



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

AGENDA
REGULAR MEETING OF THE CITY COUNCIL
SEPTEMBER 12, 2006
7:30 P.M.
TOWN HALL
5300 BELT LINE ROAD

REGULAR SESSION

Item #R1 - Consideration of Old Business.

Item #R2 - Consent Agenda.

CONSENT AGENDA

- #2a - Approval of the Minutes for the August 21, 2006, August 22, 2006, and August 24, 2006 Council Meetings.
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- #2b - Consideration and approval of a resolution to approve a final payment to Dowager Construction, Inc., in the amount of \$5,250 for the Chatham Court Phase I Water Service Replacement contract.
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- #2c - Consideration and approval of a resolution supporting a Professional Services Agreement with Ace Pipe Cleaning, Inc., in the amount of \$49,838 for inspection of the large sanitary sewer tunnel constructed by the North Dallas County Water Supply Corporation, a joint venture of the Town of Addison and the City of Farmers Branch.
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Item #R3 - **PUBLIC HEARING** regarding the proposed Town of Addison's Annual Budget for the fiscal year beginning October 1, 2006 through September 30, 2007.

Item #R4 - **PUBLIC HEARING** on a proposal to increase the total property tax rate by 3.2% over the calculated effective tax rate.

Item #R5 - Consideration and approval of an ordinance amending the Town's annual budget for the fiscal year ending September 30, 2006.

Attachments:

1. Council Agenda Item Overview
2. 2006 Amendments
3. Ordinance

Administrative Recommendation:

Administration recommends approval.

Item #R6 - **PUBLIC HEARING** and first reading of an ordinance amending Ordinance No. 005-010 of the Town, being a franchise agreement with TXU Electric Delivery Company for the provision of electric service within the Town, by, among other things, amending the time of payment of the municipal franchise charge from annual to quarterly and by extending the term of the franchise agreement.

Attachments:

1. Council Agenda Item Overview
2. Ordinance

Administrative Recommendation:

Administration recommends approval.

Item #R7 - Consideration and approval of an ordinance adopting the Town of Addison's investment policy for FY 2006-07.

Attachments:

1. Council Agenda Item Overview
2. FY 2007 Investment Policy
3. Letter from First Southwest Asset Management, Inc.

Administrative Recommendation:

Administration recommends approval.

Item #R8 - Consideration and approval of a resolution adopting an investment strategy for FY 2006-07.

Attachments:

1. Council Agenda Item Overview
2. FY 2007 Investment Strategy

Administrative Recommendation:

Administration recommends approval.

Item #R9 - Consideration and approval of a resolution that authorizes the Town to participate and invest in the Texas Short Term Asset Reserve Program (TexSTAR) local government investment pool.

Attachments:

1. Council Agenda Item Overview
2. TexSTAR participant list
3. Fund Profile
4. Resolution
5. TexSTAR Application
6. TexSTAR Terms and Bylaws
7. Bank Information

Administrative Recommendation:

Administration recommends approval.

Item #R10 - Consideration and approval of a final plat for 19 lots in a Planned Development district, located on approximately 2.4

acres at the southeast corner of Montfort Drive and Celestial Road, on application from Zachary Custom Builders, represented by Mr. Steven S. Crauford of Jones and Boyd.

Attachments:

1. Docket Map
2. Staff Report
3. Plans

The Planning and Zoning Commission Findings:

The Addison Planning and Zoning Commission, meeting in regular session on August 24, 2006, voted to recommend approval of the final plat on application from Zachary Custom Builders, subject to the following conditions:

-The plat meets closure requirements.

-The 5-foot Utility and Pedestrian Access Easement is not sufficient. This easement should be expanded to a width of 10 feet.

Voting Aye: Bernstein, Chafin, Gaines, Jandura, Meier, Wood

Voting Nay: None

Absent: Daseke

Administrative Recommendation:

Administration recommends approval.

Item #R11 - **PUBLIC HEARING**, regarding, and consideration of approval of, a Special Use Permit for a Christmas Tree Lot in an Industrial-1 district, located at 14345 Dallas Parkway, on application from Patton's Corner, represented by Mr. Jeff Patton.

Attachments:

1. Docket Map
2. Staff Report
3. Letter from Brent Steward
4. Plans

The Planning and Zoning Commission Findings:

The Addison Planning and Zoning Commission, meeting in regular session on August 24, 2006, voted to recommend approval of the above-cited request subject to the following conditions:

- Applicant shall clip off and remove all exposed rebar
- Applicant shall pickup and remove all chunks of broken concrete, asphalt and rock that might cause a trip hazard
- Applicant shall remove or rake out piles of Christmas tree mulch left on the site adjacent to this site from last year
- Applicant shall provide adequate egress and parking on the site to discourage customers from using the Ewing tract.

Voting Aye: Bernstein, Chafin, Gaines, Jandura, Meier, Wood
Voting Nay: None
Absent: Daseke

Administrative Recommendation:

Administration recommends approval.

Item #R12 - Presentation on the Selective Traffic Enforcement Program (STEP) grant approved by Council in FY 05-06, and consideration and approval of a resolution authorizing the City Manager to enter into another STEP grant with the Texas Department of Transportation for FY 06-07.

Attachments:

1. Council Agenda Item Overview
2. Memorandum from Paul Spencer

Administrative Recommendation:

Administration recommends approval.

Item #R13 - Consideration and approval of a resolution authorizing the City Manager to enter into a contract with Chevron for the purchase

of aviation fuel for the commissioning of the bulk storage fuel facility on Addison Airport.

Attachments:

1. Council Agenda Item Overview
2. Contract
3. Recap of fuel calculations

Administrative Recommendation:

Administration recommends approval.

Item #R14 - Consideration and approval of an appointment of an Addison resident for participation in the Leadership Metrocrest program.

Attachments:

1. Council Agenda Item Overview
2. Letter from Rita Moore
3. Citizens Academy List

Administrative Recommendation:

Administration recommends approval.

Item #R15 - Consideration of a resolution for DART member Cities to support the joint recommendation for Regional Rail as Approved by the Boards of DART, DCTA, and the T.

Attachments:

1. Council Agenda Item Overview
2. Resolution
3. Transit Joint Statement

Administrative Recommendation:

Administration recommends approval.

Adjourn Meeting

Posted 5:00 p.m.
September 7, 2006
Mario Canizares
City Secretary

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

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

August 21, 2006 – Special Meeting
6:00 p.m. – Town Hall
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Mallory, Mellow,
Niemann

Absent: Kraft

Item #S1 – Discussion of Citizen Advisory Committee appointments.

No action taken.

Item #S2 – Discussion of resolution establishing and setting forth rules of
procedures for the Citizens Advisory Committees.

No action taken.

There being no further business before the Council, the meeting was adjourned.

Mayor

Attest:

City Secretary

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

August 22, 2006
6:00 p.m. – Town Hall
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Kraft, Mallory, Mellow,
Niemann

Absent: None

Item #WS1 – Presentation and discussion of city manager’s recommended 2006-07 budgets for the Airport and Utility funds.

No action taken.

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Damon Jackson (Police), Monica Hernandez (Fire).

Item #R2 - Consent Agenda.

Item #2a and Item #2c were considered separately.

#2b – Consideration and approval of a resolution to approve final payment to Allied Builders, Inc., totaling \$2,998.10 for completion of the Blueprints sculpture painting. (Approved Resolution No. R06-064)

#2d – Consideration and approval of a resolution to award a contract in the amount of \$109,680.00 for rehabilitation of the six-inch sanitary sewer line serving Talisker Apartments and the six and eight-inch sanitary sewer line on Lake Forest Drive. (Approved Resolution No. R06-066)

Councilmember Mallory moved to duly approve the above listed items.
Councilmember Neimann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

#2a – Approval of the Minutes for the August 8, 2006, August 12, 2006 and August 14, 2006, Council Meetings.

Councilmember Niemann moved to duly approve the Minutes for the August 8, 2006, August 12, 2006 and August 14, 2006, Council Meetings, subject to corrections. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

#2c – Consideration and approval of a resolution to approve final payment to Northstar Construction, Inc. in the amount of \$126,352.46 for the completion of Miscellaneous Pavement Repairs – Bid 06-23.

Councilmember Braun moved to duly approve Resolution No. R06-065 approving final payment to Northstar Construction, Inc. in the amount of \$126,352.46 for the completion of Miscellaneous Pavement Repairs – Bid 06-23. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R3 – **PUBLIC HEARING** on a proposal to increase the total property tax rate by 3.2% over the calculated effective tax rate.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

No action taken.

Item #R4 – Presentation of the Town of Addison financial report for the quarter ended June 30, 2006.

No action taken.

Item #R5 – Consideration and approval of a resolution authorizing the City Manager to enter into an agreement with Krause Advertising for the production of the 2007 Addison calendar.

Councilmember Niemann moved to duly approve Resolution No. R06-067 authorizing the City Manager to enter into an agreement with Krause Advertising for the production of the 2007 Addison calendar. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Mayor Chow recused himself and left the Council Chambers.

Item #R6 – Consideration and approval of an ordinance granting meritorious exception to Sec. 62-163, Area of Signs, for Stanley Peskind, located at 4800 Belt Line Road.

Councilmember Mallory moved to duly approve Ordinance No. 006-037 granting meritorious exception to Sec. 62-163, Area of Signs, for Stanley Peskind, located at 4800 Belt Line Road, subject to no conditions. Councilmember Niemann seconded. Motion carried.

Voting Aye: Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None
Abstain: Chow

Mayor Chow returned to the Council Chambers.

Item #R7 – Presentation by the Dallas Area Rapid Transit of the DART 2030 Transit System Plan.

No action taken.

Item #R8 – Consideration and approval of a resolution stating the position of the Town of Addison in regard to the Dallas Area Rapid Transit's 2030 Transit System Plan.

Councilmember Niemann moved to duly approve Resolution No. R06-068 stating the position of the Town of Addison in regard to the Dallas Area Rapid Transit's 2030 Transit System Plan, subject to revisions. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R9 – Presentation of the City Manager's recommended funding levels for the non-profits for FY 2006-07 budget.

No action taken.

Item #R10 – Consideration and approval of an appointment of an Addison resident for participation in the Leadership Metrocrest program.

Councilmember Hirsch moved to table this item. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R11 – Consideration and approval of a resolution appointing a member to the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council.

Councilmember Niemann moved to duly approve Resolution No. R06-069 appointing Greg Hirsch to the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council, subject to revisions. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R12 – Consideration and approval of a resolution establishing and setting forth rules of procedures for the Citizens Advisory Committees.

Councilmember Niemann moved to duly approve Resolution No. R06-070 establishing and setting forth rules of procedures for the Citizens Advisory Committees, subject to revisions. Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R13 – Consideration and approval of appointments to the Citizens Advisory Committees.

Councilmember Mallory moved to duly approve the appointments to the Citizens Advisory Committees. Councilmember Kraft seconded. Motion carried.

Business Development

Blake Clemens, 14754 Celestial Place, Addison, TX 75001
Jeanette Consor, 4930 Morris Avenue, #3230, Addison, TX 75001
David Griffith, Crowne Plaza, 14315 Midway Road, Addison, TX 75001
Elizabeth Knott, 14925 Oaks North Drive, Dallas, TX 75254
Kimberly Lay, 4040 Morman Lane, Addison, TX 75001
David Markel, 4067 Beltway, #105, Addison, TX 75001
Chick Martin, 14810 Lochinvar Drive, Dallas, TX 75254
Rex Sedwick, 450 Long Cove Drive, Fairview, TX 75069
Lynn Stofer, 4002 Bobbin Lane, Addison, TX 75001

Culinary

Virgil Burkhardt, 4007 Winter Park Lane, Addison, TX 75001
Kitty Goddard, 1411 Seminole Drive, Richardson, TX 75080
Denise Hunse, 14784 Winnwood Road, Dallas, TX 75254
Jeanette Jones, 14750 Celestial Place, Dallas, TX 75254
Carol Rennesund, 14826 Surveyor Blvd., Addison, TX 75001
Robin Ross, 17018 Planters Row, Addison, TX 7501
Lynn, Stokes, 3901 Azure Lane, Addison, TX 75001
Gil Turchin, 14805 Winnwood Road, Dallas, TX 75254
Glynda Turner, 14791 Buckingham Court, Dallas, TX 75254

Education

Kathy Altaras, 3863 Ridgelake Court, Addison, TX 75001
Melissa Brand-Vokey, 3902 Rive Lane, Addison, TX 75001
Connie Gutierrez, 3777 Waterside Court, Addison, TX 75001
Paul Hayes, 4100 Leadville Place, Addison, TX 75001
Holland Hernandez, 3792 Waterford Drive, Addison, TX 75001
William Scheel, 14609 Cambridge Court, Addison, TX 75001
Fred Schlesinger, 17106 Graystone Drive, Dallas, TX 75248
Fernando Villones, 17072 Upper Bay, Addison, TX 75001
Virginia Wallace, 14820 Le Grande, Addison, TX 75001

Environment Design

Brad Bradbury, 3918 Bobbin Lane, Addison, TX 75001
Jon Brinkley, 14609 Dove, Addison, TX 75001
Adam Hammack, 4849 Haverwood Lane #501, Dallas, TX 75287
Sara Hammack, 4849 Haverwood Lane #501, Dallas, TX 75287
Albert Jandura, 14936 Oaks North Drive, Dallas, TX 75254
Cheryl Lehnertz, 14612 Hemingway Court, Addison, TX 75001
Daniel Moulton, 3901 Azure Lane, Addison, TX 75001
Judith Palmer, 3915 Azure Lane, Addison, TX 75001
Becky Thompson, 17112 Vinland Drive, Addison, TX 75001

Human Services

Carol Alkek, 4043 Morman Lane, Addison, TX 75001
Laurel Brewster, 3781 Waterside Court, Addison, TX 75001
Billy Dreis, 4025 Morman Lane, Addison, TX 75001
Randall Heye, III, 3820 Spring Valley Road #404, Addison, TX 75001
Robert Mason, 3834 Azure Lane, Addison, TX 75001
David Pepper, 14584 Blueberry Court, Addison, TX 75001
Carol Scheel, 14609 Cambridge Court, Addison, TX 75001

Museums

Bob Baumann, 4004 Sherry Lane, Addison, TX 75001
Barbara Daseke, 5656 Celestial Road, Dallas, TX 75254
Greg Elam, 7730 Chattington Drive, Dallas, TX 75248
Buddy Frazer, 14791 Buckingham Court, Dallas, TX 75254
Tom Hunse, 14784 Winnwood Road, Dallas, TX 75254
Hall Martin, 14800 Lochinvar Drive, Dallas, TX 75254
Ray Ryland, 14817 Surveyor Boulevard, Addison, TX 75001
Danny Steelman, 3333 Sage Brush Trail, Plano, TX 75023

Performing and Visual Arts

David Hubbell, 14585 Waterview Circle, Addison, TX 75001
Jay Ihrig, 3757 Chatham Court, Addison, TX 75001
Shirley Kay, 14722 Celestial Place, Dallas, TX 75254
Robert Mayer, Jr., 4423 Woodfin Drive, Dallas, TX 75220
Janet Meyer, 7824 LaVerdura, Dallas, TX 75248
Mary Jo Nelms, 3412 Salisbury, Dallas, TX 75229
Lori Ward, 14801 Lake Forest Drive, Dallas, TX 75254

Public Relations

Al Angell, 14540 Winnwood, Dallas, TX 75254
Carol Doepfner, 4006 Bobbin Lane, Addison, TX 75001
Linda Groce, 4102 Pokodi Circle, Addison, TX 75001
Jennifer Hewitt, 4014 Morman Lane, Addison, TX 75001
James Isaacson, 4124 Rive Lane, Addison, TX 75001
Robin Moss, 3918 Dome, Addison, TX 75001
Kent Pierce, 14901 Havenshire Place, Dallas, TX 75254
Becky Rawdin, 17055 Planters Row, Addison, TX 75001
Skip Robbins, 14770 Maiden Court, Dallas, TX 75254

Recreation

Sheila Barkofske, 4130 Proton Drive #26B, Addison, TX 75001
Jim Christensen, 3880 Emerald Court, Addison, TX 75001
Daniel Heinzerling, 14589 Waterview Circle, Addison, TX 75001
Neil Hewitt, 4014 Morman Lane, Addison, TX 75001
Dorothy Singhal, 14678 Winnwood, Dallas, TX 75254
Daisy Villones, 17072 Upper Bay, Addison, TX 75001
Katherine Wood, 14609 Lexus Avenue, Addison, TX 75001

Transportation

Stan Butler, 15720 Artist Way #4917, Addison, TX 75001
John Cummings, 3817 Azure Lane, Addison, TX 75001
Bruce Davis, 4067 Beltway, Ste. #126, Addison, TX 75001
Michael Day, 14593 Blueberry Court, Addison, TX 75001
Jason Ennis, 14604 Waterview Circle, Addison, TX 75001
Tom Higier, 6714 Robin Willow, Dallas, TX 75248

Bob Jacoby, 4016 Rive Lane, Addison, TX 75001
Michael McCrary, 4123 Rive Lane, Addison, TX 75001
Cathy Ways, 4104 Rush Circle, Addison, TX 75001

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

Item #R14 - Consideration of a resolution regarding certain matters pertaining to a Ground Lease at 4554 Claire Chennault on Addison Airport between the Town of Addison, as Landlord, and KPI Properties Inc., as Tenant, as follows: i) consent to its [sub]Lease Agreement with Keith Products, L.P. and the proposed Amended and Restated Lease Agreement, ii) KPI and Keith are requesting the Town execute an Estoppel Letter affirming that KPI is in good standing with the Town and acknowledges the sub sublease arrangement with Keith, as amended and restated.

Councilmember Kraft moved to duly approve Resolution No. R06-071 regarding certain matters pertaining to a Ground Lease at 4554 Claire Chennault on Addison Airport between the Town of Addison, as Landlord, and KPI Properties Inc., as Tenant, as follows: i) consent to its [sub]Lease Agreement with Keith Products, L.P. and the proposed Amended and Restated Lease Agreement, ii) KPI and Keith are requesting the Town execute an Estoppel Letter affirming that KPI is in good standing with the Town and acknowledges the sub sublease arrangement with Keith, as amended and restated, subject to revisions. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

EXECUTIVE SESSION. At 10:00 p.m., Mayor Chow announced that the Council would convene into Executive Session to discuss the following items:

Item #ES1 – Closed (executive) session of the City Council pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, reassignment, or duties of the City Secretary.

The Council came out of Executive Session at 10:27 p.m.

Item #R15 – Discussion and consideration of any action regarding and relating to the appointment and duties of the City Secretary.

Councilmember Kraft moved to duly appoint Mario Canizares as the City Secretary. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann
Voting Nay: None
Absent: None

EXECUTIVE SESSION. At 10:30 p.m., Mayor Chow announced that the Council would convene into Executive Session to discuss the following items:

Item #ES2 – Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to consult with its attorney to seek the advice of its attorneys regarding certain pending litigation, to wit: The City of Addison, Texas v. Transcontinental Realty Investors, Inc., et al., No. 05-05-01554-CV, Fifth District Court of Appeals, Dallas, Texas, and on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, regarding matters concerning access to Addison Airport.

The Council came out of Executive Session at 11:30 p.m.

There being no further business before the Council, the meeting was adjourned.

Mayor

Attest:

City Secretary

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

August 24, 2006 – Joint Session with Planning & Zoning Commissioners
6:30 p.m. – Town Hall
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Kraft, Mallory, Mellow,
Niemann

Absent: None

Present: Commissioners Bernstein, Chafin, Gaines, Jandura, Meier,
Wood

Absent: Daseke

Item #1 - Discussion of proposals for structure and membership on the
Citizen Advisory Committees to investigate the Next Great Ideas.

No action taken.

There being no further business before the Council, the meeting was adjourned.

Mayor

Attest:

City Secretary

Council Agenda Item: #2b

SUMMARY:

This item is to authorize the final payment to Dowager Construction, Inc. in the amount of \$5,250.00 for the Chatham Court Phase I Water Service Replacement contract.

FINANCIAL IMPACT:

Budgeted Amount: \$110,000.00

Cost: \$105,000.00

Funding Source: This Project is funded for 2006 in the Water and Sewer Fund, as indicated in the Five Year Capital Replacement Program.

BACKGROUND:

The Public Works Department established the need for the replacement of existing water service lines on Chatham Court Drive, Chancey Street and Lakeway Court. This project is the result of numerous water service line breaks in the area that have disrupted service to affected residences. The engineering firm GSWW, Inc. prepared engineering plans and specification for the construction of these improvements.

The project was awarded in April to Dowager Construction, Incorporated. The contractor and staff met with residents before the construction began to answer any questions they had about interruptions to their water service, restoration, etc. Dowager did an excellent job on the project and completed the work in a timely manner.

RECOMMENDATION:

Staff recommends final payment to Dowager Construction, Inc. in the amount of \$5,250.00 for the Chatham Court Phase I Water Service Replacement contract.

Council Agenda Item: #2c

SUMMARY:

Consider Adopting a Resolution supporting a Professional Services Agreement By and Between the North Dallas County Water Supply Corporation and Ace Pipe Cleaning Inc. for inspection of the large sanitary sewer tunnel constructed, operated, and maintained by the North Dallas County Water Supply Corporation.

FINANCIAL IMPACT:

The inspection is budgeted in the amount of \$50,000 in the 2005-2006 North Dallas County Water Supply Corporation (NDCWSC) budget with 54% of the funds provided by Addison and 46 % provided by Farmers Branch. There is some accumulated fund balance held by the NDCWSC that will decrease the amount to be contributed by the municipalities. The Town's portion will be paid out of the 2006 Utility Fund.

BACKGROUND:

In 1993 the Town of Addison and the City of Farmers Branch created the North Dallas County Water Supply Corporation to build, operate, and maintain the sanitary sewer interceptor to provide additional sanitary sewer capacity to support growth in both municipalities. The sanitary sewer interceptor was completed in 1995. The section between the Trinity River Authority metering station beneath IH-635 and Marsh Lane was constructed as a five-foot diameter tunnel up to 95 feet deep.

The North Dallas County Water Supply Corporation was advised by the design engineers that the tunnel portion should be inspected on 10 year intervals to ensure that the sanitary sewer line was performing as designed and to identify any deficiencies. A Professional Services Agreement with Ace Pipe Cleaning, Inc. has been negotiated to perform the inspection of the sanitary sewer tunnel in an amount not to exceed \$49,838 and a contract time of 30 days. Ace Pipe Cleaning, Inc. has extensive experience in inspecting similar tunnels throughout the United States.

RECOMMENDATION:

Staff recommends adopting the Resolution supporting a Professional Services Agreement by and between the North Dallas County Water Supply Corporation and Ace Pipe Cleaning, Inc. for the inspection of the large sanitary sewer tunnel constructed, operated and maintained by the North Dallas County Water Supply Corporation.

Location Map



TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS SUPPORTING A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN THE NORTH DALLAS COUNTY WATER SUPPLY CORPORATION AND ACE PIPE CLEANING, INC. FOR INSPECTION OF THE LARGE SANITARY SEWER TUNNEL CONSTRUCTED, OPERATED, AND MAINTAINED BY THE NORTH DALLAS COUNTY WATER SUPPLY CORPORATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas ("Addison") and the City of Farmers Branch, Texas ("Farmers Branch") heretofore created the North Dallas County Water Supply Corporation (NDCWSC) to build, operate, and maintain the east side sanitary sewer interceptor to provide additional sanitary sewer capacity to support growth in both municipalities; and

WHEREAS, the 2005-06 NDCWSC budget provides \$50,000.00 for inspection of the tunnel portion of the east side sanitary sewer interceptor, with 54% of such revenues provided by Addison and 46% of such revenues provided by Farmers Branch; and

WHEREAS, NDCWSC has negotiated a Professional Services Agreement with Ace Pipe Cleaning, Inc. to perform the inspection of the sanitary sewer tunnel in an amount not to exceed \$49,838.00, a true and correct copy of which Agreement is attached hereto as Exhibit "A"; and

WHEREAS, the Addison Director of Public Works recommends supporting the said Professional Services Agreement with Ace Pipe Cleaning, Inc. for inspection of the large sanitary sewer tunnel constructed by the NDCWSC.

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

Section 1. The Town supports a Professional Services Agreement with Ace Pipe Cleaning, Inc. for inspection of the large sanitary sewer tunnel.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this _____ day of September, 2006.

Joe Chow, Mayor

ATTEST:

By: _____
Mario Canizares, City Secretary

APPROVED AS TO FORM:

By: _____
Ken Dippel, City Attorney

Council Agenda Item: #R3

SUMMARY:

Presentation and discussion of FY 2006-07 City Council’s Draft budget.

FINANCIAL IMPACT:

No financial impact.

BACKGROUND:

Exhibit A provides a summary of the FY 2006-07 City Council’s Draft budget. While the recommended budget presented on July 31, 2006 attempted to capture all expected future revenues and expenses in the coming year, new information has become available that necessitates a few changes. The major changes to the City Manager’s Recommended FY 2006-07 Budget are summarized as follows:

	Original City Manager’s Budget	City Council’s Draft Budget	Variance
Revenues	\$53,726,500	\$53,655,290	(\$71,210)
Total Appropriations	\$57,047,060	\$56,934,610	(\$112,450)

Revenues:

- Additional property tax revenue (\$63,800)
- Decrease in airport revenue from fuel flowage fees and rental fees (\$115,000)

Expenditures:

General Fund

- Addition of Oaks Northing Lighting Plan (\$140,000)
- Adjustments to funding for non-profit agencies (\$22,700 – General Fund and Hotel Fund)

Hotel Fund

- Moving of Oktoberfest to October 2007 (net impact of \$387,750 in General Fund and Hotel Fund)
- Additional funds for the Special Events for water expenses at Addison Circle Park (\$50,000)

Capital Replacement Fund

- Additional funds for the phone system replacement in the Capital Replacement Fund (\$46,000)

Utility Fund

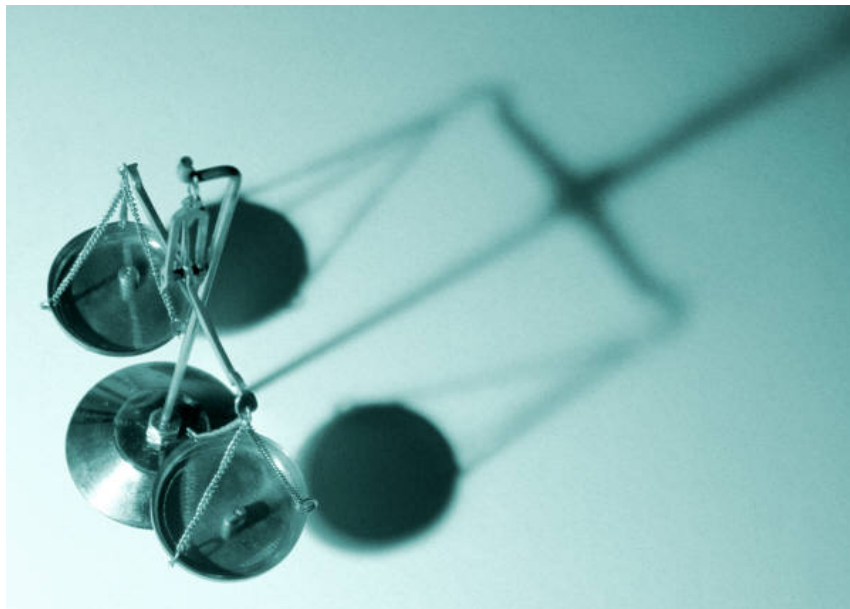
- Additional funds for wastewater treatment due to an anticipated rate increase by the Trinity River Authority (\$51,400)

The Council will vote on the FY 2006-07 budget at the regularly scheduled meeting on September 26, 2006. Other than minor modifications, staff does not anticipate the budget will need to be revised prior to the vote on September 26th.

RECOMMENDATION:

It is recommended council hold a public hearing regarding the proposed Town of Addison's Annual Budget for the fiscal year beginning October 1, 2006 and ending September 30, 2007.

TOWN OF ADDISON
CITY COUNCIL DRAFT
FISCAL YEAR 2006 – 2007 ANNUAL BUDGET



Reviewed by Council
September 12, 2006

TOWN OF ADDISON
CITY COUNCIL DRAFT PROPOSED BUDGET
FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 2007

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General Fund Statement	Exhibit D-2
Hotel Special Revenue Fund Statement	Exhibit D-3
Public Safety Special Revenue Fund Statement	Exhibit D-4
Municipal Court Special Revenue Fund Statement	Exhibit D-5
Arbor Special Revenue Fund Statement	Exhibit D-6
General Obligation Debt Service Fund Statement	Exhibit D-7
Occupancy Tax Debt Service Fund Statement	Exhibit D-8
Street Capital Project Fund Statement	Exhibit D-9
Parks Capital Project Fund Statement	Exhibit D-10
2000 Capital Project Fund Statement	Exhibit D-11
2002 Capital Project Fund Statement	Exhibit D-12
2003 Conference Centre and Event Site Capital Project Fund Statement	Exhibit D-13
2004 Capital Project Fund Statement	Exhibit D-14
2006 Capital Project Fund Statement	Exhibit D-15
Airport Enterprise Fund Statement	Exhibit D-16
Utility Enterprise Fund Statement	Exhibit D-17
Information Technology Internal Service Fund Statement	Exhibit D-18
Capital Replacement Internal Service Fund Statement	Exhibit D-19
General Fund Long-Term Financial Plan	Exhibit E-1
Hotel Special Revenue Fund Long-Term Financial Plan	Exhibit E-2
Airport Fund Long-Term Financial Plan	Exhibit E-3
Utility Fund Long-Term Financial Plan	Exhibit E-4
Budget Adjustment Requests	Exhibit F-1
Reduction Option Summary	Exhibit G-1
Airport Operator Operation and Maintenance Budget	Exhibit H

Council Agenda Item: _____

SUMMARY:

Presentation and discussion of FY 2006-07 City Council's Draft budget.

FINANCIAL IMPACT:

No financial impact.

BACKGROUND:

Exhibit A provides a summary of the FY 2006-07 City Council's Draft budget. While the recommended budget presented on July 31, 2006 attempted to capture all expected future revenues and expenses in the coming year, new information has become available that necessitates a few changes. The major changes to the City Manager's Recommended FY 2006-07 Budget are summarized as follows:

	Original City Manager's Budget	City Council's Draft Budget	Variance
Revenues	\$53,726,500	\$53,655,290	(\$71,210)
Total Appropriations	\$57,047,060	\$56,934,610	(\$112,450)

Revenues:

- Additional property tax revenue (\$63,800)
- Decrease in airport revenue from fuel flowage fees and rental fees (\$115,000)

Expenditures:

General Fund

- Addition of Oaks Northing Lighting Plan (\$140,000)
- Adjustments to funding for non-profit agencies (\$22,700 – General Fund and Hotel Fund)

Hotel Fund

- Moving of Oktoberfest to October 2007 (net impact of \$362,750 in General Fund and Hotel Fund)
- Additional funds for the Special Events for water expenses at Addison Circle Park (\$50,000)

Capital Replacement Fund

- Additional funds for the phone system replacement in the Capital Replacement Fund (\$46,000)

Utility Fund

- Additional funds for wastewater treatment due to an anticipated rate increase by the Trinity River Authority (\$51,400)

The Council will vote on the FY 2006-07 budget at the regularly scheduled meeting on September 26, 2006. Other than minor modifications, staff does not anticipate the budget will need to be revised prior to the vote on September 26th.

RECOMMENDATION:

It is recommended council hold a public hearing regarding the proposed Town of Addison's Annual Budget for the fiscal year beginning October 1, 2006 and ending September 30, 2007.

TOWN OF ADDISON

CITY COUNCIL'S DRAFT 2006-07 BUDGET SUMMARY *Including Major Items of Interest and Comparison with 2005-06 Budget*

The following is a summary of the city council draft 2006-2007 fiscal year annual budget of the Town of Addison.

1. **Budget appropriates \$56,934,610, a decrease of \$2.1 million or 3.6%** less than the previous year's budget. The net decline is attributed to a smaller scope of capital projects during the 2007 fiscal year.
2. **Revenues total \$53,655,290, an increase of \$1 million or 2%** compared to the 2005-06 budget. The increase is primarily a result of increased collections of property tax, sales taxes, and hotel occupancy taxes. Significant changes to selected revenues are shown below:
 - Property taxes, up \$870,100 or 6.6%
 - Non-property taxes (sales, alcoholic beverage, and hotel occupancy) up \$1,057,470 or 7.2%
 - Conference Centre fee increases are included in the 2007 budget
3. **The property tax rate is proposed to be reduced to 46.40¢, a 1.20¢ reduction from the previous year.**
4. **Appraised values for 2006 (used for 2007 levy) total \$3,029,605,430, an increase of 8.5%** from certified 2005 values. The increase in values continues the reversal of declining values experienced during FY 2003-05. Despite this increase though, FY 2007 appraised values are still below the FY 2002 appraised values of \$3,194,695,630. With the proposed tax rate, the city property taxes paid by the average homeowner in Addison will total \$1,032, or \$56 more than last year's average.
5. **Total staffing (all funds) is at 260.9 FTE** (full-time equivalent), a net decline of 5 FTE in workforce. Reductions in staffing were from vacant positions and included:
 - Senior management analyst in the Financial & Strategic Services department
 - Assistant police chief
 - Recreation supervisor and one recreation associate
 - Project manager in the Utilities department
7. The budget proposes a **merit based pay increase for employees of 6%** of salaries effective October 1, 2006.
8. The budget anticipates an average **10% increase in cost of providing life, health, and medical benefits.**

9. The budget envisions over **\$5.5 million being spent on capital projects** that include:

- Addison Road Widening \$ 2,050,000
- City-Wide Signalization \$913,000
- Design & Engineering of Belt Line Streetscape \$225,000
- 2007 Airport Paving Project \$960,000
- Removal and Remediation of Old Airport Fuel Farm \$336,500
- Brookhaven Club Water Line Replacement Phase II \$638,000
- 2007 Water Service Line Replacement Program \$124,000

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

TOWN OF ADDISON
COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
ALL FUNDS SUBJECT TO APPROPRIATION

City Council Draft 2006-07 Annual Budget With Comparisons to 2005-06 Budget

	Special Revenue Funds		Debt Service Funds		Capital Project Funds			Proprietary Funds			TOTAL		
	General Fund	Hotel Combined Other	General	Occupancy Tax Revenue	Streets	Parks	Combined Bonds	Airport	Utility	Combined Replacement	2006-07	2005-06	
BEGINNING BALANCES	\$ 7,715,900	\$ 4,236,810	\$ 269,550	\$ 1,577,300	\$ 799,130	\$ 3,965,050	\$ 629,290	\$ 2,286,910	\$ 1,842,290	\$ 2,411,440	\$ 4,944,880	\$30,678,550	\$31,603,280
REVENUES:													
Ad valorem tax	9,408,480	-	-	4,628,620	-	-	-	-	-	-	-	14,037,100	13,167,000
Non-property taxes	11,148,820	4,672,500	-	-	-	-	-	-	-	-	-	15,821,320	14,763,850
Franchise fees	2,691,660	-	-	-	-	-	-	-	-	-	-	2,691,660	2,751,780
Licenses and permits	524,900	-	-	-	-	-	-	-	-	-	-	524,900	452,160
Intergovernmental	-	-	-	-	752,000	-	-	30,000	-	-	-	782,000	782,000
Service fees	1,201,270	1,122,000	-	-	-	-	-	1,085,000	9,257,500	1,087,340	-	13,753,110	13,441,800
Fines and penalties	893,000	-	45,000	-	-	-	-	-	55,000	-	-	993,000	839,970
Rental income	144,000	581,000	-	-	-	-	-	3,128,000	-	-	-	3,853,000	4,023,000
Interest & other income	377,500	168,700	40,000	70,000	20,000	100,000	20,000	70,000	78,000	100,000	155,000	1,199,200	2,468,500
TOTAL REVENUES	26,389,630	6,544,200	85,000	4,698,620	20,000	852,000	20,000	70,000	4,321,000	9,412,500	1,242,340	53,655,290	52,690,060
Transfers from other funds	-	-	-	-	706,710	-	-	-	-	-	-	706,710	968,890
TOTAL AVAILABLE RESOURCES	34,105,530	10,781,010	354,550	6,275,920	1,525,840	4,817,050	649,290	2,356,910	6,163,290	11,823,940	6,187,220	85,040,550	85,262,230
EXPENDITURES:													
General Government	5,679,890	-	14,990	-	-	-	-	-	-	-	490,000	6,184,880	6,347,170
Public Safety	13,481,430	-	70,000	-	-	-	-	-	-	-	832,000	14,383,430	13,261,540
Urban Development	783,720	-	-	-	-	-	-	-	-	-	-	783,720	637,340
Streets	1,679,740	-	-	-	-	-	-	-	-	-	-	1,679,740	1,398,140
Parks & Recreation	3,874,440	-	6,000	-	-	-	-	-	-	-	78,800	3,959,240	3,696,310
Tourism	-	5,308,730	-	-	-	-	-	-	-	-	-	5,308,730	5,605,020
Aviation	-	-	-	-	-	-	-	3,677,260	-	-	-	3,677,260	3,656,440
Utilities	-	-	-	-	-	-	-	-	6,981,680	-	-	6,981,680	6,409,660
Debt service	-	-	-	4,693,260	707,210	-	-	-	386,270	2,609,290	-	8,396,030	8,014,200
Capital projects	-	-	-	-	-	2,963,000	-	225,000	1,411,500	980,400	-	5,579,900	10,040,790
TOTAL EXPENDITURES	25,499,220	5,308,730	90,990	4,693,260	707,210	2,963,000	-	225,000	5,475,030	10,571,370	1,400,800	56,934,610	59,066,610
Transfers to other funds	-	706,710	-	-	-	-	-	-	-	-	-	706,710	968,890
ENDING FUND BALANCES	\$ 8,606,310	\$ 4,765,570	\$ 263,560	\$ 1,582,660	\$ 818,630	\$ 1,854,050	\$ 649,290	\$ 2,131,910	\$ 688,260	\$ 1,252,570	\$ 4,786,420	\$27,399,230	\$25,226,730

Total Revenues	\$53,655,290	
Decrease in fund balance	3,279,320	
Total Appropriable funds	<u>\$56,934,610</u>	
	Total Appropriations	<u>\$56,934,610</u>

TOWN OF ADDISON
PROPERTY TAX DISTRIBUTION
CALCULATIONS
City Council Draft 2006-07 Budget

2006 CERTIFIED TAX ROLL & LEVY:			
Appraised Valuation (100%)			\$ 3,029,605,430
Rate Per \$100			\$ 0.4640
TOTAL TAX LEVY			\$ 14,057,370
Percent of Current Collection			99.50%
Estimated Current Tax Collections			<u>\$ 13,987,100</u>
SUMMARY OF TAX COLLECTIONS:			
Current Tax			\$ 13,987,100
Delinquent Tax			15,000
Penalty and Interest			35,000
TOTAL 2006-07 TAX COLLECTIONS			<u><u>\$ 14,037,100</u></u>
PROPOSED DISTRIBUTION:			
	<u>TAX</u> <u>RATE</u>	<u>% OF</u> <u>TOTAL</u>	<u>AMOUNT</u>
General Fund:			
Current Tax			\$ 9,374,970
Delinquent Tax			10,050
Penalty and Interest			23,460
Total General Fund	\$ 0.3110	67.03%	<u>9,408,480</u>
Debt Service Fund:			
Current Tax			4,612,130
Delinquent Tax			4,950
Penalty and Interest			11,540
Total Debt Service Fund	<u>\$ 0.1530</u>	<u>32.97%</u>	<u>4,628,620</u>
TOTAL DISTRIBUTION	<u>\$ 0.4640</u>	<u>100.00%</u>	<u>\$ 14,037,100</u>

TOWN OF ADDISON
BUDGETED DEPARTMENTAL STAFFING SUMMARY
City Council Draft 2006-07 Annual Budget

	2003	2004	2005	2006	2007	Difference 06-07
General fund:						
City Manager	9.5	10.0	10.0	10.0	8.5	(1.5)
Financial & Strategic Services	11.5	12.0	12.0	11.0	10.0	(1.0)
General Services	8.4	9.0	9.0	9.0	9.0	-
Municipal Court	4.5	4.7	4.7	4.7	4.7	-
Human Resources	4.3	4.3	4.7	4.7	4.7	-
Information Technology	6.0	6.0	6.0	6.0	6.0	-
Police	84.8	84.8	83.8	81.8	68.3	(13.5)
Emergency Communications	-	-	-	-	12.5	12.5
Fire	55.0	55.0	55.0	55.0	55.0	-
Development Services	6.0	6.0	6.0	6.0	7.0	1.0
Streets	6.4	6.0	6.0	6.0	7.0	1.0
Parks	20.0	20.0	20.0	20.0	20.0	-
Recreation	15.4	17.9	17.9	17.2	15.2	(2.0)
Total General fund	231.8	235.7	235.1	231.4	227.9	(3.5)
Hotel Fund	13.0	14.5	13.5	14.5	14.0	(0.5)
Airport Fund	3.2	2.0	2.0	2.0	2.0	-
Public Safety Fund	0.2	-	-	-	-	-
Street Capital Project Fund	2.1	-	-	-	-	-
2002 Capital Project Fund	0.5	-	-	-	-	-
Utilities	15.4	18.0	18.0	18.0	17.0	(1.0)
TOTAL ALL FUNDS	266.2	270.2	268.6	265.9	260.9	(5.0)

All positions are shown as full-time equivalent (FTE).

TOWN OF ADDISON
GENERAL FUND
SCHEDULE OF REVENUES BY SOURCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
Ad valorem taxes:				
Current taxes	\$ 6,841,239	\$ 8,419,500	\$ 8,419,500	\$ 9,374,970
Delinquent taxes	45,642	25,710	10,000	10,050
Penalty & interest	51,014	19,290	40,000	23,460
Non-property taxes:				
Sales tax	9,663,892	9,924,100	9,924,100	10,221,820
Alcoholic beverage tax	892,196	849,750	900,000	927,000
Franchise / right-of-way use fees:				
Electric franchise	1,572,257	1,619,430	1,619,430	1,668,010
Gas franchise	189,298	194,980	241,380	225,000
Telecommunication access fees	710,651	742,940	700,000	665,000
Cable franchise	85,588	107,430	107,430	110,650
Sanitation *	-	80,000	-	-
Wireless network fees	-	-	15,000	15,000
Street rental fees	6,003	7,000	8,000	8,000
Licenses and permits:				
Business licenses and permits	142,116	149,030	147,570	149,570
Building and construction permits	337,123	303,130	473,910	375,330
Intergovernmental revenue				
Homeland Security Grant	245,789	-	-	-
Service fees:				
General government	623	960	900	900
Public safety	710,049	759,270	707,000	690,460
Urban development	4,324	4,450	8,800	4,690
Streets and sanitation *	193,071	184,680	264,930	271,250
Recreation	64,280	65,150	68,000	68,960
Interfund	172,740	166,400	166,400	165,010
Court fines	812,762	744,970	1,018,000	893,000
Interest earnings	140,149	167,000	315,000	340,000
Rental income	127,956	119,000	119,000	144,000
Other	106,754	27,500	167,010	37,500
TOTAL REVENUES	\$ 23,115,516	\$ 24,681,670	\$ 25,441,360	\$ 26,389,630

* 2006 sanitation franchise fee is included in streets and sanitation service fees.

TOWN OF ADDISON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 7,299,785	\$ 6,481,550	\$ 7,050,510	\$ 7,715,900
REVENUES:				
Ad valorem taxes	6,937,895	8,464,500	8,469,500	9,408,480
Non-property taxes	10,556,088	10,773,850	10,824,100	11,148,820
Franchise fees	2,563,797	2,751,780	2,691,240	2,691,660
Licenses and permits	479,239	452,160	621,480	524,900
Intergovernmental	245,789	-	-	-
Service fees	1,145,087	1,180,910	1,216,030	1,201,270
Fines and penalties	812,762	744,970	1,018,000	893,000
Interest earnings	140,149	167,000	315,000	340,000
Rental income	127,956	119,000	119,000	144,000
Other	106,754	27,500	167,010	37,500
TOTAL REVENUES	23,115,516	24,681,670	25,441,360	26,389,630
TOTAL RESOURCES AVAILABLE	30,415,301	31,163,220	32,491,870	34,105,530
EXPENDITURES:				
General Government:				
City Manager	1,215,841	1,269,600	1,288,010	1,118,180
Financial and Strategic Services	957,652	1,014,140	1,004,810	971,610
General Services	661,278	766,950	789,360	753,070
Municipal Court	393,245	429,190	408,290	425,620
Human Resources	361,496	371,570	370,650	387,470
Information Technology	914,143	1,088,010	1,005,440	1,104,710
Combined Services	906,669	782,120	801,520	645,550
Council Projects	389,008	308,590	410,900	273,680
Public Safety:				
Police	6,892,041	7,395,220	7,241,210	6,864,820
Emergency Communications	-	-	-	942,490
Fire	5,349,848	5,590,320	5,518,110	5,674,120
Development Services	553,651	637,340	598,170	783,720
Streets	1,276,489	1,366,140	1,416,490	1,679,740
Parks and Recreation:				
Parks	2,107,075	2,378,830	2,411,880	2,591,550
Recreation	1,386,360	1,217,980	1,248,130	1,282,890
TOTAL EXPENDITURES	23,364,796	24,616,000	24,512,970	25,499,220
OTHER FINANCING SOURCES (USES):				
Transfer to parks capital project fund	-	(263,000)	(263,000)	-
ENDING FUND BALANCE	\$ 7,050,505	\$ 6,284,220	\$ 7,715,900	\$ 8,606,310

TOWN OF ADDISON
HOTEL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 4,699,920	\$ 4,443,160	\$ 4,617,540	\$ 4,236,810
REVENUES:				
Hotel/Motel occupancy taxes	4,038,131	3,990,000	4,450,000	4,672,500
Proceeds from special events	1,012,876	1,049,300	1,093,400	1,122,000
Conference centre rental	459,332	490,000	455,000	500,000
Theatre centre rental	80,289	84,000	75,000	81,000
Interest earnings and other	85,994	94,700	174,200	168,700
TOTAL REVENUES	<u>5,676,622</u>	<u>5,708,000</u>	<u>6,247,600</u>	<u>6,544,200</u>
TOTAL AVAILABLE RESOURCES	<u>10,376,542</u>	<u>10,151,160</u>	<u>10,865,140</u>	<u>10,781,010</u>
EXPENDITURES:				
Visitor services administration	687,679	799,810	736,200	779,920
Marketing	941,905	996,710	1,003,560	1,052,440
Special events	2,055,451	2,246,230	2,568,520	1,972,440
Conference centre	850,326	1,056,260	1,104,230	955,150
Performing arts	480,394	506,010	497,930	548,780
Capital projects	38,638	-	12,000	-
TOTAL EXPENDITURES	<u>5,054,393</u>	<u>5,605,020</u>	<u>5,922,440</u>	<u>5,308,730</u>
OTHER FINANCING SOURCES (USES):				
Transfer to debt service fund	<u>(704,610)</u>	<u>(705,890)</u>	<u>(705,890)</u>	<u>(706,710)</u>
ENDING FUND BALANCE	<u>\$ 4,617,539</u>	<u>\$ 3,840,250</u>	<u>\$ 4,236,810</u>	<u>\$ 4,765,570</u>

TOWN OF ADDISON
PUBLIC SAFETY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 28,922	\$ 25,820	\$ 38,150	\$ 85,150
REVENUES:				
Court awards	13,133	5,000	55,000	5,000
Interest earnings and other	694	1,000	2,000	1,000
TOTAL REVENUES	<u>13,827</u>	<u>6,000</u>	<u>57,000</u>	<u>6,000</u>
TOTAL AVAILABLE RESOURCES	<u>42,749</u>	<u>31,820</u>	<u>95,150</u>	<u>91,150</u>
EXPENDITURES:				
Supplies	-	5,000	5,000	5,000
Contractual services	4,595	5,000	5,000	15,000
Capital Equipment	-	-	-	50,000
TOTAL EXPENDITURES	<u>4,595</u>	<u>10,000</u>	<u>10,000</u>	<u>70,000</u>
ENDING BALANCE	<u>\$ 38,154</u>	<u>\$ 21,820</u>	<u>\$ 85,150</u>	<u>\$ 21,150</u>

TOWN OF ADDISON
MUNICIPAL COURT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 85,573	\$ 81,070	\$ 86,520	\$ 100,500
REVENUES:				
Court security fees	15,821	15,000	20,000	20,000
Court technology fees	21,123	20,000	25,000	25,000
Interest earnings and other	4,401	5,000	10,000	7,000
TOTAL REVENUES	<u>41,345</u>	<u>40,000</u>	<u>55,000</u>	<u>52,000</u>
TOTAL AVAILABLE RESOURCES	<u>126,918</u>	<u>121,070</u>	<u>141,520</u>	<u>152,500</u>
EXPENDITURES:				
Personal services	16,413	20,000	15,000	8,990
Supplies	-	-	1,020	4,000
Contractual Services	528	-	-	2,000
Capital outlay	23,460	25,000	25,000	-
TOTAL EXPENDITURES	<u>40,401</u>	<u>45,000</u>	<u>41,020</u>	<u>14,990</u>
ENDING BALANCE	<u>\$ 86,517</u>	<u>\$ 76,070</u>	<u>\$ 100,500</u>	<u>\$ 137,510</u>

TOWN OF ADDISON
ARBOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 77,350	\$ 40,350	\$ 87,340	\$ 83,900
REVENUES:				
Recycling proceeds	26,768	12,000	30,000	20,000
Contributions	7,425	5,000	5,500	5,000
Interest earnings and other	1,489	2,000	3,160	2,000
TOTAL REVENUES	<u>35,682</u>	<u>19,000</u>	<u>38,660</u>	<u>27,000</u>
TOTAL AVAILABLE RESOURCES	<u>113,032</u>	<u>59,350</u>	<u>126,000</u>	<u>110,900</u>
EXPENDITURES:				
Maintenance and materials	25,695	25,000	41,100	6,000
Contractual services	-	6,500	1,000	-
TOTAL EXPENDITURES	<u>25,695</u>	<u>31,500</u>	<u>42,100</u>	<u>6,000</u>
ENDING BALANCE	<u>\$ 87,337</u>	<u>\$ 27,850</u>	<u>\$ 83,900</u>	<u>\$ 104,900</u>

GENERAL OBLIGATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 1,574,618	\$ 1,349,570	\$ 1,401,990	\$ 1,577,300
REVENUES:				
Ad valorem taxes	5,827,741	4,702,500	4,702,500	4,628,620
Interest earnings and other	78,641	60,000	75,000	70,000
TOTAL REVENUES	<u>5,906,382</u>	<u>4,762,500</u>	<u>4,777,500</u>	<u>4,698,620</u>
TOTAL AVAILABLE RESOURCES	<u>7,481,000</u>	<u>6,112,070</u>	<u>6,179,490</u>	<u>6,275,920</u>
EXPENDITURES:				
Debt Service - Principal	2,728,542	2,980,000	3,105,000	3,255,000
Debt Service - Interest	3,343,106	1,582,320	1,487,190	1,428,260
Fiscal fees	7,360	10,000	10,000	10,000
TOTAL EXPENDITURES	<u>6,079,008</u>	<u>4,572,320</u>	<u>4,602,190</u>	<u>4,693,260</u>
ENDING BALANCE	<u>\$ 1,401,992</u>	<u>\$ 1,539,750</u>	<u>\$ 1,577,300</u>	<u>\$ 1,582,660</u>

TOWN OF ADDISON
OCCUPANCY TAX DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 765,623	\$ 779,120	\$ 778,630	\$ 799,130
REVENUES:				
Interest earnings	13,306	12,000	22,000	20,000
TOTAL REVENUES	<u>13,306</u>	<u>12,000</u>	<u>22,000</u>	<u>20,000</u>
TOTAL AVAILABLE RESOURCES	<u>778,929</u>	<u>791,120</u>	<u>800,630</u>	<u>819,130</u>
EXPENDITURES:				
Debt Service - Principal	450,000	465,000	465,000	480,000
Debt Service - Interest	254,612	240,890	240,890	226,710
Fiscal fees	300	1,500	1,500	500
TOTAL EXPENDITURES	<u>704,912</u>	<u>707,390</u>	<u>707,390</u>	<u>707,210</u>
OTHER FINANCING SOURCES (USES):				
Transfer from Hotel fund	704,610	705,890	705,890	706,710
TOTAL OTHER FINANCING (USES)	<u>704,610</u>	<u>705,890</u>	<u>705,890</u>	<u>706,710</u>
ENDING BALANCE	<u>\$ 778,627</u>	<u>\$ 789,620</u>	<u>\$ 799,130</u>	<u>\$ 818,630</u>

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 7,859,771	\$ 3,909,770	\$ 3,844,050	\$ 3,965,050
REVENUES:				
Intergovernmental grants	-	752,000	-	752,000
Interest earnings and other	99,815	85,000	160,000	100,000
TOTAL REVENUES	<u>99,815</u>	<u>837,000</u>	<u>160,000</u>	<u>852,000</u>
TOTAL AVAILABLE RESOURCES	<u>7,959,586</u>	<u>4,746,770</u>	<u>4,004,050</u>	<u>4,817,050</u>
EXPENDITURES:				
Personal services	22,834	50,000	16,000	8,000
Engineering and contractual services	369,071	138,000	23,000	45,000
Construction and equipment	3,723,630	1,298,000	-	2,910,000
TOTAL EXPENDITURES	<u>4,115,535</u>	<u>1,486,000</u>	<u>39,000</u>	<u>2,963,000</u>
ENDING BALANCE	<u>\$ 3,844,051</u>	<u>\$ 3,260,770</u>	<u>\$ 3,965,050</u>	<u>\$ 1,854,050</u>

TOWN OF ADDISON
PARKS CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 700,775	\$ 378,000	\$ 411,020	\$ 629,290
REVENUES:				
Interest earnings and other	12,573	12,000	20,000	20,000
Developer contributions	-	184,000	-	-
TOTAL REVENUES	<u>12,573</u>	<u>196,000</u>	<u>20,000</u>	<u>20,000</u>
TOTAL AVAILABLE RESOURCES	<u>713,348</u>	<u>574,000</u>	<u>431,020</u>	<u>649,290</u>
EXPENDITURES:				
Administration:				
Personal services	8,831	5,000	1,500	-
Engineering, and contractual services	37,333	53,000	28,000	-
Construction and equipment	256,168	779,000	35,230	-
TOTAL EXPENDITURES	<u>302,332</u>	<u>837,000</u>	<u>64,730</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General fund	-	263,000	263,000	-
Transfer from street capital project fund	-	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>263,000</u>	<u>263,000</u>	<u>-</u>
ENDING BALANCE	<u>\$ 411,016</u>	<u>\$ -</u>	<u>\$ 629,290</u>	<u>\$ 649,290</u>

TOWN OF ADDISON
2000 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 239,201	\$ 132,000	\$ 70,110	\$ -
REVENUES:				
Interest earnings and other	4,970	2,000	760	-
TOTAL REVENUES	<u>4,970</u>	<u>2,000</u>	<u>760</u>	<u>-</u>
TOTAL AVAILABLE RESOURCES	<u>244,171</u>	<u>134,000</u>	<u>70,870</u>	<u>-</u>
EXPENDITURES:				
Personal services	7,538	12,000	-	-
Engineering and contractual services	111,519	122,000	70,870	-
Construction and equipment	55,000	-	-	-
TOTAL EXPENDITURES	<u>174,057</u>	<u>134,000</u>	<u>70,870</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 70,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ADDISON
2002 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 2,786,251	\$ 2,425,540	\$ 2,316,150	\$ 1,986,930
REVENUES:				
Intergovernmental grants	555,178	-	-	-
Interest earnings and other	48,471	40,000	85,000	60,000
TOTAL REVENUES	<u>603,649</u>	<u>40,000</u>	<u>85,000</u>	<u>60,000</u>
TOTAL AVAILABLE RESOURCES	<u>3,389,900</u>	<u>2,465,540</u>	<u>2,401,150</u>	<u>2,046,930</u>
EXPENDITURES:				
Personal services	88,318	-	40,000	25,000
Engineering and contractual services	414,414	250,000	374,220	200,000
Construction and equipment	571,018	1,205,280	-	-
TOTAL EXPENDITURES	<u>1,073,750</u>	<u>1,455,280</u>	<u>414,220</u>	<u>225,000</u>
ENDING FUND BALANCE	<u>\$ 2,316,150</u>	<u>\$ 1,010,260</u>	<u>\$ 1,986,930</u>	<u>\$ 1,821,930</u>

TOWN OF ADDISON
2003 CONFERENCE CENTRE AND EVENT SITE CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 296,778	\$ -	\$ -	\$ -
REVENUES:				
Interest earnings and other	7,404	-	-	-
TOTAL REVENUES	7,404	-	-	-
TOTAL AVAILABLE RESOURCES	304,182	-	-	-
EXPENDITURES:				
Personal services	4,245	-	-	-
Engineering and contractual services	34,318	-	-	-
Construction and equipment	265,619	-	-	-
TOTAL EXPENDITURES	304,182	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
2004 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ 10,531,649	\$ 1,165,800	\$ 2,582,980	\$ 299,980
REVENUES:				
Bond proceeds	-	-	-	-
Intergovernmental grants	1,422,812	-	1,373,000	-
Interest earnings and other	216,118	20,000	122,700	10,000
TOTAL REVENUES	<u>1,638,930</u>	<u>20,000</u>	<u>1,495,700</u>	<u>10,000</u>
TOTAL AVAILABLE RESOURCES	<u>12,170,579</u>	<u>1,185,800</u>	<u>4,078,680</u>	<u>309,980</u>
EXPENDITURES:				
Personal services	12,678	-	1,000	-
Bond sale costs	-	-	-	-
Engineering and contractual services	168,664	-	95,000	-
Construction and equipment	9,406,253	866,810	3,682,700	-
TOTAL EXPENDITURES	<u>9,587,595</u>	<u>866,810</u>	<u>3,778,700</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 2,582,984</u>	<u>\$ 318,990</u>	<u>\$ 299,980</u>	<u>\$ 309,980</u>

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES:				
Bond proceeds	-	1,500,000	1,500,000	-
Interest earnings and other	-	5,000	35,000	-
TOTAL REVENUES	<u>-</u>	<u>1,505,000</u>	<u>1,535,000</u>	<u>-</u>
TOTAL AVAILABLE RESOURCES	<u>-</u>	<u>1,505,000</u>	<u>1,535,000</u>	<u>-</u>
EXPENDITURES:				
Personal services	-	-	-	-
Bond sale costs	-	12,000	-	-
Engineering and contractual services	-	-	-	-
Construction and equipment	-	1,493,000	1,535,000	-
TOTAL EXPENDITURES	<u>-</u>	<u>1,505,000</u>	<u>1,535,000</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ADDISON
AIRPORT ENTERPRISE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
INCOME STATEMENT				
Operating revenues:				
Operating grants	61,948	\$ 30,000	\$ 30,000	\$ 30,000
Fuel flowage fees	1,064,775	1,065,000	1,042,000	1,050,000
Rental	3,097,322	3,330,000	3,152,500	3,128,000
User fees	43,783	47,000	33,000	35,000
Total operating revenues	<u>4,267,828</u>	<u>4,472,000</u>	<u>4,257,500</u>	<u>4,243,000</u>
Operating expenses:				
Town - Personal services	217,931	281,130	269,220	284,830
Town - Supplies	6,024	22,300	15,050	22,300
Town - Maintenance	29,432	26,250	25,390	26,250
Town - Contractual services	500,531	424,100	583,700	431,850
Grant - Maintenance	-	60,000	60,000	60,000
Operator - Operations & Maintenance	1,160,750	1,762,660	1,755,630	1,867,330
Operator - Service Contract	1,059,209	1,080,000	958,800	984,700
Total operating expenses	<u>2,973,877</u>	<u>3,656,440</u>	<u>3,667,790</u>	<u>3,677,260</u>
Net operating income	<u>1,293,951</u>	<u>815,560</u>	<u>589,710</u>	<u>565,740</u>
Non-Operating revenues (expenses):				
Interest earnings and other	116,468	59,000	164,500	78,000
Interest on debt, fiscal fees, & other	(554,487)	(169,360)	(169,360)	(161,270)
Net non-operating revenues (expenses)	<u>(438,019)</u>	<u>(110,360)</u>	<u>(4,860)</u>	<u>(83,270)</u>
Net income (excluding depreciation)	<u>\$ 855,932</u>	<u>\$ 705,200</u>	<u>\$ 584,850</u>	<u>\$ 482,470</u>
CHANGES IN WORKING CAPITAL				
Net income (excluding depreciation)	<u>\$ 855,932</u>	<u>\$ 705,200</u>	<u>\$ 584,850</u>	<u>\$ 482,470</u>
Sources (uses) of working capital:				
Bond proceeds	4,362,640	-	-	-
Retirement of long-term debt	(215,000)	(215,000)	(215,000)	(225,000)
Net additions to fixed assets with grants	-	(70,000)	(22,000)	-
Other net additions to fixed assets	(3,396,963)	(3,097,500)	(1,686,000)	(1,411,500)
Net sources (uses) of working capital	<u>750,677</u>	<u>(3,382,500)</u>	<u>(1,923,000)</u>	<u>(1,636,500)</u>
Net increase (decrease) in working capital	1,606,609	(2,677,300)	(1,338,150)	(1,154,030)
Beginning fund balance	<u>1,573,835</u>	<u>4,817,470</u>	<u>3,180,440</u>	<u>1,842,290</u>
Ending fund balance	<u>\$ 3,180,444</u>	<u>\$ 2,140,170</u>	<u>\$ 1,842,290</u>	<u>\$ 688,260</u>

TOWN OF ADDISON
UTILITY ENTERPRISE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
INCOME STATEMENT				
Operating revenues:				
Water sales	\$ 3,430,830	\$ 4,210,800	\$ 5,116,900	\$ 4,696,700
Sewer charges	3,840,540	4,741,400	4,770,000	4,555,800
Tap fees	3,185	1,000	7,500	5,000
Penalties	50,222	60,000	56,000	55,000
Total operating revenues	<u>7,324,777</u>	<u>9,013,200</u>	<u>9,950,400</u>	<u>9,312,500</u>
Operating expenses:				
Water purchases	2,234,209	2,469,600	2,587,600	2,594,200
Wastewater treatment	1,783,286	1,814,800	2,019,720	2,148,300
Utility operations	1,719,577	2,125,260	2,005,580	2,239,180
Total operating expenses	<u>5,737,072</u>	<u>6,409,660</u>	<u>6,612,900</u>	<u>6,981,680</u>
Net operating income	<u>1,587,705</u>	<u>2,603,540</u>	<u>3,337,500</u>	<u>2,330,820</u>
Non-Operating revenues (expenses):				
Interest earnings and other	195,378	55,300	130,000	100,000
Interest on debt, fiscal fees, & other	(885,092)	(635,130)	(635,130)	(579,060)
Net non-operating revenues (expenses)	<u>(689,714)</u>	<u>(579,830)</u>	<u>(505,130)</u>	<u>(479,060)</u>
Net income (excluding depreciation)	<u>\$ 897,991</u>	<u>\$ 2,023,710</u>	<u>\$ 2,832,370</u>	<u>\$ 1,851,760</u>
CHANGES IN WORKING CAPITAL				
Net income (excluding depreciation)	<u>\$ 897,991</u>	<u>\$ 2,023,710</u>	<u>\$ 2,832,370</u>	<u>\$ 1,851,760</u>
Sources (uses) of working capital:				
Retirement of long-term debt	(1,594,285)	(1,715,000)	(1,715,000)	(2,030,230)
Net additions to fixed assets	<u>(586,068)</u>	<u>(589,200)</u>	<u>(575,400)</u>	<u>(980,400)</u>
Net sources (uses) of working capital	<u>(2,180,353)</u>	<u>(2,304,200)</u>	<u>(2,290,400)</u>	<u>(3,010,630)</u>
Net increase (decrease) in working capital	(1,282,362)	(280,490)	541,970	(1,158,870)
Beginning fund balance	<u>3,151,828</u>	<u>1,841,940</u>	<u>1,869,470</u>	<u>2,411,440</u>
Ending fund balance	<u>\$ 1,869,466</u>	<u>\$ 1,561,450</u>	<u>\$ 2,411,440</u>	<u>\$ 1,252,570</u>

TOWN OF ADDISON
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
INCOME STATEMENT				
Operating revenues:				
Department contributions:	\$ 564,410	\$ 413,730	\$ 413,730	\$ 419,520
Total operating revenues	<u>564,410</u>	<u>413,730</u>	<u>413,730</u>	<u>419,520</u>
Operating expenses:				
Contractual services	2,115	2,500	2,500	2,500
Total operating expenses	<u>2,115</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Net operating income	<u>562,295</u>	<u>411,230</u>	<u>411,230</u>	<u>417,020</u>
Non-operating Revenues:				
Interest earnings and other	23,231	30,000	35,000	40,000
Proceeds from sale of assets	2,291	-	-	-
Net non-operating revenues	<u>25,522</u>	<u>30,000</u>	<u>35,000</u>	<u>40,000</u>
Net income (exclucing depreciation)	<u>\$ 587,817</u>	<u>\$ 441,230</u>	<u>\$ 446,230</u>	<u>\$ 457,020</u>
CHANGES IN WORKING CAPITAL				
Net income (exclucing depreciation)	\$ 587,817	\$ 441,230	\$ 446,230	\$ 457,020
Sources (uses) of working capital:				
Capital hardware/software:				
General government	-	(235,000)	-	(235,000)
Public safety	(86,366)	(202,000)	(72,000)	(230,000)
Net sources (uses) of working capital	<u>(86,366)</u>	<u>(437,000)</u>	<u>(72,000)</u>	<u>(465,000)</u>
Net increase (decrease) in working capital	501,451	4,230	374,230	(7,980)
Beginning fund balance	1,184,557	1,468,370	1,686,010	2,060,240
Ending fund Balance	<u>\$ 1,686,008</u>	<u>\$ 1,472,600</u>	<u>\$ 2,060,240</u>	<u>\$ 2,052,260</u>

TOWN OF ADDISON
CAPITAL REPLACEMENT INTERNAL SERVICE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
INCOME STATEMENT				
Operating revenues:				
Department contributions	\$ 632,662	\$ 732,660	\$ 732,660	\$ 667,820
Total operating revenues	<u>632,662</u>	<u>732,660</u>	<u>732,660</u>	<u>667,820</u>
Operating expenses:				
Other	1,334	2,500	2,500	2,500
Total operating expenses	<u>1,334</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Net operating income	<u>631,328</u>	<u>730,160</u>	<u>730,160</u>	<u>665,320</u>
Non-Operating revenues:				
Interest earnings and other	35,447	60,000	90,000	90,000
Proceeds from sale of assets	87,470	25,000	104,000	25,000
Net non-operating revenues	<u>122,917</u>	<u>85,000</u>	<u>194,000</u>	<u>115,000</u>
Net Income (Excluding depreciation)	<u>\$ 754,245</u>	<u>\$ 815,160</u>	<u>\$ 924,160</u>	<u>\$ 780,320</u>
CHANGES IN WORKING CAPITAL				
Net income (excluding depreciation)	<u>\$ 754,245</u>	<u>\$ 815,160</u>	<u>\$ 924,160</u>	<u>\$ 780,320</u>
Sources (uses) of working capital:				
Acquisition of capital equipment:				
General government	(105,716)	(32,000)	(32,000)	(250,000)
Public safety	(300,000)	(64,000)	(64,000)	(602,000)
Streets	(36,216)	(32,000)	(32,000)	-
Parks and recreation	<u>(18,503)</u>	<u>(68,000)</u>	<u>(25,000)</u>	<u>(78,800)</u>
Net source (use) of working capital	<u>(460,435)</u>	<u>(196,000)</u>	<u>(153,000)</u>	<u>(930,800)</u>
Net increase (decrease) in working capital	293,810	619,160	771,160	(150,480)
Beginning fund balance	1,819,670	2,263,750	2,113,480	2,884,640
Ending fund balance	<u>\$ 2,113,480</u>	<u>\$ 2,882,910</u>	<u>\$ 2,884,640</u>	<u>\$ 2,734,160</u>

TOWN OF ADDISON
HOTEL SPECIAL REVENUE FUND LONG-TERM FINANCIAL PLAN
City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Estimate 2005-06	Budget 2006-07	Year 1 Projected 2007-08	Year 2 Projected 2008-09	Year 3 Projected 2009-10	Year 4 Projected 2010-11
BEGINNING FUND BALANCE	\$ 4,699,920	\$ 4,617,540	\$ 4,236,810	\$ 4,765,570	\$ 4,293,820	\$ 4,395,680	\$ 4,523,970
REVENUES:							
Hotel/Motel occupancy taxes (HOT)	4,038,131	4,450,000	4,672,500	4,812,680	4,957,060	5,105,770	5,258,940
Proceeds from special events	1,012,876	1,093,400	1,122,000	1,166,880	1,213,560	1,262,100	1,312,580
Conference centre rental	459,332	455,000	500,000	520,000	540,800	562,430	584,930
Theatre rental	80,289	75,000	81,000	84,240	87,610	91,110	94,750
Interest and other	85,994	174,200	168,700	172,070	175,510	179,020	182,600
TOTAL REVENUES	5,676,622	6,247,600	6,544,200	6,755,870	6,974,540	7,200,430	7,433,800
EXPENDITURES:							
Visitor services	687,679	736,200	779,920	800,920	823,120	846,620	871,470
Marketing	941,905	1,003,560	1,052,440	1,073,560	1,095,090	1,117,060	1,139,470
Special events	2,055,451	2,568,520	1,972,440	2,471,540	2,582,890	2,699,490	2,821,610
Conference centre	850,326	1,104,230	955,150	1,126,970	1,058,740	1,113,300	1,170,810
Performing arts	480,394	497,930	548,780	562,620	526,050	529,630	533,370
Capital projects / expanded levels of service	38,638	12,000	-	480,000	75,000	50,000	-
Transfers to other funds/debt service	704,610	705,890	706,710	712,010	711,790	716,040	719,690
TOTAL EXPENDITURES	5,759,003	6,628,330	6,015,440	7,227,620	6,872,680	7,072,140	7,256,420
ENDING FUND BALANCE	\$ 4,617,539	\$ 4,236,810	\$ 4,765,570	\$ 4,293,820	\$ 4,395,680	\$ 4,523,970	\$ 4,701,350
Ending balance greater (less) than 25% minimum	\$ 3,363,600	\$ 2,759,200	\$ 3,438,388	\$ 2,784,918	\$ 2,874,208	\$ 2,947,445	\$ 3,067,168

Hotel Occupancy Tax Variables:							
Number of rooms	4,011	4,011	4,011	4,011	4,011	4,011	4,011
Average revenue per room	\$1,007	\$1,109	\$1,165	\$1,200	\$1,236	\$1,273	\$1,311

Future capital items:							
Unreimbursed repairs to park fountain		12,000					
HVAC Replacement				480,000			
Roof replacement					75,000		
Carpet replacement						50,000	
Total		\$ 12,000	\$ -	\$ 480,000	\$ 75,000	\$ 50,000	\$ -

TOWN OF ADDISON
AIRPORT FUND LONG-TERM FINANCIAL PLAN
City Council Draft 2006-07 Annual Budget

	Actual 2004-2005	Estimated 2005-2006	Year 1 Budget 2006-2007	Year 2 Projected 2007-2008	Year 3 Projected 2008-2009	Year 4 Projected 2009-2010	Year 5 Projected 2010-2011
BEGINNING WORKING CAPITAL	\$ 1,573,835	\$ 3,180,440	\$ 1,842,290	\$ 688,260	\$ 1,213,740	\$ 815,840	\$ 801,550
NET INCOME							
Operating revenues:							
Operating grants	61,948	30,000	30,000	30,000	30,000	30,000	30,000
Fuel flowage fees	1,064,775	1,042,000	1,050,000	1,071,000	1,092,400	1,114,200	1,136,500
Rental	3,097,322	3,152,500	3,128,000	3,190,560	3,254,370	3,319,460	3,385,850
User fees	43,783	33,000	35,000	35,700	36,410	37,140	37,880
Total operating revenues	4,267,828	4,257,500	4,243,000	4,327,260	4,413,180	4,500,800	4,590,230
Operating expenses:							
Town - Personal services	217,931	269,220	284,830	301,920	320,040	339,240	359,590
Town - Supplies	6,024	15,050	22,300	22,970	23,660	24,370	25,100
Town - Maintenance	29,432	25,390	26,250	27,560	28,940	30,390	31,910
Town - Contractual services	500,531	583,700	431,850	440,490	449,300	458,290	467,460
Grant - Operations & Maintenance	-	60,000	60,000	60,000	60,000	60,000	60,000
Operator - Operations & Maintenance	1,160,750	1,755,630	1,867,330	1,599,830	1,711,820	1,831,650	1,959,870
Operator - Service Contract	1,059,209	958,800	984,700	1,002,400	1,020,500	1,038,900	1,057,600
Total operating expenses	2,973,877	3,667,790	3,677,260	3,455,170	3,614,260	3,782,840	3,961,530
Net operating income	1,293,951	589,710	565,740	872,090	798,920	717,960	628,700
Non-Operating revenues (expenses):							
Interest earnings and other	116,468	164,500	78,000	79,560	81,150	82,770	84,430
Interest on debt, fiscal fees, & other	(554,487)	(169,360)	(161,270)	(151,170)	(142,770)	(134,020)	(124,920)
Net Non-Operating revenues (expenses)	(438,019)	(4,860)	(83,270)	(71,610)	(61,620)	(51,250)	(40,490)
Net income (excluding depreciation)	855,932	584,850	482,470	800,480	737,300	666,710	588,210
Sources (uses) of working capital:							
Bond proceeds	4,362,640	-	-	-	-	-	-
Retirement of long-term debt	(215,000)	(215,000)	(225,000)	(235,000)	(245,000)	(255,000)	(265,000)
Net additions to fixed assets with grants	-	(22,000)	-	(40,000)	(890,200)	(426,000)	-
Other net additions to fixed assets	(3,396,963)	(1,686,000)	(1,411,500)	-	-	-	-
Net sources (uses) of working capital	750,677	(1,923,000)	(1,636,500)	(275,000)	(1,135,200)	(681,000)	(265,000)
ENDING WORKING CAPITAL	\$ 3,180,444	\$ 1,842,290	\$ 688,260	\$ 1,213,740	\$ 815,840	\$ 801,550	\$ 1,124,760
Ending WC as % of operating expenses	107%	50%	19%	35%	23%	21%	28%
PROJECTS							
Grant Projects:							
Capital (Town's Share):							
Apron / Taxiway Construction							
Automatic Weather Observation Sys.		22,000					
Runway 15/33 Overlay and Enhancement				40,000	513,000		
Taxiway rehabilitation					177,200		
Runway 15/33 Extension						426,000	
Overlay Taxiway Alpha					200,000		
Total	\$ -	\$ 22,000	\$ -	\$ 40,000	\$ 890,200	\$ 426,000	\$ -
Other Projects:							
Capital:							
Operating & Maintenance Equipment	68,479	54,000	15,000				
Fuel truck access road	110,698						
2006 Paving Rehabilitation Project	64,259	732,000					
New Fuel Farm	3,153,527	900,000	100,000				
Removal of Old Fuel Farm			336,500				
2007 Paving Rehabilitation Project			960,000				
Hangar Redevelopment							
Total	\$ 3,396,963	\$ 1,686,000	\$ 1,411,500	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
UTILITY FUND LONG-TERM FINANCIAL PLAN
City Council Draft 2006-07 Annual Budget

	Actual 2004-2005	Estimated 2005-2006	Budget 2006-2007	Year 1 Projected 2007-2008	Year 2 Projected 2008-2009	Year 3 Projected 2009-2010	Year 4 Projected 2010-2011
BEGINNING WORKING CAPITAL	\$ 3,151,828	\$ 1,869,470	\$ 2,411,440	\$ 1,252,570	\$ 1,531,370	\$ 1,643,680	\$ 1,502,170
NET INCOME							
Operating revenues:							
Water sales	3,430,830	5,116,900	4,696,700	5,563,200	5,730,100	5,902,000	6,079,100
Sewer charges	3,840,540	4,770,000	4,555,800	5,396,300	5,558,200	5,724,900	5,896,600
Tap fees	3,185	7,500	5,000	2,000	2,000	2,000	2,000
Penalties	50,222	56,000	55,000	55,000	55,000	55,000	55,000
Total operating revenues	7,324,777	9,950,400	9,312,500	11,016,500	11,345,300	11,683,900	12,032,700
Operating expenses:							
Water purchases	2,234,209	2,587,600	2,594,200	2,775,800	2,970,100	3,178,000	3,400,500
Wastewater treatment	1,783,286	2,019,720	2,148,300	2,255,700	2,368,500	2,486,900	2,611,200
Utility operations	1,719,577	2,005,580	2,239,180	2,328,700	2,421,800	2,518,700	2,619,400
Total operating expenses	5,737,072	6,612,900	6,981,680	7,360,200	7,760,400	8,183,600	8,631,100
Net operating income	1,587,705	3,337,500	2,330,820	3,656,300	3,584,900	3,500,300	3,401,600
Non-Operating revenues (expenses):							
Interest earnings and other	195,378	130,000	100,000	50,100	61,300	65,700	60,100
Interest on bonded debt and fiscal fees	(885,092)	(635,130)	(579,060)	(512,800)	(435,490)	(353,110)	(248,640)
Net Non-Operating revenues (expenses)	(689,714)	(505,130)	(479,060)	(462,700)	(374,190)	(287,410)	(188,540)
Net income (excluding depreciation)	897,991	2,832,370	1,851,760	3,193,600	3,210,710	3,212,890	3,213,060
Sources (uses) of working capital:							
Net retirement of long-term debt	(1,594,285)	(1,715,000)	(2,030,230)	(2,110,000)	(2,190,000)	(2,485,000)	(2,590,000)
Net additions to fixed assets	(586,067)	(575,400)	(980,400)	(804,800)	(908,400)	(869,400)	(665,400)
Net sources (uses) of working capital	(2,180,352)	(2,290,400)	(3,010,630)	(2,914,800)	(3,098,400)	(3,354,400)	(3,255,400)
ENDING WORKING CAPITAL	\$ 1,869,467	\$ 2,411,440	\$ 1,252,570	\$ 1,531,370	\$ 1,643,680	\$ 1,502,170	\$ 1,459,830
Ending working capital as % of oper. expenses	33%	36%	18%	21%	21%	18%	17%
USES OF WORKING CAPITAL							
Equipment							
Meters	52,260	23,600	30,000	25,800	35,400	35,400	35,400
Motor vehicles	19,756	21,200	30,000	30,000	30,000	30,000	30,000
Computer hardware	35,455						
Heavy equipment	24,928						
Capital projects							
Water service line replacement program	74,519	110,000	124,000	124,000	103,000	87,000	
Dallas Parkway sewer rehabilitation	89,794						
Brookhaven Club area utilities rehabilitation	26,790	315,000	638,000	487,000			
Tallisker utilities replacement	33600	202,045	105,600				
Loos Field utilities replacement			158,400		644,000		
Marsh Lane sewer rehabilitation				138,000			
Wright Bros./Wiley Post sewer rehabilitation	60,520				96,000		
Midway Road water line rehabilitation						609,000	
W. Lindbergh/Richard Byrd sewer rehabilitation						108,000	
Unspecified capital project							600,000
	\$ 586,067	\$ 575,400	\$ 980,400	\$ 804,800	\$ 908,400	\$ 869,400	\$ 665,400

NOTE: 2007-2008 BUDGET ASSUMES 15% ACROSS THE BOARD INCREASE IN UTILITY RATES.

**TOWN OF ADDISON
FY 2006-07 BUDGET SUMMARY
Budget Adjustment Requests for FY07 Budget**

Department	Request	FY07 Requested	City Manager Recommendation	FY08 Proposed	FY09 Proposed	FY10 Proposed	FY11 Proposed
City Manager's Office	<u>Departmental Requests</u>						
	1 Termite extermination	\$ 3,500	\$ 3,500	\$ -	\$ -	\$ -	\$ -
	<u>General Services Requests</u>						
	Repairs to Town Hall front and arch doors	15,000	-	15,000	-	-	-
	Tin roof repairs at Town Hall	5,000	-	5,000	-	-	-
	Interior/exterior painting	-	-	50,000	-	-	-
	Replace carpet/rugs	-	-	35,000	-	-	-
	Town Hall backyard patio repairs	-	-	-	30,000	-	-
		\$ 23,500	\$ 3,500	\$ 105,000	\$ 30,000	\$ -	\$ -
Financial & Strategic Services	<u>Departmental Requests</u>						
	1 Create internal audit program	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	<u>General Services Requests</u>						
	Replace Finance Building windows	5,000	5,000	-	-	-	-
	Sidewalks repairs	7,500	7,500	-	-	-	-
		\$ 32,500	\$ 12,500	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
General Services	<u>Departmental Requests</u>						
	1 Postage mailing machine	12,770	12,770	-	-	-	-
	2 Full termite treatment at Service Center	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -
	<u>General Services Requests</u>						
	Upgrade fire alarm system	35,000	35,000	-	-	-	-
	Resurface fleet shop floor	15,000	-	15,000	-	-	-
	Interior painting at Service Center	30,000	-	30,000	-	-	-
	Replace break room furniture at Service Center	3,600	-	3,600	-	-	-
	Service Center ceiling tile replacement	-	-	30,000	-	-	-
	Replace carpeting at Service Center	-	-	50,000	-	-	-
	Exterior painting at Service Center	-	-	20,000	-	-	-
	Pavement repairs in Service Center yard	-	-	50,000	-	-	-
		\$ 103,370	\$ 54,770	\$ 198,600	\$ -	\$ -	\$ -
Human Resources	<u>Departmental Requests</u>						
	1 Expand Payroll Specialist to full-time position	\$ 14,930	\$ -	\$ -	\$ -	\$ -	\$ -
	2 Training request: preventing harassment and discrimination	5,000	5,000	-	-	-	-
		\$ 19,930	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Information Technology	<u>Departmental Requests</u>						
	1 Document management system	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ -	\$ -
	2 Expanding digital citation system to police cruisers (Funded in Public Safety Fund)	50,000	50,000	4,500	4,500	4,500	4,500
	3 Handheld web-enabled permit and inspection system	60,000	60,000	1,800	1,800	1,800	1,800
	4 9-1-1 Phase II	284,000	-	284,000	-	-	-
	5 Upgrade of Internet Service Provider	12,000	12,000	12,000	12,000	12,000	12,000
		\$ 486,000	\$ 122,000	\$ 382,300	\$ 18,300	\$ 18,300	\$ 18,300
Combined Services	<u>Departmental Requests</u>						
	1 Additional funds for legal services	\$ 120,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Council Projects	<u>Departmental Requests</u>						
	1 Visioning committees expenses	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Police	<u>Departmental Requests</u>						
	1 Increase to overfill positions*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2 Two-Year Service Enhancement Program	12,980	12,980	28,720	42,230	43,820	45,440
	3 Police Position	112,990	-	-	-	-	-
	4 Raise field training officer pay	5,680	5,680	5,680	5,680	5,680	5,680
	5 Internship program	14,000	14,000	14,000	14,000	14,000	14,000
	6 Termite treatment	6,500	6,500	-	-	-	-
	<u>General Services Requests</u>						
	Interior Painting	-	-	60,000	-	-	-
		\$ 152,150	\$ 39,160	\$ 108,400	\$ 61,910	\$ 63,500	\$ 65,120

**TOWN OF ADDISON
FY 2006-07 BUDGET SUMMARY
Budget Adjustment Requests for FY07 Budget**

Department	Request	FY07 Requested	City Manager Recommendation	FY08 Proposed	FY09 Proposed	FY10 Proposed	FY11 Proposed
Fire	<u>Departmental Requests</u>						
	1 Assignment pay adjustment	\$ 35,660	\$ -	\$ -	\$ -	\$ -	\$ -
	2 Termite control	5,500	5,500	-	-	-	-
	<u>General Services Requests</u>						
	Replace showers at Fire Station #2	12,000	12,000	-	-	-	-
	Replace termite-damaged window	5,000	5,000	-	-	-	-
	Replace apparatus bay-overhead doors - Fire Station #2	20,000	-	20,000	-	-	-
	Replace ceiling tiles at Fire Station #2	15,000	-	15,000	-	-	-
	Replace apparatus bay-overhead doors - Fire Station #1	-	-	50,000	-	-	-
	Replace carpet	-	-	-	40,000	-	-
		\$ 93,160	\$ 22,500	\$ 85,000	\$ 40,000	\$ -	\$ -
Streets	<u>Departmental Requests</u>						
	1 Increased electricity costs	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
	2 Traffic signal LED's	70,000	70,000	-	-	-	-
	3 Technician - Signs and Signals	87,360	87,360	66,480	70,620	74,800	79,230
	4 Airport Parkway rehabilitation	100,000	-	-	-	-	-
	5 Miscellaneous pavement repairs	52,000	-	52,000	-	-	-
	6 City-wide traffic counts	15,000	15,000	-	-	-	-
	7 Oaks North Lighting Strategy	-	140,000	-	-	-	-
		\$ 372,360	\$ 360,360	\$ 166,480	\$ 118,620	\$ 122,800	\$ 127,230
Parks	<u>Departmental Requests</u>						
	1 Perimeter residential masonry wall replacement - Les Lacs Drive	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -
	2 Easement Park playground removal	6,000	-	6,000	-	-	-
	3 Addison Circle repairs and maintenance	60,000	-	60,000	-	-	-
	4 New dog park - North Addison Park	29,000	-	29,000	-	-	-
	5 Contract Park Structure Repair and Landscape Renovation Projects	122,000	-	122,000	-	-	-
	6 Blueprints Painting - Phase II	90,000	90,000	-	-	-	-
		\$ 607,000	\$ 390,000	\$ 217,000	\$ -	\$ -	\$ -
Recreation	<u>Departmental Requests</u>						
	1 Increase for utilities	\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800	\$ 65,800
	2 Security camera system	50,000	50,000	-	-	-	-
	3 Indoor pool deck and ceiling repairs	18,000	18,000	-	-	-	-
	4 Non-capital exercise equipment replacement	15,000	-	15,000	-	-	-
	5 Carpet replacement	55,000	-	55,000	-	-	-
	6 Painting - second floor fitness area	11,000	11,000	-	-	-	-
	7 Increase building repair fund	15,000	-	-	-	-	-
	8 Pacesetters Senior Program	10,000	10,000	10,000	10,000	10,000	10,000
	<u>General Services Requests</u>						
	Ceiling tile replacement	31,000	-	31,000	-	-	-
	Full length lockers	25,000	-	25,000	-	-	-
	Fire protection upgrade to main building	-	-	50,000	-	-	-
	Replace roof	-	-	-	60,000	-	-
	Racquetball court repairs	-	-	-	25,000	-	-
	Refinish floors	-	-	35,000	-	-	-
		\$ 295,800	\$ 154,800	\$ 286,800	\$ 160,800	\$ 75,800	\$ 75,800
General Fund Total		\$ 2,325,770	\$ 1,244,590	\$ 1,629,580	\$ 509,630	\$ 360,400	\$ 366,450
Conference Centre	<u>Departmental Requests</u>						
	1 LCD Screens for Directional Signs	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -
	2 Improve ACTC Exterior Chairs with Commercial Grade Chairs	5,500	5,500	-	-	-	-
	3 Improve Lighting in Public Spaces	4,000	4,000	-	-	-	-
	<u>General Services Requests</u>						
	HVAC Replacement	480,000	60,000	480,000	-	-	-
		\$ 498,500	\$ 69,500	\$ 480,000	\$ -	\$ -	\$ -

TOWN OF ADDISON
 FY 2006-07 BUDGET SUMMARY
 Budget Adjustment Requests for FY07 Budget

Department	Request	FY07 Requested	City Manager Recommendation	FY08 Proposed	FY09 Proposed	FY10 Proposed	FY11 Proposed
Performing Arts	<u>Departmental Requests</u>						
	1 Replacement of sound console	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -
	2 Replace last row of seating element	10,000	10,000	-	-	-	-
	<u>General Services Requests</u>						
	Carpet Replacement	-	-	-	50,000	-	-
	Roof Repairs	-	-	75,000	-	-	-
		\$ 30,000	\$ 30,000	\$ 75,000	\$ 50,000	\$ -	\$ -
Hotel Fund Total		\$ 528,500	\$ 99,500	\$ 555,000	\$ 50,000	\$ -	\$ -
Utilities	<u>Departmental Requests</u>						
	1 Water meter testing and purchase	\$ 50,000	\$ 50,000	\$ 52,500	\$ 55,125	\$ 57,875	\$ 60,775
	2 Increase car allowance for Utilities Superintendent	2,400	-	-	-	-	-
		\$ 52,400	\$ 50,000	\$ 52,500	\$ 55,125	\$ 57,875	\$ 60,775
Utilities Fund Total		\$ 52,400	\$ 50,000	\$ 52,500	\$ 55,125	\$ 57,875	\$ 60,775
Total All Funds		\$ 2,906,670	\$ 1,394,090	\$ 2,237,080	\$ 614,755	\$ 418,275	\$ 427,225

* Police overfill program has no financial impact and is included in the City Manager's recommendation.

TOWN OF ADDISON
Reduction Option Summary

Department	Reduction Options	Estimated Savings	City Mgr. Recommended	% Reduction
City Manager's Office	Reduce Intern Hours	\$ 5,400	\$ 5,400	
	Relocate Visitor Services to Town Hall	33,380	33,380	
	Travel/Training	7,000	7,000	
	Office Supplies	3,500	3,500	
	Overtime	2,000	2,000	
	Dues	2,000	2,000	
	Other Operational Expenses	6,310	6,310	
		\$ 59,590	\$ 59,590	4.77%
Financial & Strategic Services	Elimination of Senior Management Analyst Position	\$ 87,560	\$ 87,560	
	Special Services	5,840	5,840	
	Building Maintenance	4,000	4,000	
	Travel and Training	4,000	4,000	
	Office Supplies	4,000	4,000	
	Overtime	3,000	3,000	
	Audit and Legal Services	2,000	2,000	
	Other Operational Expenses	2,240	2,240	
	\$ 112,640	\$ 112,640	12.14%	
General Services	Elimination of Custodial Position at Town Hall & Finance OR	\$ 42,130	\$ -	
	Buildings	15,000	15,000	
	Capital Replacement Fund	5,530	5,530	
	Travel and Training	2,450	2,450	
	Tools and Equipment	2,000	2,000	
	Other Operational Expenses	10,200	10,200	
		\$ 77,310	\$ 35,180	5.00%
Municipal Court	Legal Services	\$ 8,500	\$ 8,500	
	Office Supplies	4,700	4,700	
	Overtime	3,090	3,090	
	Other Operational Expenses	4,400	4,400	
	\$ 20,690	\$ 20,690	4.82%	
Human Resources	Health Care Consulting Services	\$ 10,000	\$ 10,000	2.69%
Information Technology	GEMS Maintenance	\$ 27,000	\$ 27,000	
	Training	11,300	11,300	
	Computer Hardware	5,000	5,000	
	Tools and Equipment	5,000	5,000	
	Office Supplies	4,000	4,000	
	\$ 52,300	\$ 52,300	5.00%	
Combined Services	Travel and Training	\$ 10,000	\$ 10,000	
	Engineering Services	10,000	10,000	
	Special Services	10,000	-	
	EAC Budget	2,606	2,610	
	Health Fair	2,000	2,000	
	Dues	2,000	2,000	
		\$ 36,606	\$ 26,610	3.63%
City Council Projects	Holiday Open House and Service Appreciation Dinner Reduction	\$ 8,700	\$ 8,700	
	Travel and Training	4,000	4,000	
	\$ 12,700	\$ 12,700	5.00%	
Police	Retain Existing Patrol Vehicles An Additional Year	\$ 259,000	\$ -	
	Elimination of Assistant Police Chief Position	112,990	112,990	
	Defer Jail Maintenance	31,000	31,000	
	Eliminate LiveScan Fingerprint System	26,000	26,000	
	Delay Replacing Video Monitoring System	16,000	16,000	
		\$ 444,990	\$ 185,990	2.81%
Emergency Communications	Media Consultant	\$ 24,000	\$ -	
	Weather Warning System	3,000	3,000	
	\$ 27,000	\$ 3,000	0.38%	
Fire	Tools and Equipment	\$ 21,000	\$ 21,000	
	Travel and Training	26,010	16,000	
	Equipment Replacement Fund	20,000	-	
	Wearing Apparel and Uniforms	17,010	17,010	
	Tools and Equipment Maintenance	8,790	-	
	Medical and Surgical Supplies	4,000	4,000	
	Other Operational Expenses	3,000	3,000	
	Special Services	2,110	2,110	
	Communications	2,000	2,000	
	Other Operational Expenses	8,500	8,500	
		\$ 112,420	\$ 73,620	1.34%

TOWN OF ADDISON
Reduction Option Summary

Department	Reduction Options	Estimated Savings	City Mgr. Recommended	% Reduction
Development Services	Elimination of Building Inspector Position	\$ 62,260	\$ -	
	Eliminate One Garage Sale	8,500	-	
	P&Z Special Services	2,500	2,500	
	Mowing	6,380	6,380	
	Travel and Training	1,180	1,180	
	Other Operational Expenses	8,460	8,460	
		\$ 89,280	\$ 18,520	3.43%
Streets	Engineering Services	\$ 38,310	\$ 38,310	
	Signs and Markings	30,000	30,000	
		\$ 68,310	\$ 68,310	4.98%
Parks	Contract Landscape Renovation and Park Repairs	\$ 29,000	\$ 29,000	
	Pet Waste Supplies	20,000	10,000	
	Tool and Equipment	10,000	10,000	
	Irrigation Supplies	10,000	10,000	
	Color Contract	10,000	10,000	
	Addison Circle Landscape Maintenance	10,000	10,000	
	Engineering Services	7,000	7,000	
	Other Operational Expenses	17,000	17,000	
		\$ 113,000	\$ 103,000	4.56%
Recreation	Elimination of Recreation Supervisor Position	\$ 56,770	\$ 56,770	
	Elimination of Recreation Associates Position	43,680	43,680	
	Eliminate Day Porter Position	42,380	-	
	Supplies and Maintenance	3,030	3,030	
	Travel and Training	2,090	2,090	
	Rental	2,000	2,000	
	Tools and Equipment	1,500	1,500	
	Equipment Repairs	1,500	1,500	
	Uniforms	1,500	1,500	
	Instructor Fees	2,000	2,000	
		\$ 156,450	\$ 114,070	10.18%
	General Fund Total		\$ 1,301,866	\$ 843,600
Visitor Services	Elimination of Department Secretary Position	\$ 59,460	\$ 59,460	
	Special Services - Lead Generation Program, MPI Sponsorship, FAM Tours	35,100	35,100	
	Special Services - Giveaways	2,000	2,000	
		\$ 96,560	\$ 96,560	13.02%
Conference Centre	Overtime	\$ 15,000	\$ 11,000	
	Tools and Equipment	9,550	9,550	
	Buildings	10,000	10,000	
	Special Services	6,000	6,000	
	Botanical	5,000	5,000	
		\$ 45,550	\$ 41,550	4.56%
Marketing	Delete One Issue of Visitors Guide	\$ 37,250	\$ -	
	JazzFest Marketing	20,000	-	
		\$ 57,250	\$ -	0.00%
Special Events	JazzFest	\$ 210,000	\$ -	0.00%
Performing Arts	Texas Chamber Orchestra Funding	\$ 30,000	\$ -	0.00%
Hotel Fund Total		\$ 439,360	\$ 138,110	
Airport	Audit and Legal Services OR	\$ 46,770	\$ 46,770	
	Eliminate One Police Officer	62,170	-	
		\$ 108,940	\$ 46,770	5.00%
Airport Fund Total		\$ 108,940	\$ 46,770	
Utility Department	Elimination of Project Manager Position	\$ 85,860	\$ 86,860	
	Utilities Plant Water	30,000	-	
	Meter Service Connections	25,000	-	
	Special Services	25,000	-	
	Utilities Plant Sewer	10,000	-	
	Mains/Fire Hydrants	8,000	-	
	Tools and Equipment	4,000	-	
		\$ 187,860	\$ 86,860	4.24%
Utility Fund Total		\$ 187,860	\$ 86,860	
Total All Funds		\$ 2,038,026	\$ 1,115,340	

TOWN OF ADDISON

AIRPORT OPERATOR OPERATION AND MAINTENANCE BUDGET

City Council Draft 2006-07 Annual Budget

	Actual 2004-05	Budget 2005-06	Estimated 2005-06	Budget 2006-07
Capital maintenance				
Grounds	\$ 15,735	\$ 18,000	\$ 18,000	\$ 42,000
Gates & fencing	12,399	155,000	150,000	160,000
Buildings	4,095	10,000	12,000	23,000
Runways & taxiways	-	-	-	-
Lights & markings	60,226	47,000	47,000	67,000
Pavements	81,613	84,000	84,000	44,000
Hangars	68,309	387,000	380,000	380,000
Fuel farm	-	-	30,000	47,070
Insurance	55,605	65,000	49,000	55,000
	297,982	766,000	770,000	818,070
Equipment maintenance & materials				
Equipment & tool	36,127	35,000	35,000	42,000
Vehicle	-	-	-	-
Communications	2,586	3,000	3,000	7,000
Lubricants	-	-	-	-
Shop supplies	-	-	-	-
Small tools	2,034	4,000	4,000	3,750
Uniforms	3,904	3,000	3,000	3,000
Fuels	-	-	-	-
	44,651	45,000	45,000	55,750
General & administration				
Customs expense	39,844	42,000	42,000	42,000
Office supplies	14,087	12,000	12,000	14,400
Rentals & leases	5,379	5,260	8,760	8,800
Telephone	25,062	26,400	26,400	26,400
Professional fees	14,183	49,000	44,000	34,500
Dues & subscriptions	6,646	5,220	5,220	5,220
Entertainment	1,854	1,200	1,200	1,580
Travel	13,008	20,540	20,540	24,300
Auto/mileage	-	-	-	-
Banking and credit card fees	15,457	15,000	15,000	15,000
Postage & shipping	2,006	2,640	2,640	2,640
Printing	1,109	5,000	5,000	7,950
Information technology	7,678	5,520	5,520	11,520
Meetings & presentations	5,993	9,050	9,050	13,500
Marketing & promotional	20,788	35,900	35,900	38,800
Miscellaneous	-	600	-	600
	173,094	235,330	233,230	247,210
Personnel services				
Salaries	439,569	495,000	495,000	509,000
Taxes & benefits	158,654	148,000	148,000	162,000
	598,223	643,000	643,000	671,000
Contractual services				
Capital equipment rentals & lease	-	-	-	-
Professional services	22,892	31,720	20,700	29,040
Electrical	-	-	-	-
Electric utility	13,896	-	-	-
Gas utility	5,781	6,810	8,500	10,460
Water & sewer utility	4,231	3,600	4,000	4,600
	46,800	42,130	33,200	44,100
Total Operation & Maintenance Budget	\$ 1,160,750	\$ 1,731,460	\$ 1,724,430	\$ 1,836,130

Council Agenda Item: #R4

SUMMARY:

Council is required by state law to hold a public hearing on a proposal to increase the total property tax rate by 3.2% over the calculated effective tax rate. The proposed tax rate of \$0.4640 per \$100 in valuation is \$0.0120 less than the current tax rate of \$0.4760.

FINANCIAL IMPACT:

There is no financial impact associated with holding a public hearing.

BACKGROUND:

The city manager's proposed budget includes a tax rate of \$0.4640. This rate is more than the calculated effective tax rate of \$0.449574, but less than the calculated rollback rate of \$0.464869. According to state law, the Town must publish notices and hold a series of hearings prior to adopting the tax rate. Below is a schedule that meets the requirements of state law, as recently modified by the Texas Legislature.

- August 11 Publication of effective and rollback tax rates, statements and schedules
- August 12 Meeting of Council to discuss tax rate and to take record vote and schedule public hearings.
- August 18 Notice of Public Hearing on Tax Increase is the 1st quarter page notice in newspaper and Web site.
- August 22 1st Public Hearing
- September 12 2nd Public Hearing
- September 15 Notice of Vote on Tax Rate published before meeting to adopt tax rate is the 2nd quarter-page notice in newspaper before meeting and published on Web site.
- September 26 Meeting to adopt tax rate. Meeting must be between 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by September 30 or within 60 days of receiving certified appraisal roll, whichever is late.

RECOMMENDATION:

It is recommended council hold a public hearing on a proposal to increase the total property tax rate by 3.2% over the calculated effective tax rate.

Council Agenda Item: #R5

SUMMARY:

Council approval is requested of an ordinance amending the Town’s Annual budget for the fiscal year ending September 30, 2006.

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.

	<u>Original</u>	<u>Amended</u>
Total Revenues	\$52,690,060	\$53,575,060
Decrease in Fund Balance	<u>6,376,550</u>	<u>6,526,160</u>
Total Appropriations	\$59,066,610	\$60,101,220

BACKGROUND:

Budget amendments were approved by Council in June 2006. Typically, the budget is amended only once per year. However, due to a number of unforeseen circumstances, staff is requesting that the Council amend the FY 2005-06 budget a second time.

Major budget amendments requested are:

- In the General fund, increase the Council Projects budget by \$10,000 to pay for additional consulting fees related to the DART cotton belt rail line project.
- In the General fund, increase the Recreation budget by \$17,000 to pay for repairs to the wet sauna at the Addison Athletic Club.
- In the Hotel fund, increase the Special Events budget by \$255,000 to pay for the Kaboomerang event, testing of the cashless event management system, and additional utility fees.

Exhibit A reflects the changes for all funds, Exhibit B details the budget changes that were approved in June 2006, Exhibit C details the budget changes that are being recommended in September 2006, and Exhibit D shows how the changes affect the individual funds.

RECOMMENDATION:

Staff recommends that Council approve the attached ordinance amending the Town’s annual budget for the fiscal year ending September 30, 2006.

TOWN OF WILSON
COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
ALL FUNDS SUBJECT TO APPROPRIATION
Amended 2005-06 - Annual Budget

	Special Revenue Funds			Debt Service Funds			Capital Project Funds				Proprietary Funds			TOTAL 2005-06		
	General Fund	Hotel	Combined Other	General	Occupancy Tax Revenue	Street	Parks	2000 Bonds	2002 Bonds	2004 Bonds	2006 Bonds	Airport	Utility	Combined Replacement	Amended	Original
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BEGINNING BALANCES	7,050,510	4,617,540	212,010	1,401,990	778,630	3,844,050	411,020	70,110	2,316,150	2,582,980	-	3,180,440	1,869,470	3,799,490	32,134,390	31,603,280
REVENUES:																
Ad valorem tax	8,464,500	-	-	4,702,500	-	-	-	-	-	-	-	-	-	-	13,167,000	13,167,000
Non-property taxes	10,773,850	4,450,000	-	-	-	-	-	-	-	-	-	-	-	-	15,223,850	14,763,850
Franchise fees	2,751,780	-	-	-	-	-	-	-	-	-	-	-	-	-	2,751,780	2,751,780
Licenses and permits	452,160	-	-	-	-	-	-	-	-	-	-	-	-	-	452,160	452,160
Intergovernmental	-	-	-	-	-	752,000	-	-	-	-	-	-	-	-	752,000	752,000
Service fees	1,180,910	1,049,300	-	-	-	-	-	-	-	-	-	30,000	-	-	1,219,910	1,219,910
Fines and penalties	944,970	-	35,000	-	-	-	-	-	-	-	-	1,112,000	-	-	2,056,970	1,944,970
Rental income	119,000	574,000	-	-	-	-	-	-	-	-	-	-	60,000	-	683,000	683,000
Interest & other income	419,500	94,700	30,000	60,000	12,000	85,000	186,000	2,000	40,000	20,000	3,330,000	59,000	-	1,039,970	839,970	
TOTAL REVENUES	25,106,670	6,168,000	65,000	4,762,500	12,000	837,000	186,000	2,000	40,000	20,000	1,505,000	59,000	55,300	115,000	4,023,000	4,023,000
Transfers from other funds	-	-	-	-	705,890	-	263,000	-	-	-	-	-	9,068,500	-	2,693,500	2,468,500
TOTAL AVAILABLE RESOURCES	32,157,180	10,795,540	277,010	6,164,490	1,496,520	4,681,050	870,020	72,110	2,356,150	2,602,980	1,505,000	7,711,440	10,937,970	5,060,880	86,678,340	85,262,230
EXPENDITURES:																
General government	6,351,670	-	45,000	-	-	-	-	-	-	-	-	-	-	272,000	6,668,670	6,347,170
Public Safety	12,969,540	-	10,000	-	-	-	-	-	-	-	-	-	-	266,000	13,245,540	13,261,540
Development Services	637,340	-	-	-	-	-	-	-	-	-	-	-	-	637,340	637,340	637,340
Streets	1,456,140	-	-	-	-	-	-	-	-	-	-	-	-	32,000	1,488,140	1,398,140
Parks & Recreation	3,713,810	-	46,500	-	-	-	-	-	-	-	-	-	-	68,000	3,828,310	3,696,310
Tourism	-	5,962,020	-	-	-	-	-	-	-	-	-	-	-	-	5,962,020	5,605,020
Aviation	-	-	-	-	-	-	-	-	-	-	-	3,868,440	-	-	3,868,440	3,656,440
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,409,660	6,409,660
Debt service	-	-	-	4,572,320	707,390	-	-	-	-	-	-	384,360	2,350,130	-	8,014,200	8,014,200
Capital projects	25,128,500	5,962,020	101,500	4,572,320	707,390	1,486,000	837,000	72,110	1,455,280	866,810	1,505,000	3,167,500	589,200	9,978,900	10,040,790	
TOTAL EXPENDITURES	25,128,500	5,962,020	101,500	4,572,320	707,390	1,486,000	837,000	72,110	1,455,280	866,810	1,505,000	7,420,300	9,348,990	638,000	60,101,220	59,066,610
Transfers to other funds	263,000	705,890	-	-	-	-	-	-	-	-	-	-	-	-	968,890	968,890
ENDING FUND BALANCES	6,765,680	4,117,630	175,510	1,592,170	789,130	3,195,050	33,020	900,870	1,736,170	1,796,170	900,870	291,140	1,588,980	4,422,880	25,608,230	25,226,730
Total Revenues																\$53,575,060
Decrease in fund balance																6,526,160
Total Appropriable funds																\$60,101,220
																Total Appropriations
																\$60,101,220

TOWN OF DIXON
DETAIL OF RECOMMENDED FY 05-06 JUNE BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Debt Service /Lease	
General fund / Revenues							
FEMA Reimbursement	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TXU Settlement	90,000	-	-	-	-	-	-
Additional Court Fines	200,000	-	-	-	-	-	-
Interest Earnings	100,000	-	-	-	-	-	-
Total General Fund Revenues	\$ 425,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General fund / City Manager							
Additional library cards	\$ -	\$ -	\$ -	\$ 4,600	\$ -	\$ -	\$ 4,600
Facility rental fees	-	-	-	3,400	-	-	3,400
Additional utility fees	-	-	-	8,000	-	-	8,000
Total City Manager	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ 16,000
General fund / General Services							
Additional utility fees	\$ -	\$ -	\$ -	\$ 28,000	\$ -	\$ -	\$ 28,000
Expenses related to Service Center roof	-	-	30,000	-	-	-	30,000
Replacement of fuel pumps	-	-	-	-	-	6,500	6,500
Total General Services	\$ -	\$ -	\$ 30,000	\$ 28,000	\$ -	\$ 6,500	\$ 64,500
General fund / Combined Services							
Additional Attorney Fees	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Increase in tuition reimbursement fees	-	-	-	20,000	-	-	20,000
Total Combined Services	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ 120,000
General fund / Council Projects							
Cotton Belt Consultant	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Additional funds for quarterly newsletter	-	-	-	11,000	-	-	11,000
Total Council Projects	\$ -	\$ -	\$ -	\$ 111,000	\$ -	\$ -	\$ 111,000
General fund / Fire							
Higher electricity rates	\$ -	\$ -	\$ -	\$ 14,000	\$ -	\$ -	\$ 14,000
Roof expenses lower than anticipated	-	-	(30,000)	-	-	-	(30,000)
Total Fire	\$ -	\$ -	\$ (30,000)	\$ 14,000	\$ -	\$ -	\$ (16,000)
General fund / Streets							
Higher electricity rates	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ 90,000
Total Streets	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ 90,000

TOWN OF WINDSOR
DETAIL OF RECOMMENDED FY 05-06 JUNE BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					Total Department	
		Personal Services	Supplies	Maintenance	Contractual Services	Debt Service /Lease		Capital Outlay
General fund / Parks								
Higher electricity rates	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Parks	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
General fund / Recreation								
Higher electricity rates	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Recreation	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
Hotel fund / Revenues								
Increase in Anticipated HOT Collections	\$ 460,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hotel Fund Revenues	\$ 460,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel fund / Conference Centre								
Replacement of kitchen equipment	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Additional utility fees	-	-	-	-	80,000	-	-	80,000
Total Conference Centre	\$ -	\$ -	\$ 12,000	\$ -	\$ 80,000	\$ -	\$ -	\$ 92,000
Hotel fund / Performing Arts								
Additional expenses for professional services	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Performing Arts	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Airport Fund								
Unanticipated litigation expenses	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ 180,000
T-1 access for U.S. customs	-	-	-	-	32,000	-	-	32,000
Total Airport Fund	\$ -	\$ -	\$ -	\$ -	\$ 212,000	\$ -	\$ -	\$ 212,000
2000 Capital Projects Fund								
Reduction in expenses related to lower fund balance	\$ -	\$ -	\$ -	\$ -	\$ (61,890)	\$ -	\$ -	\$ (61,890)
Total 2000 Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ (61,890)	\$ -	\$ -	\$ (61,890)
Arbor Fund								
Additional Arbor Foundation Master Plan funding	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Total Arbor Fund	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 05-06 SEPTEMBER BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Debt Service /Lease	
General Fund / City Council Projects							
Additional consulting fees for Cotton Belt	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Total Council Projects	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
General Fund / Recreation							
Repair of wet sauna	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000
Total Recreation	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000
Hotel fund / Special Events							
Kaboomerang Event	\$ -	\$ -	\$ -	\$ 155,000	\$ -	\$ -	\$ 155,000
Additional utility expenses	-	-	-	45,000	-	-	45,000
Cashless technology test for Oktoberfest	-	-	-	25,000	-	-	25,000
Purchase of radios for future special events	-	25,000	-	-	-	-	25,000
Additional credit card processing locations	-	5,000	-	-	-	-	5,000
Total Special Events	\$ -	\$ 30,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 255,000

TOWN OF ADDISON
GENERAL FUND
SCHEDULE OF REVENUES BY SOURCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
Ad valorem taxes:					
Current taxes	\$ 6,841,239	\$ 8,419,500	\$ -	\$ -	\$ 8,419,500
Delinquent taxes	45,642	25,710	-	-	25,710
Penalty & interest	51,014	19,290	-	-	19,290
Non-property taxes:					
Sales tax	9,663,892	9,924,100	-	-	9,924,100
Alcoholic beverage tax	892,196	849,750	-	-	849,750
Franchise / right-of-way use fees:					
Electric franchise	1,572,257	1,619,430	-	-	1,619,430
Gas franchise	189,298	194,980	-	-	194,980
Telecommunication access fees	710,651	742,940	-	-	742,940
Cable franchise	85,588	107,430	-	-	107,430
Street rental fees	6,003	7,000	-	-	7,000
Sanitation	-	80,000	-	-	80,000
Licenses and permits:					
Business licenses and permits	142,116	149,030	-	-	149,030
Building and construction permits	337,123	303,130	-	-	303,130
Intergovernmental revenue	245,789	-	-	-	-
Service fees:					
General government	623	960	-	-	960
Public safety	710,049	759,270	-	-	759,270
Urban development	4,324	4,450	-	-	4,450
Streets and sanitation	193,071	184,680	-	-	184,680
Recreation	64,280	65,150	-	-	65,150
Interfund	172,740	166,400	-	-	166,400
Court fines	812,762	744,970	200,000	-	944,970
Interest earnings	140,149	167,000	100,000	-	267,000
Rental income	127,956	119,000	-	-	119,000
Other	106,754	27,500	125,000	-	152,500
TOTAL REVENUES	<u>\$ 23,115,516</u>	<u>\$ 24,681,670</u>	<u>\$ 425,000</u>	<u>\$ -</u>	<u>\$ 25,106,670</u>

**TOWN OF ADDISON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget**

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 7,299,785	\$ 6,481,550	\$ 568,960	\$ -	\$ 7,050,510
REVENUES:					
Ad valorem taxes	6,937,895	8,464,500	-	-	8,464,500
Non-property taxes	10,556,088	10,773,850	-	-	10,773,850
Franchise fees	2,563,797	2,751,780	-	-	2,751,780
Licenses and permits	479,239	452,160	-	-	452,160
Intergovernmental	245,789	-	-	-	-
Service fees	1,145,087	1,180,910	-	-	1,180,910
Fines and penalties	812,762	744,970	200,000	-	944,970
Interest earnings	140,149	167,000	100,000	-	267,000
Rental income	127,956	119,000	-	-	119,000
Other	106,754	27,500	125,000	-	152,500
TOTAL REVENUES	<u>23,115,516</u>	<u>24,681,670</u>	<u>425,000</u>	<u>-</u>	<u>25,106,670</u>
TOTAL RESOURCES AVAILABLE	<u>30,415,301</u>	<u>31,163,220</u>	<u>993,960</u>	<u>-</u>	<u>32,157,180</u>
EXPENDITURES:					
General Government:					
City manager	1,215,841	1,269,600	16,000	-	1,285,600
Financial & Strategic Services	957,652	1,014,140	-	-	1,014,140
General services	661,278	766,950	64,500	-	831,450
Municipal court	393,245	429,190	-	-	429,190
Human resources	361,496	371,570	-	-	371,570
Information technology	914,143	1,088,010	-	-	1,088,010
Combined services	906,669	782,120	120,000	-	902,120
Council projects	389,008	308,590	111,000	10,000	429,590
Public safety:					
Police	6,892,041	7,395,220	-	-	7,395,220
Fire	5,349,848	5,590,320	(16,000)	-	5,574,320
Development services	553,651	637,340	-	-	637,340
Streets	1,276,489	1,366,140	90,000	-	1,456,140
Parks and Recreation:					
Parks	2,107,075	2,378,830	50,000	-	2,428,830
Recreation	1,386,360	1,217,980	50,000	17,000	1,284,980
TOTAL EXPENDITURES	<u>23,364,796</u>	<u>24,616,000</u>	<u>485,500</u>	<u>27,000</u>	<u>25,128,500</u>
OTHER FINANCING SOURCES (USES):					
Transfer to Parks capital project fund	-	(263,000)	-	-	(263,000)
ENDING FUND BALANCE	<u>\$ 7,050,505</u>	<u>\$ 6,284,220</u>	<u>\$ 508,460</u>	<u>\$ (27,000)</u>	<u>\$ 6,765,680</u>

TOWN OF ADDISON
HOTEL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 4,699,920	\$ 4,443,160	\$ 174,380	\$ -	\$ 4,617,540
REVENUES:					
Hotel/Motel occupancy taxes	4,038,131	3,990,000	460,000	-	4,450,000
Proceeds from special events	1,012,876	1,049,300	-	-	1,049,300
Conference centre rental	459,332	490,000	-	-	490,000
Theatre centre rental	80,289	84,000	-	-	84,000
Interest earnings and other	85,994	94,700	-	-	94,700
TOTAL REVENUES	<u>5,676,622</u>	<u>5,708,000</u>	<u>460,000</u>	<u>-</u>	<u>6,168,000</u>
TOTAL AVAILABLE RESOURCES	<u>10,376,542</u>	<u>10,151,160</u>	<u>634,380</u>	<u>-</u>	<u>10,785,540</u>
EXPENDITURES:					
Visitor services administration	687,679	799,810	-	-	799,810
Marketing	941,905	996,710	-	-	996,710
Special events	2,055,451	2,246,230	-	255,000	2,501,230
Conference centre	850,326	1,056,260	92,000	-	1,148,260
Performing arts	480,394	506,010	10,000	-	516,010
Capital projects	38,638	-	-	-	-
TOTAL EXPENDITURES	<u>5,054,393</u>	<u>5,605,020</u>	<u>102,000</u>	<u>255,000</u>	<u>5,962,020</u>
OTHER FINANCING SOURCES (USES):					
Transfer to Debt Service fund	(704,610)	(705,890)	-	-	(705,890)
ENDING FUND BALANCE	<u>\$ 4,617,539</u>	<u>\$ 3,840,250</u>	<u>\$ 532,380</u>	<u>\$ (255,000)</u>	<u>\$ 4,117,630</u>

TOWN OF ADDISON
PUBLIC SAFETY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 28,922	\$ 25,820	\$ 12,330	\$ -	\$ 38,150
REVENUES:					
Court awards	13,133	5,000	-	-	5,000
Interest earnings and other	694	1,000	-	-	1,000
TOTAL REVENUES	<u>13,827</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
TOTAL AVAILABLE RESOURCES	<u>42,749</u>	<u>31,820</u>	<u>12,330</u>	<u>-</u>	<u>44,150</u>
EXPENDITURES:					
Supplies	-	5,000	-	-	5,000
Contractual services	4,595	5,000	-	-	5,000
TOTAL EXPENDITURES	<u>4,595</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
ENDING BALANCE	<u>\$ 38,154</u>	<u>\$ 21,820</u>	<u>\$ 12,330</u>	<u>\$ -</u>	<u>\$ 34,150</u>

MUNICIPAL COURT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 85,573	\$ 81,070	\$ 5,450	\$ -	\$ 86,520
REVENUES:					
Court security fees	15,821	15,000	-	-	15,000
Court technology fees	21,123	20,000	-	-	20,000
Interest earnings and other	4,401	5,000	-	-	5,000
TOTAL REVENUES	<u>41,345</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
TOTAL AVAILABLE RESOURCES	<u>126,918</u>	<u>121,070</u>	<u>5,450</u>	<u>-</u>	<u>126,520</u>
EXPENDITURES:					
Personal services	16,413	20,000	-	-	20,000
Contractual Services	528	-	-	-	-
Capital outlay	23,460	25,000	-	-	25,000
TOTAL EXPENDITURES	<u>40,401</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
ENDING BALANCE	<u>\$ 86,517</u>	<u>\$ 76,070</u>	<u>\$ 5,450</u>	<u>\$ -</u>	<u>\$ 81,520</u>

TOWN OF ADDISON
ARBOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 77,350	\$ 40,350	\$ 46,990	\$ -	\$ 87,340
REVENUES:					
Recycling proceeds	26,768	12,000	-	-	12,000
Contributions	7,425	5,000	-	-	5,000
Interest earnings and other	1,489	2,000	-	-	2,000
TOTAL REVENUES	<u>35,682</u>	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
TOTAL AVAILABLE RESOURCES	<u>113,032</u>	<u>59,350</u>	<u>46,990</u>	<u>-</u>	<u>106,340</u>
EXPENDITURES:					
Maintenance and materials	25,695	25,000	15,000	-	40,000
Contractual services	-	6,500	-	-	6,500
TOTAL EXPENDITURES	<u>25,695</u>	<u>31,500</u>	<u>15,000</u>	<u>-</u>	<u>46,500</u>
ENDING BALANCE	<u>\$ 87,337</u>	<u>\$ 27,850</u>	<u>\$ 31,990</u>	<u>\$ -</u>	<u>\$ 59,840</u>

TOWN OF ADDISON
GENERAL OBLIGATION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 1,574,618	\$ 1,349,570	\$ 52,420	\$ -	\$ 1,401,990
REVENUES:					
Ad valorem taxes	5,827,741	4,702,500	-	-	4,702,500
Interest earnings and other	78,641	60,000	-	-	60,000
TOTAL REVENUES	<u>5,906,382</u>	<u>4,762,500</u>	<u>-</u>	<u>-</u>	<u>4,762,500</u>
TOTAL AVAILABLE RESOURCES	<u>7,481,000</u>	<u>6,112,070</u>	<u>52,420</u>	<u>-</u>	<u>6,164,490</u>
EXPENDITURES:					
Debt Service - Principal	2,728,542	2,980,000	-	-	2,980,000
Debt Service - Interest and fiscal charges	3,350,466	1,592,320	-	-	1,592,320
TOTAL EXPENDITURES	<u>6,079,008</u>	<u>4,572,320</u>	<u>-</u>	<u>-</u>	<u>4,572,320</u>
ENDING BALANCE	<u>\$ 1,401,992</u>	<u>\$ 1,539,750</u>	<u>\$ 52,420</u>	<u>\$ -</u>	<u>\$ 1,592,170</u>

OCCUPANCY TAX DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 765,623	\$ 779,120	\$ (490)	\$ -	\$ 778,630
REVENUES:					
Interest earnings	13,306	12,000	-	-	12,000
TOTAL REVENUES	<u>13,306</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
TOTAL AVAILABLE RESOURCES	<u>778,929</u>	<u>791,120</u>	<u>(490)</u>	<u>-</u>	<u>790,630</u>
EXPENDITURES:					
Debt Service - Principal	450,000	465,000	-	-	465,000
Debt Service - Interest and fiscal charges	254,912	242,390	-	-	242,390
TOTAL EXPENDITURES	<u>704,912</u>	<u>707,390</u>	<u>-</u>	<u>-</u>	<u>707,390</u>
OTHER FINANCING SOURCES (USES):					
Transfer from Hotel fund	704,610	705,890	-	-	705,890
TOTAL OTHER FINANCING (USES)	<u>704,610</u>	<u>705,890</u>	<u>-</u>	<u>-</u>	<u>705,890</u>
ENDING BALANCE	<u>\$ 778,627</u>	<u>\$ 789,620</u>	<u>\$ (490)</u>	<u>\$ -</u>	<u>\$ 789,130</u>

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 7,859,771	\$ 3,909,770	\$ (65,720)	\$ -	\$ 3,844,050
REVENUES:					
DART Grants	-	752,000	-	-	752,000
Interest earnings and other	99,815	85,000	-	-	85,000
TOTAL REVENUES	<u>99,815</u>	<u>837,000</u>	<u>-</u>	<u>-</u>	<u>837,000</u>
TOTAL AVAILABLE RESOURCES	<u>7,959,586</u>	<u>4,746,770</u>	<u>(65,720)</u>	<u>-</u>	<u>4,681,050</u>
EXPENDITURES:					
Personal services	22,834	50,000	-	-	50,000
Engineering and contractual services	369,071	138,000	-	-	138,000
Construction and equipment	3,723,630	1,298,000	-	-	1,298,000
TOTAL EXPENDITURES	<u>4,115,535</u>	<u>1,486,000</u>	<u>-</u>	<u>-</u>	<u>1,486,000</u>
ENDING BALANCE	<u>\$ 3,844,051</u>	<u>\$ 3,260,770</u>	<u>\$ (65,720)</u>	<u>\$ -</u>	<u>\$ 3,195,050</u>

PARKS CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCE
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 700,775	\$ 378,000	\$ 33,020	\$ -	\$ 411,020
REVENUES:					
Interest earnings and other	12,573	12,000	-	-	12,000
Developer contributions	-	184,000	-	-	184,000
TOTAL REVENUES	<u>12,573</u>	<u>196,000</u>	<u>-</u>	<u>-</u>	<u>196,000</u>
TOTAL AVAILABLE RESOURCES	<u>713,348</u>	<u>574,000</u>	<u>33,020</u>	<u>-</u>	<u>607,020</u>
EXPENDITURES:					
Personal services	8,831	5,000	-	-	5,000
Engineering, and contractual services	37,333	53,000	-	-	53,000
Construction and equipment	256,168	779,000	-	-	779,000
TOTAL EXPENDITURES	<u>302,332</u>	<u>837,000</u>	<u>-</u>	<u>-</u>	<u>837,000</u>
OTHER FINANCING SOURCES (USES):					
Transfer from General fund	-	263,000	-	-	263,000
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>263,000</u>	<u>-</u>	<u>-</u>	<u>263,000</u>
ENDING BALANCE	<u>\$ 411,016</u>	<u>\$ -</u>	<u>\$ 33,020</u>	<u>\$ -</u>	<u>\$ 33,020</u>

TOWN OF ADDISON
2000 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 239,201	\$ 132,000	\$ (61,890)	\$ -	\$ 70,110
REVENUES:					
Interest earnings and other	4,970	2,000	-	-	2,000
TOTAL REVENUES	<u>4,970</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL AVAILABLE RESOURCES	<u>244,171</u>	<u>134,000</u>	<u>(61,890)</u>	<u>-</u>	<u>72,110</u>
EXPENDITURES:					
Personal services	7,538	12,000	-	-	12,000
Engineering and contractual services	111,519	122,000	(61,890)	-	60,110
Construction and equipment	55,000	-	-	-	-
TOTAL EXPENDITURES	<u>174,057</u>	<u>134,000</u>	<u>(61,890)</u>	<u>-</u>	<u>72,110</u>
ENDING FUND BALANCE	<u>\$ 70,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2002 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 2,786,251	\$ 2,425,540	\$ (109,390)	\$ -	\$ 2,316,150
REVENUES:					
Intergovernmental grants	555,178	-	-	-	-
Interest earnings and other	48,471	40,000	-	-	40,000
TOTAL REVENUES	<u>603,649</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
TOTAL AVAILABLE RESOURCES	<u>3,389,900</u>	<u>2,465,540</u>	<u>(109,390)</u>	<u>-</u>	<u>2,356,150</u>
EXPENDITURES:					
Personal services	88,318	-	-	-	-
Engineering and contractual services	414,414	250,000	-	-	250,000
Construction and equipment	571,018	1,205,280	-	-	1,205,280
TOTAL EXPENDITURES	<u>1,073,750</u>	<u>1,455,280</u>	<u>-</u>	<u>-</u>	<u>1,455,280</u>
ENDING FUND BALANCE	<u>\$ 2,316,150</u>	<u>\$ 1,010,260</u>	<u>\$ (109,390)</u>	<u>\$ -</u>	<u>\$ 900,870</u>

TOWN OF ADDISON
2003 CONFERENCE CENTRE AND EVENT SITE CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES

Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 296,778	\$ -	\$ -	\$ -	\$ -
REVENUES:					
Interest earnings and other	7,404	-	-	-	-
TOTAL REVENUES	<u>7,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL AVAILABLE RESOURCES	<u>304,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Personal services	4,245	-	-	-	-
Engineering and contractual services	34,318	-	-	-	-
Construction and equipment	265,619	-	-	-	-
TOTAL EXPENDITURES	<u>304,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2004 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES

Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ 10,531,649	\$ 1,165,800	\$ 1,417,180	\$ -	\$ 2,582,980
REVENUES:					
Intergovernmental	1,422,812	-	-	-	-
Interest earnings & other	216,118	20,000	-	-	20,000
TOTAL REVENUES	<u>1,638,930</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
TOTAL AVAILABLE RESOURCES	<u>12,170,579</u>	<u>1,185,800</u>	<u>1,417,180</u>	<u>-</u>	<u>2,602,980</u>
EXPENDITURES:					
Personal services	12,678	-	-	-	-
Engineering & contractual services	168,664	-	-	-	-
Construction & equipment	9,406,253	866,810	-	-	866,810
TOTAL EXPENDITURES	<u>9,587,595</u>	<u>866,810</u>	<u>-</u>	<u>-</u>	<u>866,810</u>
ENDING FUND BALANCE	<u>\$ 2,582,984</u>	<u>\$ 318,990</u>	<u>\$ 1,417,180</u>	<u>\$ -</u>	<u>\$ 1,736,170</u>

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES:					
Bond proceeds	-	1,500,000	-	-	1,500,000
Interest earnings & other	-	5,000	-	-	5,000
TOTAL REVENUES	<u>-</u>	<u>1,505,000</u>	<u>-</u>	<u>-</u>	<u>1,505,000</u>
TOTAL AVAILABLE RESOURCES	<u>-</u>	<u>1,505,000</u>	<u>-</u>	<u>-</u>	<u>1,505,000</u>
EXPENDITURES:					
Bond sale costs	-	12,000	-	-	12,000
Construction & equipment	-	1,493,000	-	-	1,493,000
TOTAL EXPENDITURES	<u>-</u>	<u>1,505,000</u>	<u>-</u>	<u>-</u>	<u>1,505,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ADDISON
AIRPORT ENTERPRISE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
INCOME STATEMENT					
Operating revenues:					
Operating grants	61,948	\$ 30,000	\$ -	\$ -	\$ 30,000
Fuel flowage fees	1,064,775	1,065,000	-	-	1,065,000
Rental	3,097,322	3,330,000	-	-	3,330,000
User fees	43,783	47,000	-	-	47,000
Total operating revenues	<u>4,267,828</u>	<u>4,472,000</u>	<u>-</u>	<u>-</u>	<u>4,472,000</u>
Operating expenses:					
Town - Administration	753,918	753,780	212,000	-	965,780
Grant - Maintenance	-	60,000	-	-	60,000
Operator - Operations & Maintenance	1,160,750	1,762,660	-	-	1,762,660
Operator - Service Contract	1,059,209	1,080,000	-	-	1,080,000
Total operating expenses	<u>2,973,877</u>	<u>3,656,440</u>	<u>212,000</u>	<u>-</u>	<u>3,868,440</u>
Net operating income	<u>1,293,951</u>	<u>815,560</u>	<u>(212,000)</u>	<u>-</u>	<u>603,560</u>
Non-Operating revenues (expenses):					
Interest earnings and other	116,468	59,000	-	-	59,000
Interest on debt, fiscal fees, & other	(554,487)	(169,360)	-	-	(169,360)
Net non-operating revenues (expenses)	<u>(438,019)</u>	<u>(110,360)</u>	<u>-</u>	<u>-</u>	<u>(110,360)</u>
Net income (excluding depreciation)	<u>\$ 855,932</u>	<u>\$ 705,200</u>	<u>\$ (212,000)</u>	<u>\$ -</u>	<u>\$ 493,200</u>
CHANGES IN WORKING CAPITAL					
Net income (excluding depreciation)	<u>\$ 855,932</u>	<u>\$ 705,200</u>	<u>\$ (212,000)</u>	<u>\$ -</u>	<u>\$ 493,200</u>
Sources (uses) of working capital:					
Bond Proceeds	4,362,640	-	-	-	-
Retirement of long-term debt	(215,000)	(215,000)	-	-	(215,000)
Net additions to fixed assets with grants	-	(70,000)	-	-	(70,000)
Other net additions to fixed assets	(3,396,963)	(3,097,500)	-	-	(3,097,500)
Net sources (uses) of working capital	<u>750,677</u>	<u>(3,382,500)</u>	<u>-</u>	<u>-</u>	<u>(3,382,500)</u>
Net increase (decrease) in working capital	1,606,609	(2,677,300)	(212,000)	-	(2,889,300)
Beginning fund balance	<u>1,573,835</u>	<u>4,817,470</u>	<u>(1,637,030)</u>	<u>-</u>	<u>3,180,440</u>
Ending fund balance	<u>\$ 3,180,444</u>	<u>\$ 2,140,170</u>	<u>\$ (1,849,030)</u>	<u>\$ -</u>	<u>\$ 291,140</u>

TOWN OF ADDISON
UTILITY ENTERPRISE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
INCOME STATEMENT					
Operating revenues:					
Water sales	\$ 3,430,830	\$ 4,210,800	\$ -	\$ -	\$ 4,210,800
Sewer charges	3,840,540	4,741,400	-	-	4,741,400
Tap fees	3,185	1,000	-	-	1,000
Penalties	50,222	60,000	-	-	60,000
Total operating revenues	<u>7,324,777</u>	<u>9,013,200</u>	<u>-</u>	<u>-</u>	<u>9,013,200</u>
Operating expenses:					
Water purchases	2,234,209	2,469,600	-	-	2,469,600
Wastewater treatment	1,783,286	1,814,800	-	-	1,814,800
Utility operations	1,719,577	2,125,260	-	-	2,125,260
Total operating expenses	<u>5,737,072</u>	<u>6,409,660</u>	<u>-</u>	<u>-</u>	<u>6,409,660</u>
Net operating income	<u>1,587,705</u>	<u>2,603,540</u>	<u>-</u>	<u>-</u>	<u>2,603,540</u>
Non-Operating revenues (expenses):					
Interest earnings and other	195,378	55,300	-	-	55,300
Interest on debt, fiscal fees, & other	<u>(885,092)</u>	<u>(635,130)</u>	<u>-</u>	<u>-</u>	<u>(635,130)</u>
Net non-operating revenues (expenses)	<u>(689,714)</u>	<u>(579,830)</u>	<u>-</u>	<u>-</u>	<u>(579,830)</u>
Net income (excluding depreciation)	<u>\$ 897,991</u>	<u>\$ 2,023,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023,710</u>
CHANGES IN WORKING CAPITAL					
Net income (excluding depreciation)	<u>\$ 897,991</u>	<u>\$ 2,023,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023,710</u>
Sources (uses) of working capital:					
Retirement of long-term debt	(1,594,285)	(1,715,000)	-	-	(1,715,000)
Net additions to fixed assets	<u>(586,068)</u>	<u>(589,200)</u>	<u>-</u>	<u>-</u>	<u>(589,200)</u>
Net sources (uses) of working capital	<u>(2,180,353)</u>	<u>(2,304,200)</u>	<u>-</u>	<u>-</u>	<u>(2,304,200)</u>
Net increase (decrease) in working capital	(1,282,362)	(280,490)	-	-	(280,490)
Beginning fund balance	<u>3,151,828</u>	<u>1,841,940</u>	<u>27,530</u>	<u>-</u>	<u>1,869,470</u>
Ending fund balance	<u>\$ 1,869,466</u>	<u>\$ 1,561,450</u>	<u>\$ 27,530</u>	<u>\$ -</u>	<u>\$ 1,588,980</u>

TOWN OF ADDISON
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL

Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
INCOME STATEMENT					
Operating revenues:					
Department contributions:	\$ 564,410	\$ 413,730	\$ -	\$ -	\$ 413,730
Total operating revenues	<u>564,410</u>	<u>413,730</u>	<u>-</u>	<u>-</u>	<u>413,730</u>
Operating expenses:					
Contractual services	2,115	2,500	-	-	2,500
Total operating expenses	<u>2,115</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Net operating income	<u>562,295</u>	<u>411,230</u>	<u>-</u>	<u>-</u>	<u>411,230</u>
Non-operating Revenues:					
Interest earnings and other	25,522	30,000	-	-	30,000
Net non-operating revenues	<u>25,522</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net income (excluding depreciation)	<u>\$ 587,817</u>	<u>\$ 441,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441,230</u>
CHANGES IN WORKING CAPITAL					
Net income (excluding depreciation)	\$ 587,817	\$ 441,230	\$ -	\$ -	\$ 441,230
Sources (uses) of working capital:					
Capital hardware/software:					
General government	-	(235,000)	-	-	(235,000)
Public safety	(86,366)	(202,000)	-	-	(202,000)
sources (uses) of working capital	<u>(86,366)</u>	<u>(437,000)</u>	<u>-</u>	<u>-</u>	<u>(437,000)</u>
Net increase (decrease) in working capital	501,451	4,230	-	-	4,230
Beginning fund balance	1,184,557	1,468,370	217,640	-	1,686,010
Ending fund Balance	<u>\$ 1,686,008</u>	<u>\$ 1,472,600</u>	<u>\$ 217,640</u>	<u>\$ -</u>	<u>\$ 1,690,240</u>

TOWN OF ADDISON
CAPITAL REPLACEMENT INTERNAL SERVICE FUND
STATEMENT OF INCOME AND CHANGES IN WORKING CAPITAL
Amended 2005-06 Annual Budget

	Actual 2004-05	Original Budget 2005-06	June Amendments	September Amendments	Amended Budget 2005-06
INCOME STATEMENT					
Operating revenues:					
Department contributions	\$ 632,662	\$ 732,660	\$ -	\$ -	\$ 732,660
Total operating revenues	<u>632,662</u>	<u>732,660</u>	<u>-</u>	<u>-</u>	<u>732,660</u>
Operating expenses:					
Other	1,334	2,500	-	-	2,500
Total operating expenses	<u>1,334</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Net operating income	<u>631,328</u>	<u>730,160</u>	<u>-</u>	<u>-</u>	<u>730,160</u>
Non-Operating revenues:					
Interest earnings and other	35,447	60,000	-	-	60,000
Proceeds from sale of assets	87,470	25,000	-	-	25,000
Net non-operating revenues	<u>122,917</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
Net Income (Excluding depreciation)	<u>\$ 754,245</u>	<u>\$ 815,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,160</u>
CHANGES IN WORKING CAPITAL					
Net income (excluding depreciation)	<u>\$ 754,245</u>	<u>\$ 815,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,160</u>
Sources (uses) of working capital:					
Acquisition of capital equipment:					
General government	(105,716)	(32,000)	-	-	(32,000)
Public safety	(300,000)	(64,000)	-	-	(64,000)
Streets	(36,216)	(32,000)	-	-	(32,000)
Parks and recreation	(18,503)	(68,000)	-	-	(68,000)
Net source (use) of working capital	<u>(460,435)</u>	<u>(196,000)</u>	<u>-</u>	<u>-</u>	<u>(196,000)</u>
Net increase (decrease) in working capital	293,810	619,160	-	-	619,160
Beginning fund balance	1,819,670	2,263,750	(150,270)	-	2,113,480
Ending fund balance	<u>\$ 2,113,480</u>	<u>\$ 2,882,910</u>	<u>\$ (150,270)</u>	<u>\$ -</u>	<u>\$ 2,732,640</u>

AN ORDINANCE # _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006; PROVIDING THAT EXPENDITURES SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING FOR A REPEAL CLAUSE AND DECLARING AN EMERGENCY.

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

SECTION 1. That in accordance with Section 5.08 of the City Charter, Ordinance No. ____ of the Town of Addison, Texas, the 2005-06 annual budget as amended, be amended to appropriate \$60,101,220 for budget expenditures in the particulars stated in Exhibits A, B, C, and D attached and made a part of this ordinance.

SECTION 2. That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the city not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. The importance of this ordinance creates an emergency and an imperative public necessity, and the ordinance shall take effect and be in force from and after its adoption.

PASSED AND APPROVED BY MAJORITY VOTE OF THE CITY COUNCIL, the 12th day of September 2006.

Mayor Joe Chow

ATTEST:

Mario Canizares, City Secretary

Council Agenda Item: #R6

SUMMARY:

Council's eventual approval is requested of an ordinance amending the franchise agreement the Town has with TXU Electric Delivery Company.

FINANCIAL IMPACT:

The Town received from TXU its annual franchise payment for this fiscal year in August and it totaled \$1,563,239.43 compared to budget of \$1,619,430. We have included in the 2007 budget \$1,668,010. In addition to this amount, the Town will benefit slightly from interest earnings derived from receiving its annual franchise payment in quarterly installments.

BACKGROUND:

The Town is a member of a city coalition known as the Steering Committee of Cities Served by TXU (SC). The Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when TXU Cities gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by per capita assessments, the SC has been for years the primary public interest advocate before the Public Utility Commission (PUC), the Courts, and the Legislature on electric utility regulation matters dealing with TXU.

This past February the Town was one of many cities served by TXU that passed a resolution approving terms of a settlement agreement between the SC and the company. Separate from the rate settlement, but linked in benefit under the Settlement Agreement, is the Company's commitment to increase franchise fee factors and permit all Cities who desire to receive quarterly franchise fee payments as opposed to annual payments to obtain that result.

In return for the quarterly payment of the franchise fee, TXU is requesting a five-year extension to its franchise agreement, extending it to July, 2019. For all intents and purposes the electric franchise is indefinite since TXU, or any other company that wishes to supply power to its customers must utilize the Town's right-of-way. There is no disadvantage to the Town in extending the franchise's term.

The Town's charter requires a fairly rigorous process for making changes to franchises. Below is a brief summary of the requirements:

- September 12 First Reading of and Public Hearing on Ordinance
- September 26 Second Reading of and Public Hearing on Ordinance
- October 24 Public Hearing on and Adoption of Ordinance
- Week of October 23 Publish full text of the Ordinance
- Week of October 30 Publish full text of the Ordinance
- Week of November 6 Publish full text of the Ordinance
- Week of November 13 Publish full text of the Ordinance
- November 24 Effective Date of Ordinance

RECOMMENDATION:

The quarterly payments will enhance the Town's cash flow and result in additional interest earnings. It is recommended Council approve the process as noted above culminating with the passage of the ordinance in November.

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING ORDINANCE NO. 005-010 (THE SAME BEING CONTAINED IN APPENDIX C, ARTICLE II, DIVISION 4 OF THE CODE OF ORDINANCES OF THE TOWN OF ADDISON) BETWEEN THE TOWN OF ADDISON AND TXU ELECTRIC DELIVERY COMPANY, A TEXAS CORPORATION, ITS SUCCESSORS AND ASSIGNS, BY (I) AMENDING THE PAYMENT SCHEDULE THEREIN TO PROVIDE FOR QUARTERLY FRANCHISE PAYMENTS, AND (II) EXTENDING THE TERM OF THE FRANCHISE FOR AN ADDITIONAL FIVE (5) YEARS; PROVIDING FOR TXU ELECTRIC DELIVERY ACCEPTANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the "City") previously granted to TXU Electric Delivery Company, ("Electric Delivery Utility"), by Ordinance No. 005-010 (the same being in Appendix C, Article II, Division 4 of the City's Code of Ordinances) (the "Franchise Ordinance"), the non-exclusive franchise to use the public rights-of-way of the City for the purpose, among other things, of operating facilities for the transmission and distribution of electric power within the City, the terms of which Franchise Ordinance were duly accepted by Electric Delivery Utility; and

WHEREAS, pursuant to that document entitled "Agreement to Resolve Outstanding Franchise Issues" dated January 27, 2006, the City has requested and Electric Delivery Utility has agreed that the terms of the Franchise Ordinance should be amended to provide for a different payment schedule and an extension of the term; and

WHEREAS, the City Council does hereby find that the adoption of this Ordinance is in accordance with applicable provisions of law and the City Charter, and is in the best interests of the citizens of the City.

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof.

Section 2. Ordinance No. 005-010 of the City, the same being the franchise agreement between the City and Electric Delivery Utility, is hereby amended as follows:

A. Electric Delivery Utility has made an annual payment of the Municipal Franchise Charge (as defined in Ordinance No. 005-010) to the City on or before August 1, 2006, based on each kilowatt hour of electricity delivered by Electric Delivery Utility during the twelve-month

period ending June 30, 2006, to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries. This payment is for the rights and privileges granted under the Franchise Ordinance for the twelve-month period August 1, 2006 – July 31, 2007. Such payment is the final annual payment of the Municipal Franchise Charge, and payment of the Municipal Franchise Charge (as described in Section 5.1(a) of Ordinance No. 005-010) shall hereafter be made in accordance with the following:

Effective November 1, 2006 the annual prospective payment schedule of the Municipal Franchise Charge is hereby changed to a quarterly prospective schedule as follows:

<u>Payment Due Date</u>	<u>Basis Period</u> (period immediately prior to Payment Due Date)	<u>Privilege Period</u> (period immediately following Payment Due Date)
November 1	July 1 - September 30	August 1 - October 31
February 1	October 1 – December 31	November 1 – January 31
May 1	January 1 – March 31	February 1 – April 30
August 1	April 1 – June 30	May 1 – July 31

Notwithstanding the foregoing schedule, the first quarterly payment shall be due and payable on or before December 1, 2006, based on each kilowatt hour of electricity delivered by Electric Delivery Utility during the period beginning July 1, 2006 and ending September 30, 2006 to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries; and such quarterly payment is for the rights and privileges granted under Ordinance No. 005-010 during the period beginning August 1, 2007 and ending October 31, 2007. Following the first quarterly payment, subsequent payments shall be made on a quarterly basis as provided in and in accordance with the above schedule, based on each kilowatt hour of electricity delivered by Electric Delivery Utility during the applicable Basis Period as set forth in the above schedule to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries; and such payments shall be for the rights and privileges granted under Ordinance No. 005-010 for the applicable Privilege Period as set forth in the said schedule. The final quarterly payment under this Franchise Ordinance will be made on or before August 1, 2018, based on the period beginning April 1, 2018 and ending June 30, 2018, for the rights and privileges beginning May 1, 2019 and ending July 31, 2019.

After the final payment date of August 1, 2018, Company may continue to make additional quarterly payments in accordance with the above schedule. City acknowledges that such continued payments will correspond to applicable privilege periods that extend beyond the term of this Franchise Ordinance and that

such continued payments will be recognized in any subsequent franchise agreement as full payment for the relevant quarterly periods; and

B. The term of the Franchise Ordinance shall be extended for an additional five years, to expire on July 31, 2019.

Section 2. In all respects, except as specifically and expressly amended by this Ordinance, all other terms, conditions, standards, and obligations of Ordinance No. 005-010 heretofore duly passed by the governing body of the City and duly accepted by Electric Delivery Utility shall remain unchanged and in full force and effect according to its terms until said Franchise Ordinance terminates as provided herein. Without limiting the generality of the foregoing, Section 5.1(b) of the Franchise Ordinance is not amended by this Ordinance.

Section 3. This Ordinance shall take effect thirty (30) days from and after the date of the final passage and approval of this Ordinance by the City Council in accordance with the City's Home Rule Charter. Electric Delivery Utility shall, within thirty (30) days from the date of passage of this Ordinance by the City Council, file its written acceptance of this Ordinance with the Office of the City Secretary; this Ordinance shall be rendered null and void and of no force or effect whatsoever if such written acceptance of this Ordinance is not filed by the Electric Delivery Utility within such thirty (30) day period.

Section 4. It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

First reading of this Ordinance by the City Council of the Town of Addison, Texas occurred on the ____ day of _____, 2006.

Second reading of this Ordinance by the City Council of the Town of Addison, Texas occurred on the ____ day of _____ 2006.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the ____ day of _____, 2006.

Joe Chow, Mayor

ATTEST:

By: _____
Mario Canizares, City Secretary

APPROVED AS TO FORM:

By: _____
Ken Dippel, City Attorney

Council Agenda Item: #R7

SUMMARY:

Council approval is requested of the Town's FY 2006-07 investment policy.

FINANCIAL IMPACT:

There is no financial impact associated with the approval of the investment policy. We have budgeted \$1,132,500 in interest earnings for the upcoming fiscal year.

BACKGROUND:

The Public Funds Investment Act (PFIA) requires the Council to annually review and approve an investment policy for the Town. The Town's investment advisor, First Southwest Asset Management (FSAM), has assisted staff with the development and review of the proposed investment policy for FY 2007.

Due to a variety of changes being approved over the past several years, staff is not recommending any amendments to the policy for FY 2007. We are, however, recommending that our investment pool portfolio be diversified to include the TexSTAR local government investment pool. The TexSTAR investment pool recommendation will be presented and discussed as a separate Council agenda item.

We want to bring to Council's attention the fact that during the third quarter, our investment portfolio included federal government agency notes that exceeded the 70% limit established by the investment policy. This ceiling is established as part of the policy that recognizes there is a benefit to having a portfolio that is diversified by type of investment. During last quarter, investments were made in agency notes to take best advantage of the increasing interest rate. Although the portfolio was diversified by type of agency (28% FHLB, 24% FNMA, 16% FHLMC, 16% FFCB), the total of these investments represented 84% of the Town's total investment portfolio. This was an error that will be corrected and vigilance will be maintained in the future to ensure we comply with all aspects of the adopted policy.

RECOMMENDATION:

Staff recommends approval of the Town's FY 2006-07 investment policy.

TOWN OF ADDISON

INVESTMENT POLICY

For

FY 2006-07

Revised and Adopted:
September 12, 2006

TOWN OF ADDISON, TEXAS INVESTMENT POLICY

I.

SCOPE

The Public Funds Investment Act, Chapter 2256, Texas Government Code, prescribes that each Town is to adopt rules governing its investment practices and to define the authority of the investment officer. The following Investment Policy addresses the methods, procedures, and practices which must be exercised to ensure effective and judicious fiscal management of the Town's funds. This Policy shall not apply to the selection, retention or other issues concerning the depositories of the Town's funds in demand and time deposits as provided under Chapter 105 of the Local Government Code.

This Policy shall apply to the investment and management of all funds of the Town under its control, other than those expressly excluded herein or by applicable law or valid agreement. This Policy shall not supersede the restrictions on investment and use applicable to any specific fund and, in the event of any conflict between this Policy and the requirements of any fund subject hereto, the specific requirement applicable to such fund shall be followed as well as all other provisions of this Policy other than those in conflict. The Employees Deferred Compensation Agency Fund is excluded from coverage under this Policy.

This Policy also requires the formal adoption of an "Investment Strategy Statement" that specifically addresses each of the Town's fund groups. Each Investment Strategy Statement will describe its objectives concerning:

- a) suitability of investment type,
- b) preservation and safety of principal,
- c) liquidity,
- d) marketability of each investment,
- e) diversification of the portfolio, and
- f) yield.

In order to make effective use of the Town's resources, all monies shall be pooled into one investment bank account, except for those monies required to be accounted for in other bank accounts as stipulated by applicable laws, bond covenants or contracts. The income derived from this pooled investment account shall be distributed in accordance with the Town's internal procedures.

II.

OBJECTIVES

The Town's principal investment objectives in order of priority are:

1. Conformance with all Federal regulations, State of Texas statutes and other legal requirements including the Town Charter and Town Ordinances, including this Policy.
2. Preservation of capital and the protection of investment principal.
3. Maintenance of sufficient liquidity to meet anticipated disbursement and cash flows.
4. Diversification to avoid incurring unreasonable risks regarding securities owned.
5. Attainment of a market rate of return equal to or higher than the performance measure established from time to time by the Finance Director of the Town which is commensurate with the acceptable risk and liquidity objectives of this Policy.

III.

DELEGATION OF AUTHORITY

The City Council appoints the Director of Financial and Strategic Services, Assistant Director of Financial and Strategic Services and the Financial Services Manager as the "Investment Officers" of the Town. Direct management responsibility for the investment program is delegated by the City Council to the Director of Financial and Strategic Services (hereinafter referred to as the "Director"). The Investment Officers' authority will at all times be limited by all applicable laws and regulations in effect from time to time and this Policy. The Investment Officers shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

With written approval from the City Manager, the Director may delegate any phase of the investment management program to any of the Investment Officers. Such approval shall state specifically the functions such person is authorized to perform or that the person is authorized to perform all activities of the Director under this Policy. The Director shall obtain and maintain, at the Town's expense, fidelity bonds for himself and each of his designees in amounts determined adequate by the Director (which shall not be less than five percent of the amounts subject to this Policy) for each fiscal year as shown by the approved budget. No person may engage in an investment transaction except as provided under the terms of this Policy and the internal procedures established by the Director. A current list of persons authorized to transact investment business and wire funds on behalf of the Town shall be maintained by the Director.

The Director shall develop and maintain written administrative procedures for the operation of the investment program consistent with this Policy. The controls shall be designed to prevent, identify and control losses of public funds arising from deviation from this Policy, fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the Town.

In the discretion of the City Council and in any event upon the termination or reassignment of any Investment Officer authorized to conduct transactions for the Town pursuant to this Policy, the authority of such person shall be revoked and such revocation of authority shall be immediately communicated by the Director orally and in writing to each and every depository, broker/dealer, investment advisor, custodian and other agency or entity with whom the Town has any existing or continuing relationship in the management of its investments.

The Director and all Investment Officers shall attend at least one training session relating to the treasurer's or officer's responsibilities within twelve (12) months after taking office or assuming duties; and attend a training session not less than once every two years and receive not less than ten (10) hours of training. Such training from an independent source shall be approved or endorsed by the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, Texas Municipal League, or the North Central Texas Council of Governments to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

IV.

INVESTMENT ADVISORS

The Town may, in the discretion of the Director, appoint one or more Investment Advisors to assist the Town's financial staff in the management of the Town's funds. The Investment Advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an Investment Advisor. To be eligible for consideration, an Investment Advisor shall demonstrate to the Director knowledge of, and experience in, the management of public funds. The Director will satisfy himself as to the Advisor's qualifications by all appropriate means, including reference checks with the Advisor's other clients, the State Securities Board and the Securities and Exchange Commission. An appointed Investment Advisor shall act solely in an advisor and administrative capacity, within the guidelines of this Investment Policy and without any discretionary authority to transact business on behalf of the Town.

Each Investment Advisor, appointed by the Town, shall agree that its investment advice shall at all times be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence, in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

Appointment of an Investment Advisor shall otherwise be according to the Town's normal purchasing procedures for selecting professional services. Any approved investment advisor may be terminated with the approval of the City Manager, if in the opinion of the Director, the advisor has not performed adequately. The term of any Investment Advisor contract may not exceed two years. Any renewal or extension of the Investment Advisor contract must be made by the City Council by resolution.

V.

STANDARD OF CARE

As provided for in the Public Funds Investment Act, the standard of care for the Town's investments shall be that such "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Director and the Investment Officers shall recognize that the investment activities of the Town are a matter of public record.

The Director and the Investment Officers, acting in accordance with written procedures and exercising the proper standard of care, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that this Policy and the Director's procedures were followed. In determining whether the Director or an Investment Officer has exercised the proper standard of care, all investments over which the individual had responsibility will be considered rather than a single investment.

VI.

AUTHORIZED SECURITIES INVESTMENTS

Subject to any limitations otherwise imposed by applicable law, regulations, bond indentures or other agreements, (including but not limited to Chapter 2256 Texas Government Code, the Public Funds Investment Act), the following securities and deposits are the only ones permitted as investments for the Town's funds:

a. Direct obligations of the United States government with a maturity not to exceed five (5) years from the date of purchase; U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds, and U.S. Treasury Strips (book entry U.S. Treasury securities whose coupon has been removed).

b. Debentures or discount notes with a maturity not to exceed five (5) years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). Principal-only and interest-only mortgage backed securities and collateralized mortgage obligations and real estate mortgage investment conduits are expressly prohibited.

c. Bonds or other interest bearing obligations of which the principal and interest are guaranteed by the full faith and credit of the United States government with a stated maturity not to exceed five (5) years from the date of purchase. A security's "average life" does not constitute a stated maturity. Principal-only and interest-only mortgage backed securities and collateralized mortgage obligations and real estate mortgage investment conduits are expressly prohibited.

d. Time Certificates of Deposit with a maturity not to exceed three (3) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch office in the state of Texas which have been approved by the Town in accordance with Section XI of this Investment Policy.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of the Town.

e. Prime commercial paper with an original maturity of one hundred eighty (180) days or less which at the time of purchase, is rated at least:

A-1 by Standard & Poors,
P-1 by Moodys or
D-1 by Duff & Phelps.

(1) At the time of purchase, the commercial paper must be rated by at least two (2) of the above stated ratings agencies at the above stated minimum credit rating.

(2) If more than two (2) of the above stated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.

(3) If the commercial paper issuer has senior debt* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least:

A-1 by Moodys,
A+ by Standard and Poors and
A+ by Duff & Phelps.

*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year.

If the commercial paper issuer is given a “plus (+) rating”, the maximum maturity of two hundred seventy (270) days or less will be allowed.

f. Eligible Bankers Acceptances with original maturities not exceeding one hundred eighty (180) days, issued on domestic banks operating under the banking laws of the United States, whose senior long term debt is rated, at the time of purchase, A-1 or higher by Moodys, A+ by Standard and Poors, or A+ by Duff & Phelps.

g. Repurchase agreements with a defined termination date of ninety (90) days or less on U.S. Treasury and Federal Agency securities listed in items “a” and “c” above, collateralized initially at a minimum market value of one hundred two (102) percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

If the market value of the collateral falls below one hundred one (101) percent of the dollar value of the transaction, the collateral will be required to be brought up to the one hundred two (102) percent initial maintenance level. A Repurchase Agreement is defined as a simultaneous agreement to buy, hold for ninety (90) days or less, and then sell back an obligation described in item (g) above, the principal and interest of which are guaranteed by the United States.

Repurchase Agreements shall be entered into only with dealers who: 1) are recognized as primary reporting dealers with the Market Reports Division of the Federal Reserve Board of New York; and 2) have an executed, Town approved Master Repurchase Agreement. Collateral (purchased securities) shall be held by the Town’s

custodian bank as safekeeping agent and the market value of the collateral securities shall be marked-to-the market daily based on the bid price for the previous day as reported in the Wall Street Journal.

For the purpose of item “g” of this section, the term “collateral” shall mean “purchased securities” under the terms of the Town approved Master Repurchase Agreement. Collateral bearing no coupon will have a maturity not to exceed five (5) years. All other eligible collateral shall have a maturity limit of ten (10) years.

The term repurchase agreements include reverse repurchase agreements. The term of a reverse repurchase agreement shall not exceed ninety (90) days and any investments acquired with the proceeds from the reverse repurchase agreement shall not exceed the term of that agreement.

h. Money Market Funds meeting each of the following criteria:

- (1) Registered with and regulated by the Securities and Exchange Commission;
- (2) Has provided the Town with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.
- (3) No commission fee shall be charged on purchases or sales of shares;
- (4) Have an objective of maintaining a constant daily net asset value of \$1.00 per share;
- (5) Limit assets of the fund to those securities listed in paragraphs “a”, “b”, “c” and “g” above; and
- (6) Have a maximum stated maturity of thirteen (13) months and dollar weighted average portfolio maturity of not more than ninety (90) days. A list of Town approved Money Market Funds shall be kept by the Director.

i. State investment pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the Director and authorized by the City Council.

j. Local investment pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the Director and authorized by the City Council.

k. Direct obligations of the State of Texas or its agencies rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent with a maturity not to exceed two (2) years from the date of purchase.

l. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States with a maturity not to exceed two (2) years from the date of purchase.

VII.

OTHER INVESTMENT GUIDELINES

The Town seeks active management of its portfolio assets. In the effort of meeting the objectives of this Policy, the Town may from time to time sell securities that it owns in order to better position its portfolio assets. Sales of securities prior to maturity, shall be documented and approved by the Director before such a transaction is consummated. Sales of securities, yielding net proceeds less than ninety-eight (98) percent of the book value of the securities, must be approved in advance and in writing by both the City Manager and the Director.

Each investment transaction must be based upon competitive quotations received from at least three (3) broker/dealers who have been approved by the Town in accordance with Texas law.

The purchase and sale of all securities shall be on a delivery versus payment or payment versus delivery basis (i.e. for securities purchases, monies will not be released by the Town's safekeeping bank until securities are received at the Federal Reserve Bank for further credit to the Town's safekeeping bank. In the case of securities sales, monies will be received by the Town's safekeeping bank via the Federal Reserve Bank, as the securities are simultaneously released to the purchaser). In this manner, the Town will always have possession of either its securities or its monies.

An investment that requires a minimum credit rating does not qualify as an AUTHORIZED SECURITIES INVESTMENT during the period the investment does not have the minimum credit rating even if the investment had the appropriate rating at the time of purchase. The Investment Officers shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

VIII.

PORTFOLIO MATURITIES

Maturities shall be selected which provide for both stability of income and reasonable liquidity.

At all times, the Town shall maintain ten (10) percent of its total investment portfolio in instruments maturing in ninety (90) days or less. The weighted average maturity of all securities and certificates of deposit in the Town's total investment portfolio at any given time (not including cash or demand deposits) shall not exceed one and one-half (1 ½) years.

In the case of callable securities, the first "call" date may be used as the "maturity" date for investment purposes in this section if in the opinion of the Director there is little doubt that the security will be called prior to maturity. At all times the stated final maturity shall be used in portfolio average life calculations and reported as outlined in this Policy.

Investment of bond proceeds shall be invested in the investment types listed in Section VI. "a", "b", "c", "h", "i", and "j" for a period of time not to exceed five (5) years. Additionally, bond proceeds may be invested in a repurchase agreement that exceeds ninety (90) days if reductions are allowed from the agreement without penalty for legitimate bond proceed expenditures and the final maturity is within the "temporary period" as defined by the Internal Revenue Service (this arrangement is commonly referred to as a "flexible repurchase agreement").

IX.

INVESTMENT LIMITS

It is the policy of the Town to avoid concentration of assets in a specific maturity, a specific issue, or a specific class of securities, with the exception of U.S. Treasury issues listed in Section VI "a." The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets.

The Town will not exceed the following maximum limits as a percentage of the total portfolio for each of the categories listed below:

- 20 percent in Money Market Funds as outlined in Section VI "h"
- 30 percent in Certificates of Deposit
- 30 percent in Commercial Paper
- 30 percent in Bankers Acceptances
- 40 percent in Local Government Investment Pools as authorized in Section VI "h" and "j"
- 70 percent in State Government Investment Pools as authorized in Section VI "i"
- 70 percent in Instrumentality securities described in Section VI "b"

In addition to the limitations set forth above the Town's investment in any single money market fund shall never exceed ten (10) percent of the total assets of the money market fund.

The Director shall evaluate how each security purchased fits into the Town's overall investment strategy.

The amount of investments in U.S. Treasury and Agency Securities and Repurchase Agreements backed by those securities as defined in section VI(a), VI(c) and VI(g), shall at no time be less than thirty (30) percent of the total portfolio. There shall be no maximum limits on these investments.

Bond proceeds shall be exempt from the maximum limitation stated above for State Government Pools, but only for the period of time required to develop a comprehensive draw-down schedule for the project for which the proceeds are intended, the maximum being sixty (60) days, at which time the funds representing bond proceeds must be prudently diversified.

X.

SELECTION OF BROKER/DEALERS

The Town shall maintain a list of approved security broker/dealers maintaining minimum capital of \$10,000,000 and being in business for at least five years. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Securities may only be purchased from those authorized institutions and firms identified in the above list.

Broker/dealers and other financial institutions will be selected by the Director on the basis of their financial stability, expertise in cash management and their ability to service the Town's account. Each broker/dealer, bank, or savings bank that has been authorized by the Town, shall be required to submit to the Town and annually update a Broker/Dealer Information Request form which includes the firm's most recent financial statements. The Director shall maintain a file which includes the most recent Broker/Dealer Information Request forms submitted by each firm approved for investment purposes. A copy of the submitted Broker/Dealer Information Request forms as well as a list of those broker/dealers approved by the Town shall be maintained by the Director.

The Director shall review the quality of service and financial stability of each broker/dealer and financial institution approved under this Section at least annually. Any approved broker/dealer or financial institution may be removed from the list of approved broker/dealers with the approval of the Director, if in the opinion of the Director, the firm has not performed adequately or its financial condition is considered inadequate. The City Council shall, at least annually, review, revise, and adopt the list of qualified broker/dealers and financial institutions which are authorized to engage in investment transactions with the Town.

All business organizations eligible to transact investment business with the Town shall be presented a written copy of this Policy. The qualified representative of the business organization seeking to transact investment business with the Town shall execute a written instrument substantially to the effect that the qualified representative has:

- 1) received and thoroughly reviewed this Policy, and
- 2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Town.

The Town shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above. In addition, each Investment Advisor appointed by the Town shall execute the written instrument described above.

If the Council has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the Town. The advisor shall determine selection criteria. The advisor shall annually present a list of its authorized broker/dealers to the Town for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the Town's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Town. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the Town as part of its standard trade documentation.

XI.

SELECTION OF DEPOSITORIES

The Town shall maintain a list of authorized banks and savings banks which are approved to provide Certificates of Deposit to the Town. To be eligible for authorization, a bank or savings bank must be a member of the FDIC and meet the minimum credit criteria (described below) of a credit analysis provided by a commercially available bank rating service such as Prudent Man Analysis, Inc., or Sheshunoff Public Finance Bank Rating Service. Banks or savings banks failing to meet the minimum criteria or, in the judgment of the Director, no longer offering adequate safety for the Town will be removed from the list.

Bank rating guidelines will be calculated using publicly available information obtained from the Federal Reserve, the Comptroller of the Currency, or the banking institution itself. Data obtained from bank rating services will include factors covering the following: overall rating, liquidity policy, credit risk policy, interest rate policy, profitability and capital policy. Financial institutions selected to issue certificates of deposit to the Town in excess of One Hundred Thousand Dollars (\$100,000.00) or that are selected as Safekeeping or Custodial agents for the Town shall meet the following criteria: 1) have a Sheshunoff Public Finance Peer Group Rating of thirty (30) or better on a scale of zero (0) to one hundred (100) with one hundred (100) being the highest rating at the time of selection; or 2) have a Prudent Man Express Analysis overall rating of three or better on a scale of one (1) to five (5) with one (1) being the highest quality for the most recent reporting quarter before the time of selection; and 3) qualify as a depository of public funds in the State of Texas.

The Director shall maintain a file of the credit rating analysis reports performed for each approved firm. Institutions that meet the above criteria and who wish to provide Certificates of Deposit to the Town are required to provide to the Director a copy of the institution's quarterly Consolidated Report of Conditions and Income (CALL Report). This report will be submitted to the Director within sixty (60) days following the end of each calendar quarter.

In addition to the foregoing requirements, with respect to bond proceeds and reserves or other funds maintained for debt service purposes, a depository of such funds must be selected by competitive bidding by three (3) banks located within the boundaries of the Town or if there are not three banks available within the Town's boundaries that are willing and able to accept such deposits, then at least three (3) bids must be obtained from banks situated in Dallas County that are willing and able to accept such deposits.

XII.

SAFEKEEPING AND CUSTODY

Investment securities purchased for the Town will be delivered by either book entry or physical delivery and shall be held in third-party safekeeping by a Federal Reserve Member financial institution designated as the Town's safekeeping and custodian bank. The Town may designate more than one (1) custodian bank. In no event will the Town's custodial or safekeeping institution also be a counterparty (broker or dealer) to the purchase or sale of those securities. The Town shall execute a written Safekeeping Agreement with each bank prior to utilizing the custodian's safekeeping services. Only a state or national bank located within the State of Texas, may be utilized as a custodian of securities pledged to secure certificates of deposit. The safekeeping agreement must provide that the safekeeping bank will immediately record the receipt of purchased or pledged securities in its books and promptly issue and deliver a signed safekeeping receipt showing the receipt and the identification of the security, as well as the Town's perfected interest.

The Director shall maintain a list of designated custodian banks and a copy of the Safekeeping Agreement executed with each custodian bank.

The Town must approve release of securities, in writing, prior to their removal from the custodial account. A telephonic facsimile of a written authorization shall be sufficient if the custodian orally confirms receipt of the transmission and an exact copy of the document is retained in the Town's files.

All securities shall be confirmed in the name of the Town and delivered to an approved custodial bank or carried at a Federal Reserve Bank in the name of the Town. The Custodian shall not otherwise deposit purchased or pledged securities. All book entry securities, owned by the Town, shall be evidenced by a safekeeping receipt issued to the Town and signed by the appropriate officer at the custodian bank stating that the securities are held in the Federal Reserve system in a CUSTOMER ACCOUNT naming the Town as the "customer". In addition, the custodian bank will, when requested, furnish a copy of the delivery advice received by the custodian bank from the Federal Reserve Bank.

All certificated securities (those transferred by physical delivery) shall: 1) be held by an approved custodian bank or any correspondent bank in New York City approved by the Director; and 2) the correspondent bank or the Town's safekeeping bank shall issue a safekeeping receipt to the Town evidencing that the securities are held by the correspondent bank for the Town.

The original safekeeping receipt for each transaction including purchased securities under a repurchase agreement and collateral securing deposits will be forwarded to the Director or his designee and held in a secured file by the Town.

XIII.

RECORDKEEPING AND REPORTING

A record shall be maintained of all bids and offerings for securities transactions in order to ensure that the Town receives competitive pricing. All transactions shall be documented by the person authorizing the transaction in a form that shows that person's name, the party instructed to execute the transaction, the date, a description of the transaction and a brief statement of the reason(s) for the transaction.

Each depository institution of the Town's funds and purchased securities shall maintain separate, accurate and complete records relating to all deposits of the Town's funds, the securities pledged to secure such deposits and all transactions relating to the pledged securities. Each approved custodian shall maintain separate, accurate and complete records relating to all securities received on behalf of the Town, whether pledged, purchased or subject to repurchase agreement, as well as all transactions related to such securities. In addition, each depository shall file all reports required by the Texas State Depository Board. Each depository and custodian shall agree to make all the records described in this paragraph available to the Director's designee and the Town's auditors at any reasonable time.

At least once each quarter, the Director shall verify that all securities owned by the Town or pledged to the Town are held in safekeeping in the Town's custodial bank with proper documentation. At least annually the Town's investment program, including the records of custodians and depositories, shall be audited by independent certified public accountants selected by the City Council. This annual audit shall include a compliance audit of the management controls on investments and adherence to the Town's Investment Policy and strategies.

All broker/dealers, custodians, depositories, and investment advisors shall maintain complete records of all transactions that they conducted on behalf of the Town and shall make those records available for inspection by the Director or other representatives designated by the City Council or City Manager.

All sales of securities for less than the book value of the security shall be approved by the Director and reported to the City Council at the next regular meeting. Sales of securities for less than ninety-eight (98) percent of the book value of the securities must be approved by both the City Manager and the Director.

All contracted Investment Advisors shall report at least monthly on the straight-line book value, the market value of investment holdings, and total investment return and such other information required by the Director. Unrealized profits or losses in the Town's investment portfolio will be disclosed but will not be used in the calculation of income earned for the month. Contracted Investment Advisors shall postmark their monthly reports to the Director no later than fifteen (15) business days following the close of the reporting month.

An investment report shall be prepared by the Director within forty five (45) days of the quarter end that:

- a) describes in detail the investment position of the Town,
- b) states the reporting period beginning book and market values, additions or changes to the book and market values during the period and ending book and market values for the period of each pooled fund group,
- c) states the reporting period beginning book and market value and ending book and market value for each investment security by asset type and fund type,
- d) states the maturity date of each investment security,
- e) states the fund for which each investment security was purchased,
- f) states fully accrued interest for the reporting period,
- g) states the compliance of the investment portfolio with the Town's Investment Policy, Investment Strategy Statement and the Public Funds Investment Act,
- h) summarizes quarterly transactions, including a detailed list of the gains and losses recognized, and
- i) explains the total investment return during the previous quarter and compares the portfolio's performance to other benchmarks of performance.

This report will be presented to the City Council and signed by all of the Town's Investment Officers. .

Market valuations of investments shall be provided by the Investment Advisor on a monthly basis. The Investment Advisor shall use independent market pricing sources including, but not limited to, Interactive Data Corporation (IDC) and Bloomberg, to monitor the market price of investments acquired with the Town's funds.

Within forty five (45) days after the end of the Town's fiscal year the Director shall prepare, sign and deliver to the City Manager and the City Council an annual report on the Town's investment program and investment activity which has also been signed by each officer and employee of the Town authorized to conduct any of the Town's investment activity. The annual report shall include full year and separate monthly comparisons of investment return. Such annual report shall include an analysis of the compliance with this Policy as well as changes in applicable laws and regulations during the previous year and may include any other items of significance related to the investment program.

If the Town places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council.

XIV.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees of the Town involved in the investment process shall refrain from personal business activity that involves any of the Town's approved custodians, depositories, broker/dealers, or investment advisors and shall refrain from investing in any security issue held by the Town. Employees and officers shall not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the Town's business for personal investment decisions, shall in all respects subordinate their personal investment transactions to those of the Town particularly with regard to the timing of purchases and sales and shall keep confidential all investment advice obtained on behalf of the Town, and all transactions contemplated and completed by the Town, except when disclosure is required by law.

All Investment Officers of the Town shall file with the Texas Ethics Commission and the City Council a statement disclosing any personal business relationship with business organization seeking to sell investments to the Town or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the Town.

XV.

COLLATERAL REQUIREMENTS

Any deposits exceeding FDIC insurance limits shall be fully collateralized by securities listed in items "a" and "b" below, and the collateral shall be held by the Town's third party custodian bank.

- a. Direct obligations of the United States government; U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds, and U.S. Treasury Strips (book entry U.S. Treasury securities whose coupon has been removed).
- b. Debentures or discount notes issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). Principal-only and interest-only mortgage backed securities and collateralized mortgage obligations and real estate mortgage investment conduits are expressly prohibited.

Consistent with the requirements of State law, the Town requires all bank and savings bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Town depositories will be required to sign a Security Agreement with the Town and the Town's custodian. The agreement shall define the Town's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- a. the Agreement must be in writing;
- b. the Agreement has to be executed by the Depository and the Town contemporaneously with the acquisition of the asset;
- c. the Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the Town;
- d. the Agreement must be part of the Depository's "official record" continuously since its execution.

XVI.
POLICY REVISIONS

The Investment Policy and Investment Strategy Statements will be reviewed at least annually by the Director and the City Council and may be amended as conditions warrant by the City Council.



August 17, 2006

Mr. Bryan Langley
Asst. Finance Director
Town of Addison
5350 Belt Line Rd
Addison, TX 75001-9010

Dear Bryan:

As requested, First Southwest Asset Management, Inc. has performed a review of the Investment Policy of the Town of Addison to determine compliance with the Texas Public Funds Investment Act (the "Act"), Texas Government Code, Chapter 2256. Our review was limited in scope, with the primary purpose being to evaluate conformity with the Act. We did not seek to ensure that all funds and procedures are addressed in the policy, nor have we reviewed compliance with the policy or internal controls of the Town. Based upon our review, we have reached the following conclusion:

We believe that all necessary language as required by the Texas Public Funds Investment Act (the "Act") as amended in the 79th Texas Legislative Session is present in the written Investment Policy of the Town of Addison.

We would however recommend that the Town add an additional public funds investment pool of its choice to better diversify liquidity options.

If you have any questions, please feel free to call me or Greg Warner at 800-575-3792.

Sincerely,

Scott McIntyre
Senior Portfolio Manager

Cc: Mr. David Medanich

Council Agenda Item: #R8

SUMMARY:

Council approval is requested of a resolution that adopts the Town of Addison Investment Strategy for FY 2006-07.

FINANCIAL IMPACT:

There is no financial impact associated with the approval of the investment strategy.

BACKGROUND:

The Public Funds Investment Act (PFIA) requires the Council to annually review the Town's investment strategy. The Town's investment advisor, First Southwest Asset Management, has assisted staff with the development of the attached strategy. The investment strategy has been drafted to comply with all aspects of the PFIA.

For FY 2006-07, staff is not recommending any change to our investment strategy. The investment strategy has the following priorities (in order of importance):

- Understanding the suitability of the investment to the financial requirements of the Town
- Preservation and safety of principal
- Liquidity
- Marketability of the investment if the need arises to liquidate the investment prior to maturity
- Diversification of the investment portfolio
- Yield

RECOMMENDATION:

Staff recommends that Council adopt the resolution approving the Town's FY 2006-07 investment strategy.

EXHIBIT A

TOWN OF ADDISON

INVESTMENT STRATEGY STATEMENT

For

FY 2006-07

Adopted:
September 12, 2006

PREFACE

It is the policy of the Town of Addison that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted Investment Policy.

In accordance with the Texas Public Funds Investment Act (Chapter 2256, Tex. Gov. Code), the City Council shall adopt Investment Strategy Statements that address the following priorities (in order of importance):

- Understanding the suitability of the investment to the financial requirements of the Town;
- Preservation and safety of principal;
- Liquidity;
- Marketability of the investment if the need arises to liquidate the investment prior to maturity;
- Diversification of the investment portfolio; and
- Yield

Effective investment strategy development coordinates the primary objectives of the Town's Investment Policy and cash management procedures with investment security risk/return analysis to enhance interest earnings and reduce investment risk. Aggressive cash management shall be utilized to increase the available "investment period" for all Town funds. Investment security maturity selections shall be based on cash flow requirements and market conditions to take advantage of interest earnings as viable and material revenue to all Town funds. The Town's portfolios shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

Suitability – any investment eligible in the Investment Policy is suitable.

Safety of principal – all investments shall be of high quality securities with no perceived default risk. Market price fluctuations will, however, occur. By managing the weighted average days to maturity for the Operating fund portfolio to less than 270 days and restricting the maximum allowable maturity to five years, the price volatility of the overall portfolio will be minimized.

Liquidity – operating funds require the greatest short-term liquidity of any of the fund types. Short-term investment pools and money market mutual funds should provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability – securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Diversification – investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the Town. When conditions are favorable, market cycle risk will be reduced by diversifying the appropriate maturity structure out to three years. Adhering to the Investment Policy’s maximum investment-type limits (Section IX. INVESTMENT LIMITS) should restrict the exposure of the fund to any one-market sector.

Yield – attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio should be the minimum yield objective. The Town's Director of Financial and Strategic Services ("Director") may also compare the operating fund’s performance to other appropriate benchmarks.

The Investment Policy permits the Town to sell securities from time to time that it owns in order to better position its portfolio assets. Sales of securities prior to maturity shall be documented and approved by the Director before such a transaction is consummated. Sales of securities, yielding net proceeds less than ninety-eight (98) percent of the book value of the securities, must be approved in advance and in writing by both the City Manager and the Director.

Council Agenda Item: #R9

SUMMARY:

Council approval is requested of a resolution that authorizes the Town to invest in the TexSTAR local government investment pool.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

BACKGROUND:

In addition to investing in individual securities, the Town also invests a portion of our investment portfolio in a local government investment pool known as TexPool. The pool invests primarily in short term securities maturing in less than 7 days, and Town funds are available at any time without penalty. As such, TexPool offers the Town a competitive short term investment yield with the added flexibility of immediate funds availability.

While the TexPool investment pool has performed well in this capacity, staff would like to diversify our investment pool holdings. To this end, staff recommends that the TexSTAR investment pool be approved as an acceptable investment alternative. The TexSTAR investment pool invests in nearly identical securities to that of our current TexPool account. The purpose of the diversification effort, therefore, is to mitigate any entity risk that may be present by utilizing a second separately managed investment pool. In this way, staff believes that the Town's total risk will be lowered, and the Town's liquidity needs will be protected if one investment pool experiences a technology malfunction or other internal issue. Staff will continue to invest in the TexPool investment pool, but resources will also be invested in the TexSTAR account.

There are a variety of local government investment pools in which the Town can invest. TexSTAR is recommended by staff due its extensive client list and portfolio size (see attached). Given these factors, staff recommends that Council approve the TexSTAR local government investment pool as an acceptable investment alternative.

RECOMMENDATION:

Staff recommends approval of the resolution that authorizes the Town to invest in the TexSTAR local government investment pool.



Participant List – July 31, 2006

Cities

City of Abilene	City of Alamo Heights	City of Alice
City of Allen	City of Alvin	City of Andrews
City of Angleton	City of Aubrey	City of Azle
City of Baytown	City of Bay City	City of Bedford
Village of Bee Cave	City of Bellaire	City of Bellmead
City of Belton	City of Benbrook	City of Boerne
City of Bowie	City of Brenham	City of Brownsboro
City of Brownwood	City of Bryan	City of Buda
City of Burleson	City of Cedar Hill	City of Cedar Park
City of Cleburne	City of Commerce	City of Coppell
City of Copperas Cove	City of Corinth	City of Corpus Christi
City of Corsicana	City of Crandall	City of Crockett
City of Crowley	City of Dalhart	City of Dalworthington Gardens
City of Dickinson	City of Early	City of El Paso
Town of Fairview	City of Farmersville	City of Fort Worth
City of Frisco	City of Gainesville	City of Georgetown
City of Granbury	City of Grand Saline	City of Grapevine
City of Greenville	City of Groesbeck	City of Harker Heights
City of Harlingen	City of Hearne	City of Heath
City of Highland Village	City of Hillsboro	City of Houston
City of Hubbard	City of Humble	City of Huntsville
City of Hurst	City of Hutchins	City of Hutto
City of Irving	City of Italy	City of Jacksboro
City of Jacksonville	City of Justin	City of Kaufman
City of Kennedale	City of Kermit	City of Kerrville
City of Kilgore	City of Killeen	City of Kyle
City of La Porte	City of Lake Jackson	City of Lake Worth
City of League City	City of Leander	City of Lufkin
City of Lubbock	City of Luling	City of Madisonville
City of Manvel	City of Mesquite	City of Mexia
City of Midland	City of Midlothian	City of Mineral Wells
City of Mont Belvieu	City of Murphy	City of New Braunfels
City of North Richland Hills	City of Odessa	City of Ovilla
City of Palestine	City of Panhandle	City of Pasadena
City of Pearland	City of Pharr	City of Port Arthur
City of Port Lavaca	City of Pottsboro	City of Prosper
City of Red Oak	City of Richardson	City of Rockdale
City of Round Rock	City of Rowlett	City of Rusk
City of San Angelo	City of San Marcos	City of Sealy
City of Sherman	City of Slaton	City of Southlake
City of Stamford	City of Tahoka	City of Taylor
City of Temple	City of Trent	City of Tyler
City of University Park	City of Waco	City of Weatherford
City of Webster	City of Weslaco	

Counties

Andrews County	Angelina County	Cherokee County
Collin County	Coryell County	Crane County
Denton County	Ector County	Ellis County

TexSTAR Participant List – July 31, 2006

Counties cont.

Garza County	Hood County	Jack County
Johnson County	Kendall County	McLennan County
Midland County	Navarro County	Rockwall County
Sabine County	Smith County	Tarrant County
Webb County	Williamson County	Young County

Health Care

Abilene Regional MHMR Center	Bowie Memorial Hospital	Chambers County Public Hospital Dist 1
Dawson County Hospital District	Decatur Hospital Authority	El Paso County Hospital District
Gainesville Memorial Hospital	Irving Hospital Authority	Tarrant County Hospital District
West Texas Centers for MHMR	Wilson County Memorial Hospital	Winnie Stowell Hospital District

Higher Education

Blinn College	Brazosport College	Central Texas College District
Cisco Junior College	Coastal Bend College	Collin County Community College
Dallas County Community College	Del Mar College District	Grayson County College
Houston Community College	Midland Community College District	Northeast Texas Community College
Tarrant County College District	Texas Tech University	University of North Texas

Other

Bethesda Water Supply Corporation	Capital Metropolitan Transportation Authority
Central Texas Council of Governments	Central Texas Regional Mobility Authority
Creedmore-Maha Water Supply Corporation	Denton County Transportation Authority
Development Corporation of Stamford	El Paso ISD Public Facilities Corporation
Fourth Ward Redevelopment Authority	Grand Prairie Housing Finance Corporation
Greater Greenspoint Redevelopment Authority	Harris County Houston Sports Authority
Houston Convention Center Hotel Corporation	Justin Economic Development 4A Corporation
Justin Economic Development 4B Corporation	Main Street Market Square Redevelopment Authority
Midtown Redevelopment Authority	Near Northwest Management District
North Central Texas Council of Government	North Central Texas Housing Finance Corporation
Northwest Central Housing Finance Corporation	Possum Kingdom Water Supply Corporation
Pottsboro Community Development Corporation	Prosper Economic Development Corporation
Ricardo Water Supply Corporation	Sabine Pass Port Authority
Sealy Economic Development Corporation	South Newton Water Supply Corporation
Southwest Houston Redevelopment Authority	

School District

Academy ISD	Alamo Heights ISD	Aldine ISD
Allen ISD	Alvin ISD	Anahuac ISD
Aransas County ISD	Athens ISD	Atlanta ISD
Azle ISD	Bandera ISD	Bangs ISD
Barbers Hill ISD	Beeville ISD	Belton ISD
Borger ISD	Brazos ISD	Brenham ISD
Brookesmith ISD	Bryan ISD	Burnham Wood Charter School
Caddo Mills ISD	Calhoun County ISD	Campbell ISD
Canadian ISD	Canutillo ISD	Castleberry ISD
Cedar Hill ISD	Clear Creek ISD	Cleburne ISD
Columbia Brazoria ISD	Columbus ISD	Coppell ISD
Crane ISD	Crockett ISD	Darrouzett ISD
Del Valle ISD	Denton ISD	Dew ISD
Dickinson ISD	Dripping Springs ISD	Dumas ISD

TexSTAR Participant List – July 31, 2006

School District cont.

Early ISD	Ector County ISD	Edgewood ISD (Bexar County)
Edgewood ISD (Van Zandt County)	Education Service Center Region 12	El Campo ISD
El Paso ISD	Farmersville ISD	Forney ISD
Fort Worth ISD	Fredericksburg ISD	Frenship ISD
Friendswood ISD	Gainesville ISD	Georgetown ISD
Gladewater ISD	Glen Rose ISD	Grape Creek ISD
Grapevine Colleyville ISD	Hallsville ISD	Hamshire Fannett ISD
Harlandale ISD	Harlingen CISD	Hawkins ISD
Hearne ISD	Hempstead ISD	Henrietta ISD
Hico ISD	Highland Park ISD (Amarillo)	Hitchcock ISD
Holliday ISD	Houston ISD	Huntsville ISD
Hurst Euless Bedford ISD	Irving ISD	Jacksonville ISD
Jasper ISD	Jefferson ISD	Katy ISD
Keller ISD	Kennedale ISD	Killeen ISD
Kilgore ISD	Krum ISD	La Joya ISD
La Marque ISD	Lackland ISD	Lake Travis ISD
Lake Worth ISD	Lancaster ISD	Leander ISD
Levelland ISD	Lexington ISD	Liberty Eylau ISD
Lockhart ISD	Longview ISD	Lubbock ISD
Lubbock Cooper ISD	Lumberton ISD	McKinney ISD
Mansfield ISD	Marshall ISD	Maypearl ISD
Melissa ISD	Mesquite ISD	Mission CISD
Monahans Wickett Pyote ISD	Munday CISD	Nacogdoches ISD
Navarro ISD	New Boston ISD	North East ISD
Northside ISD	Olney ISD	Ore City ISD
Palacios ISD	Palestine ISD	Pharr San Juan Alamo ISD
Pine Tree ISD	Plano ISD	Pleasant Grove ISD
Plemons Stinnett Phillips CISD	Port Neches Groves ISD	Quinlan ISD
Reagan County ISD	Red Oak ISD	Richardson ISD
River Road ISD	Robinson ISD	Roma ISD
Round Rock ISD	Royal ISD	San Antonio ISD
Sanford Fritch ISD	Schertz Cibolo Universal City ISD	Sealy ISD
Shallowater ISD	Shelbyville ISD	Sheldon ISD
Sherman ISD	Sinton ISD	Somerset ISD
South San Antonio ISD	Snyder CISD	Spring Branch ISD
Spur ISD	Stamford ISD	Stephenville ISD
Sunnyvale ISD	Temple ISD	Terrell County ISD
Trinity ISD	United ISD	Waco ISD
Waelder ISD	West Rusk County CISD	White Settlement ISD
Willis ISD	Wylie ISD	Ysleta ISD

Utility District

Acton MUD	Aldine Improvement District	Alice Water Authority
Big Oaks MUD	Bolivar Peninsula SUD	Brazoria County MUD 21
Bridgestone MUD	Brownsville Public Utilities Board	Bryan Texas Utilities
Caddo Basin SUD	Cash SUD	Chelford One MUD
Chimney Hills MUD	Cinco MUD 1	Combined Consumers SUD
Denton County RUD 1	East Medina County SUD	El Paso Water Utilities
Fort Bend County LID 15	Fort Bend County MUD 23	Fort Bend County MUD 47
Fort Bend County MUD 48	Fort Bend County MUD 81	Fort Bend County MUD 130
Fort Bend County WCID 3	Greater Texoma Utility Authority	Guadalupe Blanco River Authority

TexSTAR Participant List – June 30, 2006

Utility Districts cont.

City of Harlingen Waterworks	Harris County ID 4	Harris County MUD 24
Harris County MUD 102	Harris County MUD 130	Harris County MUD 220
Harris County MUD 233	Harris County MUD 261	Harris County MUD 321
Harris County MUD 322	Harris County MUD 354	Harris County MUD 361
Harris County MUD 367	Harris County MUD 383	Harris County UD 6
Harris County WCID 91	Harris County WCID 110	Harris County WCID 156
Hickory Creek SUD	Johnson County SUD	Lytle Lake WCID
MacBee SUD	Mission Bend Greenbelt Assoc.	Montgomery County MUD 6
Montgomery County MUD 7	Montgomery County MUD 36	Montgomery County MUD 39
Montgomery County MUD 40	Montgomery County MUD 46	Montgomery County MUD 47
Montgomery County MUD 60	Montgomery County MUD 67	Montgomery County MUD 94
Mustang SUD	New Braunfels Utilities	Northeast Texas MWD
North Fort Bend Water Authority	North Harris Co Reg. Water Authority	Palo Pinto County MWD 1
Polk County FWSD 2	Post Wood MUD	Reid Road MUD 1
Renn Road MUD	San Jacinto River Authority	San Leon MUD
Sienna Plantation MUD 3	South Texas Water Authority	Texoma Area Solid Waste Authority
Timber Lane UD	Travis County WCID 17	Trinity River Authority
Upper Trinity Regional Water District	Valley MUD 2	West Harris County MUD 10
West Harris County MUD 11	West Harris Co Reg Water Authority	West Texas Municipal Power Agency
Wickson Creek SUD	The Woodlands Joint Powers Agency	The Woodlands Metro Center MUD
The Woodlands MUD 2		

Texas Short Term Asset Reserve (TexSTAR) Cash Reserve Fund



Principal Stability Fund Ratings Definitions

AAAm Safety is excellent. Superior capacity to maintain principal value and limit exposure to loss.

AAm Safety is very good. Strong capacity to maintain principal value and limit exposure to loss.

Am Safety is good. Sound capacity to maintain principal value and limit exposure to loss.

BBBm Safety is fair. Adequate capacity to maintain principal value and limit exposure to loss

BBm Safety is uncertain. Vulnerable to loss of principal value.

Bm Safety is limited. Very vulnerable to loss of principal value.

CCCm Extremely vulnerable to loss of principal value.

Dm Fund has failed to maintain principal value; realized or unrealized losses exceed 0.5% of net asset value.

G The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.

Plus (+) or Minus (-) Ratings may be modified to show relative standing within the rating categories.

About the Fund

Fund Rating	AAAm
Fund Type	Stable NAV Government Investment Pool
Investment Adviser	J.P. Morgan Fleming Asset Management
Portfolio Manager	Doris Grillo
Date Rating Assigned	April 2002
Custodian	JPMorgan Chase Bank, N.A.
Distributor	First Southwest Asset Management, Inc.

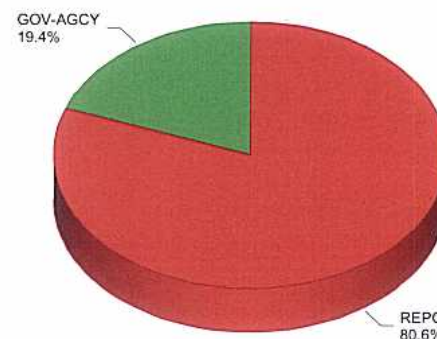
Rationale

A 'AAAm' rating is assigned to the Texas Short Term Asset Reserve (TexStar) Cash Reserve Fund. The rating reflects the pool's excellent safety and superior capacity to maintain principal (\$1.00 per share value) and limit exposure to loss. The 'AAAm' is Standard & Poor's highest money market rating and is based on an analysis of the fund's investment portfolio and guidelines, market price exposure and management. TexStar has a very conservative investment policy which is in line with 2a-7 money market practices. To ensure an accurate and current rating, Standard & Poor's reviews pertinent fund information, including the fund's portfolio holdings, on a weekly basis.

Overview

The Texas Short Term Asset Reserve Fund ('TexSTAR') is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. The Pool was created in April, 2002 through a contract among its participating governmental units, and is governed by a board of directors ('the board'), to provide for the joint investment of Participant's public funds and funds under their control. The purpose of TexSTAR is to offer a safe, efficient and liquid investment alternative to local governments in the State of Texas so that they may benefit from- and realize- a higher investment return by utilizing economies of scale and professional investment expertise. It is the policy of TexSTAR to invest pooled assets in a manner that will provide for preservation and safety of principal and

Portfolio Composition as of March 28, 2006



REPO - Repurchase Agreement; GOV-AGCY - Agency and Government

competitive investment returns while meeting the daily liquidity needs of the participants.

Management

The investment adviser for the pool is JPMorgan Fleming Asset Management (USA), Inc. (JPMFAM), a leading global financial services company and one of the largest asset managers worldwide. First Southwest Asset Management, Inc. (FSAM) serves as the participant services and marketing agent for the fund. FSAM is an affiliate of Texas-based First Southwest Company, one of the country's leading financial advisory and investment banking firms. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services Inc., provides fund accounting, transfer agency, and depository services.

Portfolio Assets

The portfolio is a government-repo fund, utilizing primarily U.S. treasury securities, U.S. agency securities both fixed and floating, and repurchase agreements collateralized by such obligations. In order to meet the liquidity needs of the pool's shareholder base and limit its exposure to significant market price fluctuations occurring during periods of volatile interest rate movement, the weighted average maturity of the pool's assets is limited to 60 days or less, with the maximum maturity of any security limited to 13 months or less.

Standard & Poor's Analyst:

Peter Rizzo - (1) 212-438-5059
www.standardandpoors.com

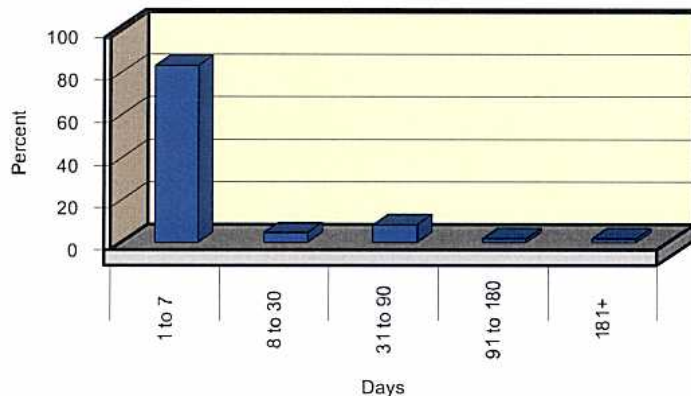
Data Bank as of March 28, 2006

Net Asset Value per Share.....	\$1.00	7 Day Yield.....	4.69%
Weighted Average Maturity.....	15 days	30 Day Yield.....	4.56%
Net Assets (millions).....	\$4,015.42	Inception Date.....	April 2002

Net Assets and Weighted Average Maturity (WAM)



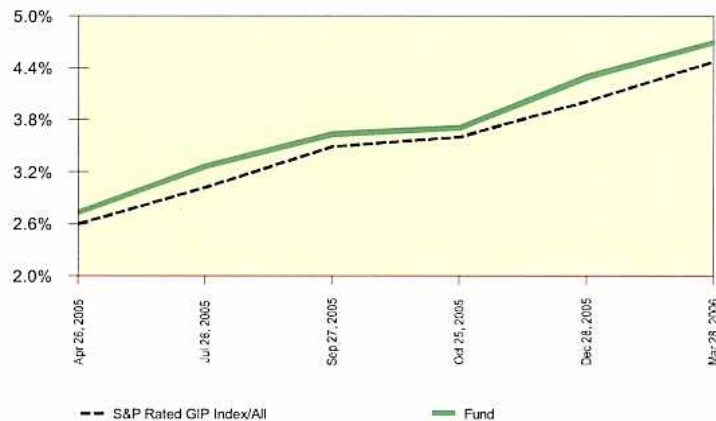
Portfolio Maturity Distribution as of March 28, 2006



Portfolio Credit Quality as of March 28, 2006 *



Portfolio 7 Day Yield Comparison *



*S&P Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated GIP Indices are calculated weekly by S&P and are comprised of 'AAA' and 'AA' government investment pools.

*As assessed by Standard & Poor's

Principal Stability Rating Approach and Criteria

Principal Stability Fund Rating, also known as a Money Market Rating, is a current opinion of a fund's capacity to maintain stable principal or net asset value. When assigning a Principal Stability rating to a fund, Standard & Poor's focuses on the creditworthiness of a fund's investments and counterparties, the market price exposure of its investments, sufficiency of the fund's portfolio liquidity, and management's ability and policies to maintain the fund's stable net asset value by limiting exposure to loss. Ratings are not commentaries on yield levels.

Standard & Poor's rates money market funds upon request and agreement by fund management to provide necessary information on a timely basis. A money market fund rating evaluates:

Credit risk: credit quality, types, and diversity of portfolio investment;

Market price exposure: degree of liquidity of investments, distribution and average length of maturities, and volatility of portfolio cash flows;

Management: philosophy, operating policies and procedures.

Fund portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior fund executives and public information.

All of the views expressed in this research report accurately reflect our committee's views regarding any and all of the subject securities or issuers. No part of the committee's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING THE TOWN'S PARTICIPATION IN THE TEXAS SHORT TERM ASSET RESERVE PROGRAM (TEXSTAR); DESIGNATING CERTAIN TOWN EMPLOYEES TO ACT ON BEHALF OF THE TOWN RELATED TO ITS PARTICIPATION IN TEXSTAR; PROVIDING FOR CERTAIN OTHER MATTERS RELATED TO THE TOWN'S PARTICIPATION IN TEXSTAR; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Addison, Texas (the "Town") finds that is the best interests of the Town to invest its funds jointly with other Texas local governments in the Texas Short Term Asset Reserve Program (TexSTAR) in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, according to information provided by TexSTAR, TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, which provide for the creation of public funds investment pools, including TEXSTAR, and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pools; and

WHEREAS, the Town is authorized to invest its public funds and funds under its control in TexSTAR and to enter into the participation agreement authorized herein.

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

Section 1. The Town's participation in TexSTAR, subject to applicable law and the financial policies of the Town, is approved. The employees of the Town specified in this Resolution and in the Application are authorized to execute and submit the application attached to this Resolution ("Application"), to open accounts, to deposit and withdraw funds, to designate other authorized representatives, and to take all other action required or permitted by the Town under the agreement created by the Application, all in the name and on behalf of the Town.

Section 2. This Resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the TexSTAR Board. The Town may, at any time and for any reason, terminate its participation in TexSTAR.

Section 3. Terms used in this Resolution have the meanings given to them by the Application.

Section 4. As set forth in the Application, the Town agrees with other TexSTAR Participants and the TexSTAR Board to the Terms and Conditions of Participation in TexSTAR,

effective on this date, which are incorporated herein by reference. The Town makes the representations, designations, delegations, and representations described in the Terms and Conditions of Participation.

Section 5. A. Each of the following Town employees is designated as the Town's authorized representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws of TexSTAR, the Investment Policy of TexSTAR, and the Operating Procedures of TexSTAR:

<u>Name</u>	<u>Title</u>	<u>Direct Phone</u>
Randolph C. Moravec	Director of Financial & Strategic Services	972-450-7050
Bryan Langley	Assistant Director of Financial & Strategic Services	972-450-7090
Brian Hogan	Financial Services Manager	972-450-7064

B. The following Town employee listed above is designated as the primary contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements [required]:

<u>Name</u>	<u>E-mail address</u>
Bryan Langley	blangley@ci.addison.tx.us

C. The Town may from time to time designate other authorized representatives by written instrument signed by an existing authorized representative or by the Town Manager.

Section 6. The Town's taxpayer identification number is 75-13335558.

Section 7. The attached Bank Information Sheet(s) is or are approved and incorporated herein by reference to establish account(s) in the name of the Town.

Section 8. This Resolution shall take effect from and after its adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this ___ day of _____, 2006.

Joe Chow, Mayor

ATTEST:

OFFICE OF THE CITY SECRETARY
Page 2 of 3

RESOLUTION NO. _____

By: _____
Mario Canizares, City Secretary

APPROVED AS TO FORM:

By: _____
Ken Dippel, City Attorney



APPLICATION FOR PARTICIPATION IN TEXSTAR

The undersigned local government (Applicant) applies and agrees to become a Participant in the Texas Short Term Asset Reserve Program (TEXSTAR).

- 1. Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on September 12, 2006:

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas local governments in the Texas Short Term Asset Reserve Program (TEXSTAR) in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in TEXSTAR and to enter into the participation agreement authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in TEXSTAR attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the TEXSTAR Board.

SECTION 3. Terms used in this resolution have the meanings given to them by the application.

- 2. Agreement.** Applicant agrees with other TEXSTAR Participants and the TEXSTAR Board to the Terms and Conditions of Participation in TEXSTAR, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Terms and Conditions of Participation.

3. **Authorized Representatives.** Each of the following Participant officials is designated as Participants Authorized Representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

<u>Name</u>	<u>Signature</u>	<u>Title</u>	<u>Direct Phone</u>
Randolph C. Moravec.....	Director of Financial & Strategic Services	972-450-7050
Bryan Langley.....	Assistant Director of Financial & Strategic Services	972-450-7090
Brian Hogan.....	Financial Services Manager	972-450-7064
.....
.....

The following Participant official listed above is designated as the Primary Contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements [required]:

<u>Name</u>	<u>E-mail address</u>
Bryan Langley	blangley@ci.addison.tx.us

The following Participant official not listed above is designated as a Participant Inquiry Only Representative authorized to obtain account information [optional]:

<u>Name</u>	<u>Signature</u>	<u>Title</u>
.....

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

- 4. **Taxpayer Identification Number.** Applicant's taxpayer identification number is 75-13335558
- 5. **Bank Information Sheet(s).** The attached Bank Information Sheet(s) is or are approved and incorporated herein by reference to establish account(s) in the name of Applicant.

Dated this 12th day of September 2006.

.....
 (Name of Applicant)
 By:
 (Signature of official)

 (Printed name and title)

Approved and accepted:
TEXAS SHORT TERM ASSET RESERVE FUND
 By: FIRST SOUTHWEST ASSET MANAGEMENT, INC.,
 Participant Services Administrator

By: Date:
 Authorized Signer



**TERMS OF
PARTICIPATION AND
BYLAWS**

The Premier Investment Service for
Texas Local Governments

TERMS AND CONDITIONS OF PARTICIPATION

By making application to open an account in TEXSTAR, Participants agree to the following terms and conditions and make the following representations and delegations.

1 **TexSTAR.**

- 1.1 **Creation.** The initial Participants have created TEXSTAR as an investment pool to provide for the joint investment of Participants' public funds and funds under their control. TEXSTAR was created under the authority of applicable Texas law, including the Cooperation Act and the Investment Act.
- 1.2 **Name.** The name of TEXSTAR is the "Texas Short Term Asset Reserve Program," but it may do business as TEXSTAR.
- 1.3 **Governance.** The business and affairs of TEXSTAR will be managed by the Board. The Board is the governing body of TEXSTAR. The Board will have full power to act in the name of TEXSTAR or its own name. The Board may exercise all powers of the governing bodies of the Participants in respect of the investment of Participant funds deposited to TEXSTAR. The Board will supervise performance of the Participants' Agreement. The Board may appoint officers and delegate powers of the Board to the officers in accordance with the Investment Act and the Bylaws. Members of the Board will be selected, and the Board may act, as provided in the Bylaws.
- 1.4 **Advisory Board.** The Board shall appoint an Advisory Board. The Advisory Board will consist of representatives of Participants and of other persons who do not have a business relationship with TEXSTAR and are qualified to advise the Board.
- 1.5 **Bylaws.** The Board will adopt (and act in accordance with) the Bylaws.
- 1.6 **Dissolution.** The Board may dissolve TEXSTAR and terminate the Agreement as provided in the Bylaws on not less than 30 days advance written notice to the Participants and the approval of Participants owning at least two-thirds of the units in TEXSTAR.

2 **PARTICIPANTS.**

- 2.1 **Agreement and Representations.** By executing and submitting an application for an account in TEXSTAR, each applicant (1) agrees with the Board and each other Participant to the terms and conditions of (and delegates to the Board all powers described in) the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures, and (2) represents that (a) the applicant is eligible to become a Participant (and to invest its funds through TEXSTAR) in accordance with the Agreement, the Cooperative Act, and the Investment Act, (b) the Participant's governing body has duly authorized execution of the application and investment through TEXSTAR by rule, order, ordinance, or resolution, as appropriate, and (c) the Participant has duly executed and delivered the application.

2.2 Withdrawal. A Participant may terminate its status as a Participant and its rights and obligations under the Agreement by providing written notice of termination to the Board in accordance with the Operating Procedures and withdrawing its account balance in full. Absent notice of termination, withdrawal of a Participant's account balance in full will not terminate its rights as a Participant.

3 INVESTMENTS AND OPERATIONS.

3.1 Objectives. The Board will invest TEXSTAR assets in accordance with the following investment objectives, stated in order of priority: (1) preservation and safety of principal, (2) liquidity, and (3) yield. The Board will seek to obtain and maintain a TEXSTAR credit rating no lower than AAA, AAA-m, or the equivalent by at least one nationally recognized rating agency, unless otherwise permitted by the Investment Act and the Investment Policy.

3.2 Policies. The Board will adopt an Investment Policy and Operating Procedures. The Board will review and revise or readopt the Investment Policy annually. Participants will make deposits to and withdrawals from the Funds, and the Board will accept, hold, invest, and remit Participant funds in each Fund, in accordance with the Investment Policy and the Operating Procedures.

3.2.1 Investment Policy. The Investment Policy will be written, will primarily emphasize safety of principal and liquidity in accordance with the TEXSTAR investment objectives, will address investment diversification, yield, and maturity and the quality and capability of investment management, and will include a list of the types of authorized investments in which each Fund within TEXSTAR may be invested, the maximum allowable stated maturity of any individual investment owned through TEXSTAR, the maximum dollar-weighted average maturity of investments allowed for each Fund, and methods to monitor the market price of investments acquired by TEXSTAR. The Investment Policy will authorize investment only in investments authorized by the Investment Act for the investment of Participant funds, but need not require liquidation of investments that cease to be authorized after purchase. Each investment strategy will use the following priorities in the order of importance stated: (1) understanding the suitability of the investment to the financial requirements of TEXSTAR, (2) preservation and safety of principal, (3) liquidity, (4) marketability of the investment, (5) diversification of the investment portfolio, and (6) yield. Each Participant accepts and adopts the Investment Policy as its investment policy for the funds it deposits with TEXSTAR.

3.2.2 Operating Procedures. The Operating Procedures will be written and will establish procedures for (and any conditions to) becoming a Participant, opening accounts, depositing funds, crediting earnings, charging expenses, and withdrawing funds.

3.3 Investment Officers. The Board will designate one or more investment officers to be responsible for the investment of funds through TEXSTAR consistent with the Investment Policy. Investment officers for TEXSTAR will be the investment officers of Participants or their funds invested in TEXSTAR. TEXSTAR investment officers will exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. As fiduciaries of TEXSTAR, the Board will retain ultimate responsibility for investments.

- 3.4 **Standard of Care.** Investments will be made with the judgment and care that, under prevailing circumstances, a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.
- 3.5 **Compliance.** The Board will have performed an independent annual audit of its financial statements and, in connection with the audit, a compliance audit of management controls on investments and of adherence to the Investment Policy.
- 3.6 **Ownership and Custody.** Participants delegate to the Board the authority to hold legal title (as custodian) to investments purchased with their funds deposited through TexSTAR. The Board may engage a bank or trust company to act as its custodian for investments and its depository for temporarily uninvested funds. Participants' funds in TexSTAR may be commingled, but will be separately accounted for. Participants will own an undivided beneficial interest in the investments and temporarily uninvested funds in each Fund in which it has deposited funds, in shares determined in accordance with the Investment Policy and the Operating Procedures.
- 3.7 **Expenses.** The Board may assess expenses of operating TexSTAR against each Participant's share of earnings from the investment of TexSTAR assets in accordance with the Investment Policy and the Operating Procedures.
- 3.8 **Information Statement and Reports.** The Board will prepare and periodically update or supplement an information statement containing the information specified in Section 2256.016(b) of the Investment Act. The Board will provide a copy of each update or supplement to each Participant. The Board will furnish to each Participant's investment officer (1) confirmations of the Participant's investments in and withdrawals from each Fund and (2) a monthly report containing the information specified in Section 2256.016(c) of the Investment Act.

4 **DEFINITIONS. IN THESE TERMS AND CONDITIONS FOR PARTICIPATION AND THE AGREEMENT:**

- 4.1 **"Agreement"** means the agreement among the Participants (and with the Board) that is created by the Participants' authorization, execution, and submission of an application for an account in TexSTAR. The agreement consists of (1) the applications of all Participants who have not withdrawn as a Participant in TexSTAR in accordance with the Operating Procedures and (2) these Terms and Conditions of Participation.
- 4.2 **"Board"** means the board of directors of TexSTAR duly elected or appointed, qualified, and incumbent in accordance with the Bylaws.
- 4.3 **"Bylaws"** means the Bylaws for TexSTAR provided to the initial Participants, as amended from time to time in accordance with the terms of the Agreement and the Bylaws.
- 4.4 **"Cooperation Act"** means chapter 791, Texas Government Code, as amended from time to time.
- 4.5 **"Fund"** means a separate portfolio of investments created by the Board for Participant funds with a different investment objective or strategy or authorized investments (or

available to different categories of Participants) than other funds in TexSTAR, as specified in the Investment Policy or the Operating Procedures.

- 4.6 **“Investment Act”** means chapter 2256, Texas Government Code, as amended.
- 4.7 **“Investment Policy”** means the Investment Policy for TexSTAR furnished to the initial Participants, as amended by the Board from time to time in accordance with the Agreement and the Bylaws.
- 4.8 **“Operating Procedures”** means the Operating Procedures for TexSTAR furnished to the initial Participants, as amended by the Board from time to time in accordance with the Agreement and the Bylaws.
- 4.9 **“Participant”** means a municipality, a county, a school district, a district or authority created under article 3, section 52(b) or article 16, section 59 of the Texas Constitution, a hospital district, a state agency (as defined under Sections 771.002 and 2256.002, Texas Government Code), or any other corporate and political entity organized under Texas law that has duly authorized, completed, executed, and submitted an application for an account in TexSTAR in accordance with the Operating Procedures (incorporating these Terms and Conditions of Participation by reference) and has not terminated its participation in TexSTAR in accordance with the Operating Procedures. The “initial Participants” are the Participants as of April 3, 2002.
- 4.10 **“TexSTAR”** means the Texas Short Term Asset Reserve Program, a joint investment pool created by the Agreement.

5 MISCELLANEOUS.

- 5.1 **Notices.** Notices to a Participant may be given in accordance with the Operating Procedures to the address and the attention of the person specified in the Participant’s account application, as amended or supplemented from time to time in writing delivered to the Board. Notices to the Board will be given as specified in the Operating Procedures.
- 5.2 **Liability.** The Participants and TexSTAR release the directors and officers of TexSTAR from liability for and (from and to the extent of TexSTAR earnings in the current year) indemnify them against all loss and liability that may arise from or in connection with any of their acts or omissions, including acts and omissions caused by their negligence, as provided in the Bylaws, to the extent permitted by law.
- 5.3 **Severability.** If any provision or application of the Agreement is invalid, illegal, or unenforceable, the validity, legality, and enforceability of the other provisions and applications of the Agreement will not be impaired or otherwise affected.
- 5.4 **Benefits of Agreement.** The Agreement is for the sole benefit of the Participants, the Board, and its officers and is not intended to create a legal right, remedy, or claim in favor of any other person.
- 5.5 **Governing Law.** The Agreement is governed by and to be construed in accordance with the laws of the State of Texas.

5.6 **Term.** The Agreement will have an initial term extending from the date of execution and submission of an account application by the second initial Participant through March 31, 2003. The Agreement will be automatically renewed for an additional one-year term beginning each April 1, except with respect to any Participant that withdrew as a Participant in accordance with the Operating Procedures before the renewal term.

5.7 **Amendments.** The Agreement, Bylaws, Investment Policy, and Operating Procedures may be amended by the Board from time to time. The Board will provide at least 30 days advance written notice of amendments to each Participant. Participants agree to the terms of amendments unless they withdraw as a Participant before the effective date of the amendment.

BYLAWS

ARTICLE I GENERAL ORGANIZATION

SECTION 1.1. *Organization.*

By authorizing, executing, and submitting applications for participation that incorporate by reference Terms and Conditions for Participation in TEXSTAR, eligible local governments and agencies of the State of Texas have agreed jointly to invest public funds and funds under their control as a public funds investment pool ("TEXSTAR") and delegated their authority to invest the funds to a TEXSTAR board of directors (the "Board"). The applications and incorporated terms and conditions are referred to herein as the "Agreement." Eligible local governments and agencies that are parties to the Agreement are referred to herein as "Participants." Other terms used herein have the meanings assigned to them by the Agreement. These bylaws provide for the composition and authority of the Board.

SECTION 1.2. *Name.*

The name of the investment pools created by the Agreement is the Texas Short Term Asset Reserve Program, which may do business as "TEXSTAR."

SECTION 1.3. *Offices.*

The chief administrative office of the Board shall be located in Dallas, Texas. The Board may also have offices at such other places within the State of Texas as the Board may from time to time determine or the business of the Board may require.

ARTICLE II DIRECTORS

SECTION 2.1. *Directors.*

The number of directors which shall constitute the Board shall be five. Three directors shall be officers or employees of Participants (or, prior to July 1, 2002, prospective Participants). One director shall be an officer or employee of the company providing Participant service and marketing to the Board (the "Participant Services Administrator") or of an affiliate. One director shall be an officer or employee of the company providing investment management services to the Board (the "Investment Administrator") or an affiliate. The initial directors comprising the Board, their affiliations, and the dates their terms expire are as follows:

<u>Name</u>	<u>Affiliation</u>	<u>Term Ends</u>
William Chapman	Central Texas Regional Mobility Authority	April, 2008
Nell Lange	City of Frisco	April, 2009
Melinda Garrett	Houston Independent School District	April, 2007
Michael G. Bartolotta	First Southwest Company	April, 2008
Will Williams	JPMorgan Chase Bank	April, 2008

SECTION 2.2. *Terms.*

The term of office of directors (other than the initial term of the initial directors) shall be three years. Each director not otherwise removed or replaced shall hold office until his or her successor shall be elected or appointed and qualified.

SECTION 2.3. *Vacancies.*

Any vacancy occurring in the Board may be filled by a majority of the remaining directors, even if they constitute less than a quorum of the Board, except that (1) a vacancy in a position filled by an officer or employee of the Participant Services Administrator or the Investment Administrator or affiliate shall be filled by appointment of the Participant Services Administrator or the Investment Administrator, respectively, and (2) the person appointed to fill a vacancy in any other position may be replaced by vote of the Participants as described in this Section. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. The death, declination, resignation, retirement, removal, incapacity, or inability of the directors, or any of them, shall not operate to annul TEXSTAR or the Board or to revoke any existing agency created pursuant to the terms of the Agreement.

The Board shall give notice to the Participants of each appointment of a director to the Participants within 45 days after the appointment. Participants may nominate one or more candidates to replace any director appointed by the Board by written instrument delivered to the Board. If, within 30 days after the Board gives notice of the appointment, the Board receives one or more nominations signed by Participants owning at least 25% of the units in TEXSTAR as of the end of the month preceding the month in which the appointment is made (the "record date"), the Board shall promptly conduct an election for a replacement director by written ballots mailed to the Participants. The ballots shall include the names of the director appointed by the Board and the candidates nominated by Participants owning at least 25% of the units in TEXSTAR as of the record date. The candidate receiving the most votes on ballots completed, signed, and returned by Participants within 30 days after the ballots are mailed, weighted by units owned by such Participants as of the record date, shall be elected to fill the unexpired term of the director appointed by the Board.

SECTION 2.4. *Removal.*

The Board may remove any director if (a) the director was an official or employee of a Participant when he or she became a director and the director ceases to be an elected or appointed official or employee of a Participant, either because he or she no longer serves the Participant or the Participant withdraws from participation in TEXSTAR, (b) the director files personal bankruptcy or is adjudicated incompetent, or (c) the director has no business relationship with the Board. A director who was an officer or employee of the Participant

Services Administrator or the Investment Administrator when he or she became a director may be removed with or without cause by the Participant Services Administrator or the Investment Administrator, respectively.

SECTION 2.5. *Advisory Board.*

The Board shall appoint an advisory board (the "*Advisory Board*") for TEXSTAR pursuant to the Investment Act. The Advisory Board may consist of any number of persons designated by the Board and may include members of the Board. All members of the Advisory Board shall be either (1) a representative of a Participant or (2) a person who has no business relationship with the Board but who is qualified to advise the Board, and the Advisory Board shall at all times include at least one member of each such description. The Advisory Board shall have such duties as may be delegated to it by the Board. The Board shall fix the terms of (and may remove) members of the Advisory Board.

**ARTICLE III
MEETINGS OF THE BOARD**

SECTION 3.1. *Location.*

Meetings of the Board, regular or special, shall be held within the State of Texas or such other location as may be determined by the Board and permitted by applicable law.

SECTION 3.2. *Regular Meetings.*

Regular meetings of the Board may be held upon such notice, at such time, and at such place as shall from time to time be determined by the Board, subject to applicable law.

SECTION 3.3. *Special Meetings.*

Special meetings of the Board may be called by the President and shall be called by the Secretary on the written request of two directors. Notice of each special meeting of the Board shall be given to each director at least 72 hours before the date of the meeting or as otherwise required by applicable law, except that emergency meetings may be held as provided by applicable law.

SECTION 3.4. *Waiver of Notice.*

Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as otherwise provided by law or by the Agreement, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

SECTION 3.5. *Quorum.*

With respect to any issue, a majority of the directors shall constitute a quorum and the act of a majority of the directors present when there is a quorum shall be the act of the Board.

SECTION 3.6. *Open Meetings.*

Board meetings and Advisory Board meetings shall be held in compliance with the Open Meetings Act, chapter 551, Texas Government Code. Notices of meetings shall be posted at the Dallas County Courthouse, the chief administrative office of the Board, and the office of the Secretary of State.

SECTION 3.7. *Committees.*

The Board may from time to time appoint one or more committees of directors, including an executive committee, which shall have and may exercise such powers as the Board may specify in the resolutions appointing them. A majority of all the members of any such committee may take action and fix the time and place of its meetings, unless the Board shall otherwise provide. The Board may change the members or authority of or discharge any such committee at any time.

SECTION 3.8. *Expenses.*

The directors and members of the Advisory Board shall receive no compensation, but shall be paid their reasonable expenses, if any, of attendance at each meeting of the Board. Per diems and expenses paid to any director by a Participant for such director's service on the Board shall be considered an expense of the Board and shall be paid from TEXSTAR earnings upon proper invoice.

**ARTICLE IV
NOTICES**

SECTION 4.1. *Notices.*

Any notice to directors shall be in writing and shall be delivered personally or mailed to the directors at their respective addresses appearing on the record books of the Board. Notice by mail shall be deemed to be given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice to directors may also be given by telegram or telecopy.

SECTION 4.2. *Waivers.*

Whenever any notice is required to be given under the provisions of the statutes or of these Bylaws, a waiver of notice in writing signed by the person or persons entitled to the notice, whether before or after the time stated in the waiver, shall be deemed equivalent to giving the notice.

**ARTICLE V
OFFICERS**

SECTION 5.1. *General.*

The officers of the Board shall consist of a president, one or more vice presidents, a secretary, a treasurer, one or more assistant secretaries and assistant treasurers, and an investment officer or officers. Officers of the Board shall be elected by the Board. Two or more offices may be held by the same person, except the offices of president and secretary.

SECTION 5.2. *Agents.*

The Board may appoint such agents as it shall deem necessary or convenient. Agents of the Board shall hold their offices for such terms and shall have such authority, exercise such powers, and perform such duties as shall be determined from time to time by the Board consistent with these Bylaws.

SECTION 5.3. *President.*

The president shall preside at all meetings of the Board and shall have such other powers and duties as may from time to time be prescribed by the Board.

SECTION 5.4. *Vice President.*

During the absence or disability of the president, the vice presidents in the order of their seniority, unless otherwise determined by the Board, shall perform the duties and may exercise the powers of the president. The vice presidents shall also perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

SECTION 5.5. *Secretary.*

The Secretary shall attend all meetings of the Board, record (or cause to be recorded) all of the proceedings of the meetings in a minute book to be kept for that purpose, and perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties and have such other powers as may be prescribed by the Board or, consistent with these Bylaws, the president. The secretary shall keep in safe custody the seal of the Board, if any, and, when authorized by the Board, shall affix the same to any instrument requiring it and, when so affixed, attest the same by his or her signature.

SECTION 5.6. *Assistant Secretaries.*

During the absence or disability of the secretary, the assistant secretaries in the order of their seniority, unless otherwise determined by the Board, shall perform the duties and may exercise the powers of the secretary. They shall also perform such other duties and have such other powers as the Board may from time to time prescribe.

SECTION 5.7. *Treasurer and Assistant Treasurers; Investment Officer.*

The treasurer and any assistant treasurers and the investment officer shall perform such duties and have such powers as the Board may from time to time prescribe or as may otherwise be established by applicable law.

**ARTICLE VI
GENERAL PROVISIONS**

SECTION 6.1. *Disbursements.*

Withdrawals of funds invested through TEXSTAR, distributions of earnings from investments, and all payments for investments shall be made in accordance with the Investment Policy and the Operating Procedures. All other checks drawn by and other authorizations for

fund withdrawals from TEXSTAR shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

SECTION 6.2. *Fiscal Year.*

The fiscal year of TEXSTAR and the Board shall be from April 1 to March 31.

SECTION 6.3. *Seal.*

The Board's seal shall be in such form as may be prescribed by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or in any manner reproduced.

SECTION 6.4. *Books and Records.*

The Board shall keep correct and complete books and records of account, minutes of the proceedings of the Board, and a record of the Participants (and their addresses and the number and class of the units held by each) at its registered office or principal place of business or at the office of its transfer agent or registrar.

**ARTICLE VII
INVESTMENT MANAGEMENT AND ADMINISTRATION**

Section 7.1 *Professional Management.*

The Board shall contract with one or more experienced persons for account administration, investment management, and custodial services required by TEXSTAR. Contracts for such services shall not exceed two years in duration.

SECTION 7.2 *Engagement of Service Providers.*

The Board initially shall engage JPMorgan Fleming Asset Management (USA), Inc. as Investment Administrator to provide investment management services, First Southwest Asset Management, Inc. as Participant Services Administrator to provide participant services and marketing, and JPMorgan Chase Bank to provide custodial services. Any person subsequently engaged to provide such services to the Board shall be approved by Participants owning two-thirds of the units in TEXSTAR, unless such person is an affiliate of a person previously engaged to provide the same service and except that the Board may engage temporary services without Participant approval if any existing service provider resigns or becomes insolvent or unable to perform its duties or is removed for cause in accordance with the provisions of its contract.

**ARTICLE VIII
INDEMNIFICATION AND RELEASE OF DIRECTORS AND OFFICERS**

SECTION 8.1. *Indemnification.*

A. *Indemnification.* Subject to the exceptions and limitations contained in *Subsection B* below:

(1) every person who is, or has been, a director or officer of the Board (hereinafter referred to as a "Covered Person"), whether or not the Covered Person has been alleged to have been negligent in the exercise of the duties of his office, shall be indemnified to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by the Covered Person in connection with any claim, action, suit, or proceeding in which he or she becomes involved as a party or otherwise by virtue of being or having been a director or officer and against amounts paid or incurred by the Covered Person in the settlement thereof; and

(2) the words "claim", "action", "suit", and "proceeding" shall apply to all claims, actions, suits, or proceedings (civil, criminal, or other, including appeals), actual or threatened, while in office or thereafter, and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

B. Limitations. No indemnification shall be provided hereunder to a Covered Person:

(1) who shall have been adjudicated by a court or body before which the proceeding was brought to be liable to the Board, TEXSTAR, or the Participants by reason of fraud, willful misfeasance, or bad faith; or

(2) in the event of a settlement, unless there has been a determination that the Covered Person did not engage in fraud, willful misfeasance, or bad faith,

(a) by the court or other body approving the settlement;

(b) by at least a majority of those directors who are not parties to the matter, based upon review of readily available facts (as opposed to full trial-type inquiry); or

(c) by written opinion of independent legal counsel based upon a review of readily available facts (as opposed to a full trial-type inquiry).

C. Miscellaneous. The rights of indemnification herein provided may be insured against by policies maintained by the Board, shall be severable, shall not be exclusive of or affect any other rights to which any Covered Person may now or hereafter be entitled, shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of the heirs, executors, and administrators of the Covered Person. Nothing contained herein shall affect any rights to indemnification to which TEXSTAR personnel, other than directors and officers, and other persons may be entitled by contract or otherwise under law.

D. Expenses of Defense. Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in *Subsection A* of this Section may be paid as an expense of the applicable portfolio from time to time prior to final disposition thereof upon receipt of an undertaking by or on behalf of the Covered Person that such amount will be paid over by him to the applicable portfolio if it is ultimately determined that he is not entitled to indemnification under this Section; *provided, however,* that either (i) the Covered Person shall have provided appropriate security for such undertaking, (ii) the Board is insured against losses arising out of any such advance payments, or (iii) either a majority of the directors who are not parties to the matter, or independent legal

counsel in a written opinion, shall have determined, based upon a review of readily available facts (as opposed to a trial-type inquiry or full investigation), that there is reason to believe that the Covered Person will be found entitled to indemnification under this Section.

E. Right to Defend. Subject to applicable law, the Board may, and if requested in writing by a Covered Person shall, undertake the defense of any claim, action, or proceeding in connection with the matters set forth in *Subsections A through D* for which the Covered Person is indemnified under this Section, and thereafter the Board shall not be liable to the Covered Person for any costs of counsel or other expenses other than reasonable costs subsequently incurred by the Covered Person at the request of the Board in connection with the defense thereof, unless (1) the employment of such counsel has been specifically authorized in writing by the Board, (2) the Board has failed after request to assume the defense and to employ counsel, or (3) the named parties to any such action (including impleaded parties) include both a Covered Person and the Board and the Covered Person shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Board (in which case, if the Covered Person notifies the Board in writing that it elects to employ separate counsel at the expense of the Board, the Board shall not have the right to assume the defense of the action on behalf of the Covered Person; *provided* that if the Board has insured against losses pursuant to *Subsection D* and the insurer proceeds to defend the Covered Person pursuant to the policy of insurance, then the Board shall have no further duty to indemnify costs of defense or defend the Covered Person pursuant to this Section.

SECTION 8.2. Limitation of Liability.

The directors and officers of the Board are governmental officials and shall enjoy the same immunities from liability and suit as are enjoyed by officers of the Participants. Provided they have acted in good faith under the belief that their actions are in the best interest of TEXSTAR, the directors and officers of the Board shall not be responsible for or liable in any event for neglect or wrongdoing by them or any officer, agent, employee, or investment advisor of TEXSTAR, but nothing contained herein shall protect any director against any liability to which he or she would otherwise be subject by reason of fraud, willful misfeasance, or bad faith.

The directors may take advice of counsel or other experts and shall be under no liability for any act or omission in accordance with such advice. The directors shall not be required to give any bond as such, nor any surety if a bond is obtained.

SECTION 8.3. Liability Insurance.

The Board may obtain general liability and errors and omissions insurance for the protection of the Board and others in the operation and conduct of TEXSTAR in such amounts as the Board deems adequate to cover foreseeable tort and contract liability. Premiums for such insurance shall be paid by the Board as an expense of TEXSTAR.

ARTICLE IX DISSOLUTION

SECTION 9.1. Dissolution.

The Board may dissolve any Fund, or may dissolve TEXSTAR in whole and terminate the Agreement, on not less than 30 days notice to the Participants, provided that the Board

makes provision for all liabilities and obligations of the Fund or of the Board and TEXSTAR, respectively, and, in the case of dissolution of TEXSTAR, Participants owning two-thirds of the units in TEXSTAR approve the dissolution. After voting to dissolve and making provision for all liabilities and obligations of a Fund or of the Board and TEXSTAR, the Board shall disburse all of the assets of the Fund or TEXSTAR, respectively, to the Participants in proportion to their units in the Fund or TEXSTAR, respectively. After giving notice of dissolution of a Fund or TEXSTAR, the Board may withhold distributions of earnings from the Fund or TEXSTAR, respectively, in such amounts as it deems advisable to make provision for its liabilities and obligations.

**ARTICLE X
AMENDMENTS**

SECTION 10.1. *Amendments.*

These Bylaws may be altered, amended, or repealed or new Bylaws may be adopted by a majority of the whole Board at any regular or special meeting. No amendment, alteration, repeal, or replacement shall be effective until 30 days after notice of the same is given to the Participants and, in the case of any amendment or repeal of Section 7.2 hereof or permitting dissolution of TEXSTAR without the approval of Participants owning two-thirds of the units in TEXSTAR, until approved by Participants owning two-thirds of the units in TEXSTAR.

July 2006



BANK INFORMATION SHEET

EFFECTIVE DATE: 09/12/2006

Please check all that apply.

Add new account Wire and ACH*

Change Information Wire Only

ACH Only*

Town of Addison
 Participant Name
 5350 Belt Line Road, Dallas, Texas 75254
 Street Address
 P.O. Box 9010
 Mailing Address
 Addison TX 75001 Dallas
 City State Zip County
 Bryan Langley
 Primary Representative
 (972) 450-7090 (972) 450-7096
 Phone Fax

Location	Series	Fund
	Operating	
	Account Name	

INSTRUCTIONS

Bank Name: Frost Bank
 Bank Address: 100 W Houston
 City: San Antonio State: TX Zip: 78205
 Bank ABA No. (9 digits): 114000093 Bank Account No: 608024596
 Bank Account Name: Wire/ACH Account Bank Contact: Donna Melotakis
 Correspondent Bank (if any) Name/City: _____
 Bank ABA No: _____ Account Name: _____ Account No: _____

CONFIRM THE INSTRUCTIONS FOR WIRE AND ACH TRANSFERS WITH YOUR LOCAL BANK. ACH INSTRUCTIONS MAY VARY FROM YOUR BANK'S WIRING INSTRUCTIONS IF THE LOCAL BANK IS NOT ON-LINE WITH THE FEDERAL RESERVE. IF ACH INSTRUCTIONS DIFFER FROM WIRING INSTRUCTIONS, PLEASE COMPLETE AN ADDITIONAL BANK INFORMATION SHEET.

* If ACH availability is selected, I hereby authorize JP Morgan Chase to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to TexSTAR Participant Services. I understand that TexSTAR reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JP Morgan Chase to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. Likewise, I authorize JP Morgan Chase to credit all amounts withdrawn in error to Designated Account.

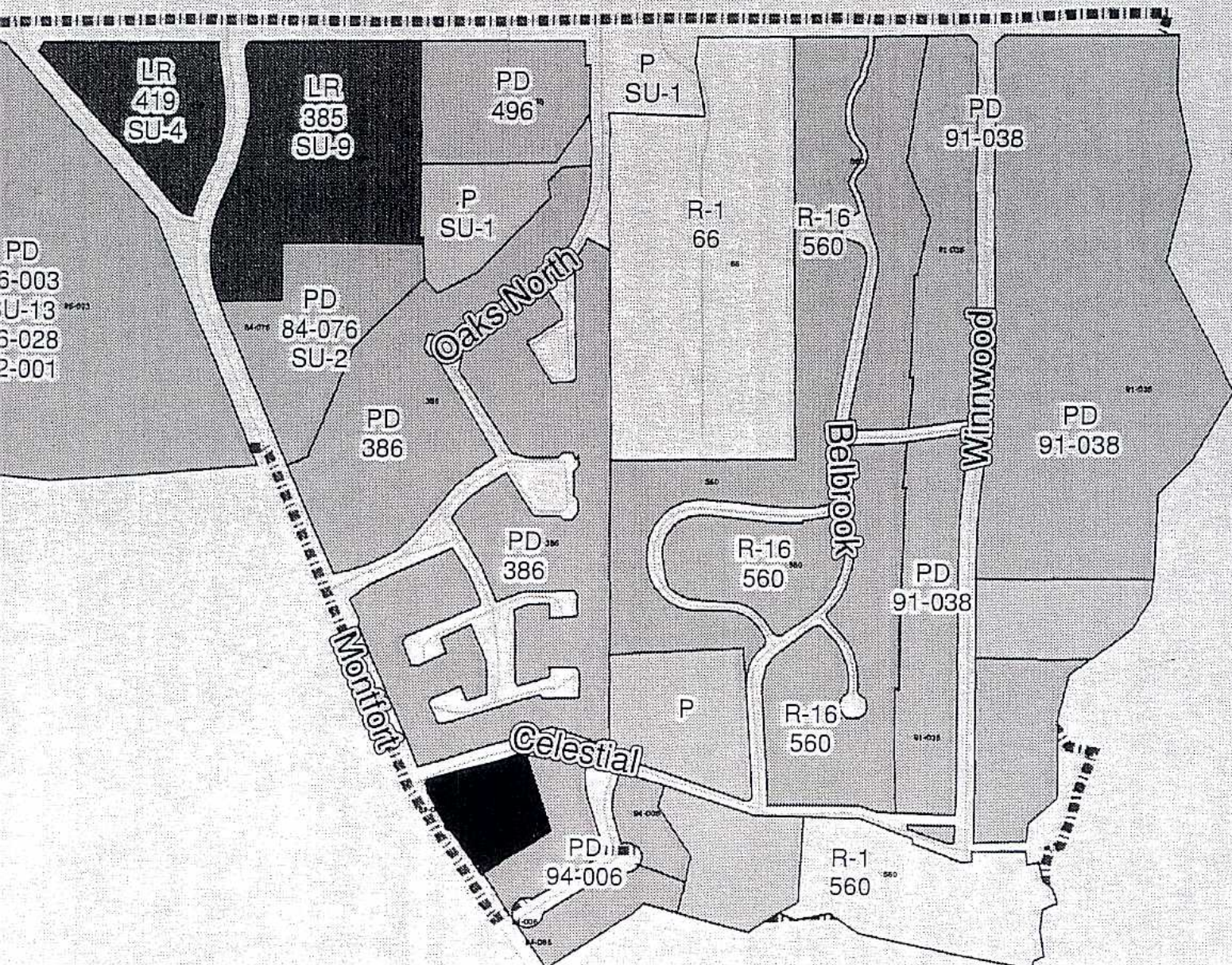
NOTE: This authorization must be executed by two current Authorized Representatives of the Participant as set forth in the duly enacted Resolution of the Participant which is on file with TexSTAR.

As a current Authorized Representative, I certify that the above information is both true and correct.

_____	Randolph C. Moravec	Director	9/12/2006
Authorized Representative Signature	Printed Name	Title	Date
_____	Bryan Langley	Assistant Director	9/12/2006
Authorized Representative Signature	Printed Name	Title	Date

FINAL PLAT/Stanford Court Villas

FINAL PLAT/Stanford Court Villas. Requesting approval of a final plat for 19 lots in a Planned Development district, located on approximately 2.4 acres at the southeast corner of Montfort Drive and Celestial Road, on application from Zachary Custom Builders, represented by Mr. Steven S. Crauford of Jones and Boyd.





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

August 18, 2006

STAFF REPORT

RE: FINAL PLAT/Stanford Court Villas

LOCATION: Nineteen townhome lots on 2.37 acres at the southeast corner of Montfort Drive and Celestial Road

REQUEST: Approval of a final plat

APPLICANT: Jones and Boyd, Inc., represented by Mr. Steve Crauford

DISCUSSION:

Background. This site was owned by the Walden School and sold recently to Zachary Custom Builders. A Planned Development was approved for this site by the Council on June 27, 2006. The PD provides for the development of 19 owner-occupied townhomes. The applicant has filed a preliminary plat. The staff is working out issues on this plat with regard to grading, drainage and utility locations. The preliminary plat for this property was approved by the Council on August 8, 2006.

During the preliminary plat process, the applicant had not determined whether the streets would be public or private. Since that time, the applicant has determined that the streets will be public streets.

Public Works Review. The Public Works Department has reviewed the plat and notes the following items:

1. The plat meets closure requirements.
2. The 5-foot Utility and Pedestrian Access Easement is not sufficient. This easement should be expanded to a width of 10 feet.

RECOMMENDATION:

Staff recommends approval of the final plat, on application from Zachary Custom Builders, subject to the conditions listed above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C Moran". The signature is stylized with a large, looped "C" and a more fluid, cursive "Moran".

Carmen Moran
Director of Development Services

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on August 24, 2006, voted to recommend approval of the final plat on application from Zachary Custom Builders, subject to the following conditions:

-The plat meets closure requirements.

-The 5-foot Utility and Pedestrian Access Easement is not sufficient. This easement should be expanded to a width of 10 feet.

Voting Aye: Bernstein, Chafin, Gaines, Jandura, Meier, Wood

Voting Nay: None

Absent: Daseke

INTEROFFICE MEMORANDUM

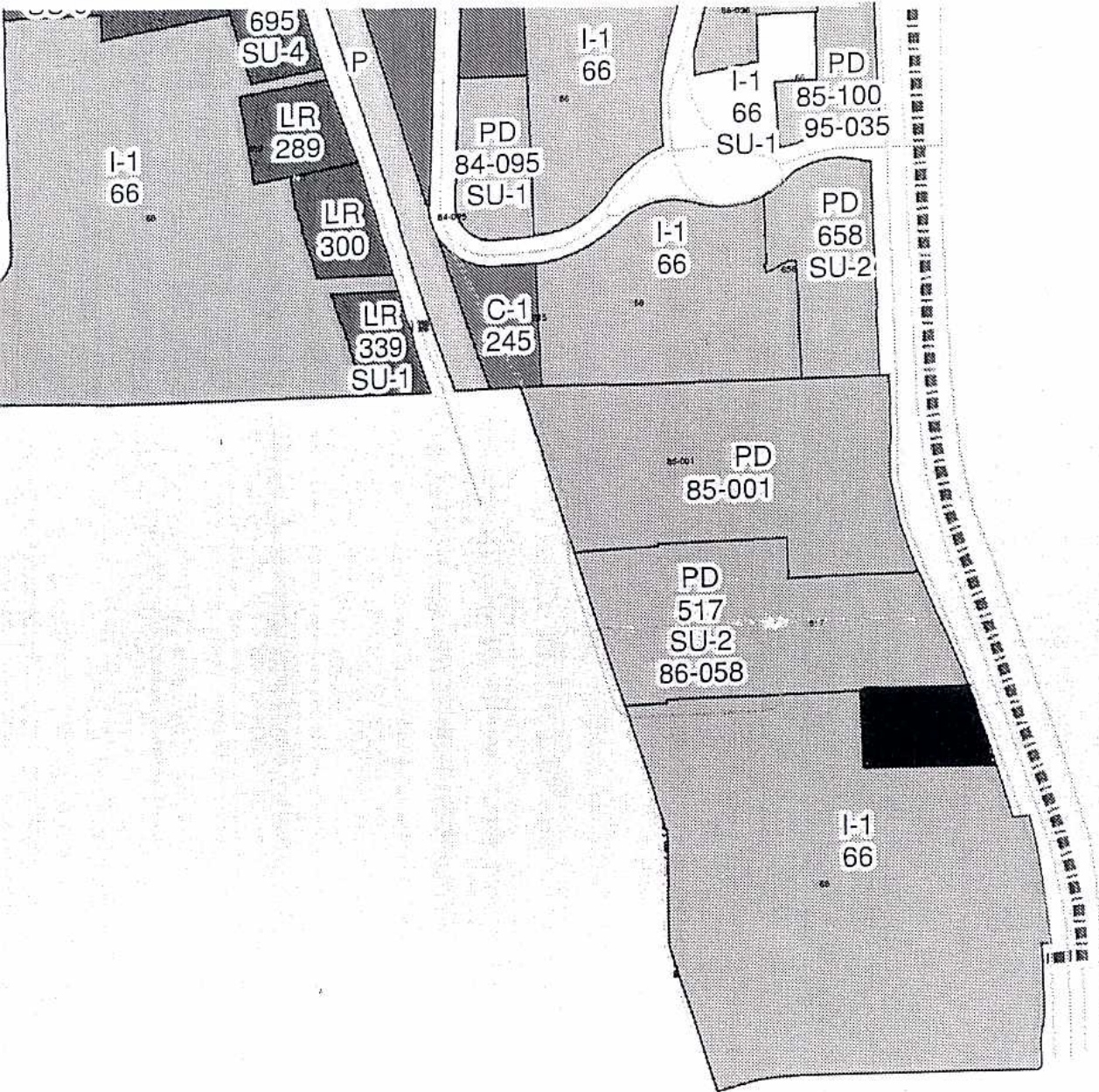
TO: NANCY CLINE, P.E., DIRECTOR OF PUBLIC WORKS
FROM: AARON RUSSELL, P.E., ASST. DIRECTOR OF PUBLIC WORKS
SUBJECT: FINAL PLAT FOR STANFORD COURT VILLAS
DATE: 8/18/2006
CC: CARMEN MORAN

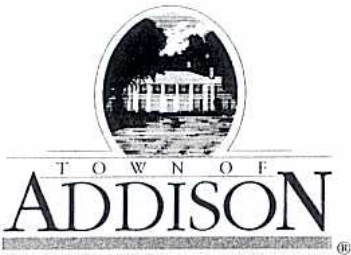
The following is a summary of my review of the reverenced plans.

1. Plat meets closure requirements.
2. The 5 ft. Utility and Pedestrian Access Easement is not sufficient. This easement should be expanded to a width of 10 feet.

1523-SUP

Case 1508-SUP/Patton's Corner. Requesting approval of a Special Use Permit for a Christmas Tree Lot in an Industrial-1 district, located at 14345 Dallas Parkway, on application from Patton's Corner, represented by Mr. Jeff Patton





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

August 18, 2006

STAFF REPORT

RE: Case 1523-SUP/Patton's Corner

LOCATION: 14345 Dallas Parkway

REQUEST: Requesting approval of a Special
Use Permit for a pumpkin lot and a
Christmas tree lot

APPLICANT: Mr. Jeff Patton

DISCUSSION:

In Addison all pumpkin lots and Christmas tree lots are required to obtain a Special Use Permit. The applicant seeks to operate a pumpkin lot on the former Ewing Mitsubishi site at 14345 Dallas Parkway. He may or may not do pumpkins in the fall, but if he does, after the fall season, the lot would be converted to a Christmas Tree lot. Mr. Patton had a Christmas tree lot just south of this location, on property owned by the Ewing auto dealership, for the past three years. This year he has moved north of his previous location onto a lot that is owned by the MODY Group in Houston. He was not able to lease the Ewing lot this year because the Ewing group has indicated that the property is being sold and will be in transition before the end of the year.

Mr. Patton typically has done a good job cleaning up the lot. However, Neil Gayden has met with Mr. Patton on the site, and he is recommending that Mr. Patton conduct some clean-up work on the site before opening his lot. Neil is recommending the following conditions be attached to the approval:

- Applicant shall clip off and remove all exposed rebar

- Applicant shall pickup and remove all chunks of broken concrete, asphalt and rock that might cause a trip hazard

- Applicant shall remove or rake out piles of Christmas tree mulch left on the site adjacent to this site from last year

-Applicant shall provide adequate egress and parking on the site to discourage customers from using the Ewing tract.

RECOMMENDATION:

Staff recommends approval of this request subject to the conditions listed above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C Moran', with a stylized flourish at the end.

Carmen Moran
Director of Development Services

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on August 24, 2006, voted to recommend approval of the above-cited request subject to the following conditions:

- Applicant shall clip off and remove all exposed rebar
- Applicant shall pickup and remove all chunks of broken concrete, asphalt and rock that might cause a trip hazard
- Applicant shall remove or rake out piles of Christmas tree mulch left on the site adjacent to this site from last year
- Applicant shall provide adequate egress and parking on the site to discourage customers from using the Ewing tract.

Voting Aye: Bernstein, Chafin, Gaines, Jandura, Meier, Wood
Voting Nay: None,
Absent: Daseke

WELLINGTON CENTRE

August 16, 2006

Carmen Moran
Director of Development Services
City of Addison
PO Box 9010
Addison, TX 75001-9010

Re: Case 1523 SUP/Patton's Corner

Dear Carmen,

On behalf of Parkway Ltd., owner of Wellington Centre Office Building, at the address on this letter (which is adjacent to the proposed Patton pumpkin and Christmas tree sale site), I wish to go on record as opposing the granting of an SUP for Patton's Corner. Patton's Corner set up at this location last year and hung temporary signs on the old Volvo dealership sign pole, so I am familiar with what they intend on doing.

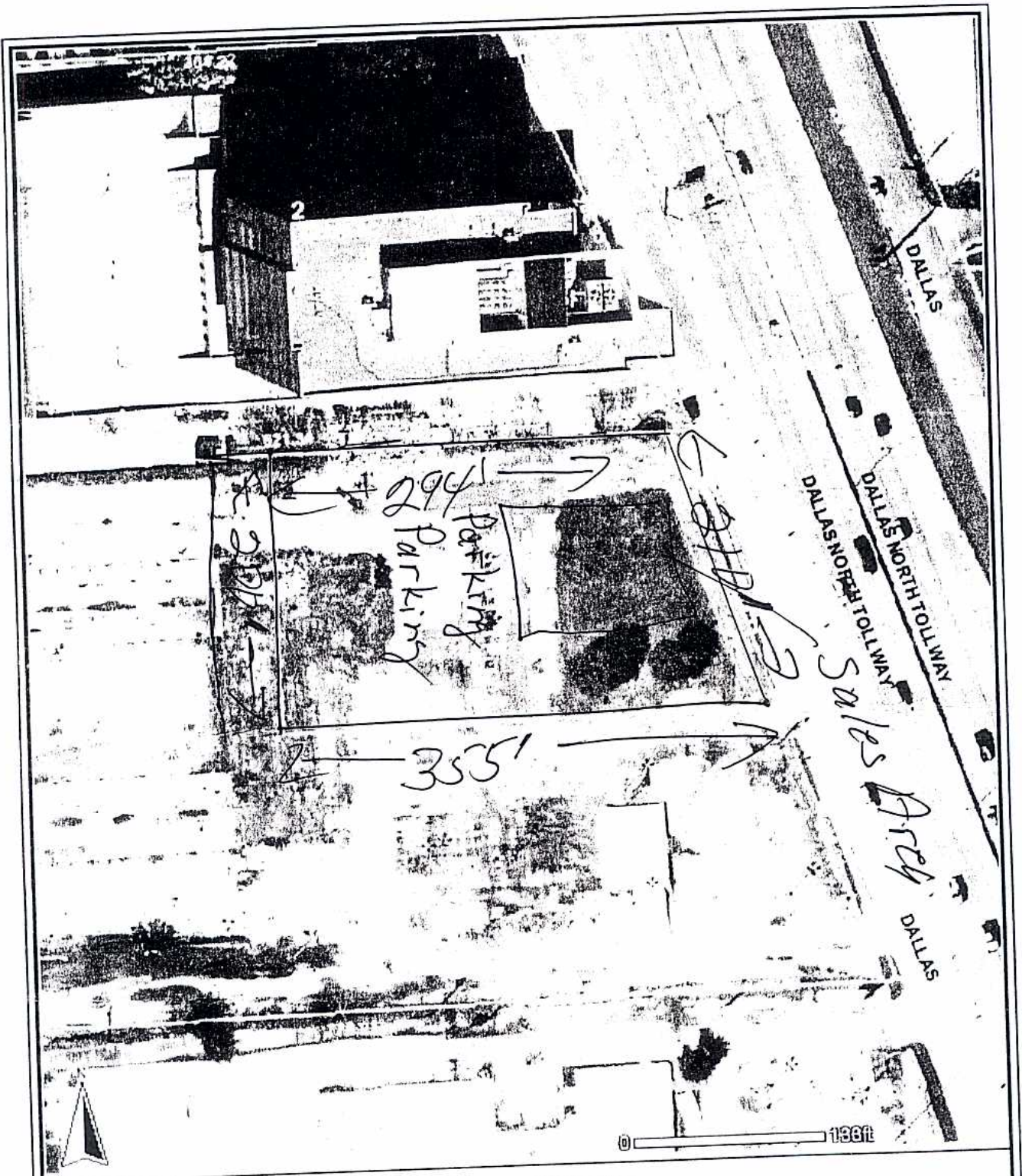
The temporary make shift appearance of this setup does nothing more than exacerbate and further burden the vacant and temporary appearance of the Ewing and Mody properties that are already a major eyesore for the area. Further, if Patton's is allowed to set up here again this year, they may actually impede other efforts which are currently being undertaken by the City to get this property scraped down to a clean raw land condition, as has been promised by the current owners for a long time.

For these reasons and others, we wish to go on record as opposing the granting of this SUP. If I can answer any questions or better address this issue with you, please feel free to call me.

Best Regards,



K. Brent Steward CPM



Dallas Central Appraisal District
www.dallascad.org

DISCLAIMER
 The Dallas Central Appraisal District does not control or guarantee the accuracy, relevancy, timeliness or completeness of this data. DCAD assumes no legal responsibilities for the information represented on this map. Users should independently verify the data on this map before making any conclusions based on this data.

Council Agenda Item: #R12**Summary:**

Council consideration is requested authorizing the Town of Addison to reenter into an agreement with, the Texas Department of Transportation, for a Selective Traffic Enforcement Program (STEP) grant in the amount of \$27,764. This STEP grant will focus on Speeding, Safety Belt compliance and Intersection Traffic Control enforcement, for a total of 500 enforcement and 40 supervisory support hours.

Financial Impact:

- \$ 3,338 Paid by Town in matching funds
- \$22,326 Reimbursement for enforcement hours worked
- \$ 2,100 Vehicle mileage reimbursement, inc. \$450 travel/misc. expenses

This item was not included in the Police Department's Fiscal Year 06/07 Budget, but can be accommodated within the Police Department operating budget. As stated above, the total grant amount will be \$27,764. Within that amount, \$24,426 (\$22,326 plus up to \$2,100 patrol vehicle mileage reimbursement, including \$450 travel/miscellaneous expenses) is guaranteed to the Town for reimbursement of enforcement hours worked by department personnel. Derived from the total salary cost of \$22,326 and multiplied by the fringe benefit cost of 14.95%, the Town's matching funds equal \$3,338.

Since the Department successfully completed the terms and goals of the previous years grant, the Town is now eligible to request additional grant funds for vehicle mileage accrued during approved enforcement hours.

Background:

During the previous grant period, February 2006 through August 2006, patrol issued a total of 511 speeding, 59 safety belt, 13 intersection traffic control and 223 other citations. The Town received \$9,801 in wage reimbursements for the 228 enforcement/supervisory hours awarded for the listed time period.

After compiling the motor vehicle accident statistics for February through August, our highest causative factors were intersection traffic control violations such as red lights and failures to yield right of way. Therefore, the Police Department would like to add Intersection Traffic Control to FY 06/07 grant as an additional selected enforcement area.

The Police Department is confident this program will continue to be successful in attaining compliance through enforcement and public education.

Recommendation:

Staff recommends approval.

INTEROFFICE MEMORANDUM

TO: CHIEF R. DAVIS
FROM: SGT. P. SPENCER
SUBJECT: STEP GRANT REQUEST
DATE: 9/7/2006

Mayor and Council:

Re: STEP Grant Application

The purpose of this letter is a request to reapply for the Selective Traffic Enforcement Programs (STEP) grant with the Texas Department of Transportation (TX DOT) for the Fiscal year 06/07.

During the previous grant period, February 2006 through August 2006, patrol issued a total of 511 speeding, 59 safety belt, 13 intersection traffic control and 223 other citations. The Town received \$9,801 in wage reimbursements for the 228 enforcement/supervisory hours awarded for the listed time period.

After compiling the motor vehicle accident statistics for February through August, our highest causative factors were intersection traffic control violations such as red lights and failures to yield right of way. Therefore, the Police Department would like to add Intersection Traffic Control to the grant as an additional selected enforcement area.

If approved, the grant will be in effect for one year, or until the requested enforcement hours are exhausted. The department believes last years enforcement efforts have been beneficial and request a continuation of the grant in FY 06/07. Currently, we are requesting 500 hours of enforcement and 40 hours of supervisory support hours on this application.

In summary, for this grant period FY 06/07, the Town's total required matching funds will be \$3,338, the State reimbursement total will be \$24,426, with a total grant value of \$27,764.

Council Agenda Item: #R13

SUMMARY:

Consideration and approval of a resolution authorizing the City Manager to enter into a contract with Chevron for the purchase of aviation fuel for the commissioning of the bulk storage fuel facility on Addison Airport.

BACKGROUND:

The commissioning activities for the bulk storage fuel facility at Addison Airport indicated that the entire system is not acceptable nor is it ready to be turned over to the owner for commencement of operations. The system was operated by the contractor during commissioning by providing a significant amount of labor, pouring buckets of fuel in suction pipe, to keep the pumps primed and running continuously while discharging to a vehicle located on the west (airside) of the fuel farm. This is not how the system was intended to be operated, as each tank piping should remain primed with fuel continuously. It has been determined, that an internal check valve in the suction piping will need to be installed to each tank. The engineers are providing a directive to the contractor to perform this fix. Once the Check Valve is installed, fuel will need to be placed into the tanks to complete the commissioning.

For the initial commissioning, the Town purchased 78,926 gallons of Jet A and AvGas fuel from Chevron with the intent of reselling the majority (90% or greater) of that fuel back to an FBO at our cost, less the fuel flowage fee. This is currently being done. Attached is a current recapitulation of the original fuel purchased, what has been sold back, and what remains to be sold back. There is 23,089 gallons of Unleaded Motor and Diesel fuel that will be sold to the FBO once the farm is open for business.

Staff is seeking Council's approval to proceed in this manner again, however the amount of combined Jet A and Avgas needed for this purpose is 40,000 gallons at an approximate cost of \$120,000. The original contract with Chevron had a time limit on it, and that has expired. Chevron has agreed to do an addendum to the same contract to extend our purchasing time with them. Additionally, the same FBO has agreed to allow us to resell the fuel to them under the same conditions as previously done.

RECOMMENDATION:

The original Chevron contract was reviewed by the City Attorney and met with his approval for use. Staff recommends approval, subject to the City Attorney's review of the addendum to this contract.

Attachments: Fuel Recapitulation
Original Chevron Contract (Less Addendum)

May 25, 2006

AVIATION FUEL SALES CONTRACT

THIS AVIATION FUEL SALES CONTRACT is between CHEVRON GLOBAL AVIATION, a division of Chevron U.S.A. Inc., a Pennsylvania corporation ("Seller") and Town of Addison, Texas ("Buyer").

Seller and Buyer, intending to be legally bound, agree as follows:

1. TERM

(a) This Contract shall begin June 1, 2006 and remain in effect until July 31, 2006 unless terminated earlier, without cause, by either Buyer or Seller giving the other party at least 30 days' prior written notice. Buyer agrees to purchase from Seller, and Seller agrees, subject to the limitations set forth below, to sell and deliver to Buyer, at Buyer's request (in its discretion), such quantities of aircraft engine fuels listed below (hereinafter sometimes collectively referred to as "Aircraft Engine Fuels") as are necessary (as determined by Buyer) for use by Buyer at the Addison Airport (and being Buyer's premises (the "premises")) located in the Town of Addison, Texas. Seller understands that Buyer is purchasing the Aircraft Engine Fuels from Seller solely for the purpose of allowing certain testing to be conducted in connection with the construction of a new bulk fuel storage and dispensing equipment system (the "Fuel Farm") located at Addison Airport, and that once the testing or portion thereof has been completed, Buyer will no longer need the Aircraft Engine Fuels and intends to thereafter sell the portion of such Fuels which is able to be recovered following the testing to a person or entity which is in the business of purchasing and selling aviation fuel at Addison Airport. Except as set forth in his paragraph, Buyer agrees not to resell Aircraft Engine Fuels.

Jet A

Avgas 100LL

(b) Seller shall not be obligated to sell or deliver to Buyer during the Term any Aircraft Engine Fuel in excess of that amount specified herein. Although not required to do so, Seller may, at its option and after request by Buyer, elect to sell to Buyer quantities of Aircraft Engine Fuels in excess of such maximum quantities, subject to all of the terms and conditions of this Contract.

QUANTITY

	Gallons (000) per Quarter				Total Product (000)
	Q1	Q2	Q3	Q4	

Avgas 100LL	24	0	0	0	24
Jet A	48	0	0	0	48

2. QUALITY

The Avgas 100 LL sold under this Contract at the time of delivery shall be of the quality as is generally offered by Seller for similar use at the relevant delivery location in accordance with ASTM D 910 specification for aviation gasolines latest edition with reporting requirements waived.

The Jet A sold under this Contract at the time of delivery shall be of the quality as is generally offered by Seller for similar use at the relevant delivery locations in accordance with ASTM D 1655 specification for aviation turbine fuel latest edition with reporting requirements waived.

3. PRODUCTS QUALITY MAINTENANCE

Buyer shall not mix Aircraft Engine Fuels one with another or any chemical or material whatsoever. Buyer may, however, add an anti-icing or biocidal additive to Jet A fuel, providing adding is in accordance with ASTM D1655 specification for aviation turbine fuel latest edition, said additive has pertinent aircraft and Engine Manufacturers' approvals, and is approved by the Federal Aviation Administration. The addition of such additive shall be in accordance with Aircraft and/or Engine Manufacturer's approval. Buyer covenants and agrees to maintain the quality of Aircraft Engine Fuels and to strictly adhere to the instructions concerning product quality maintenance contained in Chevron's publication entitled "Chevron Airport Buyer Quality Control Guide," a latest edition copy. Seller shall have the right, but not the obligation, at any reasonable time to inspect or conduct field tests of the quality of the Aircraft Engine Fuels in the custody of the Buyer and to inspect the facilities utilized for storage and dispensing of Aircraft Engine Fuels and to review Buyer's quality control and fueling procedures and for such purposes to enter any premises where the Aircraft Engine Fuels are stored. Seller may suspend deliveries so long as the Buyer fails to maintain adequate quality control of Aircraft Engine Fuels and Seller reserves the right to terminate Buyer's Agreement if any deficiencies identified by Seller are not corrected within the time period established by Seller.

4. DELIVERIES

Seller shall deliver or arrange for the delivery of Aircraft Engine Fuels to Buyer at the premises. Orders for deliveries of Aircraft Engine Fuels shall be placed by Buyer with such advance notice and in such manner as Seller may from time to time designate.

Buyer shall comply with such reasonable rules and regulations as Seller may from time to time establish regarding deliveries by Seller at the premises. Deliveries shall be made (except at Seller's option) in full bulk transport quantities in Seller's customary manner using equipment selected by Seller. Free time and detention charges, if any, shall be in accordance with governing tariffs of the carrier on file with Federal and/or state regulatory agencies, or, if Seller's equipment is used for the delivery of Aircraft Engine Fuels hereunder, in accordance with Seller's schedule of charges in effect at the time of delivery. Buyer shall pay Seller any and all such charges. Any such payment shall be in addition to the prices otherwise herein provided for.

5. TITLE

- (a) Title to Aircraft Engine Fuels shall pass to Buyer at such time as the Aircraft Engine Fuels enter the appropriate unloading connection. It is understood and agreed that at the time of arrival of transport trucks at the premises, Buyer shall furnish the drivers thereof with the necessary directions respecting the placement of such equipment at the appropriate unloading connection, and Buyer assumes all risk and responsibility for any loss resulting from mixing, contamination or adulteration of the Aircraft Engine Fuel, or from overfilling storage tanks, occurring in the unloading operation.
- (b) In those instances where Seller delivers Aircraft Engine Fuel to Buyer at Seller's terminal into equipment provided by Buyer, title to Aircraft Engine Fuel shall pass to Buyer at the point where Aircraft Engine Fuel enters the equipment, and Buyer assumes all risks and responsibility for any loss thereafter.

6. PRICES

The prices Dealer shall pay Chevron for Chevron Aircraft Engine Fuels hereunder shall be Chevron's prices to Dealer in effect at the time and place of delivery for the particular product, grade, quantity and type of delivery involved, as established by Chevron from time to time.

7. PAYMENT

- (a) Buyer shall pay Seller cash following delivery for Aircraft Engine Fuel. Except as otherwise agreed by Seller, all amounts payable under this Contract shall be paid by electronic funds transfer from Buyer's designated bank account to such Seller bank account as may be designated by Seller from time to time.
- (b) If credit is extended to Buyer by Seller, Buyer shall furnish Seller with such information regarding Buyer's financial condition as Seller may reasonably request from time to time. Notwithstanding the foregoing, at any time and from time to time, Seller may, if Seller considers that it would be inadvisable to make deliveries on credit, request that Buyer pay cash in advance or put up security

acceptable to Seller, and in such event, until Buyer shall comply with Seller's request, no deliveries need be made hereunder.

- (c) Seller, at its sole discretion, may add a Service Charge to any balance not paid within terms at an annual rate, determined by Seller, not to exceed the maximum rate permitted by applicable laws, prorated daily on the basis of a 365 day year.

8. TAXES AND FEES

Any tax, duty, toll, fee, impost, charge or other exaction (including but not limited to any and all airport flowage fees or similar charges), or the amount equivalent thereto, and any increase thereof now or hereafter imposed, levied or assessed by any governmental authority upon, measured by, incident to or as a result of the transactions herein provided for (other than local, state and Federal income taxes measured by the income of Seller from all sources), or the transportation, importation, production, manufacture, use or ownership of the goods the subject of this Contract shall, if collectible or payable by Seller, be paid by Buyer on demand by Seller. Any such payment shall be in addition to the prices otherwise herein provided for.

9. INDEMNIFICATION

Buyer shall indemnify, defend and hold harmless Seller, Seller's parent company, Chevron Corporation, the subsidiary and affiliated companies of each of them (collectively "Seller and its affiliates"), and their respective directors, officers, agents and employees, from and against all expense (including attorneys' fees), liability and claims of whatsoever kind and nature, including but not limited to those for damage to property (including Buyer's property) or injury to or death of persons (including Buyer), directly or indirectly and to the extent resulting, or alleged to result, from any negligent act or omission of Buyer relating to this Contract, subject, however, to and without waiving any immunity, defense, or tort limitation available to Buyer. The foregoing indemnity shall not apply where such expense, liability or claims result from Seller's sole negligence or willful misconduct.

Buyer's obligations under this Section shall survive the expiration, termination or nonrenewal of this Agreement.

10. WAIVER OF CONSEQUENTIAL DAMAGES

In no event shall Seller be liable for any special, incidental, indirect or consequential damages of any kind including, but not limited to, loss of profits, loss of use or loss of service, whether based in contract, tort (including negligence and strict liability), warranty or otherwise.

11. PREVENTION OF PERFORMANCE--SHORTAGE OF SUPPLY

- (a) There shall be no obligation to sell or deliver or to purchase, receive or use the petroleum products covered by this Contract when and while, and to the extent that, the receiving or using or manufacturing or making deliveries in the customary manner are prevented or hindered by act of God, earthquake, fire, riot, labor disturbances (whether involving employees of the party affected or of others and regardless of whether the disturbance could be settled by acceding to the demands of a labor group), embargoes, public enemy, accident, war (declared or undeclared), compliance with any law, or with any regulation, order, rule, recommendation, request, suggestion, or the acts of any government (whether foreign or domestic, Federal, state, county or municipal) or authorities or representatives of any government (foreign or domestic) acting under claim or color of authority, interruption or loss of shortage of transportation facilities, raw or component materials, perils of navigation, or any causes beyond the reasonable control of the party affected, whether or not similar to any of the foregoing causes. In cases of partial or total interruption or loss or shortage of transportation facilities or supplies, or shortage of products deliverable hereunder, Seller may allocate deliveries of available products among Buyer, Seller's other customers, contract or otherwise, including Seller's affiliates, and Seller for its own use, on any basis which in Seller's sole judgment is fair and reasonable, allowing for such priorities as Seller deems appropriate.
- (b) Due to uncertainties in the supply/demand situation (which may include a decision by Seller that the costs of some crude oil and petroleum products that might be available are unreasonable), Seller may not have sufficient supplies of one or more of the petroleum products covered by this Contract to meet the full requirements of Buyer, of Seller's other customers, contract or otherwise, including Seller's affiliates, and of Seller for its own use. Whenever that situation exists and Seller's performance hereunder is not otherwise excused, Seller may allocate deliveries of available products on any basis which in Seller's sole judgment is fair and reasonable, allowing for such priorities as Seller deems appropriate.
- (c) Allocation is fair and reasonable even if it is based on a shortage in the then contemplated sources of supply or a general shortage in Seller's system or on historical or planned deliveries. "Seller's system" means the supply system of Seller and its affiliates.

12. ASSIGNMENT

- (a) This Contract is personal to Buyer, and Buyer shall not assign any rights or delegate any duties that Buyer may have under this Contract, either voluntarily, involuntarily or by operation of law, or otherwise, without the prior written consent of Seller. The consent of Seller under this section cannot be waived except in writing. Any such purported sale, assignment, transfer, merger, disposition or delegation of Buyer's interest and/or performance of the terms and

conditions of this Agreement, without such prior written consent, shall be null and void, and not binding on Seller. It is further understood and agreed that if a sale, assignment, transfer, merger, disposition or delegation is made with Seller's prior written consent, Seller can, after review of the financial condition and credit worthiness of such business entity, require that all transferee owners of any share or interest in such business entity shall agree to be jointly and severally personally liable to perform all of the obligations of Buyer.

- (b) Subject to any valid requirements of any applicable statute, Seller reserves the right in its sole discretion arbitrarily to withhold its consent to any such assignment or other transfer by Buyer.
- (c) Seller shall have the right at anytime to assign its rights and delegate its duties under this Contract without Buyer's consent. In the event of any such assignment by Seller, the prices to be paid by Buyer pursuant to section 6 hereof shall be such prices as may be set in good faith by the transferee. Any such assignment or other transfer by Buyer or Seller shall not relieve Buyer or Seller of their obligations hereunder. If Buyer is a corporation, any sale, conveyance, alienation, transfer or other change of interest in or title to or beneficial ownership of fifty percent (50%) or more of the voting stock (or securities convertible into fifty percent (50%) or more of the voting stock) of Buyer, either voluntarily, involuntarily, by operation of law, merger or other corporate proceedings, or otherwise, shall be construed as an assignment of Buyer's rights hereunder. Notwithstanding anything to the contrary in this section, if applicable, Buyer may assign Buyer's entire interest under this Contract in accordance with sections 21148 and 21149 of the California Business and Professions Code; provided that Buyer first obtains Seller's written consent to such assignment, the assignee meets the qualifications then required by Seller for prospective Buyers, and the assignee accepts such assignment and assumes in writing Buyer's obligations under this Contract.

13. SPILLS

If an aviation product spill occurs at the premises or elsewhere in connection with Buyer's performance of this Contract, Buyer shall promptly notify Seller and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Upon receipt of such notification, Seller shall have the right, at its election, to provide, or cause to be provided, to Buyer such additional manpower, equipment and material as in Seller's sole discretion are deemed reasonable to complete the clean-up in a satisfactory manner. Buyer shall pay and be responsible for, and Buyer's indemnity obligation under section 9 of this Contract shall include, but not be limited to, all costs and expenses incurred in connection with the clean-up operations, including reimbursement to Seller for all its costs and expenses, and all fines, charges, fees or judgments imposed or levied by any Federal, state or local governmental agency as a result of such spill, except in the event the spill resulted solely from any act or omission on the part of Seller or Seller's employees.

14. CONFLICTS OF INTEREST

- (a) Except as otherwise expressly provided herein, neither Buyer nor any director, employee or agent of Buyer shall give to or receive from any director, employee or agent of Seller and its affiliates any gift, entertainment or other favor of significant value, or any commission, fee or rebate, in connection with this Contract. Neither Buyer nor any director, employee or agent of Buyer shall, without Seller's prior written consent, enter into or maintain any business arrangement with any director, employee or agent of Seller and its affiliates unless such person is acting as a representative of and on behalf of Seller and its affiliates.
- (b) In the event of any violation of this section, including any breach of the warranties set forth herein or any other violation occurring prior to the commencement of the term hereof that resulted directly or indirectly in Seller entering into this Contract, Seller shall have the right to terminate this Contract. Buyer shall immediately notify Seller upon acquiring knowledge of any violation of this section.

15. CONSTRUCTION OF THE CONTRACT

Effective as of the commencement of the term hereof, this Contract supersedes and terminates all prior supply contracts between Seller and its affiliates and Buyer covering the delivery of aviation products to the premises, provided that any outstanding breach by Buyer of any such prior supply contract shall be deemed to be a breach of this Contract and the occurrence of any event authorizing the termination of any such prior supply contract shall authorize the termination of this Contract. This Contract and other written agreements between Seller and Buyer constitute the entire agreement between Seller and Buyer with regard to the premises. Buyer acknowledges and agrees that there are no understandings or agreements between Seller and Buyer with regard to the premises except as set forth in such written agreements and that Buyer has not relied on any oral statements or representations by Seller or on Seller's behalf in connection with the premises. No modification of this Contract shall be binding unless in writing and signed. Seller expressly rejects any additional, different or supplemental terms in Buyer's purchase orders, releases, bills of lading, delivery instructions, invoices or similar documents ("Buyer's Documents"); no such terms shall affect or supersede the provisions in this Contract. Seller's signature on Buyer's Documents shall constitute acknowledgement of delivery of Product only, and shall not constitute Seller's assent to any terms and conditions contained on Buyer's Documents. In the event that any portions of this Contract are held to be unenforceable or invalid, the validity and enforceability of the remaining portions shall not be affected. The right of either party to require strict performance shall not be affected by any prior waiver or course of dealing. This Contract consists of this document and any attached letters or exhibits. In the event of a conflict between this document and any of the attached letters or exhibits, the letters or exhibits shall control. The headings of sections are for convenience only and shall not be

considered part of this Contract. Unless expressly stated otherwise, all prices are expressed in U.S. currency, all units of measure are expressed in U.S. units, and all days are calendar days. To the extent permitted by law, this Contract shall not be deemed an asset of Buyer. Seller may terminate this Contract in the event of any assignment for the benefit of creditors, voluntary or involuntary receivership, bankruptcy or insolvency proceedings affecting Buyer.

16. NOTICE

All notices to be given under this Contract shall be in writing and shall be posted by certified mail or personally delivered to Seller at 1111 Bagby, Houston, TX 77002, and to Buyer at 5300 Belt Line Road, Dallas, Texas 75254 (Attn: Mark Acevedo) or such other address as either party may designate by written notice to the other in the manner herein provided.

17. ARBITRATION

Any claim or controversy between Seller and Buyer arising out of, or relating to Section 12 of this Contract ("Assignment") shall be finally decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a single arbitrator appointed in accordance with such rules. Subject to any valid requirements of any applicable statute, any such arbitration shall be held at whichever of the following major cities is closest to the premises: Atlanta, Houston, Los Angeles, San Francisco or Honolulu. The award rendered by the arbitrator shall be final, and judgment may be entered upon it at any court having jurisdiction. Only the specific matters identified in this section shall be subject to arbitration and no others.

18. ATTORNEYS' FEES

In the event of any lawsuit between Seller and Buyer (or any arbitration proceeding pursuant to Section 17 hereof) arising out of or relating to the transactions or relationship contemplated by this Contract (regardless whether such action alleges breach of contract, tort, violation of a statute or any other cause of action), the substantially prevailing party shall be entitled to recover its reasonable costs of suit including its reasonable attorneys' fees. If a party substantially prevails on some aspects of such action but not others, the court (or arbitrator) may apportion any award of costs or attorneys' fees in such manner as it deems equitable.

19. CONFIDENTIAL INFORMATION

To the extent permitted by and subject to law (including the Texas Public Information Act, Chapter 552, Tex. Gov. Code), Buyer shall hold in confidence all technical information, trade secrets and confidential business information that are disclosed to Buyer by Seller, as well as all information relating to this Contract (including, but not limited to, the price of Aircraft Engine Fuels hereunder or any other "aspects of the deal") (collectively "Confidential Information"). Buyer shall not disclose Confidential

Information to anyone other than Buyer's officers, employees, agents, representatives, contractors, or subcontractors who have a need to know Confidential Information. Upon Seller's request, subject to applicable law, Buyer shall promptly return or destroy all Confidential Information disseminated in written, electronic or machine-readable form, and all notes, documents and computer files containing Confidential Information, and all copies of the foregoing. Buyer shall notify Seller promptly in the event Buyer is required by legal process to disclose any Confidential Information, in order to allow Seller to make reasonable efforts to obtain an appropriate protective order for any such disclosure of Confidential Information. Information shall not be considered Confidential Information under the terms of this Contract if it can be shown that the information was at the time of disclosure already known to the general public or subsequently became publicly known through no act or omission of Buyer. Buyer's obligations under this section shall survive termination of this Contract.

20. CLAIMS

Any claims for defect or variance in quality or shortage in quantity shall be made, and the Seller shall be notified and given an opportunity to inspect within two days after the product or goods are delivered, except that if delivery is made in equipment furnished by the Seller such notice and opportunity shall be given (if possible) before the product or goods are unloaded, and if delivery is made into equipment furnished by the Buyer, such notice and opportunity shall be given before the products or goods move from point of shipment. If equipment furnished by the Seller is in bad order or leaking, the Buyer shall notify the carrier and secure examination by the authorized agent of the carrier as to the condition of the shipment before the same is unloaded. Failure of the Buyer to comply with these requirements shall operate as a waiver of any and all claims by the Buyer.

21. PRODUCT GRADES

In the event Seller determines in its sole discretion that it should make available to Buyer a grade or grades of products different from those provided for herein, Seller reserves the right at any time, with reasonable prior notice to Buyer, to discontinue supplying any such product covered by this Agreement and to substitute a different grade or grades of product therefore at any time during the term of this Agreement. In the event any substitution is made, the quantities provided for the product or products substituted for shall apply to such replacement product or products and the price shall be Seller's prevailing schedule price for such replacement product. Thereafter, Seller shall be relieved for any further liability or obligation to furnish the replaced and/or discontinued product or products or grade of product.

22. GOVERNING LAW

Interpretation and enforcement of this Agreement shall be according to the law of the State of Texas, exclusive of choice of law provisions.

23. RECORDS RETENTION

Buyer shall maintain true and correct records in connection with this Agreement and all transactions related thereto for a period of not less than twenty-four (24) months after termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first above written.

CHEVRON GLOBAL AVIATION

By _____

BUYER

By _____

FUEL FARM – FUELFuel Purchased

55,290 gallons of Jet A	\$133,494.94
<u>23,636 gallons of Avgas</u>	<u>\$ 77,943.49</u>
78,926 gallons purchased	\$211,438.43

Fuel Sold To FBO

78,926 gallons	\$211,438.43
<u>65,561 gallons Sold back to FBO</u>	<u>\$172,947.27</u>
13,365 gallons remaining	\$ 38,491.16
5,742 gallons to be sold back	<u>\$ 18,604.08</u>
Airport fund cost	\$ 19,887.08

Of the 13,365 gallons remaining, 5,742 gallons is available to be sold back and will be.

The 7,623 gallons is the total remaining residual in all tanks that can not be sold back as anticipated.

The Diesel and Unleaded Motor gas will remain in tanks and will not be sold back until farm is up and running. Returned cost to the Airport Fund for this fuel is \$59,275.54.

Council Agenda Item: #R14

SUMMARY:

The Metrocrest Chamber of Commerce is in the process of recruiting nominations for the Leadership Metrocrest program.

FINANCIAL IMPACT:

Budgeted Amount: \$1,620.00 (cost covers two participants)

Cost: \$1,620.00

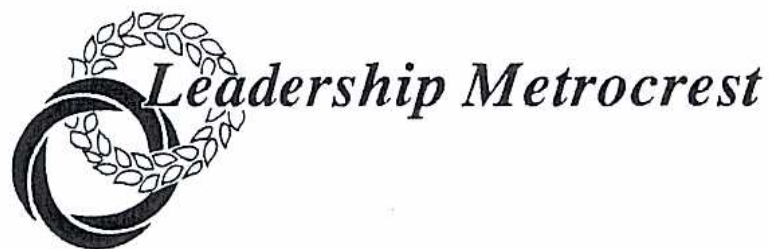
BACKGROUND:

Nominations for the 2006/07 Class of Leadership Metrocrest are currently being solicited. The Leadership Metrocrest program takes place over a nine-month period beginning with a two-day retreat in September. Participants gain knowledge on a wide range of community and governmental issues, meet community leaders, and generally broaden their knowledge of the Metrocrest community.

The Town has generally sponsored one resident and one staff member to attend Leadership Metrocrest. Feedback from attendees indicates that this has been a very valuable experience. The attendees gain knowledge, understanding, and insights that benefit the Town and the community as a whole.

RECOMMENDATION:

Staff recommends that Council consider sponsoring one resident in the 2006/2007 Leadership Metrocrest class. The City Manager will select the staff member.



June 7, 2006

Mr. Ron Whitehead
Town of Addison
P. O. Box 9010
Addison, TX 75001-9010

Dear Ron:

It is recruiting time again for Leadership Metrocrest. We look forward to the Town of Addison participating again this year for Class XVIII of this award winning Leadership Metrocrest Program! This program is a community leadership network and forum, conducted by the **METROCREST Chamber of Commerce**, to assist leaders in better understanding their communities and to facilitate their ability to contribute to the future well-being of those communities. Graduates of the program have found the experience not only educational and enlightening, but have found it useful in facilitating their participation in many levels of community service.

Over 400 area business, education, government, civic and community participants have graduated from the program over the past seventeen years. Please feel free to contact me at 972-416-6600 regarding the program or the application process. The deadline for submitting your application is August 11, 2006.

Can we count on the Town of Addison to join this group of involved citizens and send a participant through the program this year?

Sincerely,

A handwritten signature in cursive script that reads "Rita Moore".

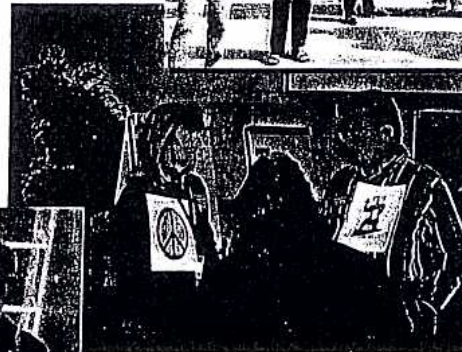
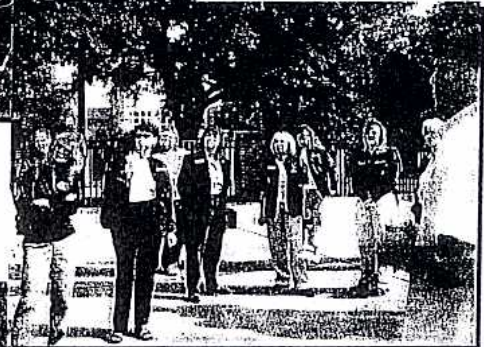
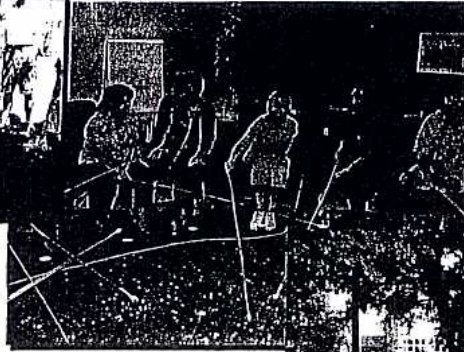
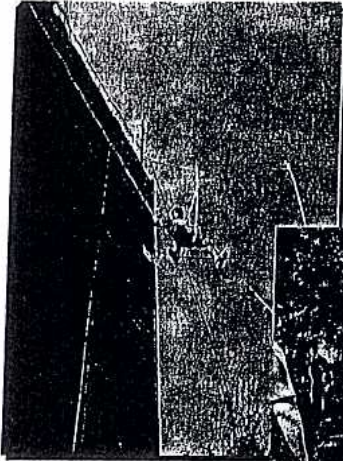
Rita Moore
Program Coordinator



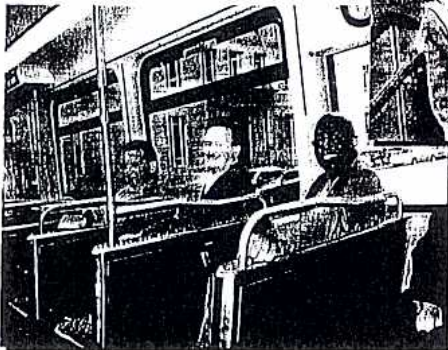
METROCREST
CHAMBER OF COMMERCE
ADDISON, CARROLLTON, FARMERS BRANCH

LEADERSHIP METROCREST

LEADERSHIP METROCREST is a program of the Metrocrest Chamber of Commerce which identifies, educates, trains and motivates potential community leaders. The goal is to provide an extensive and knowledgeable base of understanding and communication links that allow graduates to take leadership roles in the Metrocrest civic, business and non-profit organizations.



The nine-month course begins in September with a mandatory two-day retreat. Class members meet one day a month studying various aspects of the Metrocrest's inner workings, such as city, county and state government, education, business, criminal justice, economic development, transportation and environment, human services and arts and recreation. Tuition is \$800.00.



**BE PART OF
CLASS XVIII!**

CALL RITA MOORE TODAY FOR
MORE INFORMATION
972-416-6600

Previous Leadership Metrocrest Participants

Resident Appointments

Rich Beckert
Brad Bradbury
Virgil Burkhart
Greg Hirsch
Elizabeth Knott
Roger Mellow
Scott Wheeler
Todd Meier

Staff Appointments

Mark Acevedo
Sharon Bell
Rob Bourestom
Ron Davis
Hamid Khaleghipour
Noel Padden
Robert Phillips
Chris Terry
Judy Stafford

Citizen Academy Graduates
All Classes

FirstName	LastName	Street	Suite	City	State	Zip	HomePhone	OfficePhone	Email Address	Class
Anne	Adams	14893 Oaks North Dr.		Dallas	TX	75254	9723863954	9723869656	anne.adams@worldspan.com	CA00
Judy	Barrett	14637 Lexus Ave.		Addison	TX	75001-3132	9723867944	9723867944	jrbrlb@msn.com	CA00
Brad	Bradbury	3918 Bobbin Ln.		Addison	TX	75001-3101	9729908106	9729808106	HCbtex@aol.com	CA00
Gilbert	Bruneman	14848 Winnwood Rd.		Dallas	TX	75254	9722333304	9724897678	gbruneman@aol.com	CA00
Merle	Bruneman	14848 Winnwood Rd.		Dallas	TX	75254	9722333304			CA00
Virgil	Burkhardt	4007 Winter Park Ln.		Addison	TX	75001-4904	9724908517		vgburk@attbi.com	CA00
Karen	Gassett	16301 Ledgemont Ln.	Apt. 262	Addison	TX	75001-6213	9722489513	2142372015	kkgassett@worldnet.att.net	CA00
Linda	Groce	4102 Pokolodi Cir.		Addison	TX	75001-3152	9724904326			CA00
Neil	Hewitt	4014 Morman Ln.		Addison	TX	75001-4901	9729341260	9722806716	nhewitt@us.ibm.com	CA00
Gregory	Hirsch	14713 Sherlock Dr.		Addison	TX	75001-3116	4693740717	4693846531	ghirsch@ci.addison.tx.us	CA00
Andrew	Hoelle	3914 Azure Ln.		Addison	TX	75001-3105	9722478106		ahoelle@hotmail.com	CA00
Richard	Jeffcoat	4910 Goodman Ave.	Apt. 1921	Addison	TX	75001-6677	9723851835			CA00
Robert	Karl	15658 Witt Pl.	Apt. 4236	Addison	TX	75001-3379	9727611292	9726874788	Bob_Karl@msn.com	CA00
Elizabeth	Knott	14925 Oaks North Dr.		Dallas	TX	75254	9729606408	2145056555	Elizabeth@knott.org	CA00
Jimmy	Niemann	14921 Bellbrook Dr.		Dallas	TX	75254-7673	9723873135	2147822850	jniemann@e-rewards.com	CA00
Beverly	Roberts	4040 Morman Ln.		Addison	TX	75001-7945	9723929460	9728512181	bevrob2@aol.com	CA00
Kathleen	Schaffer	17037 Knots Landing		Addison	TX	75001-5033	9722480243	9724232225	shomble@aol.com	CA00
Virginia	Wallace	14820 Le Grande Dr.		Addison	TX	75001-4911	9724507038	9729802665	vballace@comcast.net	CA00
Bob	Baumann	4004 Sherry Lane		Addison	TX	75001	9728660070	9728669199	Bob-baumann@attti.com	CA00
Ted	Bernstein	3875 Weller Run Ct.		Addison	TX	75001	9724069677	N/A	t.bernstein@sbcglobal.net	CA02
Stephen	Blum	17030 Planters Row		Addison	TX	75001	2143947827	9727206645	Steve@frontlineimaging.com	CA02
B.L.	Brady	3876 Weller Run Ct.		Addison	TX	75001	9724886791		blbrady@aol.com	CA02
Anita	Braun	14616 Lexus Avenue		Addison	TX	75001	9723850706		TKBrauns@attbi.com	CA02
Tom	Braun	14616 Lexus Dr.		Addison	TX	75001	9723871557		TKBrauns@attbi.com	CA02
Barbara	Colegrove	15022 Bellbrook Drive		Dallas	TX	75254	9723871557	9725292444	baracole@aol.com	CA02
Patricia	French	3876 Weller Run Ct.		Addison	TX	75001	9724886791	9724886791		CA02
Bob	Jacoby	4016 Rive Lane		Addison	TX	75001	9722334536	9724886791	bjacoby@yahoo.com	CA02
Sheridan	Jones	3911 Bobbin Lane		Addison	TX	75001	9722392239	2146511447	thinkskj@worldnet.att.net	CA02
Ursula	Kelley	14616 Heritage		Addison	TX	75001	9723850171	9722392239	thinkskj@worldnet.att.net	CA02
Dennis	Kraft	14726 Celestial Pl.		Dallas	TX	75254	9727261812	9725712801	ursula3ita@aol.com	CA02
Irina	Marchenko	4130 Proton 50-B		Addison	TX	75001	9723874244	9729915800	Krafthouse@aol.com	CA02
Barbara	Mathews	14625 Lexus Avenue		Addison	TX	75001	9726615485		crockie@swbell.net	CA02
Roger	Mellow	14840 Lochinvar Drive		Dallas	TX	75254	9723875785	9722326023	Roger@mellownet.com	CA02
Margaret	Miles	14664 Bentwater Ct.		Addison	TX	75001	9722436068	9723875785	fancitoo@attbi.com	CA02
John	Parker	14677 Wayside Ct.		Addison	TX	75001	9722441833			CA02
Skip	Robbins	14770 Maiden Ct.		Dallas	TX	75254	9727884083	9724041034	jbphh20@aol.com	CA02
Phyllis	Silver	15720 Artist Way #4912		Addison	TX	75001	9726224340	9726057526	skip1019@aol.com	CA02
Donald	Walden	3785 Waterford Drive		Addison	TX	75001	9726224340	9726224340		CA02
John	Bailey	4093 Oberlin Way		Addison	TX	75001-7955	9722412857			CA02
Cathy K.	Bernstein	3875 Weller Run Ct.		Addison	TX	75001	2147271347	9726618472	jaabailey@mtiamerica.com	CA02
Robert D.	Brewster	3781 Waterside Ct.		Addison	TX	75001	9724069677	n/a	t.bernstein@sbcglobal.net	CA02
James R.	Christensen	3880 Emerald Ct.		Addison	TX	75001	9722475968	9724208314	Frog4900@aol.com	CA02
Alessandra	Day	14593 Blueberry Ct.		Addison	TX	75001	9726201270	9726503434	jim-christensen@webtv.net	CA02
Michael	Day	14593 Blueberry Ct.		Addison	TX	75001	97240-0959		m.day7@comcast.net	CA02
				Addison	TX	75001	9724060959		m.day7@comcast.net	CA02

**Citizen Academy Graduates
All Classes**

Chris	DeFrancisco	3917 Bobbin Ln.			Addison TX	75001	9723923572	2145154964	Christofrancisco@frostbank.com	CA98
Kathryn	Farrer	4815 Westgrove Dr.	#301		Addison TX	75001	9727139293	n/a	KLFARRER@EV1.net	CA98
Sena Lou	Fulmer	17031 Knots Landing			Addison TX	75001	9722500127	9727536841	genaf@comcast.net	CA98
Carlena	Gilbreth	3728 Brookhaven Club Dr.			Addison TX	75001	9722432861	n/a	n/a	CA98
Glenda	Hoelle	3914 Azure Ln.			Addison TX	75001	9722478106	n/a	ghoelle@yahoo.com	CA98
Albert	Jandura	14936 Oaks North Dr.			Dallas TX	75254	9727020202	9727020202	AJANDURA@swbell.net	CA98
Richard E.	Jeffcoat	15725 Artist Way	#11040		Addison TX	75001	9723851835	n/a	n/a	CA98
Todd C.	Meier	14857 Towne Lake Cir.			Addison TX	75001	9722395882	2145618731	TCM51@msn.com	CA98
Daniel	Moulton	3901 Azure Ln.			Addison TX	75001	9726207523	9726207523	dan.moulton@comcast.net	CA98
Bianca	Noble	4008 Bobbin Ln.			Addison TX	75001	9723858573	9724533186	bianca.noble@verizon.com	CA98
Scott	Noble	4008 Bobbin Ln.			Addison TX	75001	9723858573	9723851880	snoble 99@yahoo.com	CA98
Cathy A.	Norton	14640 Waterview Cr.			Addison TX	75001	9722474047	2143609951	calicatnortone@yahoo.com	CA98
Feresa	Perry	3837 Azure Ln.			Addison TX	75001	9724881862	4692313353	bperrybap@comcast.net	CA98
Sandra	Silver	3822 Canot Ln.			Addison TX	75001	9722430023	9724580400	SJSILVER@swbell.net	CA98
Sheldon	Srulevitch	3832 Park Pl.			Addison TX	75001	9722479667	n/a	RBS99@aol.com	CA98
Sara Lynn	Stokes	3901 Azure Ln.			Addison TX	75001	9726207523	2147682270	lynnstokes@comcast.net	CA98
Alden D.	Tinnin	4130 Proton Dr.	#50-B		Addison TX	75001	9723874244	9727649386	atinnin@swbell.net	CA98
Lori	Ward	14801 Lake Forest Dr.			Dallas TX	75254	9723929295	2148407188	Loriward@Deloitte.com	CA98
Kathryn	Wheeler	14925 Havenshire Pl.			Dallas TX	75254	9725036777	n/a	wheelerskw@comcast.net	CA98
Feresa J.	Wilkin	4133 Towne Green Cir.			Addison TX	75001	2146931503	n/a	teresawilkin@yahoo.com	CA98
Alan	Wood	14609 Lexus Ave.			Addison TX	75001	9729912911	2145593900	alan.b.wood@sbcglobal.net	CA98
Katherine	Wood	14609 Lexus Ave.			Addison TX	75001	9729912911	n/a	Wood family@sbcglobal.net	CA98
Stanley	Aitguayefio	17200 Westgrove Dr.	Apt. 434		Addison TX	75001	9722503178	N/A	jrbrlb@msn.com	CA98
Bob	Barrett	14637 Lexus Ave.			Addison TX	75001-3132	9723867944	9723867944	laurel.brewster@dal.frb.org	CA98
Laurel	Brewster	3822 Azure Ln.			Addison TX	75001-7901				CA98
Robert	Brewster	3822 Azure Lane			Addison TX	75001				CA98
Lary	Brown	383 Lakeview Court			Addison TX	752001	9726207098	9729970700		CA98
John	Caris	3883 Weller Run Ct.			Addison TX	75001	9722472988			CA98
Doreen	Cluck	3734 Brookhaven Club Dr.			Addison TX	75001	9722413905			CA98
John	Cummings	3817 Azure Ln.			Addison TX	75001-7902	9722471384			CA98
Don	Daseke	5656 Celestial Rd.			Dallas TX	75254	9729609015			CA98
Carol	Doepfner	4006 Bobbin Ln.			Addison TX	75001-3103	9722339722	9723073229		CA98
Mary	Edrich	4015 Bobbin Ln.			Addison TX	75001-3104	9723927561	9723927561	blbrady1@aol.com	CA98
Bonnie	Hill	14700 Marsh Ln.	#1025		Addison TX	75001	9724889991	9724889990		CA98
David	Holmes	3880 Lakeview Ct.			Addison TX	75001	9726209755	9728889382		CA98
Charles	Hughes	14639 Waterview Circle			Addison TX	75001				CA98
Paula	Jandura	14936 Oaks North Dr.			Dallas TX	75254	9727020202		jandura@swbell.net	CA98
John	Jeffers	4015 Bobbin Ln.			Addison TX	75001-3104				CA98
Robert	Mason	3834 Azure Lane			Addison TX	75001	9722410964			CA98
John	Meleky	17030 Vinland Dr.			Addison TX	75001	9722484799	9727132895		CA98
Karen	O'Neill	14723 Sherlock Dr.			Addison TX	75001-3116	9727749534	9726630500		CA98
Peggy	Petty	3768 Waterford Dr.			Addison TX	75001	9724843628	2148558205		CA98
Jee	Saunders	3796 Waterford Dr.			Addison TX	75001-7952	9724881914			CA98
Joan	Tuma	4021 Azure Lane			Addison TX	75001	9723850421			CA98
Jale	Wilcox	3868 Lakeview Ct.			Addison TX	75001				CA98

Citizen Academy Graduates
All Classes

1998 Graduates



2000 Graduates



2002 Graduates



2004 Graduates



Council Agenda Item: #R15

SUMMARY:

For the City Council to consider a resolution endorsing the support for regional rail that has been recommended by DART, DCTA, and the T.

FINANCIAL IMPACT:

Revenue Budgeted Amount: \$N/A

Cost: \$N/A

BACKGROUND:

Recently, the Dallas Area Rapid Transit (DART), the Denton County Transit Authority (DCTA), and the Fort Worth Transportation Authority (The T) approved a "Joint Recommendation for Regional Rail in North Central Texas". The purpose of the recommendation is to exempt the transit sales tax from the local sales tax cap of 2%. This would allow those cities that are members of a transit authority to have capacity available for 4A/4B or other purposes such as crime control districts, economic development, etc. It would also allow cities that are not members of a transit authority to join one.

We believe that exempting the transit sales tax cap would level the playing field for members of a transit authority and advance regional transit opportunities. If the resolution is approved it will be forwarded to the Regional Transit Review Committee who will be meeting on Monday, Sept. 18, from 2 to 4 p.m. at the Irving Arts Center, 3333 North MacArthur Blvd.

RECOMMENDATION:

Administration recommends approval.

RESOLUTION NO. _____

**A RESOLUTION FOR DART MEMBER CITIES TO SUPPORT THE JOINT
RECOMMENDATION FOR REGIONAL RAIL AS APPROVED BY THE BOARDS OF DART,
DCTA & THE T**

BE IT RESOLVED BY THE TOWN OF ADDISON CITY COUNCIL:

WHEREAS, THE City Council of the Town of Addison is endorsing the "Joint Recommendation for Regional Rail in North Central Texas" as approved by the Boards of the Dallas Area Rapid Transit (DART), Denton County Transportation Authority (DCTA), and the Fort Worth Transportation Authority (The T) that supports the concept of local option funding of public transit in the region by exempting an amount equal to the locally authorized transit tax from the 2% local sales tax cap; and

WHEREAS, the Town of Addison is firmly committed to supporting regional efforts toward addressing the mobility and air quality needs of its citizens and for future generations; and,

WHEREAS, the Town of Addison believes that the best approach to achieving the goal of providing additional funding capacity to expand rapid transit in the region is by exempting an amount equal to the locally authorized metropolitan transit sales tax from the 2% sales tax cap; and,

WHEREAS, exempting the transit sales tax will also allow current transit member cities to have capacity available for 4A/4B or other purposes such as crime control districts; and,

WHEREAS, exempting the transit sales tax will also allow non-transit cities the capacity available to join an existing transit authority; and,

WHEREAS, among the existing transit authorities in the region – DART, The T and DCTA – there exists expertise and evidence of cooperation on current and future rail projects that demonstrates their ability to successfully expand rail transit in the region; and,

WHEREAS, the citizens of Town of Addison want to ensure that the quality of life remains high in the region and our economy strong and competitive, and transit has an important role in achieving this goal as the population continues to grow toward eight million in the very near future; and

NOW, THEREFORE, BE IT RESOLVED:

That the Town of Addison hereby agrees and supports the "*Joint Recommendation for Regional Rail in North Central Texas*" as put forth by DART, DCTA and The T on the regional transit issue and strongly urges the 80th Texas Legislature to pass legislation exempting an amount equal to the locally authorized transit sales tax from the 2% local sales tax cap in the 9 counties of North Texas that are designated by the Environmental Protection Agency as "non-attainment" for federal air quality standards.

DULY ADOPTED on the 12th of September 2006

APPROVED:

Joe Chow, Mayor

ATTEST:

CITY SECRETARY




DCTA




JOINT RECOMMENDATION FOR REGIONAL RAIL IN NORTH CENTRAL TEXAS

The three existing transit authorities support expanding meaningful public transit in North Texas through our existing organizations. Such transit authorities support the Statement of Principles for the Implementation of a Regional Rail System in North Central Texas agreed to in August 2004 by regional leadership under the following conditions:


- New regional rail projects will require new sources of funding. The State authorized Sales and Use Tax has been the primary means of funding public transit service within the region, and the magnitude of the required funding will most likely dictate that sales tax should be the source of funds for new regional rail projects. However, most cities in the region do not have the ability to fund public transit services because sales and use tax capacity has been committed to other uses.
- The three existing transit authorities support local option funding of public transit in the region by exempting an amount equal to the locally authorized transit sales tax from the 2% cap in the following counties:
 - Tarrant
 - Parker
 - Johnson
 - Denton
 - Wise
 - Dallas
 - Collin
 - Rockwall
 - Ellis
- This action would provide an equitable means of allowing “non-transit” jurisdictions to determine as a local option whether or not they would choose to fund public transit, while allowing jurisdictions that currently support public transit to determine whether they would choose to allocate sales tax capacity for non-transit uses (up to the existing cap).
- We support a determination of citizens’ support of a regional rail system outside the existing transit authorities’ territory or service area, and inside The T’s service area.
- Formation of a 4th transit entity is not recommended.



 DART, Chairman of the Board


 DART, President/Executive Director


 DCTA, Chairman of the Board


 DCTA, Executive Director


 The T, Chair of the Board


 The T, President/Executive Director