000. Of the Crime Index Offenses tracked by the FBI, only one offense, burglary, showed an increase from 2012. Overall, the number of Crime Index Offenses decreased from 841 in 2012 to 835 in 2013.



# Addison Police Department Organizational Chart October 1, 2013



Full Time Sworn Officers: 64

Civilian and Other Employees: 27

# UCR - Crime Index Offenses

## 2013 Major Crime

### Part 1 Crimes:

The Uniform Crime Reporting, or UCR, program was started by the FBI in an effort to develop a uniform system of reporting police crime statistics across the nation based on population. Part 1 Crimes are classified by specific guidelines breaking down major crimes into eight categories; murder, rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. These eight major crimes provide a standardized reporting system for the crime rates throughout the United States.

	<b>Offenses Reported</b>	<b>Offenses Cleared</b>
<b>MURDER</b>	1	1
<b>RAPE</b>	4	4
<b>ROBBERY</b>	11	6
<b>AGGRAVATED ASSAULT</b>	35	20
<b>BURGLARY</b>	129	24
<b>LARCENY-THEFT</b>	593	139
<b>MOTOR VEHICLE THEFT</b>	62	37
<b>TOTAL</b>	<b>835</b>	<b>231</b>

### Crime Index Definitions

#### **Murder**

The willful (non-negligent) killing of one human being by another.

#### **Rape**

The carnal knowledge of a person through the use or threat of force. Assaults to commit forcible sexual assaults are also included.

#### **Robbery**

The taking or attempting to take, anything of value under confrontational circumstances from a person by use of force, threat of force, or by putting the victim in fear of immediate harm.

#### **Aggravated Assault**

An unlawful attack by one person upon another for the purpose of inflicting severe bodily injury, usually accompanied by the use of a weapon or other means likely to produce death or serious bodily harm.

#### **Burglary**

The unlawful entry to commit a felony or theft.

#### **Theft**

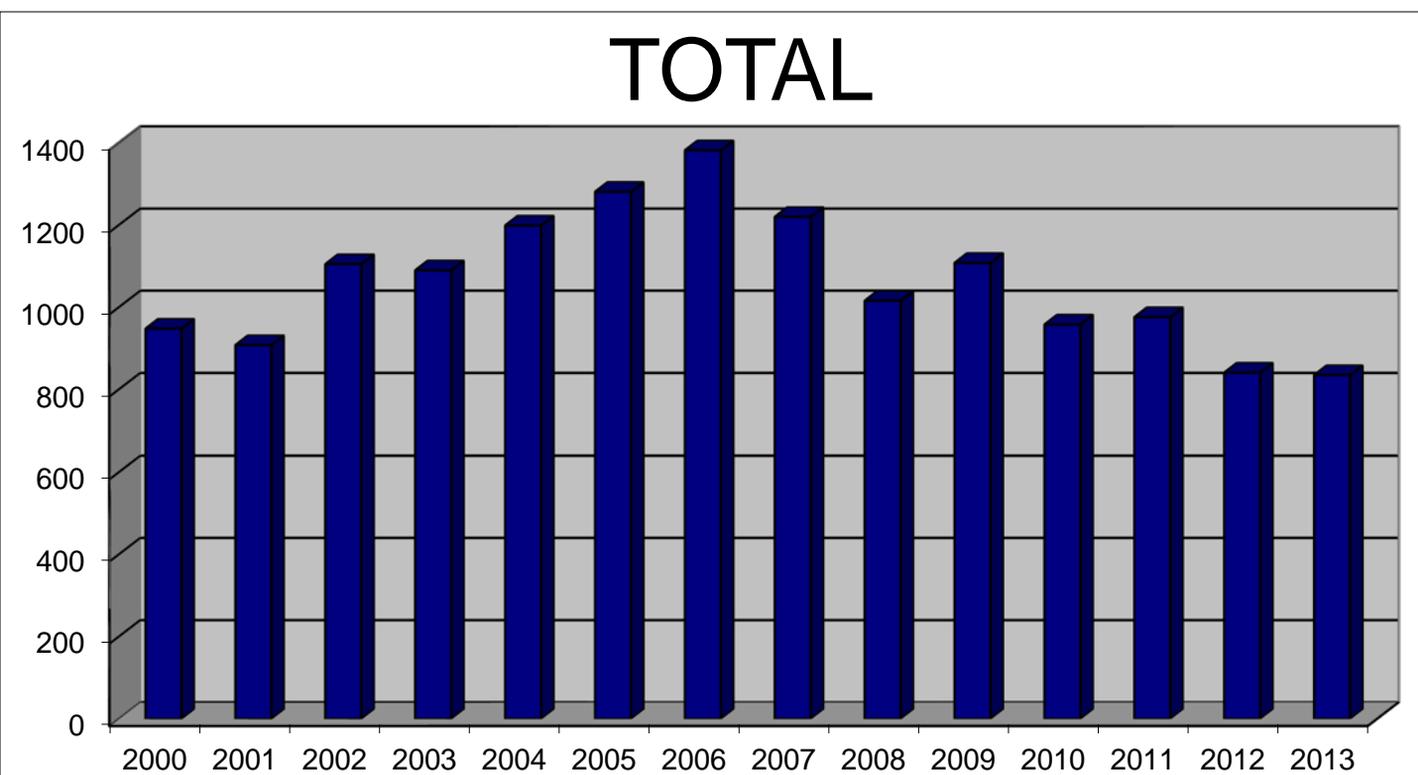
The unlawful taking or stealing of property or articles without the use of force, violence, or fraud.

#### **Motor Vehicle Theft (U.U.M.V)**

The unlawful taking or stealing of a motor vehicle including attempts.

# ADDISON'S UCR HISTORY

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>MURDER</b>	2	0	1	2	0	0	3	0	1	1	1	0	0	1
<b>RAPE</b>	5	6	4	5	14	11	5	9	7	7	7	10	5	4
<b>ROBBERY</b>	21	16	24	20	33	24	36	32	29	35	19	18	16	11
<b>AGG ASSAULT</b>	23	30	36	54	50	60	58	87	54	46	69	50	51	35
<b>BURGLARY</b>	122	117	156	152	157	161	190	185	142	142	105	117	84	129
<b>LARCENY</b>	697	635	763	740	830	828	955	798	704	742	651	676	613	593
<b>MOTOR VEHICLE THEFT</b>	78	104	121	117	115	197	135	109	79	135	106	105	72	62
<b>TOTAL</b>	948	908	1105	1090	1199	1281	1382	1220	1016	1108	958	976	841	835



# Addison Police Community Activity

## PROACTIVE POLICING

	2012	2013
Crime Risk Notice	5,216	4,565
Foot Patrols	4,684	4,131
Park Patrols	23,576	23,111
Airport Patrols	8,781	8,041



2012 2013

## COMMUNITY OUTREACH

	2012	2013
Close Patrol	14,457	11,819
Civil Standby	24	35
Welfare Check	439	440
Station Tours	13	15
Home Inspections	5	6



2012 2013

## FALSE ALARM INVESTIGATION

	2012	2013
Residential	348	331
Commercial	1,537	1,599



2012 2013

## ARRESTS

2,920 2,374



	2012	2013
CALLS FOR SERVICE	17,408	16,966

2012 2013

## TRAFFIC STOPS

18,621 16,764



Many of the activities listed under Police Community Activity are self generated by patrol and traffic officers. The number of officers on the street over the course of a year impacts these numbers. For example, at the time of this writing, out of 64 authorized police positions, we have 9 officers not available to work the streets. These 9 breaks down as follows: 2 vacant positions, 1 officer on extended injury leave, 2 in field training, 3 in the police academy, and 1 on administrative leave.

# 2013 Police Awards and Recognitions

## Officer of the Year



Motor Officer Jeff Sharp

**Officer/Civilian of the Year –**  
An award may be given to an officer/civilian selected by his peers for exceptional job performance and dedication to duty, the community, and fellow employees.

## Civilian of the Year



Animal Control Officer  
Kevin Kimbrell

## Certificate of Civic Achievement



Officer Mike Hardin

## •Chiefs Award •Certificate of Merit



Detention Supervisor  
Mike Meharg

## Certificate of Merit



Communication  
Supervisor  
Levi Larkin

**Certificate of Civic Achievement –** May be presented to any member of the Department who brings favorable recognition to the Department through their involvement in civic affairs while acting in the capacity of a member or representative of the Department

**Certificate of Merit –** May be awarded to any member of the Department for outstanding or superior performance of any assignment over a prolonged period of time: such performance must exceed the acceptable performance of like employees in the same rank or grade.

**Chief's Award –** Awarded at the discretion of the Chief of Police for exceptional service.

# Convenient Internet Links:



The Addison Police Department and BAIR Analytics Inc. recently partnered to provide a new way for the public to stay informed about crime in Addison. The Addison Police Department now has an online crime map called RAIDS Online that maps and analyzes crime data, alerts Addison citizens about crimes in their area, and allows the Addison Police Department to quickly alert the public about crimes as they occur.

Addison citizens can view a map and grid with all of the crimes in their area, sign up for neighborhood watch reports that automatically email a breakdown of recent crime activity, and submit an anonymous tip about a crime directly to their law enforcement agency. RAIDS Online automatically syncs with the Addison Police Department's records system to keep crime information updated online and in the mobile app. RAIDS Online cleans and geocodes the crime data, then displays all of the incidents on a map, grid and analytics dashboard along with some basic information about the incidents, including the type of crime, location type, block-level address, date and time.

[www.raidsonline.com](http://www.raidsonline.com)



The primary business of PoliceReports.US is to partner with police agencies to distribute automobile accident reports online. Addison posts it's automobile accident reports online for the citizen's convenience.

Purchase and download accident reports at :

[www.policereports.us](http://www.policereports.us)



The FBI regularly publishes or contributes to a series of statistical crime reports and publications, detailing specific offenses and outlining trends that can help you better understand crime threats both nationally and locally.

View crime statistics at:

[www.fbi.gov](http://www.fbi.gov)

# ADDISON POLICE

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2013 ADDISON POLICE FLEET



## **Combined Meeting**

**R15**

**Meeting Date:** 08/12/2014

**Council Goals:** N/A

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### **AGENDA CAPTION:**

Presentation, discussion, consider and take action approving and authorizing the execution by the City Manager of an easement granting to Oncor Electric Delivery Company LLC an easement and right-of-way for electrical supply and communication facilities in Addison right-of-way on the west side of Quorum Road at the railroad right-of-way to facilitate improvements related to increased service reliability.

### **FINANCIAL IMPACT:**

There is no financial impact.

### **BACKGROUND:**

As part of an overall program to improve the reliability of electric delivery service in Addison, Oncor, is taking several steps to identify problem areas, and initiate both short-term and long-term improvements. Oncor has recently undertaken and completed infrared thermo-imaging of approximately 5000 of their electric facilities such as lines, connections, and transformers. Forty elements were found that needed to be addressed in some manner. Those have been addressed. Work continues on the next steps that will include more intensive underground line inspections.

One of the immediate projects that Oncor proposes to carry out, involves the installation of a switch gear on Quorum Road to the north of the railroad right-of-way. Two of the feeders that serve the Addison area from Farmers Branch Gillis Substation have had several outages. Farmers Branch Gillis Substation has almost reached its load capacity, as have the two feeders. To correct this problem, Oncor is establishing a new feeder from Knoll Trail Substation and transferring some of that load from the Gillis Road Sub to the Knoll Trail Substation. This new switchgear installation will allow Oncor to switch load from the Farmers Branch Gillis Substation to Knoll Trail Substation. The new feeder from Knoll Trail Substation will then pick up a large portion of the load in this area and help to Improve service reliability. Other than the overhead crossing North Dallas Parkway, Oncor will not be installing any additional overhead or poles to accomplish this work. All proposed work will be underground or in the existing duct bank.

The easement agreement is subject to the city attorney's and city manager's

review and approval.

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Oncor Easement Quorum/RR

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STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

**EASEMENT**

KNOW ALL PERSONS BY THESE PRESENTS:

That, the Town of Addison, Texas, hereinafter called "Grantor," for and in consideration of Ten and no/100 Dollars (\$10.00) and other valuable consideration to Grantor in hand paid by Oncor Electric Delivery Company LLC, a Delaware limited liability company, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202-1234, hereinafter referred to as "Grantee," has granted, sold and conveyed and by these presents does grant, sell and convey unto said Grantee, its successors and assigns, an easement and right-of-way to construct, operate, maintain, repair, reconstruct, modify and remove underground electric supply and communications lines, consisting of a variable number of wires and cables, surface mounted equipment (all equipment and materials extending above the surface shall be included within a switch gear housing box that shall not extend more than 80 inches in height above the surface), conduits, manholes, vaults, transformers, switches, protection, sectionalizing devices and all necessary or desirable underground appurtenances (the "Facilities") upon and under that certain tract of land located in the Town of Addison, Dallas County, Texas, more particularly described as follows and sometimes referred to herein as the "easement area":

**SEE EXHIBIT "A" (ATTACHED)**

Together with the right of ingress and egress over, across, throughout and along the easement area for the purpose of and with the right to construct, operate, maintain, repair, reconstruct, modify and to remove such Facilities from such easement area prior to or upon termination of such easement.

Further, Grantee shall have the right to remove or thereafter prevent the growth of trees, limbs, branches or surface brush or vegetation as may in any way or to any extent interfere with the efficiency, safety and/or convenient operation of said Facilities; and Grantee shall have the right to prevent the construction or maintenance of any structures, houses or permanent installations of any kind within the easement area and shall have the right to fence and enclose the easement area and to have exclusive possession of the surface thereof.

It is understood that by this grant of easement and right of way Grantee is granted exclusive right to use the easement area described above for the above described purpose noted, and Grantor, by these presents and for the consideration stated, relinquishes any right to grant to others any easements, licenses, leases or other rights hereafter with respect to the easement area, without first obtaining the express written consent of Grantee.

Grantee shall, subject to the terms of this easement, have the rights of ingress and egress across the surface of Grantor's lands immediately adjacent to the easement area (the "adjacent area") as may be reasonably necessary for the purposes noted herein with regard to the Facilities.

In addition to the consideration above recited for the easement hereby granted, Grantee shall repair and replace at Grantee's sole cost and expense, all paving, curbing, fencing, walls, improvements, shrubbery, trees and landscaping located on or within the easement area and the adjacent area to the extent that any of the same is damaged or destroyed by Grantee's use of the easement area; provided, however, Grantee shall not be required to pay for trimming or removal of vegetation and removal of any improvements located within the easement area, or any trees, limbs, branches or surface brush and vegetation as may in any way or to any extent interfere with the efficiency, safety and/or convenient operation of said Facilities.

Grantee shall use commercially reasonable efforts to conduct all construction and maintenance activities within the easement area in such manner as will avoid any unnecessary interruption of use of the adjacent area by Grantor and all other persons or entities with right of use of the adjacent area.

This Easement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for all matters, suits, claims, or proceedings hereunder shall lie exclusively in Dallas County, Texas.

TO HAVE AND TO HOLD the above described easement and right-of-way unto the said Grantee, its successors and assigns, until all of said Facilities shall be removed or upon Grantee's written notification to Grantor that the easement is terminated (in which event all of said Facilities shall be removed by Grantee, which obligation shall survive termination of this easement), and in that event said easement shall cease and all rights herein granted shall cease and revert to Grantor or Grantor's heirs, successors or assigns; and Grantor hereby binds Grantor, its successors, assigns, to warrant and forever defend the above described easement unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as and subject to all easements, rights-of-way, restrictions, reservations, covenants, conditions, leases, discrepancies, conflicts, or shortages in the attached Exhibit A, to the extent that such claim arises by, through, or under Grantor but not otherwise.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Town of Addison, Texas

By: \_\_\_\_\_  
Lea Dunn, City Manager

STATE OF TEXAS       §

COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Lea Dunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same as the act and deed of the Town of Addison, as the City Manager thereof, and for the purposes and consideration therein expressed and in the capacity therein stated, and that she was authorized to do so.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Notary Public, the State of Texas

## EXHIBIT "A"

Lying and situated in the Town of Addison, Dallas County, Texas, and being a part of Lot 1, Block F of Addison Circle Phase II, an addition to and dedicated to the Town of Addison, according to the map or plat thereof recorded in Volume 97217, page 3056, Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

**COMMENCING** at a ½" iron rod found in the northwest line of the Dallas Area Rapid Transit (DART) right of way for the southwest corner of the above described Lot 1 and being 1201.67 feet, S 66° 45' 01" W along said right of way line from an "X" in the concrete found at its intersection with the east right of way line of Spectrum Drive; Thence N 66° 45' 01" E, along the northeast right of way line, 442.74 feet to the west right of way line of Quorum Drive; Thence N 00° 08' 00" E, along said west right of way line, 16.34 feet to the POINT OF BEGINNING;

**THENCE** S 66° 45' 01" W, departing said right of way line and along the northwest line of a 20-foot wide Underground Drainage & Utility Easement recorded in Volume 90241, page 2799 D.R.D.C.T., a distance of 10.89 feet;

**THENCE** N 00° 08' 00" E, departing said easement line, 64.32 feet;

**THENCE** S 89°52' 00" E, 10.00 feet to the west right of way line of Quorum Drive;

**THENCE** S 00° 08' 00" W, along said right of way line, 60.00 feet to the POINT OF BEGINNING and containing 621.62 square feet of land more or less.

WR#3209664-2DALLASCOTOWNOFADDISONDART



**Combined Meeting****ES1****Meeting Date:** 08/12/2014**Council Goals:** N/A

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**AGENDA CAPTION:**

Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R16**

**Meeting Date:** 08/12/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Discussion, consider and take action regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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