



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

AGENDA

WORK SESSION OF THE CITY COUNCIL

6:00 P.M.

AND

REGULAR MEETING OF THE CITY COUNCIL

7:30 P.M.

FEBRUARY 24, 2009

TOWN HALL

5300 BELT LINE ROAD

WORK SESSION

Item #WS1 - Discussion regarding an integrated web casting and public meeting management technology to enable users to access live broadcasts and/or on-demand video of Addison public meetings.

Item #WS2 - Discussion regarding the Addison Advocates Volunteer Program.

REGULAR SESSION

Pledge of Allegiance

Item #R1 - Consideration of Old Business.

Introduction of Employees

Discussion of Upcoming Events

Item #R2 - Consent Agenda.

#2a - Approval of the Minutes for:

February 10, 2009, Regular City Council Meeting and Work Session
February 12, 2009, Special Meeting of the City Council

Item #R3 - Swearing in of Don Daseke as Council Member filling a vacancy (by appointment) in the position of City Council Member of the Town of Addison until the May 9, 2009, general Town election.

Item #R4 - Presentation, discussion and **PUBLIC HEARING** regarding a proposed structure for the management agreement for Addison Airport.

Item #R5 - Discussion and consideration of approval of a purchase from Paradigm Traffic Systems, Inc., for traffic signal equipment in the amount of \$564,120.00, for the Town Wide Signal Upgrade Project.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

Item #R6 - Discussion and consideration of approval of a purchase from Motorola, Inc., through HGAC (Houston-Galveston Area Council) of a wireless traffic signal communication system in the amount of \$94,741.00, as part of the Town Wide Signal Upgrade Project.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

Item #R7 - Discussion and consideration of approval of an ordinance providing for an exception to the City's sign ordinance (Sec 62-138, Holiday decorations) for the Village on the Parkway, 5100 Belt Line Road, Suite 1000 (Bed Bath and Beyond) to allow the continuous use of roofline decorative lighting.

Attachments:

1. Staff Report
2. Application
3. Plat w/picture

Administrative Recommendation:

Administration recommends denial.

Item #R8 - Discussion and consideration of approval of a resolution designating the Dallas Morning News as the Town of Addison's official newspaper of record.

Attachments:

1. Council Agenda Item Overview
2. Resolution

Administrative Recommendation:

Administration recommends approval.

Item #R9 - Discussion and consideration of approval of a contract between the Dallas Morning News and the Town of Addison for the publication of notices and advertisements.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

Item #R10 - Presentation of and discussion regarding the 1st Quarter Quarterly Review for the Period and Year Ended December 31, 2008.

Attachment:

1. Report
-

Item #R11 - Discussion and consideration of approval for the Police Department to purchase forty-three new ballistic vests for the majority of its sworn officers.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

Item #R12 - Submission, presentation, and discussion of a Racial Profiling Report to the City Council as required by State law.

Attachment:

1. Report
-

Item #R13 - Consideration and approval to enter into an agreement with Shiroma Southwest to provide public relations and media publicity programs to promote Addison Perks and certain special events in the Town of Addison.

Attachments:

1. Council Agenda Item Overview
2. Agreement
3. Summary of 2008 PR Value

Administrative Recommendation:

Administration recommends approval.

Item #R14 - Consideration and approval to enter into an agreement with jimbockrause to develop a brand position for the Town of Addison in amount not to exceed \$40,000.

Attachments:

1. Council Agenda Item Overview
2. Branding Proposal Agreement

Administrative Recommendation:

Administration recommends approval.

Item #R15 - Discussion and consideration of approval of an amendment to the Town's agreement with jimbockrause to provide marketing consultation, creative ad production services, administrative and account oversight for the Town's 2009 marketing and special events initiatives.

Attachments:

1. Council Agenda Item Overview
2. New Fee Proposal
3. Amendment to Original Agreement
4. Original Agreement

Administrative Recommendation:

Administration recommends approval.

Item #R16 - Discussion and consideration of approval of the payment of \$50,000.00 to assist with advertising for Cavanaugh Museum.

Attachments:

1. Council Agenda Item Overview
2. Cavanaugh Letter
3. Cavanaugh Total PR Values 2008

Administrative Recommendation:

Administration recommends approval.

Item #R17 - Discussion and consideration of approval of a Supplemental Agreement to the Agreement for Professional Service with Icon Consulting Engineers, Inc., in an amount not to exceed \$58,500.00, for additional professional services on the Vitruvian Park Phase 1 Infrastructure project.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

EXECUTIVE SESSION

Item #ES1 - Closed (executive) session of the City Council pursuant to Section 551.074, Texas Government Code, to deliberate a performance evaluation and employment of the City Manager.

Item #R18 - Discussion and consideration of approval of a compensation agreement between the Town and the City Manager.

Adjourn Meeting

Posted:
February 20, 2009 at 5:00 P.M.
Lea Dunn - 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.**

Council Agenda Item **#WS1**

There are no attachments for this Item.

Council Agenda Item **#WS2**

There are no attachments for this Item.

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

February 10, 2009
6:00 P.M. – Town Hall
5300 Belt Line Road
Upstairs Conference Room

Council Members Present:

Mayor Chow, Councilmembers Braun, Hirsch, Lay, Mellow and Niemann

Absent: None

Work Session

Item #WS1 - Discussion regarding the Town of Addison Worldfest Special Event for 2009.

Barbara Kovacevich led the discussion regarding the Town of Addison Worldfest Special Event for 2009.

There was no action taken.

Item #WS2 - Discussion regarding tree replacement and protection provisions of the Town's comprehensive zoning ordinance.

Slade Strickland led the discussion regarding tree replacement and protection provisions of the Town's comprehensive zoning ordinance.

There was no action taken.

Mayor-Joe Chow

Attest:

City Secretary-Lea Dunn

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

February 10, 2009
7:30 P.M. – Town Hall
5300 Belt Line Road
Council Chambers

Present: Mayor Chow, Councilmembers Braun, Hirsch, Lay, Mellow and Niemann

Absent: None

Regular Session

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Kimberly Bettis with the Human Resources Department and Raymond Wiley with the Parks and Recreation Department.

Item #R2 - Consent Agenda.

#2a - Approval of the Minutes for:

January 27, 2009, Regular City Council Meeting and Work Session

Councilmember Niemann moved to duly approve the January 27, 2009, Regular City Council Meeting and Work Session Minutes.

Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow, Niemann

Voting Nay: None

Absent: None

Item #R3 - Discussion and consideration of approval of award of a contract to One Hall Environmental, Dallas, Texas, to demolish structures at 15810 and 15812 Addison Road, and remove and recycle resultant debris and recyclable materials.

Councilmember Braun moved to duly approve of a contract to One Hall Environmental, Dallas, Texas, to demolish structures at 15810 and 15812 Addison Road, and remove and recycle resultant debris and recyclable materials.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R4 - Discussion and consideration of approval of a contract with Schwartz Construction Company, Inc., totaling \$47,298.00, for park structure painting and repairs.

Councilmember Mellow moved to duly approve a contract with Schwartz Construction Company, Inc., totaling \$47,298.00, for park structure painting and repairs.

Councilmember Lay seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R5 - Discussion and consideration of approval of a contract with American Landscape Systems totaling \$44,144.75, for miscellaneous landscape renovation work.

Councilmember Niemann moved to duly approve a contract with American Landscape Systems totaling \$44,144.75, for miscellaneous landscape renovation work, subject to changing the threshold to \$10,000.

Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R6 - Discussion and consideration of approval of maintaining Airport Access Fee Rates at their current levels of \$.08 per gross square foot of land area for Commercial Aviation Uses and \$750/year flat rate for Recreational/Incidental Business Use through September 30, 2010.

Councilmember Mellow moved to duly approve maintaining Airport Access Fee Rates at their current levels of \$.08 per gross square foot of land area for Commercial Aviation Uses and \$750/year flat rate for Recreational/Incidental Business Use through September 30, 2010.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R7 - Presentation, discussion and **PUBLIC HEARING** regarding a proposed structure for the management agreement for Addison Airport.

Mayor Chow opened the meeting as a public hearing.

The following Addison residents spoke:

Mr. Todd Meier, 3785 Park Place, Addison, TX 75001

Mr. Ray Ryland, 14817 Surveyor, Addison, TX 75001

Mayor Chow closed the meeting as a Public Hearing.

Chris Terry introduced this Item and John Hill presented an overview of the proposed structure for the management agreement. Councilmember Niemann led the discussion regarding the proposed structure for the management agreement for Addison Airport.

There was no action taken.

Item #R8 - **PUBLIC HEARING** (Case 1570-SUP/The Melting Pot) on and discussion and consideration of approval of an ordinance approving an amendment to an existing Special Use Permit for a restaurant, and an amendment to an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, located at 4900 Belt Line Road, Suite 200, on application from The Mad Mango Group, Dallas, represented by Mr. Jeff Raines.

Mayor Chow opened the meeting as a public hearing. No one spoke. Mayor Chow closed the meeting as a Public Hearing.

Councilmember Niemann moved to duly approve Ordinance 009-001 approving an amendment to an existing Special Use Permit for a restaurant, and an amendment to an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, located at 4900 Belt Line Road, Suite 200, on application from The Mad Mango Group, Dallas, represented by Mr. Jeff Raines, subject to the following condition:

-The remainder of this building shall be fully provided with fire sprinklers prior to the issuance of a Certificate of Occupancy for the expansion of this restaurant.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann

Voting Nay: None

Absent: None

Councilmember Braun recused himself for Item #R9 and left Council Chambers. He did not participate in the discussion or vote.

Item #R9 - **PUBLIC HEARING** (Case 1573-Z/Town of Addison) on and discussion and consideration of an ordinance amending Planned Development Ordinance #007-034, in order to amend Exhibit D, Street Standards, Street A – Residential Boulevard, located on a 99.176 acre tract of land located in the Brookhaven Club area of the Town (an area being bounded on the north by Spring Valley Road, on the east by the City of Farmers Branch, on the south by Brookhaven Community College and the City of Farmers Branch, and on the west by Marsh Lane), on application from the Town of Addison.

Councilmember Mellow moved to duly approve Ordinance 009-002 amending Planned Development Ordinance #007-034, in order to amend Exhibit D, Street Standards, Street A – Residential Boulevard, located on a 99.176 acre tract of land located in the Brookhaven Club area of the Town (an area being bounded on the north by Spring Valley Road, on the east by the City of Farmers Branch, on the south by Brookhaven Community College and the City of Farmers Branch, and on the west by Marsh Lane), on application from the Town of Addison.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None
Abstaining: Braun

Councilmember Braun returned to Chambers.

Item #R10 - Discussion and consideration of approval of an appointment of a member to the Board of Zoning Adjustment to replace Bianca Noble (appointed by Councilmember Niemann).

Councilmember Niemann requested Item #R10 be removed for consideration and that it be addressed during a future Council Meeting.

No action was taken.

Item #R11 - Presentation by the Addison Planning and Zoning Commission Chairman and discussion of a proposed Green Building Program for the Town.

Addison Planning and Zoning Commission Chairman Jamie Gaines made the presentation and led the discussion of a proposed Green Building Program for the Town.

There was no action taken.

Item #R12 - Presentation by the Addison Planning and Zoning Commission Chairman and discussion of the Commission's 2008 Annual Report to the City Council.

Addison Planning and Zoning Commission Chairman Jamie Gaines made the presentation and led the discussion of the Commission's 2008 Annual Report to the City Council.

There was no action taken.

Item #R13 - Discussion and consideration of approval of a resolution endorsing certain legislative changes to enhance the competitive electric market supported by the Cities Aggregation Power Project (CAPP).

Councilmember Niemann moved to duly approve Resolution R09-002 endorsing certain legislative changes to enhance the competitive electric market supported by the Cities Aggregation Power Project.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann

Voting Nay: None

Absent: None

Item #R14 - Discussion and consideration of approval of a resolution to enter into a joint election agreement and election service agreement in the amount of \$6,000.00, with Dallas County to conduct Addison's Municipal Elections on May 9, 2009.

Councilmember Braun moved to duly approve Resolution R09-003 to enter into a joint election agreement and election service agreement in the amount of \$6,000.00, with Dallas County to conduct Addison's Municipal Elections on May 9, 2009.

Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann

Voting Nay: None

Absent: None

Item #R15 - Consideration and approval of (i) an ordinance calling for a general election to be held on May 9, 2009 for the purpose of electing one (1) Mayor for a two (2) year term and three (3) Councilmembers for two (2) year terms each, and of (ii) a resolution calling for a special election to be held on May 9, 2009 for the purpose of electing one (1) Councilmember for a one (1) year unexpired term.

Councilmember Niemann moved to duly approve (i) Ordinance 009-003 calling for a general election to be held on May 9, 2009 for the purpose of electing one (1) Mayor for

a two (2) year term and three (3) Councilmembers for two (2) year terms each, and of (ii) Resolution R09-004 calling for a special election to be held on May 9, 2009 for the purpose of electing one (1) Councilmember for a one (1) year unexpired term.

Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R16 - Discussion and consideration of approval of the Comprehensive Analysis and Strategic Plan for Delivery of Police, Fire and Code Enforcement by the International City/County Management Association (ICMA).

Councilmember Niemann moved to duly approve the Comprehensive Analysis and Strategic Plan for Delivery of Police, Fire and Code Enforcement by the International City/County Management Association (ICMA).

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R17 - Discussion and consideration of the acceptance of the resignation of Todd Meier as a Councilmember of the Addison City Council.

Councilmember Niemann moved to duly approve the acceptance of the resignation of Todd Meier as a Councilmember of the Addison City Council.

Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow and Niemann
Voting Nay: None
Absent: None

Item #R18 - Discussion regarding filling the vacancy on the City Council created by the resignation of Todd Meier.

There was no discussion.

No action was taken.

At 10:08 P.M., Mayor Chow announced that Council would convene into Executive Session to discuss the following Item:

Item #ES1 - Closed (executive) session of the City Council pursuant to Section 551.074, Texas Government Code, to deliberate a performance evaluation and employment of the City Manager.

The Council came out of Executive Session at 11:35 P.M.

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

Mayor-Joe Chow

Attest:

City Secretary-Lea Dunn

**OFFICIAL ACTIONS OF SPECIAL MEETING
OF THE CITY COUNCIL**

February 12, 2009
7:30 P.M.-Town Hall
Council Chambers
5300 Belt Line Road
Dallas, TX 75254

Present: Mayor Chow, Councilmembers Braun, Hirsch, Lay, Mellow and Niemann

Absent: None

Item #S1 - Discussion and consideration of approval of appointment of a person to fill a vacancy in the office of Council Member of the City Council.

Councilmember Niemann moved to duly approve of the appointment of Don Daseke to fill a vacancy in the office of Council Member of the City Council.

Councilmember Hirsch seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Lay, Mellow, Niemann

Voting Nay: None

Absent: None

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

Mayor-Joe Chow

Attest:

City Secretary-Lea Dunn

Council Agenda Item: #R3

There are no attachments for this Item.

Council Agenda Item: #R4

There are no attachments for this Item.

Council Agenda Item: #R5

SUMMARY:

This item is to purchase from Paradigm Traffic Systems, Inc. traffic signal equipment in the amount of \$564,120 for the Town Wide Signal Upgrade Project.

FINANCIAL IMPACT:

| | | | |
|----------|---|-----------------------------|--------------------|
| Funding: | NCTCOG Project | Federal Participation | \$465,130 |
| | | RTR Funds | \$324,000 |
| | | Local Participation | <u>\$155,050</u> |
| | | | \$944,180 |
| | Dallas County Project (upgrade signals on Midway road only) | | |
| | | Dallas County Participation | \$196,000 |
| | | Local Participation | <u>\$196,000</u> |
| | | | \$392,000 |
| | Total Signalization Project | | <u>\$1,336,180</u> |

The Town's local share of \$351,050 is available in the Street Capital Project Fund.

Project Manager: Nancy Cline

BACKGROUND:

This project includes upgrading traffic signal controllers (new equipment) progression timing, video detection, and the creation of a traffic signal communication system. These upgrades will standardize our traffic signal system hardware, allow for remote management of traffic signal operations from a central control center, and update all traffic signal timing plans.

This project began in 2002 with the Town's request for funding from Dallas County, the Federal Government through TXDOT, and DART LAP funds. Dallas County would contribute \$196,000 with a \$196,000 match of Town funds, the Federal Government, through TXDOT, would contribute \$465,129 with a Town match of \$155,043. The Town's \$196,000 match was to come from a transfer of funds from the Town's Railroad Quiet Zone project and the \$155,043 match was to come from then existing DART LAP funds. The total project cost was to be \$1,012,172. Since then, the Town was successful in acquiring \$324,000 in Regional Toll Revenue funds that bring the new total amount to \$1,336,172.

The project was delayed until the funding could be obtained to add equipment bringing video feed to a central control center at the Addison Service Center. In order to expedite the project, obtain specific equipment, and utilize available discounts Public Works has divided aspects of the project accordingly. The signal cabinets complete with controllers and related equipment are a sole source purchase represented in this agenda item. The communication equipment will be purchased from Motorola through HGAC, the computer equipment will be

secured by the Towns' IT Department and construction/installation of all hardware will be bid shortly by the Town's Finance Department.

This item is the first of three procurements associated with the traffic signal project that will eventually total over \$1.3 million. This agenda item includes \$429,620 for equipment, \$116,900 for two workstation licenses, server licenses, communication system software and installation and training and \$17,600 for the first year of the maintenance agreement. Total cost \$564,120.

RECOMMENDATION:

Staff recommends awarding this contract in the amount of \$564,120 for traffic signal equipment for the Town Wide Signal Upgrade Project to Paradigm Traffic Systems, Inc.

Council Agenda Item: #R6

SUMMARY:

This item is to purchase from Motorola, Inc. through HGAC (Houston-Galveston Area Council) a wireless traffic signal communication system in the amount of \$94,741 as part of the Town Wide Signal Upgrade Project.

FINANCIAL IMPACT:

| | | | |
|------------------|---|-----------------------------|--------------------|
| Budgeted Amount: | NCTCOG Project | Federal Participation | \$465,129 |
| | | RTR Funds | \$324,000 |
| | | Local Participation | <u>\$155,043</u> |
| | | | \$944,172 |
| | Dallas County Project (upgrade signals on Midway road only) | | |
| | | Dallas County Participation | \$196,000 |
| | | Local Participation | <u>\$196,000</u> |
| | | | \$392,000 |
| | Total Signalization Project | | <u>\$1,336,180</u> |

The Town's local share of \$351,050 is available in the Street Capital Project Fund.

Project Manager: Nancy Cline

BACKGROUND:

The complete project includes upgrading traffic signal controllers (new equipment) progression timing, video detection, and the creation of a traffic signal communication system. These upgrades will standardize our traffic signal system hardware, allow for remote management of traffic signal operations from a central control center, and update all traffic signal timing plans.

This project began in 2002 with the Town's request for funding from Dallas County, the Federal Government through TXDOT, and DART LAP funds. Dallas County would contribute \$196,000 with a \$196,000 match of Town funds, the Federal Government, through TXDOT, would contribute \$465,129 with a Town match of \$155,043. The Town's \$196,000 match was to come from a transfer of funds from the Town's Railroad Quiet Zone project and the \$155,043 match was to come from then existing DART LAP funds. The total project cost was to be \$1,012,172. Since then, the Town was successful in acquiring \$324,000 in Regional Toll Revenue funds that bring the new total amount to \$1,336,172.

The project was delayed until the funding could be obtained to add equipment bringing video feed to a central control center at the Addison Service Center. In order to expedite the project, obtain specific equipment, and utilize available discounts Public Works has divided aspects of the project accordingly. The wireless traffic signal communication system provided by Motorola through HGAC is represented in this agenda item. This is the second

of three equipment purchases. The third and last one will be computer equipment secured by the Towns' IT Department.

This agenda item purchases a wireless communication system that allows communication between traffic signal controllers enhancing vehicle progression, and provides remote monitoring of all signalized intersections.

RECOMMENDATION:

Staff recommends awarding this contract in the amount of \$97,741 for a wireless traffic signal communication system for the Town Wide Signal Upgrade Project to Motorola, Inc.

**MERITORIOUS EXCEPTION TO THE ADDISON SIGN ORDINANCE
STAFF REPORT**

ME 2009-1

Date: February 10, 2009

Business: Village on the Parkway

Address: 5100 Belt Line Rd Suite 1000 (Bed Bath & Beyond)

| <u>Ordinance Requirement</u> | <u>Request</u> | <u>Variance</u> |
|--|---|---|
| <p>Sec. 62-138. Holiday decorations.</p> <p>All holiday decorations in districts zoned for single-family residential use are exempt from the following regulations. Nothing in this section shall be construed to prevent tree lights or attached building lights of a primarily decorative nature, clearly incidental and customary and commonly associated with any national, local, or religious holiday, provided such lights shall be dispalyed November 15 to January 15 only. Additionally, the code enforcement officer may allow tree lights and grant a permit if such lights meet the following criteria:</p> <ol style="list-style-type: none"> (1) Such lights do not camouflage or divert attention from traffic signals or directional signs; (2) Such lights and wiring thereto is in conformity with the electrical code of the town; (3) Such lights and wiring shall not glare upon the street or adjacent property; and (4) Such lights shall not blink, flash, or move by any means. (5) Such lights shall be installed in accordance with figure 62-138.5, as approved by resolution of the city council. | <p>The applicant is requesting attached type decorative lighting on a continuous basis.</p> | <p>The ordinance only allows attached decorative type lighting from Nov 15 to Jan 15.</p> |

STAFF RECOMMENDATION: It is the opinion of the staff that these types of lights used on a continuous basis presents an ongoing maintenance requirement. Many times lights burn out giving a sporadic gapping apperance that distracts from the the appearance of the building. Therefore staff recommends denial.

STAFF:


Lynn Chandref, Building Official

#R7



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

Application for Meritorious Exception to the Town of Addison Sign Ordinance

Application Date: 2/11/09 Filing Fee: \$200.00

Applicant: Village on the Parkway - G&I VOP-LP

Address: 5100 Beltline Rd Suite#: 840

Dallas TX 75254 Phone#: 972-308-0100
City State Zip

Fax#: 972-308-0102

Status of Applicant: Owner X Tenant _____ Agent _____

Location where exception is requested:

Roofline of Bldg Bath Beyond - second & third roofline

Reasons for Meritorious Exception:

Request permanent use of roof line lighting to draw attention to the center. The owner would like this to be the beginning of a lighting package for inside the center. Maintenance of the lights will be handled thru our lighting contractor that is on the property twice a month for lamp replacement.

YOU MUST SUBMIT THE FOLLOWING:

12 COPIES OF THE PROPOSED SIGN SHOWING:

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

Date Fees Paid 2-11-09 Check # VISA Receipt # _____



BELTLINE ROAD

SAKOWITZ DRIVE

MONTFORT DRIVE

MONTFORT DRIVE

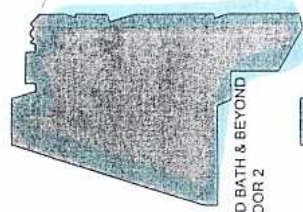
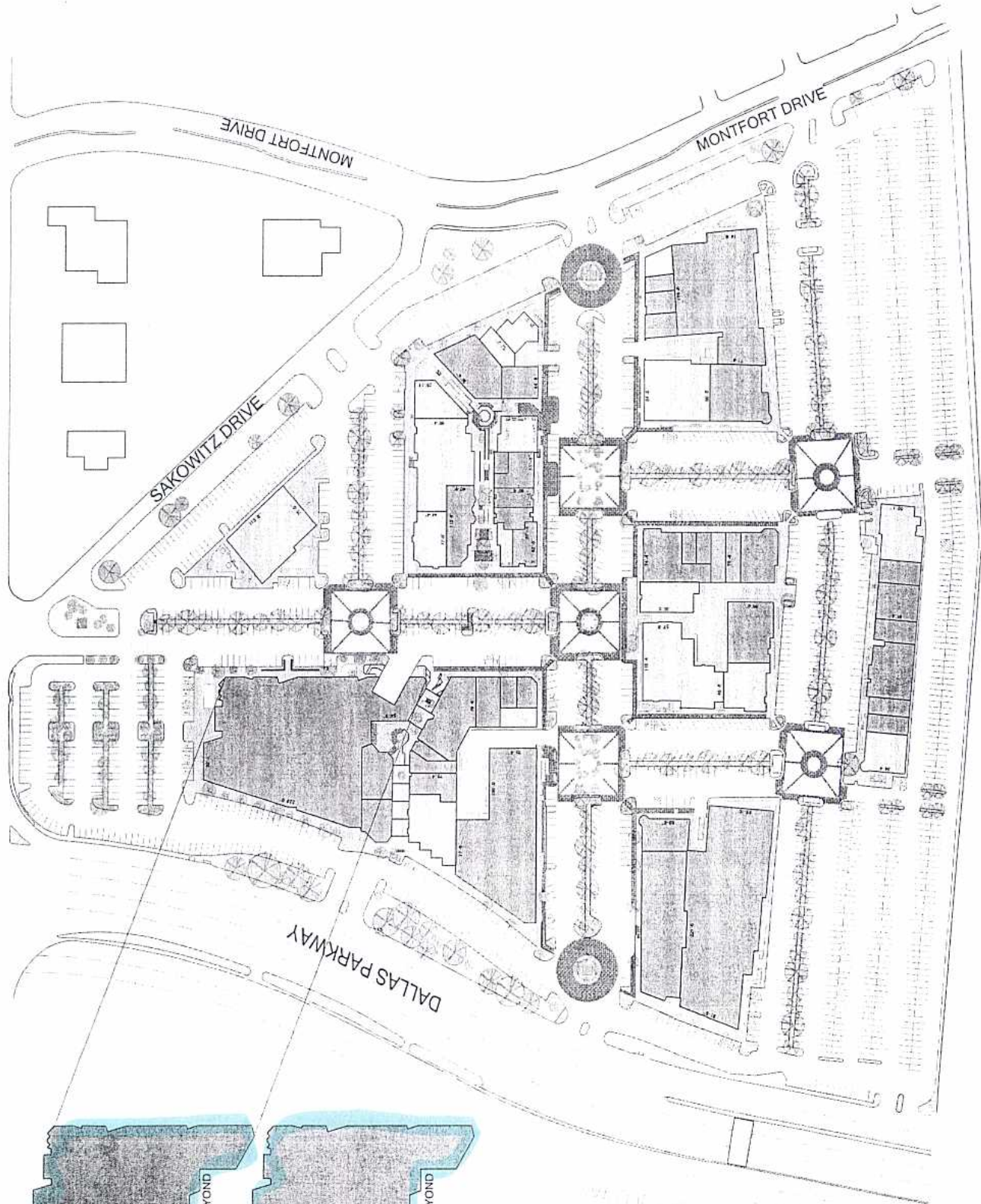
DALLAS PARKWAY

Village ON THE PARKWAY

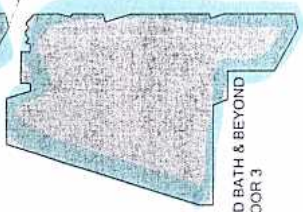


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Dallas, Texas 75201
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BED BATH & BEYOND FLOOR 2



BED BATH & BEYOND FLOOR 3

Council Agenda Item: #R8

SUMMARY:

This item requests Council consideration and approval of a resolution designating the Dallas Morning News as the Town of Addison's official newspaper of record.

FINANCIAL IMPACT:

There is no financial impact for this item.

BACKGROUND:

Section 11.17 of the Town Charter requires Council to designate an official newspaper to publish all Ordinances, notices, and bid advertisements for the fiscal year. When the Dallas Morning News approached the Town with a new contract and rate increase, staff began to research past interactions between the Morning News and Addison. In researching this item, a previous resolution approving an official newspaper could not be found. Staff worked with Cowles and Thompson to draft a resolution which would meet this requirement of the Town Charter.

The requirement applies to any newspaper "of general circulation in the Town." Furthermore, the State requires this newspaper to 1) devote not less than 25% of its total column lineage to general interest items, 2) be published at least once each week, 3) be entered as 2nd class postal matter in the county where published, and 4) be published regularly and continuously for at least 12 months before notice publication. The Dallas Morning News meets all these requirements.

RECOMMENDATION:

Staff recommends approval.

Attachment: Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS DESIGNATING THE DALLAS MORNING NEWS AS THE TOWN OF ADDISON'S OFFICIAL NEWSPAPER OF RECORD FOR THE FISCAL YEAR OF 2009-2010 AND FOR ALL YEARS THEREAFTER; AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE DALLAS MORNING NEWS REGARDING PUBLICATION RATES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Town of Addison Charter § 11.17, the Council has the power to designate by Resolution a newspaper of general circulation in the Town as the official newspaper, and, except as provided in the said § 11.17, cause to be published therein all Ordinances, notices and other matters which are required to be officially published by the Charter, the Ordinances of the Town, or the Constitution or laws of the State of Texas;

WHEREAS, the City Council finds that *The Dallas Morning News* is a newspaper of general circulation within the Town of Addison, Texas;

WHEREAS, the City Council finds that *The Dallas Morning News*:

- (1) devotes not less than 25% of its total column lineage to general interest items;
- (2) is published at least once each week;
- (3) is entered as 2nd class postal matter in the county where published; and
- (4) has been published regularly and continuously for at least 12 months before the governmental entity or representative publishes notice; and

WHEREAS, the City Council finds that *The Dallas Morning News* is a publication that meets all of the criteria legally required of an officially designated newspaper for the Town of Addison, Texas.

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

Section 1. *The Dallas Morning News* is designated as the official newspaper of record for the Town of Addison for Fiscal Year 2008-2009 and thereafter until such time as this Resolution is modified or repealed.

OFFICE OF THE CITY SECRETARY
No. _____

Section 2. The City Manager is authorized and directed to execute a contract with *The Dallas Morning News* establishing the applicable rates for publication of city notices.

Section 3. 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 10th day of February, 2009.

Mayor Joe Chow

ATTEST:

Lea Dunn, City Secretary

APPROVED AS TO FORM:

By:

John Hill, City Attorney

Council Agenda Item: #R9

SUMMARY:

This item requests Council consideration and approval of a contract between the Town of Addison and the Dallas Morning News for the publication of public notices.

FINANCIAL IMPACT:

As in previous years, the recommended contract amount is \$10,000, which is established as a baseline for minimum usage. In other words, as long as the Town exceeds the \$10,000 threshold, our end of the contract is fulfilled. The Town spent \$11,132.80 in FY08, and \$11,336.20 in FY07.

Although the Dallas Morning News has not changed rates in several years, rising publication costs and decreasing circulation has forced a rate increase for FY09. This increase contract includes a \$1 per line increase, from \$1.60 to \$2.60. However, some creative adjustments, such as moving routine bid notices from a box ad to a line ad, will eliminate wasted space and decrease overall costs on an average advertisement by more than 40%.

BACKGROUND:

Section 11.17 of the Town Charter requires Council to designate an official newspaper to publish all Ordinances, notices, and bid advertisements for the fiscal year. The Dallas Morning News meets the requirements prescribed by State law and the Town Charter, and has been used by the Town for all publications, including employment advertisements, legal notices, and bid notifications for several years. Addison enjoys a positive and professional working relationship with the Morning News, and all of our needs are consistently met by their staff.

RECOMMENDATION:

Staff recommends approval.

Attachment: Resolution

Department of Financial & Strategic Services
Quarterly Review

For the Period and Year Ended December 31, 2008

*Town of Addison
February 2009*

Quarter Ended 12/31/08

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Executive Dashboard – 1st Quarter, 2009 Fiscal Year

Financial Indicators

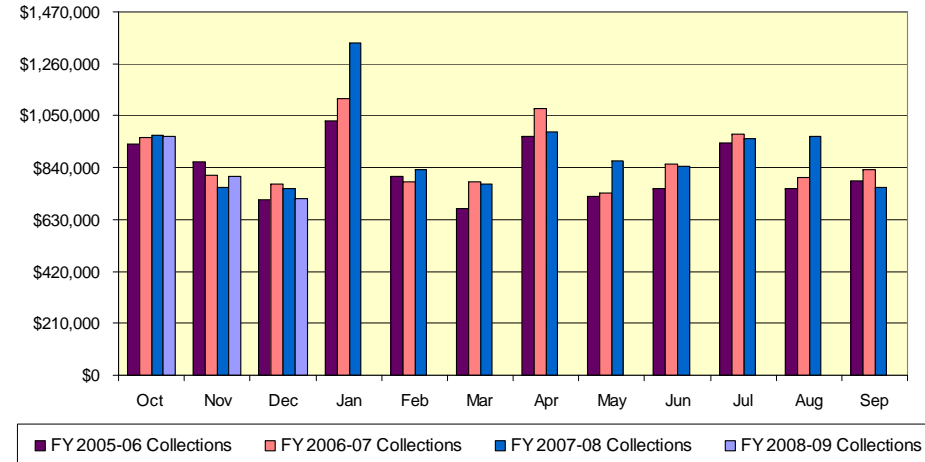
Key Revenue Sources:

| | FY09 Budget | FY09 Projection* | Outlook/Variance |
|-------------------------|--------------|------------------|------------------|
| Ad Valorem Taxes | \$10,270,470 | \$9,900,000 | (\$370,470) |
| Sales Taxes | \$11,124,500 | \$10,201,900 | (\$922,600) |
| Franchise Fees | \$2,559,680 | \$2,674,070 | \$114,410 |
| Licenses and Permits | \$658,560 | \$658,560 | \$-0- |
| Court Fines | \$1,300,000 | \$1,024,000 | (\$276,000) |
| Hotel Tax | \$5,200,000 | \$4,400,000 | (\$800,000) |
| Fuel Flowage Fees | \$800,000 | \$500,000 | (\$300,000) |
| Water and Sewer Charges | \$9,542,000 | \$8,842,000 | (\$700,000) |

Key Expenditures:

| | FY09 Budget | FY09 Projection* | Outlook/Variance |
|--------------------|--------------|------------------|------------------|
| General Fund | \$28,981,820 | \$28,000,000 | \$981,820 |
| Hotel Fund | \$7,033,610 | \$7,033,610 | \$-0- |
| Airport Operations | \$3,048,640 | \$2,700,000 | \$348,640 |
| Utility Dept. | \$2,544,310 | \$2,200,000 | \$344,310 |

Addison Sales Tax Collections



Overall Fund Outlook:

General Fund



Airport Fund



Hotel Fund



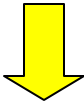
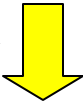
Utility Fund



*Using data through December 31, 2008

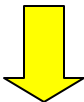
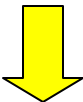
Economic Indicators

Office Occupancy Indicators:

North Dallas / Addison  Down from 83.01% to 81.10% Dallas/Fort Worth Metroplex  Down from 80.92% to 78.23%

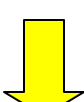
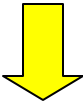
Source: Blacks Guide, Summer/Fall 2007 vs. Summer/Fall 2008

Hotel Indicators:

Hotel Occupancy  2008 down 11.4% from 2007 RevPAR  2008 down \$6.71 from 2007

Source: STR Report – December 2007 vs. December 2008

Area Economic Indicators:

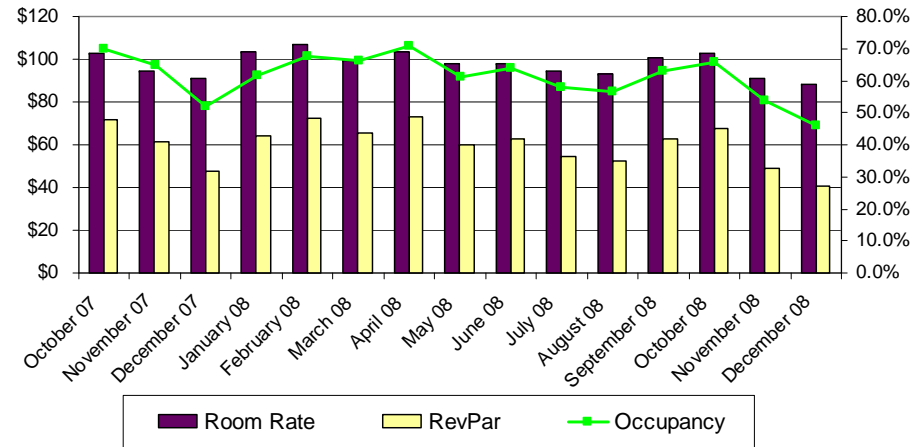
Area Employment  2008 down 0.7% from 2007 Texas Leading Indicators Index  2008 down 4.33% from 2007

Source: Dallas Federal Reserve

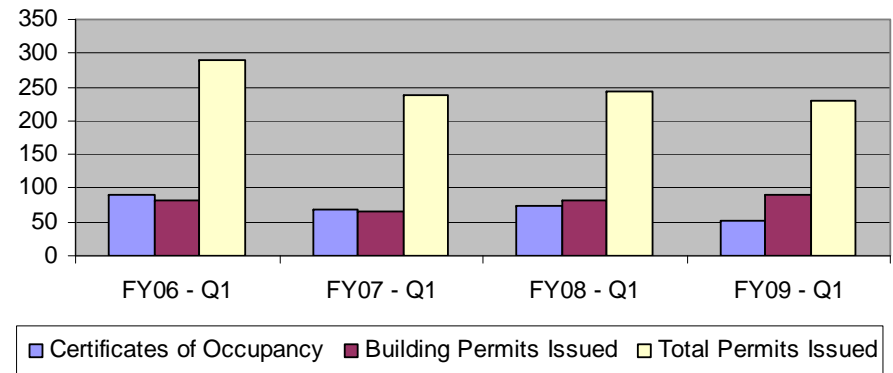
Building Permit Activity:

| | FY 2008 (thru December 31st) | FY 2009 (thru December 31st) |
|---------------------------|---------------------------------|---------------------------------|
| Certificates of Occupancy | 74 | 53 |
| Building Permits Issued | 82 | 89 |
| Total Permits Issued | 242 | 229 |
| Total Valuation | \$9,665,865 | \$9,900,865 |

Hotel Industry Statistics



Comparison of Permit Activity








Contract Summary Dashboard - 1st Quarter, 2009 Fiscal Year

For the period ended December 31, 2008


Status of Current Contracts

Type of Service






Key Maintenance Contracts

| <u>Contract</u> | <u>Vendor/Contractor</u> | <u>Project Manager</u> | <u>Contract Amount</u> | <u>Paid Amount YTD</u> | <u>% of Contract</u> | <u>Status</u> | <u>Comments</u> |
|--|----------------------------|------------------------|------------------------|------------------------|----------------------|---|-----------------------------|
| General Services - HVAC Maintenance | Brothers A/C & Heating | Mark Acevedo | \$89,652 | \$35,479 | 40% |  | Includes heater replacement |
| General Services - Janitorial Services | Jani-King of Dallas | Mark Acevedo | \$102,480 | \$38,276 | 37% |  | |
| Parks Mowing | Blade Turner | Slade Strickland | \$164,302 | \$32,509 | 20% |  | |
| Street Sweeping | Sweeping Services of Texas | Robin Jones | \$53,000 | \$11,160 | 21% |  | |
| Solid Waste Pick-Up | Waste Management | Robin Jones | \$224,160 | \$57,308 | 26% |  | |

Key Construction Contracts

| <u>Contract</u> | <u>Vendor/Contractor</u> | | <u>Contract Amount**</u> | <u>Paid Amount YTD</u> | <u>% of Contract</u> | <u>Status</u> | <u>Comments</u> |
|---------------------------|--------------------------|------------------|--------------------------|------------------------|----------------------|---|---|
| Spruill Park Construction | Ratliff Hardscape, Ltd | Slade Strickland | \$471,080 | \$0 | |  | Contract just awarded - no payments yet |

Key Service Contracts




| <u>Contract</u> | <u>Vendor/Contractor</u> | | <u>Contract Amount***</u> | <u>Paid Amount YTD</u> | <u>% of Contract</u> | <u>Status</u> | <u>Comments</u> |
|----------------------|--------------------------|---------------|---------------------------|------------------------|----------------------|---|-----------------|
| Legal Services | Cowles and Thompson | Ron Whitehead | \$466,500 | \$88,934 | 19% |  | |
| Investment Services | First Southwest | Brian Hogan | \$49,000 | \$14,245 | 29% |  | |
| Advertising Services | Krause | Lea Dunn | \$948,430 | \$205,531 | 22% |  | |
| Sponsorship Services | PPI and Cavanaugh | Lea Dunn | \$86,000 | \$46,984 | 55% |  | |
| Airport Management+ | Washington Staubach | Mark Acevedo | \$2,415,520 | \$345,373 | 14% |  | |

* Paid amount higher due to four more weeks of mowing season

** Includes all change orders

*** Because contract amounts are based on different variables (hourly rate, percentage of funds invested, etc), contract amount represents amount budgeted for 2009 fiscal year

+ based on a percentage of gross receipts

| | |
|--------------|---|
| Completed |  |
| No issues |  |
| Some issues |  |
| Major issues |  |

Department of Financial & Strategic Services

To: Ron Whitehead, City Manager

From: Randy Moravec, Director
Jason L. Cooley, Strategic Services Manager

Re: First Quarter FY 2009 Financial Report

Date: February 17, 2009

This is the first financial report to be published since the national recession began in late 2007 that reflects an impact to the Town's financial condition. We are witnessing declines in revenues in the General, Hotel, and Utility funds. Because of its dense commercial development, Addison is particularly susceptible to variations in the national and regional economy. For this reason, the Town has long had in place financial policies that encourage the judicious use of financial resources when economic times are good, so that funds will be available for use when declines in the economy occur. For example, in the General fund, the actual beginning fund balance for the 2009 fiscal year is \$11.7 million, which represents 40.3% of the 2009 annual budget. In the Hotel fund, beginning balance is \$5.7 million, which is 81% of operating expenditures. Staff will diligently monitor income and keep the council informed of any significant changes that will require modifications to services or projects.

GENERAL FUND

- Revenues for the first quarter of fiscal year 2009 totaled \$4.97 million, which is roughly \$455k, or 8.4% less than received this time a year ago.
- Property tax collections of \$1.1 million is down 33% from this time last year. It is typical that payment of property taxes are deferred until the second quarter, since taxes are not due until January 31st. However, the significant decline is a source of concern. Having investigated this decline, we learned that the delay in collections is not due to the economy, but the fact that Dallas County is having some problems with their billing and collections of tax. The County instituted a new billing system in 2008 and has experienced conversion issues. These problems have been exacerbated by the fact that the long-tenured County Tax Collector, David Childs, was defeated in the last election and has been replaced by John R. Ames, who is having to learn the processes of the tax department. Conversations with Mr. Ames indicates that the county tax office is aggressively addressing the problems and that current tax collections will be processed by the end of February.
- Sales tax of \$2.49 million is almost identical to the amount received this time last year. Addison's collection experience is slightly less than Dallas County, which recorded a 1.6% increase and the State of Texas that experienced a 5.2% year-to-date increase.
- Through three months, operating expenditures total approximately \$5.89 million, which is 20.3% of budget and \$60k less than spent this time last year.

HOTEL FUND

- Revenues through the first quarter totaled \$1.3 million, a decline of \$116k from last year. The lower level of revenue is due to the 11% decline in hotel occupancy taxes caused by an anemic business travel market.
- Operating expenditures amounted to \$1.4 million or 18% of budget, an increase of \$143k, from last year at the same time.

AIRPORT FUND

- Operating revenue through three months totaled \$652k, down \$23k from last year. The decline is due to sluggish fuel sales attributed to rising fuel prices and current economic conditions.
- Year-do-date operating expenses amounted to \$488k, or \$61k less than this time last year. Net income of \$140k is \$19k more than last year.

UTILITY FUND

- Operating revenues through the first quarter total \$1.62 million, which represents a 3.6% decline from a year ago. This reduction in operating revenues is of some concern since utility rates were increased 11% effective in November. The decline is attributed to the removal of the Brookhaven Club apartments in advance of Vitruvian Park development and the closing of several large commercial accounts including Steak & Ale, Bennigans, Vue Restaurant, and Ounce Restaurant. The higher vacancy rate of hotels has also impacted utility sales to those accounts. Operating expenses total \$1,072k, a decrease of \$246k from a year ago, however this comparison is distorted by the fact that wastewater treatment expenses last year were inflated by timing differences in the payment of bills. Accounting for this difference, operating expenses would be about the same as a year ago.
- For the first three months of the fiscal year net income totals \$417k, when netted against payment of debt principal and capital project expenses, results in a decline in working capital of \$255k.

CASH AND INVESTMENT REPORT

- Cash for all funds as of December 31, 2008 totaled \$73.4 million, a net decrease of \$1.5 million from last quarter. The decrease is typical for the first quarter of the fiscal year when the pattern of expenditures exceed revenues for this period.
- The Town's average investment yield to maturity as of 12/31/08 was 2.443%, down significantly from the 2.806% of the previous quarter and 5.189% same time last year. The average weighted maturity decreased 15 days to 174 days. The decline in market interest rates will have an impact on the budget. For all funds, interest earnings were projected to be \$1.7 million. However with the lower interest rate environment expected to continue through the year, income from this source may be down as much as ½ the budgeted amount.
- Despite the decline in interest rates, the Town's return is still significantly above the benchmark Texpool return due to the long-term investments made before the decline in interest rates. We concur with the investment strategy recommended by First Southwest and will move money out of the investment pools and place the funds in longer-term government instruments.

TOWN OF ADDISON

EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED DECEMBER 31, 2008 UNAUDITED ACTUAL AMOUNTS COMPARED TO THE 2009 ADOPTED BUDGET AND PREVIOUS YEAR ACTUAL FOR SAME PERIOD

All Amounts Expressed in Thousands of Dollars

| | General Fund | | | Hotel Fund | | | Airport Fund | | | Utility Fund | | | Total Major Operating Funds* | | |
|---------------------------------------|---------------|-----------------|--------------|----------------|----------------|---------------|---------------|--------------|--------------|-------------------|-----------------|--------------|------------------------------|-------------------|--------------|
| | Budget | Actual | PY Actual | Budget | Actual | PY Actual | Budget | Actual | PY Actual | Budget | Actual | PY Actual | Budget | Actual | PY Actual |
| RESOURCES | | | | | | | | | | | | | | | |
| Ad Valorem Tax | \$ 10,295 | \$ 1,051 | \$ 1,666 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,295 | \$ 1,051 | \$ 1,666 |
| Non-Property Tax | 12,130 | 2,486 | 2,484 | 5,200 | 1,074 | 1,203 | - | - | - | - | - | - | 17,330 | 3,560 | 3,687 |
| Franchise Fees | 2,560 | 669 | 402 | - | - | - | - | - | - | - | - | - | 2,560 | 669 | 402 |
| Service/Permitting/License Fees | 1,943 | 388 | 411 | 1,475 | 79 | 10 | 837 | 122 | 166 | 9,612 | 1,623 | 1,684 | 13,867 | 2,213 | 2,270 |
| Rental, Interest and Other Income | 2,063 | 374 | 459 | 1,005 | 198 | 213 | 3,370 | 542 | 542 | 351 | 64 | 70 | 6,789 | 1,178 | 1,284 |
| Transfers and Other Sources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Resources | 28,991 | 4,967 | 5,422 | 7,680 | 1,351 | 1,427 | 4,207 | 664 | 708 | 9,963 | 1,687 | 1,753 | 50,841 | 8,669 | 9,310 |
| APPLICATION OF RESOURCES | | | | | | | | | | | | | | | |
| Personal Services | 19,289 | 3,957 | 3,991 | 1,620 | 273 | 263 | 286 | 51 | 31 | 1,404 | 246 | 242 | 22,599 | 4,527 | 4,528 |
| Supplies and Materials | 1,351 | 282 | 268 | 123 | 36 | 32 | 26 | 4 | 4 | 128 | 23 | 21 | 1,628 | 345 | 325 |
| Maintenance | 2,714 | 454 | 434 | 657 | 81 | 86 | 1,615 | 162 | 203 | 312 | 61 | 37 | 5,299 | 758 | 760 |
| Contractual Services | 4,594 | 967 | 990 | 4,521 | 797 | 625 | 1,481 | 271 | 310 | 5,185 | 737 | 1,013 | 15,781 | 2,772 | 2,939 |
| Capital Equipment Amortization | 862 | 215 | 269 | 61 | 15 | 15 | - | - | - | 18 | 4 | 4 | 941 | 235 | 289 |
| Capital Equipment/Projects | 172 | 17 | - | 52 | 17 | 56 | 200 | 7 | 27 | 1,748 | 134 | 22 | 2,171 | 176 | 105 |
| Transfers and Other Uses** | - | - | - | 700 | 175 | 175 | 390 | 98 | 97 | 2,987 | 747 | 656 | 4,077 | 1,019 | 928 |
| Total Application of Resources | 28,982 | 5,892 | 5,952 | 7,734 | 1,395 | 1,252 | 3,999 | 593 | 673 | 11,781 | 1,952 | 1,996 | 52,495 | 9,832 | 9,874 |
| Net Change in Fund Balances | \$ 9 | \$ (925) | (531) | \$ (54) | \$ (44) | \$ 175 | \$ 208 | \$ 72 | \$ 35 | \$ (1,818) | \$ (265) | (243) | \$ (1,655) | \$ (1,162) | (564) |

Notes:

* Totals may not exactly match due to rounding.

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

TOWN OF ADDISON
GENERAL FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|------------------------------------|----------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Advalorem taxes: | | | | | | |
| Current taxes | \$ 10,270,470 | 1,091,583 | 1,091,583 | 10.6% | \$ 1,640,387 | 16.0% |
| Delinquent taxes | 3,120 | -36,062 | -36,062 | -1155.8% | 21,628 | 626.9% |
| Penalty & interest | 21,830 | -4,511 | -4,511 | -20.7% | 4,160 | 17.2% |
| Non-property taxes: | | | | | | |
| Sales tax | 11,124,500 | 2,485,753 | 2,485,753 | 22.3% | 2,483,933 | 23.1% |
| Alcoholic beverage tax | 1,005,060 | - | - | 0.0% | - | 0.0% |
| Franchise / right-of-way use fees: | | | | | | |
| Electric franchise | 1,550,000 | 443,296 | 443,296 | 28.6% | 367,712 | 23.0% |
| Gas franchise | 301,680 | 13,388 | 13,388 | 4.4% | - | 0.0% |
| Telecommunication access fees* | 575,000 | 173,102 | 173,102 | 30.1% | - | 0.0% |
| Cable franchise | 125,000 | 36,086 | 36,086 | 28.9% | 31,650 | 28.6% |
| Wireless network fees | 1,000 | 400 | 400 | 40.0% | - | 0.0% |
| Street rental fees | 7,000 | 2,250 | 2,250 | 32.1% | 2,250 | 30.0% |
| Licenses and permits: | | | | | | |
| Business licenses and permits | 158,560 | 35,262 | 35,262 | 22.2% | 35,345 | 24.1% |
| Building and construction permits | 500,000 | 85,746 | 85,746 | 17.1% | 74,221 | 18.1% |
| Intergovernmental revenue | - | - | - | 0.0% | - | 0.0% |
| Service fees: | | | | | | |
| General government | 600 | 123 | 123 | 20.5% | 50 | 8.3% |
| Public safety | 713,000 | 134,020 | 135,020 | 18.9% | 174,309 | 24.1% |
| Urban development | 5,000 | 1,220 | 1,220 | 24.4% | 1,310 | 28.5% |
| Streets and sanitation | 310,250 | 71,606 | 71,606 | 23.1% | 65,231 | 22.0% |
| Recreation | 74,100 | 13,822 | 13,822 | 18.7% | 14,945 | 25.6% |
| Interfund | 181,650 | 45,414 | 45,414 | 25.0% | 45,414 | 25.0% |
| Court fines | 1,300,000 | 257,373 | 255,793 | 19.7% | 300,738 | 26.3% |
| Interest earnings | 552,500 | 67,536 | 67,536 | 12.2% | 115,000 | 20.5% |
| Rental income | 156,500 | 42,485 | 42,485 | 27.1% | 36,624 | 25.0% |
| Other | 54,000 | 7,799 | 7,799 | 14.4% | 6,842 | 14.0% |
| Total Revenues | \$ 28,990,820 | \$ 4,967,692 | \$ 4,967,112 | 17.1% | \$ 5,421,749 | 19.2% |

NOTES:

* Telecommunication fees are due 45 days following the end of the quarter. First quarter report for FY 2008 completed prior to deadline which explains disparity compared to previous year.

TOWN OF ADDISON
GENERAL FUND
FY 2009 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|--------------------------------|----------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| General Government: | | | | | | |
| City manager | 1,504,200 | 326,007 | 326,007 | 21.7% | \$ 341,843 | 24.8% |
| Financial & strategic services | 1,052,050 | 222,676 | 222,676 | 21.2% | 213,974 | 20.7% |
| General services | 880,370 | 178,240 | 178,240 | 20.2% | 178,150 | 19.1% |
| Municipal court | 520,570 | 98,006 | 98,006 | 18.8% | 91,938 | 20.1% |
| Human resources | 572,960 | 84,932 | 84,932 | 14.8% | 66,933 | 14.8% |
| Information technology | 1,272,440 | 270,823 | 270,823 | 21.3% | 188,316 | 12.0% |
| Combined services | 794,020 | 168,302 | 168,302 | 21.2% | 166,023 | 18.2% |
| Council projects | 249,340 | 170,934 | 170,934 | 68.6% | 163,661 | 57.6% |
| Public safety: | | | | | | |
| Police | 7,392,850 | 1,543,226 | 1,543,226 | 20.9% | 1,535,056 | 20.6% |
| Emergency communications | 1,150,000 | 286,108 | 286,108 | 24.9% | 317,080 | 30.0% |
| Fire | 6,115,870 | 1,256,557 | 1,256,557 | 20.5% | 1,281,107 | 20.9% |
| Development services | | | | | | |
| Streets | 975,160 | 183,510 | 183,510 | 18.8% | 218,463 | 23.3% |
| Parks and Recreation: | | | | | | |
| Parks | 2,308,180 | 383,894 | 383,894 | 16.6% | 386,200 | 18.5% |
| Recreation | 2,766,050 | 451,370 | 451,370 | 16.3% | 534,712 | 20.3% |
| | 1,427,760 | 267,682 | 267,682 | 18.7% | 268,835 | 16.1% |
| Total Expenditures | \$ 28,981,820 | \$ 5,892,267 | \$ 5,892,267 | 20.3% | \$ 5,952,289 | 19.5% |

NOTES:

- 1) N/A - Not Applicable

TOWN OF ADDISON

HOTEL FUND

FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-------------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Hotel/Motel occupancy taxes | \$ 5,200,000 | \$ 1,074,028 | \$ 1,074,028 | 20.7% | \$ 1,203,461 | 22.3% |
| Intergovernmental | - | - | - | 0.0% | - | 0.0% |
| Proceeds from special events | 1,474,600 | 78,877 | 78,877 | 5.3% | 10,017 | 0.7% |
| Conference centre rental | 640,000 | 138,332 | 138,332 | 21.6% | 119,827 | 23.2% |
| Theatre centre rental | 90,000 | 19,631 | 19,631 | 21.8% | 23,297 | 26.5% |
| Interest and miscellaneous | 275,000 | 40,202 | 40,202 | 14.6% | 70,124 | 28.0% |
| Total Revenues | 7,679,600 | 1,351,070 | 1,351,070 | 17.6% | 1,426,726 | 18.5% |
| Expenditures and other uses: | | | | | | |
| Visitor services | 1,292,700 | 174,940 | 174,940 | 13.5% | 161,792 | 14.7% |
| Marketing | 1,178,980 | 182,328 | 182,328 | 15.5% | 149,714 | 12.3% |
| Special events | 2,961,750 | 372,766 | 372,766 | 12.6% | 224,110 | 8.4% |
| Conference centre | 1,038,910 | 199,981 | 199,981 | 19.2% | 228,051 | 20.8% |
| Performing arts | 561,270 | 289,842 | 289,842 | 51.6% | 313,378 | 45.4% |
| Capital projects | - | - | - | 0.0% | - | 0.0% |
| Other financing uses: | | | | | | |
| Transfer to debt service fund | 699,800 | 174,950 | 174,950 | 25.0% | 175,000 | 25.0% |
| Total Expenditures and Other | \$ 7,733,410 | \$ 1,394,806 | \$ 1,394,806 | 18.0% | \$ 1,252,045 | 15.7% |

NOTES:

- 1) N/A - Not Applicable
- 2) Amounts spent by special project:

| | | | | | | |
|--|---------------------|-------------------|-------------------|-------------|-------------------|-------------|
| Public Relations | \$ 716,770 | \$ 103,366 | \$ 103,366 | 14.4% | \$ 108,959 | 15.2% |
| Oktoberfest | 544,080 | 20,033 | 20,033 | 3.7% | 27,743 | 5.3% |
| Kaboom Town | 249,350 | - | - | 0.0% | 190 | 0.1% |
| Calendar | 50,000 | 19,411 | 19,411 | 38.8% | 22,142 | 44.3% |
| Hotel Support Program | 260,000 | 44,274 | 44,274 | 17.0% | 35,741 | 13.7% |
| Taste Addison | 670,950 | 1,500 | 1,500 | 0.2% | 2,895 | 0.5% |
| Jazz Festival | 198,340 | 8,883 | 8,883 | 4.5% | 9,244 | 4.7% |
| Shakespeare Festival | 34,500 | 19,975 | 19,975 | 57.9% | 18,762 | 60.5% |
| Summer Jazz Festival | 47,750 | 280 | 280 | 0.6% | 214 | 0.5% |
| Cinema in the Circle | 24,580 | 6,485 | 6,485 | 26.4% | 1,140 | 5.7% |
| WorldFest (formerly International Fest.) | 180,000 | 170,986 | 170,986 | 95.0% | 965 | 0.0% |
| Urbanato | 100,000 | 17,374 | 17,374 | 17.4% | - | 0.0% |
| Book Fair | 1,530 | 907 | 907 | 59.3% | - | 0.0% |
| Weekend to Wipe Out Cancer | 15,000 | 167 | 167 | 1.1% | 169 | 1.1% |
| TOTAL | \$ 3,092,850 | \$ 224,890 | \$ 224,890 | 7.3% | \$ 228,164 | 8.3% |

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-----------------------------|---------------------|---------------|---------------|--------------------|-------------------|--------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Intergovernmental grants | \$ 600,000 | \$ - | \$ - | 0.0% | \$ 188,387 | 19.4% |
| Interest income and other | 100,000 | 19,342 | 19,342 | 19.3% | 45,606 | 45.6% |
| Total Revenues | 700,000 | 19,342 | 19,342 | 2.8% | 233,993 | 21.8% |
| Expenditures: | | | | | | |
| Personal services | - | - | - | 0.0% | 8,347 | 104.3% |
| Design and engineering | 43,000 | 390 | 390 | 0.9% | 7,813 | 52.1% |
| Construction and equipment: | 1,200,000 | - | - | 0.0% | 155,025 | 6.2% |
| Total Expenditures | \$ 1,243,000 | \$ 390 | \$ 390 | 0.0% | \$ 171,185 | 6.7% |

NOTES:

1) N/A - Not Applicable

TOWN OF ADDISON
PARKS CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|---|-------------------|---------------|---------------|--------------------|---------------|--------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Interest income and other | \$ 20,000 | \$ 6,287 | \$ 6,287 | 31.4% | \$ 11,391 | N/A |
| Developer contributions | - | - | - | 0.0% | \$ - | 0.0% |
| Transfer from street capital project fund | - | - | - | 0.0% | - | 0.0% |
| Total Revenues | 20,000 | 6,287 | 6,287 | 31.4% | 11,391 | #DIV/0! |
| Expenditures: | | | | | | |
| Personal services | 2,000 | 296 | 296 | 14.8% | - | 0.0% |
| Design and engineering | 5,000 | 445 | 445 | 8.9% | - | 0.0% |
| Construction and equipment: | 934,340 | - | - | 0.0% | - | 0.0% |
| Total Expenditures | \$ 941,340 | \$ 741 | \$ 741 | 0.1% | \$ - | 0.0% |

NOTES:

1) N/A - Not Applicable

TOWN OF ADDISON
2002 CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-------------------------------------|---------------------|-----------------|-----------------|--------------------|------------------|--------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Interest earnings and other | 75,000 | \$ 13,866 | \$ 13,866 | 18.5% | \$ 25,991 | 43.3% |
| Total Revenues | 75,000 | 13,866 | 13,866 | 18.5% | 25,991 | 43.3% |
| Expenditures and other uses: | | | | | | |
| Personal services | - | - | - | 0.0% | - | 0.0% |
| Design and engineering | 400,000 | 7,798 | 7,798 | 1.9% | 26,008 | 6.0% |
| Arbitrage rebate | - | - | - | 0.0% | 56,681 | N/A |
| Construction and equipment | 1,200,000 | - | - | 0.0% | - | 0.0% |
| Total Expenditures | \$ 1,600,000 | \$ 7,798 | \$ 7,798 | 0.5% | \$ 82,689 | 18.2% |

NOTES:

1) N/A - Not Applicable

TOWN OF ADDISON
2004 CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-------------------------------------|------------------|--------------|--------------|--------------------|-----------------|--------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Intergovernmental grants | \$ - | \$ - | \$ - | 0.0% | \$ - | N/A |
| Interest earnings and other | 15,000 | 2,974 | 2,974 | 19.8% | 5,221 | 26.1% |
| Total Revenues | 15,000 | 2,974 | 2,974 | 19.8% | \$ 5,221 | 26.1% |
| Expenditures and other uses: | | | | | | |
| Personal services | - | - | - | 0.0% | - | 0.0% |
| Design and engineering | 15,000 | - | - | 0.0% | - | 0.0% |
| Construction and equipment | - | - | - | 0.0% | - | N/A |
| Total Expenditures | \$ 15,000 | \$ - | \$ - | 0.0% | \$ - | N/A |

NOTES:

1) N/A - Not Applicable

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-------------------------------------|---------------|--------------|--------------|-----------------------|--------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Interest earnings and other | \$ 15,000 | \$ 2,392 | \$ 2,392 | 15.9% | 4,198 | N/A |
| Total Revenues | 15,000 | 2,392 | 2,214 | 14.8% | 4,198 | N/A |
| Expenditures and other uses: | | | | | | |
| Bond sale costs | - | - | - | 0.0% | - | 0.0% |
| Design and engineering | - | - | - | 0.0% | - | 0.0% |
| Construction and equipment | - | - | - | 0.0% | - | 0.0% |
| Total Expenditures | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% |

NOTES:

1) N/A - Not Applicable

TOWN OF ADDISON
2008 CAPITAL PROJECT FUND
FY 2009 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|-------------------------------------|----------------------|-------------------|-------------------|-----------------------|--------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Revenues: | | | | | | |
| Interest earnings and other | \$ 500,000 | \$ 188,643 | \$ 188,643 | 37.7% | - | 0.0% |
| Total Revenues | 500,000 | 188,643 | 188,643 | 37.7% | \$ - | 0.0% |
| Expenditures and other uses: | | | | | | |
| Personal Services | 50,000 | 87 | 87 | 0.2% | - | 0.0% |
| Design and engineering | 1,200,000 | 374,209 | 374,209 | 31.2% | - | 0.0% |
| Construction and equipment | 15,250,000 | - | - | 0.0% | - | 0.0% |
| Land Acquisition | - | - | - | 0.0% | - | 0.0% |
| Total Expenditures | \$ 16,500,000 | \$ 374,296 | \$ 374,296 | 2.3% | \$ - | 0.0% |

NOTES:

1) N/A - Not Applicable

AIRPORT FUND

FY 2009 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Operating revenues: | | | | | | |
| Operating grants | \$ 50,000 | \$ - | \$ - | 0.0% | \$ - | 0.0% |
| Fuel flowage fees | 800,000 | 117,723 | 117,723 | 14.7% | 158,763 | 16.3% |
| Rental | 3,240,000 | 529,632 | 529,632 | 16.3% | 509,125 | 16.9% |
| User fees | 37,200 | 4,431 | 4,431 | 11.9% | 6,843 | 19.6% |
| Total operating revenues | <u>4,127,200</u> | <u>651,786</u> | <u>651,786</u> | 15.8% | <u>674,731</u> | 16.6% |
| Operating expenses: | | | | | | |
| Town - Personal services | 285,650 | 50,926 | 50,926 | 17.8% | 31,179 | 11.0% |
| Town - Supplies | 26,300 | 4,157 | 4,157 | 15.8% | 4,261 | 17.9% |
| Town - Maintenance | 30,970 | 6,657 | 6,657 | 21.5% | 7,597 | 28.2% |
| Town - Contractual services | 550,200 | 80,980 | 80,980 | 14.7% | 111,069 | 21.1% |
| Grant - Maintenance | 100,000 | - | - | 0.0% | - | 0.0% |
| Operator operation & maintenance | 1,484,320 | 155,007 | 155,007 | 10.4% | 195,402 | 13.1% |
| Operator service contract | 931,200 | 190,365 | 190,365 | 20.4% | 199,194 | 21.1% |
| Total operating expenses | <u>3,408,640</u> | <u>488,092</u> | <u>488,092</u> | 14.3% | <u>548,702</u> | 16.2% |
| Net operating income | <u>718,560</u> | <u>163,693</u> | <u>163,693</u> | 22.8% | <u>126,029</u> | 18.6% |
| Non-Operating revenues (expenses): | | | | | | |
| Interest earnings and other | 80,000 | 12,571 | 12,571 | 15.7% | 33,261 | 19.0% |
| Interest on debt, fiscal fees & other | (145,270) | (36,317) | (36,317) | 25.0% | (38,418) | 25.0% |
| Total non-operating revenues (expenses) | <u>(65,270)</u> | <u>(23,746)</u> | <u>(23,746)</u> | 36.4% | <u>(5,157)</u> | -24.2% |
| Net income (loss) (excluding depreciation) | <u>\$ 653,290</u> | <u>\$ 139,947</u> | <u>\$ 139,947</u> | 21.4% | <u>\$ 120,872</u> | 17.3% |
| CHANGES IN WORKING CAPITAL | | | | | | |
| Net income (excluding depreciation) | <u>\$ 653,290</u> | <u>\$ 139,947</u> | <u>\$ 139,947</u> | 21.4% | <u>120,872</u> | 0.0% |
| Sources (uses) of working capital: | | | | | | |
| Retirement of long-term debt | (245,000) | (61,250) | (61,250) | 25.0% | (58,750) | 0.0% |
| Net additions to fixed assets with grants | (200,000) | (7,158) | (7,158) | 3.6% | (1,861) | 0.0% |
| Other net additions to fixed assets | - | - | - | 0.0% | (25,163) | 0.0% |
| Net sources (uses) of working capital | <u>(445,000)</u> | <u>(68,408)</u> | <u>(68,408)</u> | 15.4% | <u>(85,774)</u> | 7.0% |
| Net increase (decrease) in working capital | 208,290 | 71,539 | 71,539 | 34.3% | 35,098 | 15.1% |
| Beginning fund balance | <u>1,032,580</u> | <u>1,384,264</u> | <u>1,384,264</u> | 134.1% | <u>1,693,503</u> | 125.8% |
| Ending fund balance | <u>\$ 1,240,870</u> | <u>\$ 1,455,803</u> | <u>\$ 1,455,803</u> | 117.3% | <u>\$ 1,728,601</u> | 207.0% |

NOTES:

1) Operating income and portions of operating expenses are underreported by one month due to transactions being accounted for by operator one month and not reported to Town until following month.

UTILITY FUND

FY 2009 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

| Category | 2008-09 FY | | | | 2007-08 | |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Budget | 1st Quarter | Year-to-Date | YTD as % of Budget | Year-to-Date | YTD as % of Budget |
| Operating revenues: | | | | | | |
| Water sales | \$ 4,885,500 | 876,381 | 876,381 | 17.9% | \$ 843,824 | 17.9% |
| Sewer charges | 4,656,500 | 721,810 | 721,810 | 15.5% | 804,571 | 15.8% |
| Tap fees | 10,000 | 2,870 | 2,870 | 28.7% | 13,785 | 275.7% |
| Penalties | 60,000 | 22,250 | 22,250 | 37.1% | 21,421 | 38.9% |
| Total operating revenues | 9,612,000 | 1,623,311 | 1,623,311 | 16.9% | 1,683,601 | 17.0% |
| Operating expenses: | | | | | | |
| Water purchases | 2,610,200 | 397,961 | 397,961 | 15.2% | 378,297 | 15.1% |
| Wastewater treatment | 1,892,200 | 227,576 | 227,576 | 12.0% | 546,693 | 28.0% |
| Utility operations | 2,544,310 | 446,604 | 446,604 | 17.6% | 393,407 | 15.2% |
| Total operating expenses | 7,046,710 | 1,072,141 | 1,072,141 | 15.2% | 1,318,397 | 18.7% |
| Net operating income | 2,565,290 | 551,170 | 551,170 | 21.5% | 365,204 | 12.8% |
| Non-Operating revenues (expenses): | | | | | | |
| Interest income and other | 351,000 | 63,536 | 63,536 | 18.1% | 69,550 | 34.8% |
| Interest on bonded debt and fiscal charges | (790,530) | (197,632) | (197,632) | 25.0% | (128,200) | 25.0% |
| Total non-operating revenues (expenses) | (439,530) | (134,096) | (134,096) | 30.5% | (58,650) | 18.8% |
| Net income (excluding depreciation) | \$ 2,125,760 | \$ 417,074 | \$ 417,074 | 19.6% | \$ 306,554 | 12.1% |
| CHANGES IN WORKING CAPITAL | | | | | | |
| Net income (loss) | 2,125,760 | 417,074 | 417,074 | 19.6% | 306,554 | 12.1% |
| Sources (uses) of working capital: | | | | | | |
| Retirement of long-term debt | (2,196,060) | (549,015) | (549,015) | 25.0% | (527,500) | 25.0% |
| Net additions to fixed assets | (1,747,800) | (132,922) | (132,922) | 7.6% | (22,378) | 1.3% |
| Net sources (uses) of working capital | (3,943,860) | (681,937) | (681,937) | 17.3% | (549,878) | 14.2% |
| Net increase (decrease) in working capital | (1,818,100) | (264,863) | (264,863) | 14.6% | (243,324) | 18.3% |
| Beginning fund balance | 8,964,360 | 9,801,446 | 9,801,446 | 109.3% | 3,502,761 | 93.4% |
| Ending fund balance | \$ 7,146,260 | \$ 9,536,583 | \$ 9,536,583 | 133.4% | \$ 3,259,437 | 134.6% |

NOTES:

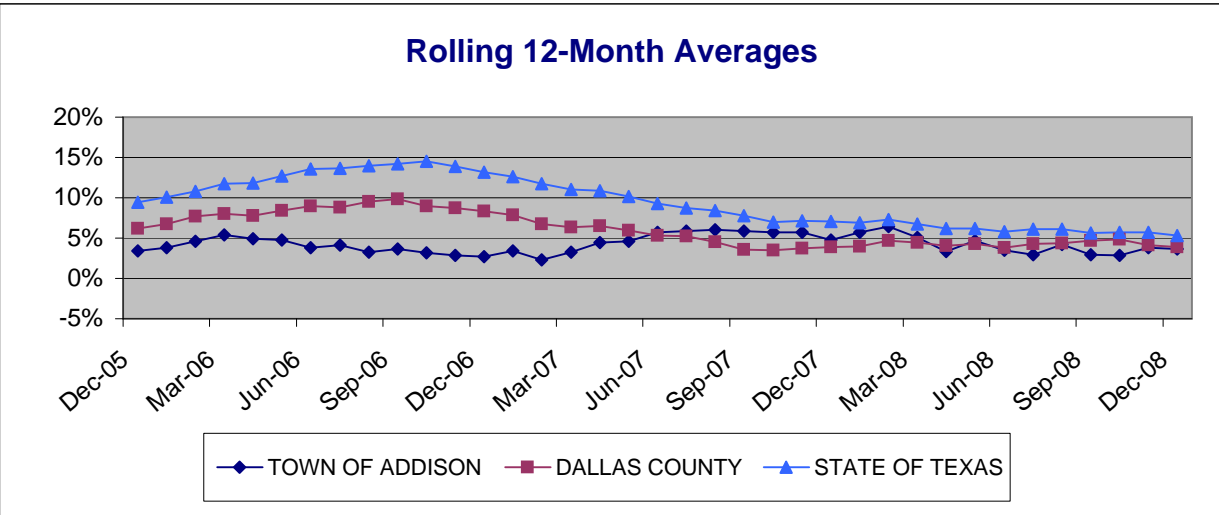
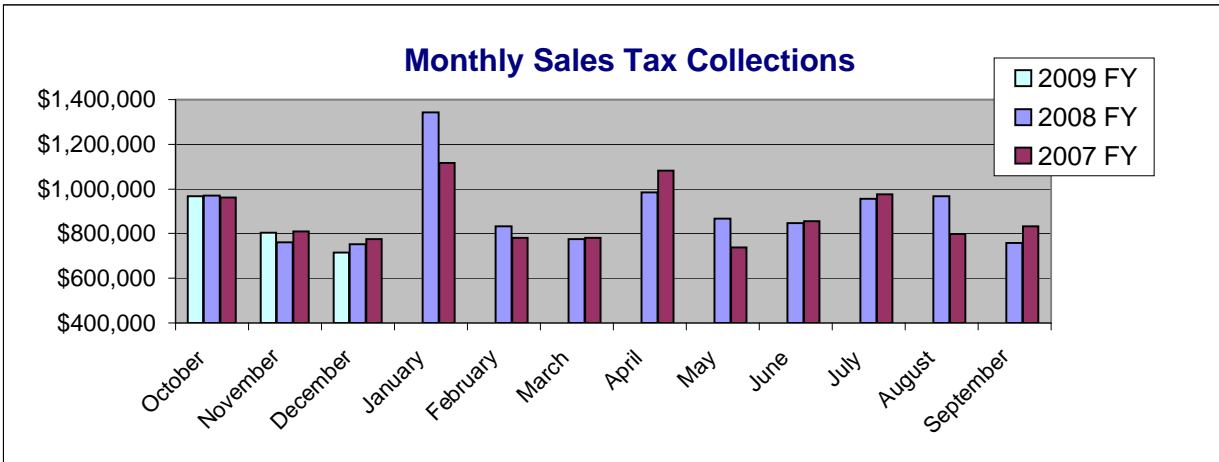
- 1) N/A - Not Applicable
- 2) Purchases of water and wastewater treatment services are underreported by one to two months due to prior year accruals and delay in receiving billings from Dallas Water Utilities.

TOWN OF ADDISON

Schedule of Sales Tax Collections and Related Analyses

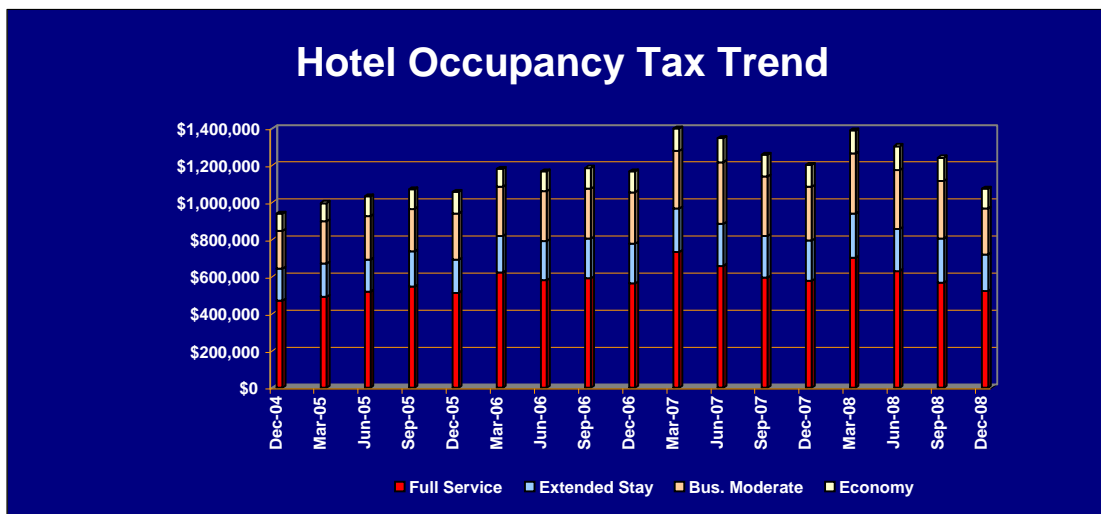
For the fiscal year ending September 30, 2009

| | TOWN OF ADDISON | | | | DALLAS COUNTY | | STATE OF TEXAS | |
|--------------------|---------------------|---------------|-----------------------------|------------|-----------------------------|------------|-----------------------------|------------|
| | 2008-09 Collections | | % Change from Prior Year | | % Change from Prior Year | | % Change from Prior Year | |
| | Monthly | Cumulative | Monthly | Cumulative | Monthly | Cumulative | Monthly | Cumulative |
| October | \$ 966,519 | \$ 966,519 | -0.4% | -0.4% | 2.0% | 2.0% | 4.0% | 4.0% |
| November | \$ 803,512 | \$ 1,770,031 | 5.7% | 2.3% | -1.3% | 0.6% | 9.5% | 6.5% |
| December | \$ 715,722 | \$ 2,485,753 | -5.0% | 0.1% | 4.1% | 1.6% | 2.2% | 5.2% |
| January | \$ - | | | | | | | |
| February | \$ - | | | | | | | |
| March | \$ - | | | | | | | |
| April | \$ - | | | | | | | |
| May | \$ - | | | | | | | |
| June | \$ - | | | | | | | |
| July | \$ - | | | | | | | |
| August | \$ - | | | | | | | |
| September | \$ - | | | | | | | |
| Budget 08-09: | | \$ 11,124,500 | | | | | | |
| Projected Year-End | | \$ 10,201,900 | | | | | | |



TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-To-Date Ended December 31, 2008
With Comparisons to Prior Year

| | Rooms | | 1st Quarter FY 09 | | 09 to 08 % Diff. | YTD FY 09 | | 09 to 08 % Diff. |
|---------------------------|--------------|-------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|
| | Number | Percentage | Amount | Percentage | | Amount | Percentage | |
| Full Service | | | | | | | | |
| Marriott Quorum | 535 | 14% | \$ 199,054 | 19% | -14% | \$ 199,054 | 19% | -14% |
| Intercontinental | 532 | 13% | 192,968 | 18% | -3% | 192,968 | 18% | -3% |
| Crown Plaza | 429 | 11% | 129,860 | 12% | -11% | 129,860 | 12% | -11% |
| | 1,496 | 38% | 521,883 | 49% | -9% | 521,883 | 49% | -9% |
| Extended Stay | | | | | | | | |
| Budget Suites | 344 | 9% | 7,654 | 1% | 58% | 7,654 | 1% | 58% |
| Best Western | 70 | 2% | 8,396 | 1% | -48% | 8,396 | 1% | -48% |
| Marriott Residence | 150 | 4% | 49,846 | 5% | -9% | 49,846 | 5% | -9% |
| Summerfield Suites | 132 | 3% | 33,618 | 3% | -18% | 33,618 | 3% | -18% |
| Homewood Suites | 128 | 3% | 46,670 | 4% | 12% | 46,670 | 4% | 12% |
| Springhill Suites | 159 | 4% | 49,642 | 5% | -14% | 49,642 | 5% | -14% |
| | 983 | 25% | 195,827 | 18% | -10% | 195,827 | 18% | -10% |
| Business Moderate | | | | | | | | |
| Marriott Courtyard Quorum | 176 | 4% | 61,058 | 6% | -17% | 61,058 | 6% | -17% |
| LaQuinta Inn | 152 | 4% | 37,439 | 3% | -13% | 37,439 | 3% | -13% |
| Marriott Courtyard Proton | 145 | 4% | 38,579 | 4% | -24% | 38,579 | 4% | -24% |
| Holiday Inn Express | 102 | 3% | 37,358 | 3% | 4% | 37,358 | 3% | 4% |
| Hilton Garden Inn | 96 | 2% | 38,662 | 4% | -9% | 38,662 | 4% | -9% |
| Holiday Inn - Arapaho | 101 | 3% | 27,480 | 3% | -19% | 27,480 | 3% | -19% |
| Comfort Inn | 86 | 2% | 10,071 | 1% | -7% | 10,071 | 1% | -7% |
| | 858 | 22% | 250,648 | 23% | -14% | 250,648 | 23% | -14% |
| Economy | | | | | | | | |
| Motel 6 | 126 | 3% | 10,528 | 1% | -42% | 10,528 | 1% | -42% |
| Hampton Inn | 159 | 4% | 51,431 | 5% | -1% | 51,431 | 5% | -1% |
| Quality Inn | 115 | 3% | 13,522 | 1% | -22% | 13,522 | 1% | -22% |
| Comfort Suites | 78 | 2% | 20,043 | 2% | -2% | 20,043 | 2% | -2% |
| Super 8 | 78 | 2% | 7,187 | 1% | -5% | 7,187 | 1% | -5% |
| Best Value | 60 | 2% | 2,960 | 0% | -22% | 2,960 | 0% | -22% |
| | 616 | 16% | 105,670 | 10% | -11% | 105,670 | 10% | -11% |
| TOTAL | 3,953 | 100% | \$ 1,074,028 | 100% | -11% | \$ 1,074,028 | 100% | -11% |



TOWN OF ADDISON
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Quarter Ending December 31, 2008

| Fund | Balance 9/30/2008 | Quarter Receipts | Quarter Disbursements | Balance 12/31/2008 |
|--------------------------------|----------------------|----------------------|--------------------------|-----------------------|
| General Fund | \$ 12,684,895 | \$ 7,398,106 | \$ 9,814,808 | \$ 10,268,193 |
| Special Revenue Funds: | | | | |
| Hotel | 6,553,631 | 1,931,918 | 3,554,613 | 4,930,936 |
| Public Safety | 43,324 | 3,654 | 8,307 | 38,671 |
| Municipal Court | 531,148 | 337,618 | 303,015 | 565,751 |
| Arbor | 181,822 | 16,549 | 11,115 | 187,256 |
| Debt Service Funds: | | | | |
| G. O. Bonds | 1,696,123 | 1,363,739 | 883,018 | 2,176,844 |
| Hotel Revenue Bonds | 885,643 | 711,517 | - | 1,597,160 |
| Capital Projects Funds: | | | | |
| Streets | 2,748,163 | 35,402 | 5,742 | 2,777,823 |
| Parks | 896,419 | 11,117 | 5,691 | 901,845 |
| 2002 G.O. Bonds | 1,981,194 | 28,618 | 25,886 | 1,983,926 |
| 2004 G.O. Bonds | 422,082 | 5,249 | - | 427,331 |
| 2006 G.O. Bonds | 339,484 | 4,221 | - | 343,705 |
| 2008 G.O. Bonds | 26,956,291 | 333,912 | 378,476 | 26,911,727 |
| Enterprise Funds: | | | | |
| Utility | 11,226,980 | 2,882,155 | 2,090,039 | 12,019,096 |
| Airport | 1,613,232 | 982,080 | 766,656 | 1,828,656 |
| Internal Service Funds: | | | | |
| Capital Replacement | 3,366,397 | 167,526 | 665 | 3,533,258 |
| Information Services | 2,782,054 | 143,396 | 24,440 | 2,901,010 |
| TOTAL - ALL FUNDS | \$ 74,908,882 | \$ 16,356,777 | \$ 17,872,471 | \$ 73,393,188 |

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

| INVESTMENTS BY MATURITY AND TYPE | | | | |
|--|------------------|----------------|----------------------|----------------------|
| For the Quarter Ending December 31, 2008 | | | | |
| | Type | % of Portfolio | Yield to Maturity | Amount |
| | Pools | 28.52% | 1.45% | \$ 20,544,214 |
| | Agencies | 64.30% | 2.71% | 46,310,524 |
| | Bank CD's | 3.04% | 5.23% | 2,188,100 |
| | Commercial Paper | 4.14% | 3.14% | 2,981,315 |
| Total Investments | | 100.00% | 2.44% | 72,024,153 |
| Accrued Interest Earnings | | | | 441,504 |
| Demand Deposits | | | | 927,531 |
| TOTAL | | | | \$ 73,393,188 |

COLLATERAL SUMMARY

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

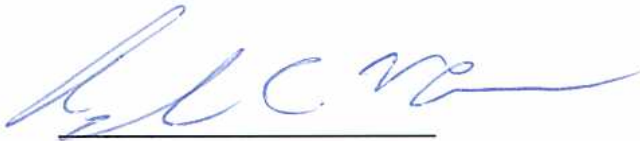
Town of Addison Collateral Analysis Demand Deposit Cash December 31, 2008

| Pledging Institution | Safekeeping Location | Account Title | Pledged Security Description | Security Par Value | Market Value | FDIC Insurance | Ending Bank Balance | Difference Over(Under) |
|----------------------|----------------------|---------------|------------------------------|---------------------|---------------------|-------------------|---------------------|------------------------|
| Frost Bank | Federal Reserve | Operating | GNMA due: | | | | | |
| | | | 20-Feb-28 | \$ 496,722 | \$ 526,152 | | | |
| | | | 20-Jan-23 | \$ 288,860 | \$ 286,246 | | | |
| | | | 15-Oct-35 | \$ 837,827 | \$ 863,524 | | | |
| | | | | <u>\$ 1,623,409</u> | <u>\$ 1,675,922</u> | <u>\$ 100,000</u> | <u>737,612</u> | <u>\$ 1,038,310</u> |

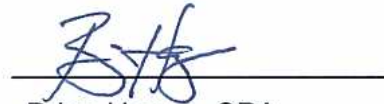
**Quarterly Investment Report
Pooled Investment Funds
Quarter ending December 31, 2008**

This quarterly Investment report has been prepared in compliance with Section 2256.023 "Internal Management Reports", of the Public Funds Investment Act, and in accordance with reporting requirements contained in the Town of Addison Investment Policy as approved by City Council on September 23, 2008.

Activity in the Town's portfolio during this quarter is in compliance with the investment strategy as specified in the Town's Investment Policy. All investments are high-quality securities with no perceived default risk. Securities reflect active and efficient secondary markets in the event of an unanticipated cash requirement. Operating funds require the greatest short-term liquidity. Investment pools have been utilized to provide short-term fund requirements. Investment maturities have been staggered throughout the budget cycle to provide cash flow based on anticipated operating needs of the Town. Diversifying the appropriate maturity structure has reduced market cycle risk. There has been no loss of principal during this quarter of activity, and none is anticipated in the future.



Randolph C. Moravec
Chief Financial Officer



Brian Hogan, CPA
Financial Services Manager



Investment Portfolio Summary
For the Quarter Ended
December 31, 2008

Prepared By

 **First Southwest Asset Management**

**Fourth Quarter of Calendar Year 2008
Review**

MAJOR EVENTS

A major theme in the third quarter was the series of unexpected financial events that shattered investor confidence, ushered in certain recession and prompted an abrupt shift in expected Fed policy. The fourth quarter theme was recession, as virtually all economic data releases were terrible, sending the media scrambling to history books searching for data comparisons to the Great Depression. The quarter began with Congress fiercely debating the proposed financial market bailout. During the second week of October as critics showed disdain for what they viewed as a vague and hastily constructed plan, the DOW dove an astonishing 1,874 points. At one point, the index was down 2,440 points, a 24% plunge in only five days time. By contrast, the infamous 1929 crash was back-to-back declines of 12.8% and 11.7%. The panic effect was felt on a global scale as equity markets around the world tumbled along with the United States. At week's end, the U.S. Central Bank along with the European Central Bank, England, Canada and Sweden all cut key short-term interest rates by 50 bps in a rare coordinated emergency move. Over the next two days, 185 member nations of the IMF met and pledged to use "all available tools" to ensure that "no systemically important financial institution failed." This bold unified action seemed to stop the bleeding but not the extreme volatility. Investor trust was severely damaged. Only two weeks after gaining approval for the \$700 billion rescue plan, referred to as the Troubled Asset Relief Program (TARP), the Treasury department announced that it would direct \$250 billion in TARP funds to shore up the nation's banks, a sharp deviation from the original plan to purchase toxic financial assets. At the same time, the FDIC announced that it would begin insuring all non-interest bearing deposits and would begin a temporary program to insure new bank debt. These actions were intended to encourage banks to lend more freely. Unfortunately, most banks simply sat on the money. Although it may be too early to get an accurate reading, the October Senior Loan Officer Survey revealed that 70% of banks said they'd made it more difficult to obtain prime mortgages while 65% tightened standards on consumer loans. By the end of October, consumer confidence had plunged to the lowest level since recordkeeping began in 1967 and the Fed had cut the overnight rate by another 50 bps to 1.0%.

On November 25th, the Fed announced even more massive initiatives intended to increase market liquidity and encourage borrowing. They proposed to lend up to \$200 billion to holders of consumer-related asset-backed securities, purchase up to \$100 billion in GSE debt and up to \$500 billion in agency mortgage-backed securities. The announcement had an immediate effect on agency debt, driving yields down by 25 to 30 basis points and making it cheaper for Fannie, Freddie and the Federal Home Loan Banks to borrow funds. The more desired effect was that mortgage lending rates began moving significantly lower, opening the door for refinancing and providing some financial incentive for those borrowers who were still considered credit-worthy.

On Dec 1st, the National Bureau of Economic Research (NBER) officially declared that a recession had begun ...a year ago. Usually, by the time a recession has been identified, it's just about over. Not this time. The November employment report showed that 533k jobs were lost during the month, the largest drop in 34 years, bringing payroll losses to 1.9 million for the year. Adding sympathetic support for an auto bailout, the Center for Automotive Research projected that a total collapse of the U.S. auto industry could lead to the loss of another 2.5 million jobs. Before the year ended, \$13 billion in TARP funds would be allocated to Chrysler and GM; tiding them over for the time-being. On December 11th, market confidence was dealt another severe blow as authorities learned that Bernie Madoff, the former President of the NASDAQ stock exchange, had operated a Ponzi scheme disguised as a hedge fund that had reportedly lost a staggering \$50 billion in investor cash. If there was a bright spot during the quarter, it was that inflation all but evaporated amid the deteriorating global economy with crude oil dropping below \$40 per barrel and gas prices falling to \$1.50 per gallon.

THE FED

The Fed had a very busy quarter as they tried to find the right medicine for the seriously ailing economy and broken financial markets. There were numerous programs introduced to try and

restore liquidity and get the credit markets working again. Many of these programs were coordinated with the Treasury Department and the FDIC. One of the most significant was the previously discussed plan to purchase GSE debt and MBS. These programs have sharply reduced yields on agency debt and MBS. The Fed ultimately cut the overnight fed funds target rate to a range of zero to 0.25%, effectively establishing a zero percent interest rate policy.

Summary of FOMC Monetary Policy Actions:

- 1) October 8th – Emergency inter-meeting 50bps rate cut.
- 2) October 29th – Fed cuts fed funds target rate 50bps to 1.00%
- 3) December 16th – Fed cuts fed funds target rate to a *range* of 0% to 0.25%.

HOUSING

Last December, the National Association of Realtors issued a press release entitled “Existing Home Sales to Trend Up in 2008”. You can’t blame the realtors for trying, but this optimism turned out to be wishful thinking as an 8.6% drop in November 2008 sales hammered home the point that the housing market was still in terrible shape. Since reaching a peak in the summer of 2005, existing home sales have fallen by 38%, while new home sales dropped a massive 71%. This has driven home inventories to record highs at the same time the number of qualified buyers has shrunk by nearly two-thirds. New home inventories are at a staggering 11.5 months supply while the supply of unsold condos has reached 16.7 months. New construction has virtually ceased. Housing starts fell by 18% in November to the lowest level since recordkeeping began. With homeownership near a record high of 68%, the question becomes, exactly who will purchase this bloated inventory of available homes? With an imbalance of sellers and buyers, prices have dropped at an alarming rate – the Case Shiller home price index fell another 2.2% in October and is now down 18% year-over-year and more than 23% from its peak. CNN Money reported that a record 1.35 million homes were in foreclosure in the third quarter, pushing the foreclosure rate to 2.97%, while the WSJ reported that one in ten American mortgages are either delinquent or already in foreclosure. On a bright note, the last weekly Mortgage Banker’s Association survey of the year showed an average 30-year fixed rate of 5.03%, down from 5.99% five weeks earlier and well below the Q3 average of 6.31%.

EMPLOYMENT

Payroll growth had been negative each month in 2008, an abrupt change from 2007 which experienced nothing but positive growth. But the decline had been fairly marginal until the fourth quarter. The November payroll report was a disaster with 533k jobs lost, the most in 34 years. Downward revisions increased job losses by an additional 383k in the four months prior. Through November, 1.9 million jobs had been lost during the year with most experts calling for another 500k drop in the final month. The unemployment rate for November was 6.7%, but was largely expected to reach 7% in December. Most experts predicted that later in 2009 unemployment would reach 8% for the first time in 25 years. The WSJ reported that a broader measure of unemployment, which includes those who want to work but are no longer seeking employment, jumped to 12.5% in November.

CONSUMER SPENDING

Clearly, consumers aren’t spending money on housing, nor are they spending money on automobiles. Auto sales fell by an astonishing 30% in November to an annualized pace of only 10.2 million units, a sharp decline from 2007’s pace of over 16 million. The decline was led by Chrysler at 49%, followed closely by GM at 41%. The possibility that one, if not all, of the big three automakers could declare bankruptcy dominated headlines in December.

The lack of spending is an interesting paradox. The U.S. economy is consumer-driven. This means that for economic growth to pick up, the consumer has to start spending money again. Until recently, borrowed money fueled much of the spending. Saving rates were near zero. For years, cash-out refinancing injected hundreds of billions into consumer’s pockets. The labor market was growing and confidence was high. But all of that has changed. Consumer confidence dropped to a historical low of 38 in December. People are fearful of losing their jobs, credit standards have tightened, home equity has been fully drained and there are no rainy-day savings to draw on. So, the consumer is finally starting to act responsibly ...which ironically has stifled economic growth. The savings rate has jumped from 0.8% to 2.8% in just four months while retail sales have collapsed, posting a record five straight negative months. All hope for a yearend holiday spending rally has been snuffed out. Master Card’s “Spending Pulse Index” is indicating

as much as an 8% decline in year-over-year holiday spending. Many experts believe that the 2008 holiday season was the worst in decades for retailers.

INFLATION

The shift in inflationary pressure during the quarter has been unexpected, unprecedented and welcomed. Just six months ago, the June ISM prices paid index surged to a shocking 30-year high of 91.5. Following a CPI report in which food prices soared to their highest level in 18 years, Dallas Fed President Fisher claimed that he “didn’t know a single person on the FOMC that wasn’t concerned about inflation” while Philadelphia Fed President Plosser said that “it was clear rates would have to rise”. The minutes to the August FOMC meeting clearly stated the Fed’s next intended move would be to tighten rates. They were wrong.

By December, the ISM prices paid index had dropped all the way to 18, the lowest level since 1949. Overall CPI fell by 1.7% in November, the biggest single month drop since recordkeeping began in 1947. On a year-over-year basis, CPI had declined from an inflationary 5.4% rate in July to a very deflationary rate of 1.1% in November. The key to the drop in price pressures was energy. Oil prices plunged from a record high of \$147 per barrel in July to below \$40, while gas prices fell from an average of \$4.17 per gallon to \$1.68 by the end of the year.

MARKET MOVEMENT

- The tremendous flight-to-quality that followed the Lehman bankruptcy continued virtually unabated in the fourth quarter. The Fed’s plan to buy agency debt also contributed to plunging yields in agency issues. On several occasions, 1-month and 3-month Treasury-bills traded at *negative yields*, meaning that investors accepted zero interest and actually received back less principal than they had invested. The six-month T-bill yield fell as low as 0.14% before closing the quarter at 0.26%. The two-year T-note yield, which opened the quarter at 1.71%, followed the third quarter’s 100bps drop with another 94bps, falling to 0.77%.
- Major stock markets were hit with declines not seen since the Great Depression. At the low point in mid-November, the DOW was off 43% for the year. The S&P 500 and NASDAQ reached declines of 49% and 50% respectively. Stocks did rebound somewhat in December, but by year-end the DOW had fallen a stunning 4,488 points, a 34% decline for 2008. The S&P 500 was down just over 38% for the year while the NASDAQ lost 40%.
- TexPool’s average rate during the quarter was 1.76%, down about 55bps from the prior quarter’s 2.31%. With the Fed essentially cutting the fed funds target to 0%, pool yields will continue to fall. As of mid-January, TexPool’s yield has fallen to just under 1%, and will continue to decline.

INTEREST RATES

| | | Fed Funds | 3 mo T-bill | 6 mo T-bill | 2 yr T-note | 5 yr T-note | 10 yr T-note |
|-------------|----------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Last | 9/30/08 | 2.00% | 0.53% | 1.46% | 1.71% | 2.75% | 3.63% |
| High | | | 1.08% | 1.61% | 1.82% | 3.01% | 4.08% |
| Low | | | - 0.02% | 0.14% | 0.68% | 1.26% | 2.05% |
| End | 12/31/08 | 0.25% | 0.08% | 0.26% | 0.77% | 1.55% | 2.21% |

PORTFOLIO ACTIVITY SINCE SEPTEMBER 30th:

- There were a large number of transactions during the quarter. There were three maturities in late October totaling \$8 million and two more during mid-November for \$6 million. In addition one security for \$2.2 million was called away prior to maturity in late November.
- Proceeds from the October maturities were used to purchase three non-callable agency securities with maturities in September, October, and November 2009 for \$3mm, \$4mm, and \$2mm respectively. The purchases had a weighted average yield of 3.01%. Funds from the bond called in late November were reinvested in an agency bullet maturing in February 2010 at a yield of 2.25%.

- In mid-November we took advantage of an unusually steep short agency curve by selling six agency bonds with short maturity or call dates, all inside of six-months. The \$10.5 million sale resulted in realized gains of \$37,720. The proceeds from these sales were used to purchase four non-callable agency securities with longer maturity dates. The purchases locked in a weighted average yield of 2.23% until the January 2010 average maturity date. This series of transactions has proven to be very beneficial as investment yields have fallen dramatically since November.

SUMMARY / OUTLOOK

There have been 11 U.S. recessions declared since the Great Depression. The typical length is about 10 months. The two most severe lasted 16 months. But this one is quite a bit different. Forecasts for a quick turnaround are few and far between. Most experts now predict that GDP fell by as much as 6.5% in the fourth quarter and that the economy will stay in recession for much, if not all of 2009. There is a major inventory overhang in durable goods which suggests a significant cut in industrial production in the coming quarter. The labor market has fallen off a cliff in recent months and job loss can be self-perpetuating. Unemployment is generally expected to rise to 8% or higher in 2009. Consumers are scared and they're saving their money. The savings rate in the U.S. has risen sharply for four months in a row, moving from 0.8% in August to 2.8% in November. Personal savings had been on a steady decline since 1982 when it was 10.9%. By contrast, in 2005 the rate was actually *negative*. By hoarding cash, instead of spending, the now thrifty consumer isn't cooperating in the recovery effort. President-elect Obama hopes to change this through the introduction of a massive stimulus package to be unveiled after the January inauguration. Details are still being hatched, but the likely plan will involve large-scale job creation through a New Deal-like series of infrastructure and technology projects.

The good news will eventually come, although things will likely appear worse before they get better. Falling commodities prices, in particular gasoline, will help ease the pain of recession. Most experts predict further price decreases in 2009. Few expect the housing market to bottom out until later in 2009, although 30-year mortgage rates near 4.50% and home prices 25% to 30% below their highs will be nice enticements to buyers and potential investors. There will be refinancing opportunities and many floating rate loans will reset in 2009 at significantly lower levels. Auto credit will be looser in 2009. GMAC, after accepting \$5 billion in TARP funds in December, promptly lowered the minimum qualifying FICO score from 700 to 621. (The median FICO score in the U.S. is 723.)

Interest rates, which are now at unimaginably low levels, are expected to remain low for a similar period. In fact, when the Fed lowered the overnight funds rate to near zero in December, they pledged to keep it there for an extended period of time. Normally, when the economy enters recession, the Fed lowers borrowing costs which discourages savings and encourages borrowing among both consumers and businesses seeking to expand. The problem this time is obvious; the *Fed has run out of ammunition*, at least on the traditional monetary policy side. The alternative is to concentrate on new and existing lending programs as well as direct purchases of mortgage-backed and other illiquid securities. Since Q4 began, this costly method of creating liquidity has more than doubled the Fed's balance sheet from \$900 billion to \$2 trillion ...and counting.

During the quarter, the 10-year Treasury-note yield fell by 142 basis points to the lowest yield in more than 50 years. The Fed cut the overnight target to a range of 0% to 0.25% in December as repo rates traded at 0.05%. Unfortunately, there is little reason to expect a return to higher rates in 2009. That would imply that the Fed was *tightening credit* and in order for that to occur, the Fed would have to sense inflation or that a significant economic recovery was underway. Neither of which is likely to happen anytime soon.

PROJECTED STRATEGY FOR THE FIRST QUARTER 2009:

Historically low yields do not make for an especially attractive investment environment. But with pool yields set to decline further we will want to carefully manage pool balances and keep the portfolio heavily invested. We will continue to focus on safety and have temporarily suspended all traditional commercial paper purchases. We will only invest in CP that is issued under the FDIC's guarantee program, which carries the full-faith-and-credit of the United States. Callable agency securities with final maturities inside of two years provide a significant pick up in yield versus bullets and are fairly attractive alternatives. We will also seek to take advantage of higher yields in certificates of deposit offered by local banks and through the CDAR's shared CD program.

Town of Addison
FIXED INCOME DISTRIBUTION
December 31, 2008

Summary Information

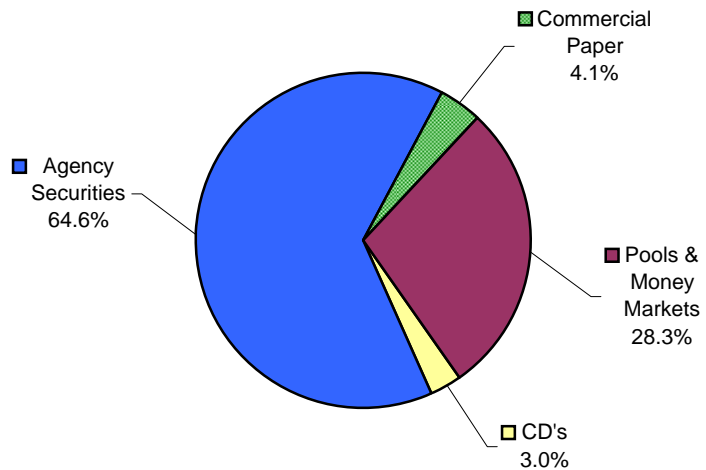
| | <u>Totals</u> | <u>Weighted Averages</u> |
|------------------|---------------|----------------------------|
| Par Value | 71,555,313.61 | Average YTM 2.443 |
| Market Value | 72,645,732.11 | Average Maturity (yrs) 0.5 |
| Adjusted Cost | 72,024,152.23 | Average Coupon (%) 3.220 |
| Net Gain/Loss | 621,579.88 | Average Duration 0.5 |
| Annual Income | 2,282,157.33 | |
| Number of Issues | 21 | |

Distribution by Maturity

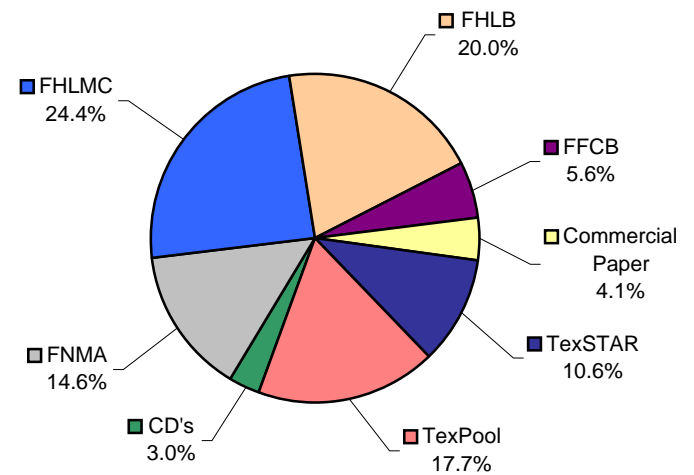
| <u>Maturity</u> | <u>Number</u> | <u>Mkt Value</u> | <u>% Bond Holdings</u> | <u>Average Y T M</u> | <u>Average Coupon</u> | <u>Average Duration</u> |
|-----------------|---------------|------------------|------------------------|----------------------|-----------------------|-------------------------|
| 0 - 3 Months | 4 | 24,549,213.37 | 33.8 | 1.686 | 1.415% | 0.031 |
| 3 - 6 Months | 5 | 12,166,406.25 | 16.7 | 2.944 | 3.969% | 0.399 |
| 6 - 9 Months | 6 | 14,820,537.50 | 20.4 | 2.963 | 3.980% | 0.608 |
| 9 - 12 Months | 5 | 13,659,287.75 | 18.8 | 2.506 | 3.761% | 0.860 |
| 1 - 2 Years | 10 | 7,450,287.24 | 10.3 | 3.234 | 5.439% | 1.148 |

Town of Addison
Portfolio Composition
December 31, 2008

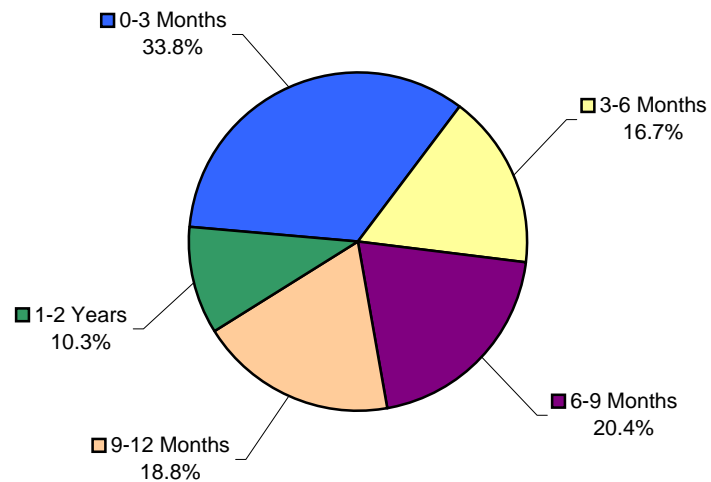
Portfolio Composition by Security Type



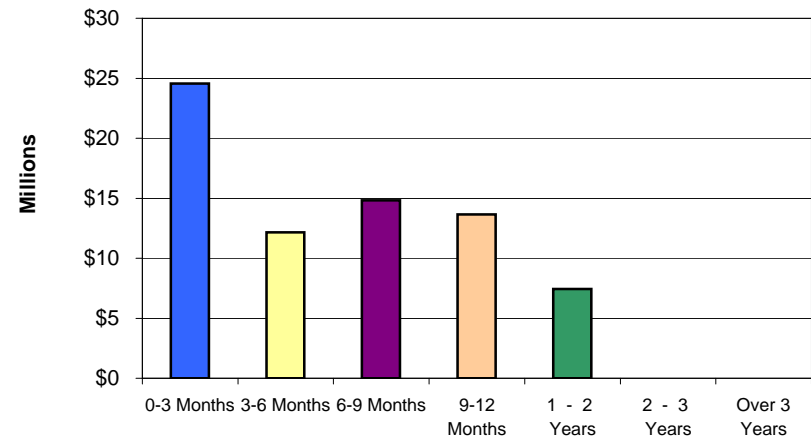
Portfolio Composition by Issuer



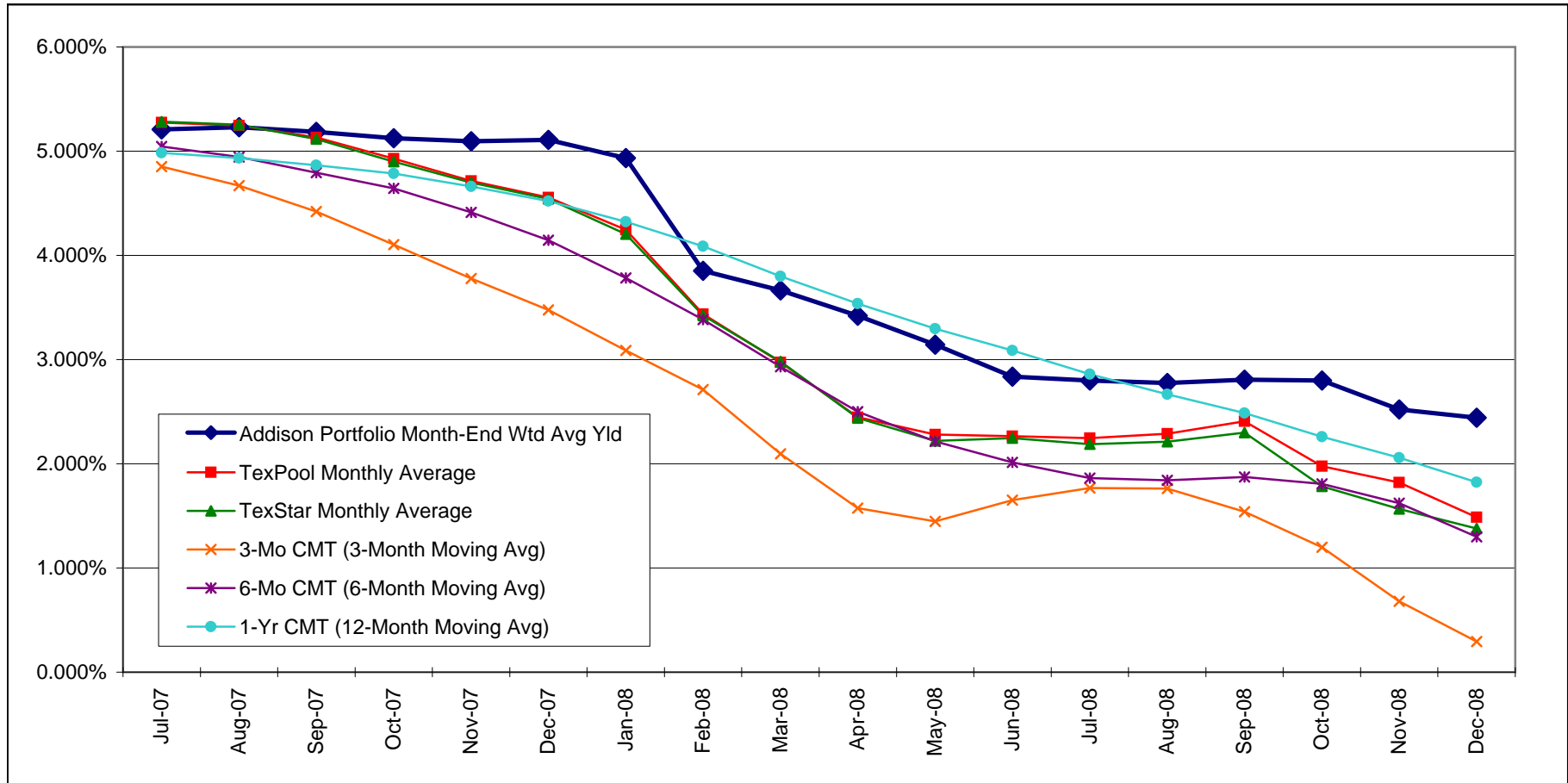
Portfolio Composition by Maturity (Percentage)



Portfolio Composition by Maturity (Amount)



Town of Addison
Benchmark Comparison
December 31, 2008



Notes:

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

Town of Addison
DETAIL OF SECURITY HOLDINGS
As of December 31, 2008

| Security Description | Security CUSIP | Coupon | Settlement Date | Maturity Date | Next Call Date | Par Value | Purchase Price | Purchase Cost | Book Value | Market Price | Market Value | Accrued Interest | Days to Maturity | Days to Next Call | Yield to Maturity | Yield to Next Call |
|----------------------|----------------|--------------|-----------------|---------------|----------------|----------------------|----------------|----------------------|----------------------|----------------|----------------------|-------------------|------------------|-------------------|-------------------|--------------------|
| Pooled Funds | | | | | | | | | | | | | | | | |
| TexSTAR | texstar | 1.379 | | | | 7,700,705.34 | 100.000 | 7,700,705.34 | 7,700,705.34 | 100.000 | 7,700,705.34 | 0.00 | 1 | | | 1.379 |
| TexPool | texpool | 1.485 | | | | 12,843,508.53 | 100.000 | 12,843,508.53 | 12,843,508.53 | 100.000 | 12,843,508.53 | 0.00 | 1 | | | 1.485 |
| FFCB | 31331XQM7 | 5.000 | 04-14-08 | 02-23-09 | | 1,000,000.00 | 102.353 | 1,023,530.00 | 1,003,959.02 | 100.656 | 1,006,562.50 | 17,777.78 | 54 | | | 2.214 |
| GE Capital Corp CP | 36959HQG5 | 0.000 | 06-19-08 | 03-16-09 | | 3,000,000.00 | 97.727 | 2,931,825.00 | 2,981,315.00 | 99.948 | 2,998,437.00 | 0.00 | 75 | | | 3.144 |
| FHLB | 3133XQZA3 | 2.480 | 07-22-08 | 05-07-09 | | 1,500,000.00 | 99.600 | 1,494,000.00 | 1,497,384.08 | 100.750 | 1,511,250.00 | 24,180.00 | 127 | | | 2.982 |
| FNMA | 31359MVE0 | 4.250 | 07-08-08 | 05-15-09 | | 1,500,000.00 | 101.224 | 1,518,360.00 | 1,507,910.74 | 101.406 | 1,521,093.75 | 8,145.83 | 135 | | | 2.784 |
| FNMA | 31359MVE0 | 4.250 | 08-13-08 | 05-15-09 | | 3,000,000.00 | 101.072 | 3,032,160.00 | 3,015,670.69 | 101.406 | 3,042,187.50 | 16,291.67 | 135 | | | 2.801 |
| FHLMC | 3137EAAE9 | 5.250 | 06-20-08 | 05-21-09 | | 3,000,000.00 | 102.053 | 3,061,587.00 | 3,025,737.85 | 101.844 | 3,055,312.50 | 17,500.00 | 141 | | | 2.967 |
| FHLB | 3133XRK90 | 3.000 | 06-19-08 | 06-18-09 | | 3,000,000.00 | 99.990 | 2,999,700.00 | 2,999,861.54 | 101.219 | 3,036,562.50 | 3,250.00 | 169 | | | 3.010 |
| FFCB | 31331YZ37 | 3.125 | 07-01-08 | 07-01-09 | | 3,000,000.00 | 100.113 | 3,003,390.00 | 3,001,681.07 | 101.375 | 3,041,250.00 | 46,875.00 | 182 | | | 3.009 |
| FNMA Disc Note | 313589JL8 | 0.000 | 08-06-08 | 07-22-09 | | 2,000,000.00 | 97.219 | 1,944,388.89 | 1,967,904.45 | 99.780 | 1,995,600.00 | 0.00 | 203 | | | 2.983 |
| FHLB | 3133XGEQ3 | 5.250 | 05-13-08 | 08-05-09 | | 1,500,000.00 | 103.259 | 1,548,885.00 | 1,523,483.15 | 102.812 | 1,542,187.50 | 31,937.50 | 217 | | | 2.534 |
| FNMA Disc Note | 313589KC6 | 0.000 | 08-15-08 | 08-07-09 | | 2,000,000.00 | 97.169 | 1,943,375.83 | 1,965,422.78 | 99.700 | 1,994,000.00 | 0.00 | 219 | | | 2.979 |
| FHLMC | 3134A3M78 | 6.625 | 09-16-08 | 09-15-09 | | 3,000,000.00 | 103.999 | 3,119,970.00 | 3,084,704.09 | 104.125 | 3,123,750.00 | 58,520.83 | 258 | | | 2.538 |
| FHLMC | 3134A3M78 | 6.625 | 10-30-08 | 09-15-09 | | 3,000,000.00 | 102.812 | 3,084,360.00 | 3,067,751.62 | 104.125 | 3,123,750.00 | 58,520.83 | 258 | | | 3.332 |
| FHLB | 3133XMD40 | 4.500 | 10-07-08 | 10-09-09 | | 4,000,000.00 | 101.806 | 4,072,240.00 | 4,055,310.09 | 103.000 | 4,120,000.00 | 41,000.00 | 282 | | | 2.668 |
| FHLMC | 3137EAAK5 | 4.750 | 10-21-08 | 11-03-09 | | 2,000,000.00 | 101.538 | 2,030,760.00 | 2,024,897.16 | 103.219 | 2,064,375.00 | 15,305.56 | 307 | | | 3.224 |
| FHLMC | 3128X7SN5 | 2.750 | 11-12-08 | 11-13-09 | | 2,000,000.00 | 100.644 | 2,012,880.00 | 2,011,120.35 | 101.505 | 2,030,094.00 | 7,333.33 | 317 | | | 2.098 |
| FHLB | 3133XRHP8 | 3.000 | 11-13-08 | 12-15-09 | | 4,250,000.00 | 100.894 | 4,287,995.00 | 4,283,309.91 | 102.156 | 4,341,640.62 | 5,666.67 | 349 | | | 2.164 |
| FHLMC | 3134A4UW2 | 4.000 | 11-12-08 | 12-15-09 | | 1,073,000.00 | 101.915 | 1,093,547.95 | 1,090,968.88 | 102.812 | 1,103,178.12 | 1,907.56 | 349 | | | 2.213 |
| FNMA | 31398AKX9 | 3.250 | 11-25-08 | 02-10-10 | | 2,000,000.00 | 101.178 | 2,023,560.00 | 2,021,585.69 | 102.562 | 2,051,250.00 | 25,458.33 | 406 | | | 2.254 |
| FHLMC | 3134A33L8 | 7.000 | 11-12-08 | 03-15-10 | | 3,000,000.00 | 106.009 | 3,180,270.00 | 3,161,860.46 | 107.031 | 3,210,937.50 | 61,833.33 | 439 | | | 2.418 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 04-05-07 | 04-05-10 | | 2,000,000.00 | 100.000 | 2,000,000.00 | 2,000,000.00 | 100.000 | 2,000,000.00 | 288.89 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 06-30-07 | 04-05-10 | | 24,504.12 | 100.000 | 24,504.12 | 24,504.12 | 100.000 | 24,504.12 | 3.54 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 09-30-07 | 04-05-10 | | 26,534.88 | 100.000 | 26,534.88 | 26,534.88 | 100.000 | 26,534.88 | 3.83 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 12-31-07 | 04-05-10 | | 26,882.66 | 100.000 | 26,882.66 | 26,882.66 | 100.000 | 26,882.66 | 3.88 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 03-31-08 | 04-05-10 | | 26,866.18 | 100.000 | 26,866.18 | 26,866.18 | 100.000 | 26,866.18 | 3.88 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 06-30-08 | 04-05-10 | | 27,212.72 | 100.000 | 27,212.72 | 27,212.72 | 100.000 | 27,212.72 | 3.93 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 09-30-08 | 04-05-10 | | 27,867.46 | 100.000 | 27,867.46 | 27,867.46 | 100.000 | 27,867.46 | 4.03 | 460 | | | 5.234 |
| View Pt Bk CD | VPB-CD 2010 | 5.200 | 12-31-08 | 04-05-10 | | 28,231.72 | 100.000 | 28,231.72 | 28,231.72 | 100.000 | 28,231.72 | 4.08 | 460 | | | 5.234 |
| | | 3.212 | | | | 71,555,313.61 | 100.840 | 72,139,098.28 | 72,024,152.23 | 101.547 | 72,645,732.11 | 441,820.28 | 178 | | | 2.443 |
| GRAND TOTAL | | 3.212 | | | | 71,555,313.61 | 100.840 | 72,139,098.28 | 72,024,152.23 | 101.547 | 72,645,732.11 | 441,820.28 | 178 | | | 2.443 |

Town of Addison
Pooled Funds
INVESTMENT TRANSACTIONS
From 10-01-08 To 12-31-08

| Settle Date | Security | CUSIP | Coupon | Mature Date | Call Date | Quantity | Unit Price | Amount |
|--------------------|---------------------|--------------|---------------|--------------------|------------------|-----------------|-------------------|---------------|
| PURCHASES | | | | | | | | |
| 10-07-08 | FHLB | 3133XMD40 | 4.500 | 10-09-09 | | 4,000,000 | 101.806 | 4,072,240.00 |
| | Accrued Interest | | | | | | | 89,000.00 |
| 10-21-08 | FHLMC | 3137EAAK5 | 4.750 | 11-03-09 | | 2,000,000 | 101.538 | 2,030,760.00 |
| | Accrued Interest | | | | | | | 44,333.33 |
| 10-30-08 | FHLMC | 3134A3M78 | 6.625 | 09-15-09 | | 3,000,000 | 102.812 | 3,084,360.00 |
| | Accrued Interest | | | | | | | 24,843.75 |
| 11-12-08 | FHLMC | 3134A33L8 | 7.000 | 03-15-10 | | 3,000,000 | 106.009 | 3,180,270.00 |
| | Accrued Interest | | | | | | | 33,250.00 |
| 11-12-08 | FHLMC | 3134A4UW2 | 4.000 | 12-15-09 | | 1,073,000 | 101.915 | 1,093,547.95 |
| | Accrued Interest | | | | | | | 17,525.67 |
| 11-12-08 | FHLMC | 3128X7SN5 | 2.750 | 11-13-09 | | 2,000,000 | 100.644 | 2,012,880.00 |
| | Accrued Interest | | | | | | | 27,347.22 |
| 11-13-08 | FHLB | 3133XRHP8 | 3.000 | 12-15-09 | | 4,250,000 | 100.894 | 4,287,995.00 |
| | Accrued Interest | | | | | | | 53,833.33 |
| 11-25-08 | FNMA | 31398AKX9 | 3.250 | 02-10-10 | | 2,000,000 | 101.178 | 2,023,560.00 |
| | Accrued Interest | | | | | | | 18,958.33 |
| 12-31-08 | View Pt Bk CD | VPB-CD 2010 | 5.200 | 04-05-10 | | 28,232 | 100.000 | 28,231.72 |
| | | | | | | | | 22,122,936.30 |
| SALES | | | | | | | | |
| 11-12-08 | FHLMC Disc Note | 313396S53 | 0.000 | 12-08-08 | | 2,000,000 | 99.986 | 1,999,711.11 |
| 11-12-08 | FHLB | 3133XPNE0 | 2.750 | 02-06-09 | 08-06-08 | 2,000,000 | 100.364 | 2,007,280.00 |
| | Accrued Interest | | | | | | | 14,666.67 |
| 11-12-08 | FNMA | 31359MTR4 | 3.375 | 12-15-08 | | 2,185,000 | 100.263 | 2,190,742.18 |
| | Accrued Interest | | | | | | | 30,112.03 |
| 11-13-08 | FHLB | 3133XQVZ2 | 2.520 | 04-28-09 | | 2,000,000 | 100.519 | 2,010,380.00 |
| | Accrued Interest | | | | | | | 2,100.00 |
| 11-13-08 | FHLB | 3133XKLY9 | 4.750 | 04-24-09 | | 1,000,000 | 101.497 | 1,014,970.00 |
| | Accrued Interest | | | | | | | 2,506.94 |
| 11-13-08 | FHLB | 3133X4ZC8 | 3.000 | 04-15-09 | | 1,290,000 | 100.679 | 1,298,759.10 |
| | Accrued Interest | | | | | | | 3,010.00 |
| | | | | | | | | 10,574,238.03 |
| CALLS | | | | | | | | |
| 11-24-08 | FHLMC | 3128X5PV4 | 5.125 | 11-24-10 | 11-24-08 | 2,204,000 | 100.000 | 2,204,000.00 |
| | Accrued Interest | | | | | | | 56,477.50 |
| | | | | | | | | 2,260,477.50 |
| MATURITIES | | | | | | | | |
| 10-21-08 | Toyota Motor Credit | 89233GKM7 | 0.000 | 10-21-08 | | 3,000,000 | 100.000 | 3,000,000.00 |
| 10-29-08 | FHLB | 3133XQTY8 | 2.200 | 10-29-08 | | 2,000,000 | 100.000 | 2,000,000.00 |

Town of Addison
Pooled Funds
INVESTMENT TRANSACTIONS
From 10-01-08 To 12-31-08

| Settle Date | Security | CUSIP | Coupon | Mature Date | Call Date | Quantity | Unit Price | Amount |
|--------------------|----------------------------|--------------|---------------|--------------------|------------------|-----------------|-------------------|---------------|
| | Accrued Interest | | | | | | | 22,000.00 |
| 10-30-08 | American Express Credit CP | 02581RKW2 | 0.000 | 10-30-08 | | 3,000,000 | 100.000 | 3,000,000.00 |
| 11-19-08 | GE Capital Services CP | 36959RLK9 | 0.000 | 11-19-08 | | 2,000,000 | 100.000 | 2,000,000.00 |
| 11-21-08 | FHLB | 3133XRCE8 | 2.220 | 11-21-08 | | 4,000,000 | 100.000 | 4,000,000.00 |
| | Accrued Interest | | | | | | | 44,400.00 |
| | | | | | | | | 14,066,400.00 |

Council Agenda Item: #R11

SUMMARY:

The police department seeks approval to purchase new ballistic vests for the majority of its sworn officers. Based on the manufacturers recommended five year expiration period, we will replace forty three vests originally purchased in 2004.

FINANCIAL IMPACT:

Total amount per vest: \$683.77

Budgeted Amount: \$24,000.00

Initial Cost: \$29,402.11

The police department is eligible for a Department of Justice block grant to pay a partial cost of new ballistic vest purchase. The department estimates this grant to be approximately 50% of the initial cost of the purchase.

BACKGROUND:

Every five years the police department must replace the majority of its officer's ballistic vests. This five year cycle is an industry standard used by every ballistic vest manufacturer and supported by the National Institute of Justices' guidelines. Vests used beyond this recommended time line are not covered or guaranteed by the manufacturer.

The police department recommends the ABA Extreme HP IIIA vest based on extensive performance and wear tests conducted by a panel of Addison police officers. For 2009, GT Distributors in Austin, Texas holds the State of Texas contract for American Body Armor (ABA) products. Through www.BuyBoard.com we are guaranteed to pay 69% of retail price this year for a savings of \$486.23. (Retail \$1170.00).

Through this program we will purchase all forty three vests from GT Distributors this year.

RECOMMENDATION:

Staff recommends approval.

The Addison Police Department Annual Traffic Contact Report (2008)



**DEL CARMEN
CONSULTING, LLC**

(I) Introduction

Opening Statement

January 24, 2009

Addison City Council
Addison, Texas 75001

Dear Distinguished Members of the City Council,

Racial profiling is considered to be one of the most pressing themes currently affecting law enforcement agencies in the United States. In 2001, the Texas legislature, in an attempt to address the issue of racial profiling in policing, enacted the Texas Racial Profiling Law. Since 2001, the Addison Police Department, in accordance with the law, has collected and reported traffic-related contact data for the purpose of identifying and addressing (if necessary) areas of concern regarding racial profiling practices.

In this particular report, you will find three sections that contain information on traffic-related contact data. In addition, when appropriate, documentation is also a component of this report, aiming at demonstrating the manner in which the Addison Police Department has complied with the Texas Racial Profiling Law. In section 1, you will find the table of contents in addition to the Texas Senate Bill (SB1074) which later became the Texas Racial Profiling Law. Also, in this section, a list of requirements relevant to the Racial Profiling Law as established by TCLEOSE (Texas Commission on Law Enforcement Officer Standards and Education) is included. In addition, you will find, in sections 2 and 3, documentation which demonstrates compliance by the Addison Police Department relevant to the requirements as established in the Texas Racial Profiling Law. That is, documents relevant to the implementation of an institutional policy banning racial profiling, the incorporation of a racial profiling complaint process (which has been disclosed to the public), and the training administered to all law enforcement personnel, are included.

The last component of this report provides statistical data relevant to contacts, made during the course of traffic stops, between 1/1/08 and 12/31/08. This information has been analyzed and compared to data derived from the U.S. Census Bureau's Fair Roads Standard and to traffic-based contact data collected between 2002 and 2007. The final analysis and recommendations are also included in this report.

I am hopeful that the findings presented in this report serve as evidence of the Addison Police Department's commitment to comply with the Texas Racial Profiling Law.

Sincerely,

Alex del Carmen, Ph.D.
Del Carmen Consulting, LLC

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TCLEOSE GUIDELINES

Guidelines for Compiling and Reporting Data under Senate Bill 1074

Background

Senate Bill 1074 of the 77th Legislature established requirements in the Texas Code of Criminal Procedure (TCCP) for law enforcement agencies. The Commission developed this document to assist agencies in complying with the statutory requirements.

The guidelines are written in the form of standards using a style developed from accreditation organizations including the Commission on Accreditation for Law Enforcement Agencies (CALEA). The standards provide a description of *what* must be accomplished by an agency but allows wide latitude in determining *how* the agency will achieve compliance with each applicable standard.

Each standard is composed of two parts: the standard statement and the commentary. The *standard statement* is a declarative sentence that places a clear-cut requirement, or multiple requirements, on an agency. The commentary supports the standard statement but is not binding. The commentary can serve as a prompt, as guidance to clarify the intent of the standard, or as an example of one possible way to comply with the standard.

Standard 1

Each law enforcement agency has a detailed written directive that:

- clearly defines acts that constitute racial profiling;
- strictly prohibits peace officers employed by the agency from engaging in racial profiling;
- implements a process by which an individual may file a complaint with the agency if the individual believes a peace officer employed by the agency has engaged in racial profiling with respect to the individual filing the complaint;
- provides for public education relating to the complaint process;
- requires appropriate corrective action to be taken against a peace officer employed by the agency who, after investigation, is shown to have engaged in racial profiling in violation of the agency's written racial profiling policy; and
- requires the collection of certain types of data for subsequent reporting.

Commentary

Article 2.131 of the TCCP prohibits officers from engaging in racial profiling, and article 2.132 of the TCCP now requires a written policy that contains the elements listed in this standard. The article also specifically defines a law enforcement agency as it applies to this statute as an “agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers’ official duties.”

The article further defines race or ethnicity as being of “a particular descent, including Caucasian, African, Hispanic, Asian, or Native American.” The statute does not limit the required policies to just these ethnic groups.

This written policy is to be adopted and implemented no later than January 1, 2002.

Standard 2

Each peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic, or who stops a pedestrian for any suspected offense reports to the employing law enforcement agency information relating to the stop, to include:

- a physical description of each person detained, including gender and the person's race or ethnicity, as stated by the person, or, if the person does not state a race or ethnicity, as determined by the officer's best judgment;
- the traffic law or ordinance alleged to have been violated or the suspected offense;
- whether the officer conducted a search as a result of the stop and, if so, whether the person stopped consented to the search;
- whether any contraband was discovered in the course of the search, and the type of contraband discovered;
- whether probable cause to search existed, and the facts supporting the existence of that probable cause;
- whether the officer made an arrest as a result of the stop or the search, including a statement of the offense charged;
- the street address or approximate location of the stop; and
- whether the officer issued a warning or citation as a result of the stop, including a description of the warning or a statement of the violation charged.

Commentary

The information required by 2.133 TCCP is used to complete the agency reporting requirements found in Article 2.134. A peace officer and an agency may be exempted from this requirement under Article 2.135 TCCP Exemption for Agencies Using Video and Audio Equipment. An agency may be exempt from this reporting requirement by applying for the funds from the Department of Public Safety for video and audio equipment and the State does not supply those funds. Section 2.135 (a)(2) states, "the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a) (1) (A) and the agency does not receive from the state funds for video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose."

Standard 3

The agency compiles the information collected under 2.132 and 2.133 and analyzes the information identified in 2.133.

Commentary

Senate Bill 1074 from the 77th Session of the Texas Legislature created requirements for law enforcement agencies to gather specific information and to report it to each county or municipality served. New sections of law were added to the Code of Criminal Procedure regarding the reporting of traffic and pedestrian stops. Detained is defined as when a person stopped is not free to leave.

Article 2.134 TCCP requires the agency to compile and provide and analysis of the information collected by peace officer employed by the agency. The report is provided to the governing body of the municipality or county no later than March 1 of each year and covers the previous calendar year.

There is data collection and reporting required based on Article 2.132 CCP (tier one) and Article 2.133 CCP (tier two).

The minimum requirements for “tier one” data for traffic stops in which a citation results are:

- 1) the race or ethnicity of individual detained (race and ethnicity as defined by the bill means of “a particular descent, including Caucasian, African, Hispanic, Asian, or Native American”);
- 2) whether a search was conducted, and if there was a search, whether it was a consent search or a probable cause search; and
- 3) whether there was a custody arrest.

The minimum requirements for reporting on “tier two” reports include traffic and pedestrian stops. Tier two data include:

- 1) the detained person’s gender and race or ethnicity;
- 2) the type of law violation suspected, e.g., hazardous traffic, non-hazardous traffic, or other criminal investigation (the Texas Department of Public Safety publishes a categorization of traffic offenses into hazardous or non-hazardous);
- 3) whether a search was conducted, and if so whether it was based on consent or probable cause;
- 4) facts supporting probable cause;
- 5) the type, if any, of contraband that was collected;
- 6) disposition of the stop, e.g., arrest, ticket, warning, or release;
- 7) location of stop; and
- 8) statement of the charge, e.g., felony, misdemeanor, or traffic.

Tier one reports are made to the governing body of each county or municipality served by the agency an annual report of information if the agency is an agency of a county, municipality, or other political subdivision of the state. Tier one and two reports are reported to the county or municipality not later than March 1 for the previous calendar year beginning March 1, 2003. Tier two reports include a comparative analysis between the race and ethnicity of persons detained to see if a differential pattern of treatment can be discerned based on the disposition of stops including searches resulting from the stops. The reports also include information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling. An agency may be exempt from the tier two reporting requirement by applying for the funds from the Department of Public Safety for video and audio equipment and the State does not supply those funds [See 2.135 (a)(2) TCCP].

Reports should include both raw numbers and percentages for each group. Caution should be exercised in interpreting the data involving percentages because of statistical distortions caused by very small numbers in any particular category, for example, if only one American Indian is stopped and searched, that stop would not provide an accurate comparison with 200 stops among Caucasians with 100 searches. In the first case, a 100% search rate would be skewed data when compared to a 50% rate for Caucasians.

Standard 4

If a law enforcement agency has video and audio capabilities in motor vehicles regularly used for traffic stops, or audio capabilities on motorcycles regularly used to make traffic stops, the agency:

- adopts standards for reviewing and retaining audio and video documentation; and
- promptly provides a copy of the recording to a peace officer who is the subject of a complaint on written request by the officer.

Commentary

The agency should have a specific review and retention policy. Article 2.132 TCCP specifically requires that the peace officer be promptly provided with a copy of the audio or video recordings if the officer is the subject of a complaint and the officer makes a written request.

Standard 5

Agencies that do not currently have video or audio equipment must examine the feasibility of installing such equipment.

Commentary

None

Standard 6

Agencies that have video and audio recording capabilities are exempt from the reporting requirements of Article 2.134 TCCP and officers are exempt from the reporting requirements of Article 2.133 TCCP provided that:

- the equipment was in place and used during the proceeding calendar year; and
- video and audio documentation is retained for at least 90 days.

Commentary

The audio and video equipment and policy must have been in place during the previous calendar year. Audio and video documentation must be kept for at least 90 days or longer if a complaint has been filed. The documentation must be retained until the complaint is resolved. Peace officers are not exempt from the requirements under Article 2.132 TCCP.

Standard 7

Agencies have citation forms or other electronic media that comply with Section 543.202 of the Transportation Code.

Commentary

Senate Bill 1074 changed Section 543.202 of the Transportation Code requiring citations to include:

- race or ethnicity, and
- whether a search of the vehicle was conducted and whether consent for the search was obtained.

The Texas Law on Racial Profiling

AN ACT

relating to the prevention of racial profiling by certain peace officers.

BE IT ENACTED BY THE LEGISLATURE OF THE
STATE OF TEXAS:

SECTION 1. Chapter 2, Code of Criminal Procedure, is amended by adding Articles 2.131 through 2.138 to read as follows:

Art. 2.131. RACIAL PROFILING PROHIBITED. A peace officer may not engage in racial profiling.

Art. 2.132. LAW ENFORCEMENT POLICY ON RACIAL PROFILING. (a) In this article:

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers' official duties.

(2) "Race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, or Native American descent.

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

(1) clearly define acts constituting racial profiling;

(2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's complaint process;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to traffic stops in which a citation is issued and to arrests resulting from those traffic stops, including information relating to:

(A) the race or ethnicity of the individual detained; and

(B) whether a search was conducted and, if so, whether the person detained consented to the search; and

(7) require the agency to submit to the governing body of each county or municipality served by the agency an annual report of the information collected under Subdivision (6) if the agency is an agency of a county, municipality, or other political subdivision of the state.

(c) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make traffic stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make traffic stops. If a law enforcement agency installs video or audio equipment as provided by this subsection, the policy

adopted by the agency under Subsection (b) must include standards for reviewing video and audio documentation.

(e) A report required under Subsection (b)(7) may not include identifying information about a peace officer who makes a traffic stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the collection of information as required by a policy under Subsection (b)(6).

(f) On the commencement of an investigation by a law enforcement agency of a complaint described by Subsection (b)(3) in which a video or audio recording of the occurrence on which the complaint is based was made, the agency shall promptly provide a copy of the recording to the peace officer who is the subject of the complaint on written request by the officer.

Art. 2.133. REPORTS REQUIRED FOR TRAFFIC AND PEDESTRIAN STOPS. (a) In this article:

(1) "Race or ethnicity" has the meaning assigned by Article 2.132(a).

(2) "Pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic or who stops a pedestrian for any suspected offense shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of each person detained as a result of the stop, including:

(A) the person's gender; and

(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the traffic law or ordinance alleged to have been violated or the suspected offense;

(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search;

(4) whether any contraband was discovered in the course of the search and the type of contraband discovered;

(5) whether probable cause to search existed and the facts supporting the existence of that probable cause;

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of the offense charged;

(7) the street address or approximate location of the stop; and

(8) whether the officer issued a warning or a citation as a result of the stop, including a description of the warning or a statement of the violation charged.

Art. 2.134. COMPILATION AND ANALYSIS OF INFORMATION COLLECTED. (a) In this article, "pedestrian stop" means an interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each local law enforcement agency shall submit a report containing the information compiled during the previous calendar year to the governing

body of each county or municipality served by the agency in a manner approved by the agency.

(c) A report required under Subsection (b) must include:

(1) a comparative analysis of the information compiled under Article 2.133 to:

(A) determine the prevalence of racial profiling by peace officers employed by the agency; and

(B) examine the disposition of traffic and pedestrian stops made by officers employed by the agency, including searches resulting from the stops; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

(d) A report required under Subsection (b) may not include identifying information about a peace officer who makes a traffic or pedestrian stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the reporting of information required under Article 2.133(b)(1).

(e) The Commission on Law Enforcement Officer Standards and Education shall develop guidelines for compiling and reporting information as required by this article.

(f) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

Art. 2.135. EXEMPTION FOR AGENCIES USING VIDEO AND AUDIO EQUIPMENT. (a) A peace officer is exempt from the reporting requirement under Article 2.133 and a law enforcement agency is exempt from the compilation, analysis, and reporting requirements under Article 2.134 if:

(1) during the calendar year preceding the date that a report under Article 2.134 is required to be submitted:

(A) each law enforcement motor vehicle regularly used by an officer employed by the agency to make traffic and pedestrian stops is equipped with video camera and transmitter-activated equipment and each law enforcement motorcycle regularly used to make traffic and pedestrian stops is equipped with transmitter-activated equipment; and

(B) each traffic and pedestrian stop made by an officer employed by the agency that is capable of being recorded by video and audio or audio equipment, as appropriate, is recorded by using the equipment; or

(2) the governing body of the county or municipality served by the law enforcement agency, in conjunction with the law enforcement agency, certifies to the Department of Public Safety, not later than the date specified by rule by the department, that the law enforcement agency needs funds or video and audio equipment for the purpose of installing video and audio equipment as described by Subsection (a)(1)(A) and the agency does not receive from the state funds or video and audio equipment sufficient, as determined by the department, for the agency to accomplish that purpose.

(b) Except as otherwise provided by this subsection, a law enforcement agency that is exempt from the requirements under Article 2.134 shall retain the video and audio or audio documentation of each traffic and pedestrian stop for at least 90 days after the date of the stop. If a complaint is filed with the law enforcement agency alleging that a peace officer employed by the agency has engaged in racial profiling with respect to a traffic or pedestrian stop, the agency shall retain the video and audio or audio record of the stop until final disposition of the complaint.

(c) This article does not affect the collection or reporting requirements under Article 2.132.

Art. 2.136. LIABILITY. A peace officer is not liable for damages arising from an act relating to the collection or reporting of information as required by Article 2.133 or under a policy adopted under Article 2.132.

Art. 2.137. PROVISION OF FUNDING OR EQUIPMENT.

(a) The Department of Public Safety shall adopt rules for providing funds or video and audio equipment to law enforcement agencies for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), including specifying criteria to prioritize funding or equipment provided to law enforcement agencies. The criteria may include consideration of tax effort, financial hardship, available revenue, and budget surpluses. The criteria must give priority to:

(1) law enforcement agencies that employ peace officers whose primary duty is traffic enforcement;

(2) smaller jurisdictions; and

(3) municipal and county law enforcement agencies.

(b) The Department of Public Safety shall collaborate with an institution of higher education to identify law enforcement agencies that need funds or video and audio equipment for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A). The collaboration may include the use of a survey to assist in developing criteria to prioritize funding or equipment provided to law enforcement agencies.

(c) To receive funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the

Department of Public Safety that the law enforcement agency needs funds or video and audio equipment for that purpose.

(d) On receipt of funds or video and audio equipment from the state for the purpose of installing video and audio equipment as described by Article 2.135(a)(1)(A), the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency has installed video and audio equipment as described by Article 2.135(a)(1)(A) and is using the equipment as required by Article 2.135(a)(1).

Art. 2.138. RULES. The Department of Public Safety may adopt rules to implement Articles 2.131-2.137.

SECTION 2. Chapter 3, Code of Criminal Procedure, is amended by adding Article 3.05 to read as follows:

Art. 3.05. RACIAL PROFILING. In this code, "racial profiling" means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

SECTION 3. Section 96.641, Education Code, is amended by adding Subsection (j) to read as follows:

(j) As part of the initial training and continuing education for police chiefs required under this section, the institute shall establish a program on racial profiling. The program must include an examination of the best practices for:

(1) monitoring peace officers' compliance with laws and internal agency policies relating to racial profiling;

(2) implementing laws and internal agency policies relating to preventing racial profiling; and

(3) analyzing and reporting collected information.

SECTION 4. Section 1701.253, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) As part of the minimum curriculum requirements, the commission shall establish a statewide comprehensive education and training program on racial profiling for officers licensed under this chapter. An officer shall complete a program established under this subsection not later than the second anniversary of the date the officer is licensed under this chapter or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier.

SECTION 5. Section 1701.402, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) As a requirement for an intermediate proficiency certificate, an officer must complete an education and training program on racial profiling established by the commission under Section 1701.253(e).

SECTION 6. Section 543.202, Transportation Code, is amended to read as follows:

Sec. 543.202. FORM OF RECORD. (a) In this section, "race or ethnicity" means of a particular descent, including Caucasian, African, Hispanic, Asian, or Native American descent.

(b) The record must be made on a form or by a data processing method acceptable to the department and must include:

- (1) the name, address, physical description, including race or ethnicity, date of birth, and driver's license number of the person charged;
- (2) the registration number of the vehicle involved;
- (3) whether the vehicle was a commercial motor vehicle as defined by Chapter 522 or was involved in transporting hazardous materials;

(4) the person's social security number, if the person was operating a commercial motor vehicle or was the holder of a commercial driver's license or commercial driver learner's permit;

(5) the date and nature of the offense, including whether the offense was a serious traffic violation as defined by Chapter 522;

(6) whether a search of the vehicle was conducted and whether consent for the search was obtained;

(7) the plea, the judgment, and whether bail was forfeited;

(8) [~~7~~] the date of conviction; and

(9) [~~8~~] the amount of the fine or forfeiture.

SECTION 7. Not later than January 1, 2002, a law enforcement agency shall adopt and implement a policy and begin collecting information under the policy as required by Article 2.132, Code of Criminal Procedure, as added by this Act. A local law enforcement agency shall first submit information to the governing body of each county or municipality served by the agency as required by Article 2.132, Code of Criminal Procedure, as added by this Act, on March 1, 2003. The first submission of information shall consist of information compiled by the agency during the period beginning January 1, 2002, and ending December 31, 2002.

SECTION 8. A local law enforcement agency shall first submit information to the governing body of each county or municipality served by the agency as required by Article 2.134, Code of Criminal Procedure, as added by this Act, on March 1, 2004. The first submission of information shall consist of information compiled by the agency during the period beginning January 1, 2003, and ending December 31, 2003.

SECTION 9. Not later than January 1, 2002:

(1) the Commission on Law Enforcement Officer Standards and Education shall establish an education and training program on racial profiling as required by Subsection (e), Section 1701.253, Occupations Code, as added by this Act; and

(2) the Bill Blackwood Law Enforcement Management Institute of Texas shall establish a program on racial profiling as required by Subsection (j), Section 96.641, Education Code, as added by this Act.

SECTION 10. A person who on the effective date of this Act holds an intermediate proficiency certificate issued by the Commission on Law Enforcement Officer Standards and Education or has held a peace officer license issued by the Commission on Law Enforcement Officer Standards and Education for at least two years shall complete an education and training program on racial profiling established under Subsection (e), Section 1701.253, Occupations Code, as added by this Act, not later than September 1, 2003.

SECTION 11. An individual appointed or elected as a police chief before the effective date of this Act shall complete a program on racial profiling established under Subsection (j), Section 96.641, Education Code, as added by this Act, not later than September 1, 2003.

SECTION 12. This Act takes effect September 1, 2001.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1074 passed the Senate on April 4, 2001, by the following vote: Yeas 28, Nays 2; May 21, 2001, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 22, 2001, House granted request of the Senate; May 24, 2001, Senate adopted Conference Committee Report by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 1074 passed the House, with amendments, on May 15, 2001, by a non-record vote; May 22, 2001, House granted request of the Senate for appointment of Conference Committee; May 24, 2001, House adopted Conference Committee Report by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor

(II) Responding to the Law

Institutional Policy on Racial Profiling

ARTICLE 99

Racial Profiling

I. Purpose

The purpose of the policy is to reaffirm the Addison Police Department's commitment to unbiased policing in all its encounters between officers and any person; to reinforce procedures that serve to ensure public confidence and mutual trust through the provision of services in a fair and equitable fashion; and to protect our officers from unwarranted accusations of misconduct when they act within the dictates of departmental policy and the law.

II. Policy

- A. It is the policy of this department to police in a proactive manner and to aggressively investigate suspected violations of law. Officers shall actively enforce Town ordinances, state and federal laws in a responsible and professional manner, without regard to race, ethnicity or national origin. Officers are strictly prohibited from engaging in racial profiling as defined in this policy. This policy shall be applicable to all persons, whether drivers, passengers, or pedestrians.
- B. Officers shall conduct themselves in a dignified and respectful manner at all times when dealing with the public. Two of the fundamental rights guaranteed by both the United States and Texas constitutions are equal protection under the law and freedom from unreasonable searches and seizures by government agents. The right of all persons to be treated equally and to be free from unreasonable searches and seizures must be respected. Racial profiling is an unacceptable patrol tactic and will not be condoned.
- C. This policy shall not preclude officers from offering assistance, such as upon observing a substance leaking from a vehicle, a flat tire, or someone who appears to be ill, lost or confused. Nor does this policy prohibit stopping someone suspected of a crime based upon observed actions and/or information received about the person.

III. Definitions

Racial Profiling – A law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

- A. Racial profiling pertains to persons who are viewed as suspects or potential suspects of criminal behavior. The term is not relevant as it pertains to witnesses, complainants, or other citizen contacts.

B. The prohibition against racial profiling does not preclude the use of race, ethnicity or national origin as factors in a detention decision. Race, ethnicity or national origin may be legitimate factors in a detention decision when used as part of an actual description of a specific suspect for whom an officer is searching. Detaining an individual and conducting an inquiry into that person's activities simply because of that individual's race, ethnicity or national origin is racial profiling.

C. Examples of racial profiling include but are not limited to the following:

1. Citing a driver who is speeding in a stream of traffic, where most other drivers are speeding, because of the cited driver's race, ethnicity or national origin.
2. Detaining the driver of a vehicle based on the determination that a person of that race, ethnicity or national origin is unlikely to own or possess that specific make or model of vehicle.
3. Detaining an individual based upon the determination that a person of that race, ethnicity or national origin does not belong in a specific part of town or a specific place.

D. A law enforcement agency can derive at two principles from the adoption of this definition of racial profiling:

1. Police may not use racial or ethnic stereotypes as factors in selecting whom to stop and search, while police may use race in conjunction with other known factors of the suspect.
2. Law enforcement officers may not use racial or ethnic stereotypes as factors in selecting whom to stop and search. Racial profiling is not relevant as it pertains to witnesses, etc.

Race or Ethnicity - Of a particular decent, including Caucasian, African, Hispanic, Asian, or Native American.

Pedestrian Stop - An interaction between a peace officer and an individual who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.

Traffic Stop - A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic.

IV. Training

- A. Officers are responsible to adhere to all Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) training and

the Law Enforcement Management Institute of Texas (LEMIT) requirements as mandated by law.

- B. All officers shall complete a TCLEOSE training and education program on racial profiling not later than the second anniversary of the date the officer is licensed under Chapter 170 of the Texas Occupations Code or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier. A person who on September 1, 2001, held a TCLEOSE intermediate proficiency certificate, or who had held a peace officer license issued by TCLEOSE for at least two years, shall complete a TCLEOSE training and education program on racial profiling not later than September 1, 2003.
- C. The chief of police, as part of the initial training and continued education for such appointment, will be required to attend the LEMIT program on racial profiling.
- D. An individual appointed or elected as a police chief before the effective date of this Act shall complete the program on racial profiling established under Subsection (j), Section 96.641, Education Code, as added by this Act, not later than September 1, 2003.

V. Complaint Investigation

- A. The department shall accept complaints from any person who believes he or she has been stopped or searched based on racial, ethnic or national origin profiling. No person shall be discouraged, intimidated or coerced from filing a complaint, nor discriminated against because he or she filed such a complaint.
- B. Any employee who receives an allegation of racial profiling, including the officer who initiated the stop, shall record the person's name, address, and telephone number, and forward the complaint through the appropriate channel or direct the individual(s). Any employee contacted shall provide to that person a copy of a complaint form or the department process for filing a complaint. All employees will report any allegation of racial profiling to their superior before the end of their shift.
- C. Investigation of a complaint shall be conducted in a thorough and timely manner. All complaints will be acknowledged in writing to the initiator who will receive disposition regarding said complaint within a reasonable period of time. The investigation shall be reduced to writing and any reviewer's comments or conclusions shall be filed with the chief. When applicable, findings and/or suggestions for disciplinary action, retraining, or changes in policy shall be filed with the chief.

- D. If a racial profiling complaint is sustained against an officer, it will result in appropriate corrective and/or disciplinary action, up to and including termination.
- E. If there is a departmental video or audio recording of the events upon which a complaint of racial profiling is based, upon commencement of an investigation by this department into the complaint and written request of the officer made the subject of the complaint, this department shall promptly provide a copy of the recording to that officer.

VI. Public Education

This department will inform the public of its policy against racial profiling and the complaint process.

Methods that may be utilized to inform the public are the news media, radio, service or civic presentations, the Internet, as well as governing board meetings. Additionally, information will be made available as appropriate in languages other than English.

VII. Data Collection and Reporting

A. An officer who stops a motor vehicle for an alleged violation of a law or ordinance regulating traffic, or who stops a pedestrian for any suspected offense, shall record and report the following information:

1. A physical description of each person detained as a result of the stop, including:
 - a) the person's gender;
 - b) the person's race or ethnicity, as stated by the person or as determined by the officer to the best of his/her ability.
2. The street address or approximate location of the stop. The suspected offense or the traffic law or ordinance alleged to have been violated.
3. Whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search.
4. Whether probable cause to search existed and, if so, the fact(s) supporting the existence of that probable cause.
5. Whether any contraband was discovered in the course of the search

and, if so, the type of contraband discovered.

6. Whether the officer made an arrest as a result of the stop and/or search and, if so, a statement of the offense charged.
7. Whether the officer issued a warning or a citation as a result of the stop and, if so, a statement of the offense charged.

By March of each year, the department shall submit a report to its municipal governing board that includes information gathered by the citations. The report will include:

1. a breakdown of citations by race or ethnicity;
2. number of citations that resulted in a search;
3. number of searches that were consensual; and
4. number of citations that resulted in custodial arrest for this cited violation or any other violation.

VIII. Use of Video and Audio Equipment

- A. It is the intent of this department to equip each motor vehicle regularly used by the department to make traffic and pedestrian stops with a video camera and transmitter-activated equipment. This department has submitted an application to the Texas Department of Public Safety for funding to equip the balance of the fleet with audio and video recording devices.
- B. Each traffic and pedestrian stop made by an officer of this department that is capable of being recorded by video and audio, or audio, as appropriate, will be recorded.
- C. This department shall retain the video and audiotapes, or the audiotape, of each traffic and pedestrian stop for at least ninety (90) days after the date of the stop. If a complaint is filed with this department alleging that one of our officers has engaged in racial profiling with respect to a traffic or pedestrian stop, this department shall retain the video and audiotape, or the audiotape, of the stop until final disposition of the complaint.
- D. Supervisors will ensure officers of this department are recording their traffic and pedestrian stops. A recording of each officer will be reviewed at least once every ninety (90) days.

Complaint Process: Informing the Public and Addressing Allegations of Racial Profiling Practices

Informing the Public on the Process of Filing a Racial Profiling Complaint with the Addison Police Department

One of the requirements of the Texas Racial Profiling Law is that police agencies provide information to the public regarding the manner in which to file a racial profiling complaint. In an effort to comply with this particular component, the Addison Police Department launched an educational campaign aimed at informing the public on issues relevant to the racial profiling complaint process.

The police department made available, in the lobby area, information relevant to filing a complaint on a racial profiling violation by a Addison Police officer. It is believed that through these efforts, the community has been properly informed of the new policies and the complaint processes relevant to racial profiling.

Racial Profiling Training

Racial Profiling Training

Since 2002, all Addison Police officers have been instructed, as specified in the Texas Racial Profiling Law, to adhere to all Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) training and the Law Enforcement Management Institute of Texas (LEMIT) requirements. To date, all sworn officers of the Addison Police Department have completed the TCLEOSE basic training on racial profiling. The main outline used to train the officers of Addison has been included in this report.

It is important to recognize that the Chief of the Addison Police Department has also met the training requirements, as specified by the Texas Racial Profiling Law, in the completion of the LEMIT program on racial profiling. The satisfactory completion of the racial profiling training by the sworn personnel of the Addison Police Department fulfills the training requirement as specified in the Education Code (96.641) of the Texas Racial Profiling Law.

**Racial Profiling
Course Number 3256
Texas Commission on Law Enforcement
September 2001**

Racial Profiling 3256

Instructor's Note:

You may wish to teach this course in conjunction with Asset Forfeiture 3255 because of the related subject matter and applicability of the courses. If this course is taught in conjunction with Asset Forfeiture, you may report it under Combined Profiling and Forfeiture 3257 to reduce data entry.

Abstract

This instructor guide is designed to meet the educational requirement for racial profiling established by legislative mandate: 77R-SB1074.

Target Population: Licensed law enforcement personnel in Texas

Prerequisites: Experience as a law enforcement officer

Length of Course: A suggested instructional time of 4 hours

Material Requirements: Overhead projector, chalkboard and/or flip charts, video tape player, handouts, practical exercises, and demonstrations

Instructor Qualifications: Instructors should be very knowledgeable about traffic stop procedures and law enforcement issues

Evaluation Process and Procedures

An examination should be given. The instructor may decide upon the nature and content of the examination. It must, however, sufficiently demonstrate the mastery of the subject content by the student.

Reference Materials

Reference materials are located at the end of the course. An electronic copy of this instructor guide may be downloaded from our web site at <http://www.tcleose.state.tx.us>.

Racial Profiling 3256

1.0 RACIAL PROFILING AND THE LAW

1.1 UNIT GOAL: The student will be able to identify the legal aspects of racial profiling.

1.1.1 LEARNING OBJECTIVE: The student will be able to identify the legislative requirements placed upon peace officers and law enforcement agencies regarding racial profiling.

Racial Profiling Requirements:

Racial profiling CCP 3.05

Racial profiling prohibited CCP 2.131

Law enforcement policy on racial profiling CCP 2.132

Reports required for traffic and pedestrian stops CCP 2.133

Liability CCP 2.136

Racial profiling education for police chiefs Education Code 96.641

Training program Occupations Code 1701.253

Training required for intermediate certificate Occupations Code 1701.402

Definition of "race or ethnicity" for form Transportation Code 543.202

A. Written departmental policies

1. Definition of what constitutes racial profiling
2. Prohibition of racial profiling
3. Complaint process
4. Public education
5. Corrective action
6. Collection of traffic-stop statistics
7. Annual reports

B. Not prima facie evidence

C. Feasibility of use of video equipment

D. Data does not identify officer

E. Copy of complaint-related video evidence to officer in question

F. Vehicle stop report

1. Physical description of detainees: gender, race or ethnicity
2. Alleged violation
3. Consent to search
4. Contraband
5. Facts supporting probable cause
6. Arrest
7. Warning or citation issued

G. Compilation and analysis of data

H. Exemption from reporting – audio/video equipment

I. Officer non-liability

J. Funding

K. Required training in racial profiling

1. Police chiefs

2. All holders of intermediate certificates and/or two-year-old licenses as of 09/01/2001 (training to be completed no later than 09/01/2003) – see legislation 77R-SB1074

1.1.2 LEARNING OBJECTIVE: The student will become familiar with Supreme Court decisions and other court decisions involving appropriate actions in traffic stops.

A. Whren v. United States, 517 U.S. 806, 116 S.Ct. 1769 (1996)

1. Motor vehicle search exemption

2. Traffic violation acceptable as pretext for further investigation

3. Selective enforcement can be challenged

B. Terry v. Ohio, 392 U.S. 1, 88 S.Ct. 1868 (1968)

1. Stop & Frisk doctrine

2. Stopping and briefly detaining a person

3. Frisk and pat down

C. Other cases

1. Pennsylvania v. Mimms, 434 U.S. 106, 98 S.Ct. 330 (1977)

2. Maryland v. Wilson, 117 S.Ct. 882 (1997)

3. Graham v. State, 119 MdApp 444, 705 A.2d 82 (1998)

4. Pryor v. State, 122 Md.App. 671 (1997) cert. denied 352 Md. 312, 721 A.2d 990 (1998)

5. Ferris v. State, 355 Md. 356, 735 A.2d 491 (1999)

6. New York v. Belton, 453 U.S. 454 (1981)

2.0 RACIAL PROFILING AND THE COMMUNITY

2.1 UNIT GOAL: The student will be able to identify logical and social arguments against racial profiling.

2.1.1 LEARNING OBJECTIVE: The student will be able to identify logical and social arguments against racial profiling.

A. There are appropriate reasons for unusual traffic stops (suspicious behavior, the officer's intuition, MOs, etc.), but police work must stop short of cultural stereotyping and racism

B. Racial profiling would result in criminal arrests, but only because it would target all members of a race randomly – the minor benefits would be far outweighed by the distrust and anger towards law enforcement by minorities and the public as a whole

C. Racial profiling is self-fulfilling bad logic: if you believed that minorities committed more crimes, then you might look for more minority criminals, and find them in disproportionate numbers

D. Inappropriate traffic stops generate suspicion and antagonism towards officers and make future stops more volatile – a racially-based stop today can throw suspicion on tomorrow's legitimate stop

E. By focusing on race, you would not only be harassing innocent citizens, but overlooking criminals of all races and backgrounds – it is a waste of law enforcement resources

3.0 RACIAL PROFILING VERSUS REASONABLE SUSPICION

3.1 UNIT GOAL: The student will be able to identify the elements of both inappropriate and appropriate traffic stops.

3.1.1 LEARNING OBJECTIVE: The student will be able to identify elements of a racially motivated traffic stop.

A. Most race-based complaints come from vehicle stops, often since race is used as an inappropriate substitute for drug courier profile elements

B. "DWB" – "Driving While Black" – a nickname for the public perception that a Black person may be stopped solely because of their race (especially with the suspicion that they are a drug courier), often extended to other minority groups or activities as well ("Driving While Brown," "Flying While Black," etc.)

C. A typical traffic stop resulting from racial profiling

1. The vehicle is stopped on the basis of a minor or contrived traffic violation which is used as a pretext for closer inspection of the vehicle, driver, and passengers

2. The driver and passengers are questioned about things that do not relate to the traffic violation

3. The driver and passengers are ordered out of the vehicle
4. The officers visually check all observable parts of the vehicle
5. The officers proceed on the assumption that drug courier work is involved by detaining the driver and passengers by the roadside
6. The driver is asked to consent to a vehicle search – if the driver refuses, the officers use other procedures (waiting on a canine unit, criminal record checks, license-plate checks, etc.), and intimidate the driver (with the threat of detaining him/her, obtaining a warrant, etc.)

3.1.2 LEARNING OBJECTIVE: The student will be able to identify elements of a traffic stop which would constitute reasonable suspicion of drug courier activity.

- A. Drug courier profile (adapted from a profile developed by the DEA)
1. Driver is nervous or anxious beyond the ordinary anxiety and cultural communication styles
 2. Signs of long-term driving (driver is unshaven, has empty food containers, etc.)
 3. Vehicle is rented
 4. Driver is a young male, 20-35
 5. No visible luggage, even though driver is traveling
 6. Driver was over-reckless or over-cautious in driving and responding to signals
 7. Use of air fresheners
- B. Drug courier activity indicators by themselves are usually not sufficient to justify a stop

3.1.3 LEARNING OBJECTIVE: The student will be able to identify elements of a traffic stop which could constitute reasonable suspicion of criminal activity.

- A. Thinking about the totality of circumstances in a vehicle stop
- B. Vehicle exterior
1. Non-standard repainting (esp. on a new vehicle)
 2. Signs of hidden cargo (heavy weight in trunk, windows do not roll down, etc.)
 3. Unusual license plate suggesting a switch (dirty plate, bugs on back plate, etc.)
 4. Unusual circumstances (pulling a camper at night, kids' bikes with no kids, etc.)
- C. Pre-stop indicators
1. Not consistent with traffic flow
 2. Driver is overly cautious, or driver/passengers repeatedly look at police car
 3. Driver begins using a car- or cell-phone when signaled to stop
 4. Unusual pull-over behavior (ignores signals, hesitates, pulls onto new street, moves objects in car, etc.)

D. Vehicle interior

1. Rear seat or interior panels have been opened, there are tools or spare tire, etc.
2. Inconsistent items (anti-theft club with a rental, unexpected luggage, etc.)

Resources

Proactive Field Stops Training Unit – Instructor's Guide, Maryland Police and Correctional Training Commissions, 2001. (See Appendix A.)

Web address for legislation 77R-SB1074:

<http://tlo2.tlc.state.tx.us/tlo/77r/billtext/SB01074F.htm>

Report on Complaints

Report on Complaints

The following table contains data regarding officers that have been the subject of a complaint, during the time period of 1/1/08---12/31/08, based on allegations outlining possible violations related to the Texas Racial Profiling Law. The final disposition of the case is also included.

A check above indicates that the Addison Police Department has not received any complaints, on any members of its police force, for having violated the Texas Racial Profiling Law during the time period of 1/1/08 ---- 12/31/08.

Complaints Filed for Possible Violations of The Texas Racial Profiling Law

| Complaint No. | Alleged Violation | | | Disposition of the Case |
|----------------------|-----------------------------------|--|--|--------------------------------|
| 001 | Violation of Racial Profiling Law | | | Unfounded |
| 002 | Violation of Racial Profiling Law | | | Unfounded |
| 003 | Violation of Racial Profiling Law | | | Unfounded |
| | | | | |
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| | | | | |
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Additional Comments:

Tables Illustrating Traffic Contact

Tier 1 Data

(I) Tier 1 Data

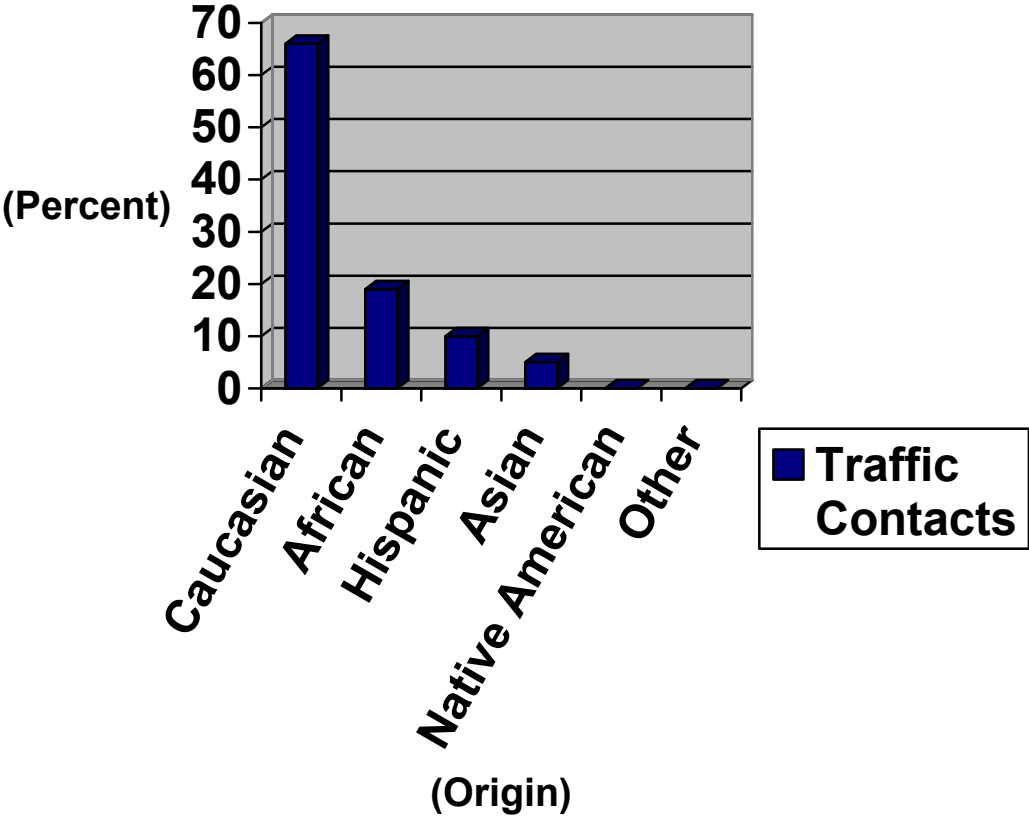
| Traffic-Related Contact Race/Ethnicity* | Contacts | | Searches | | Consensual Searches | | PC Searches | | Custody Arrests | |
|--|----------|-------|----------|-----|---------------------|-----|-------------|-----|-----------------|-----|
| | N | % | N | % | N | % | N | % | N | % |
| Caucasian | 6,308 | 66 | 428 | 44 | 87 | 51 | 341 | 43 | 328 | 42 |
| African | 1,766 | 19 | 320 | 33 | 50 | 29 | 270 | 34 | 271 | 35 |
| Hispanic | 986 | 10 | 183 | 19 | 27 | 16 | 156 | 20 | 153 | 20 |
| Asian | 460 | 5 | 29 | 3 | 4 | 2 | 25 | 3 | 25 | 3 |
| Native American | 9 | .01 | 2 | .2 | 2 | 1 | 0 | 0 | 2 | .3 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 9,529 | 100** | 962 | 100 | 170 | 100 | 792 | 100 | 779 | 100 |

“N” represents “number” of traffic-related contacts

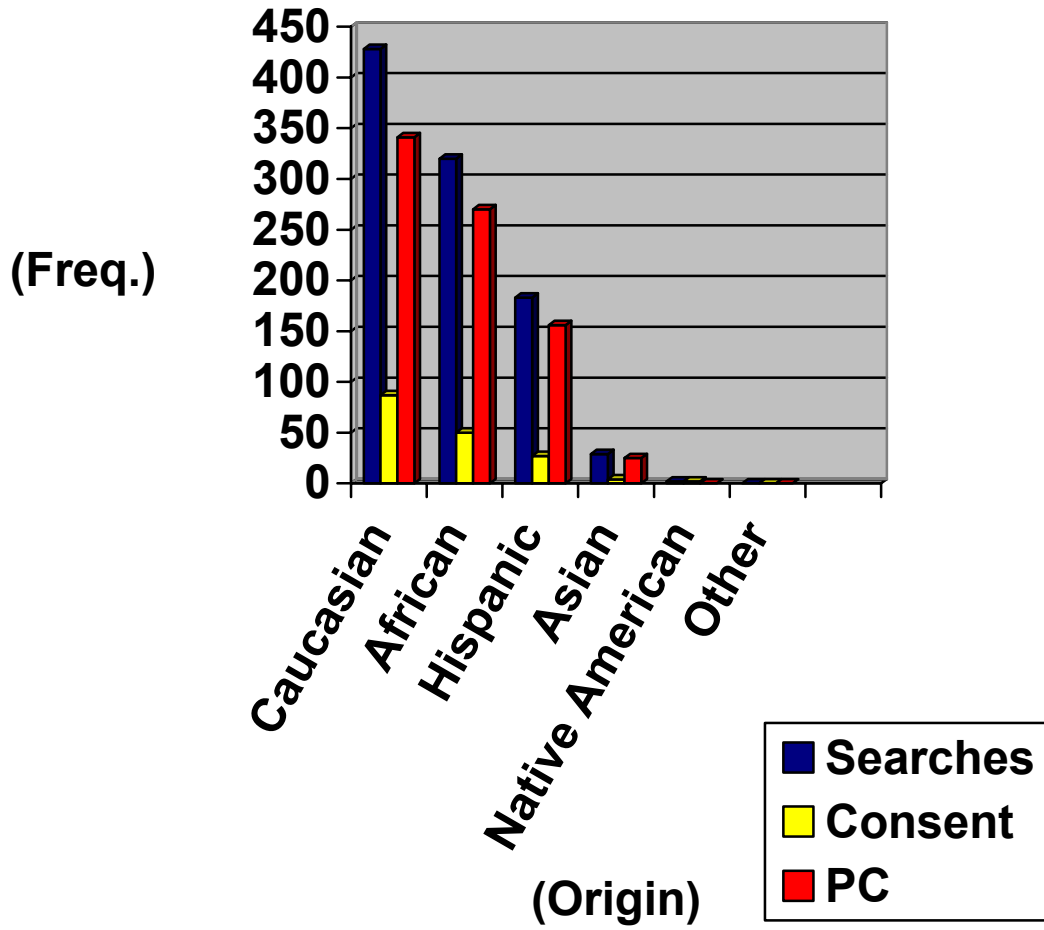
* Race/Ethnicity is defined by Senate Bill 1074 as being of a “particular descent, including Caucasian, African, Hispanic, Asian, or Native American”.

**Figure has been rounded

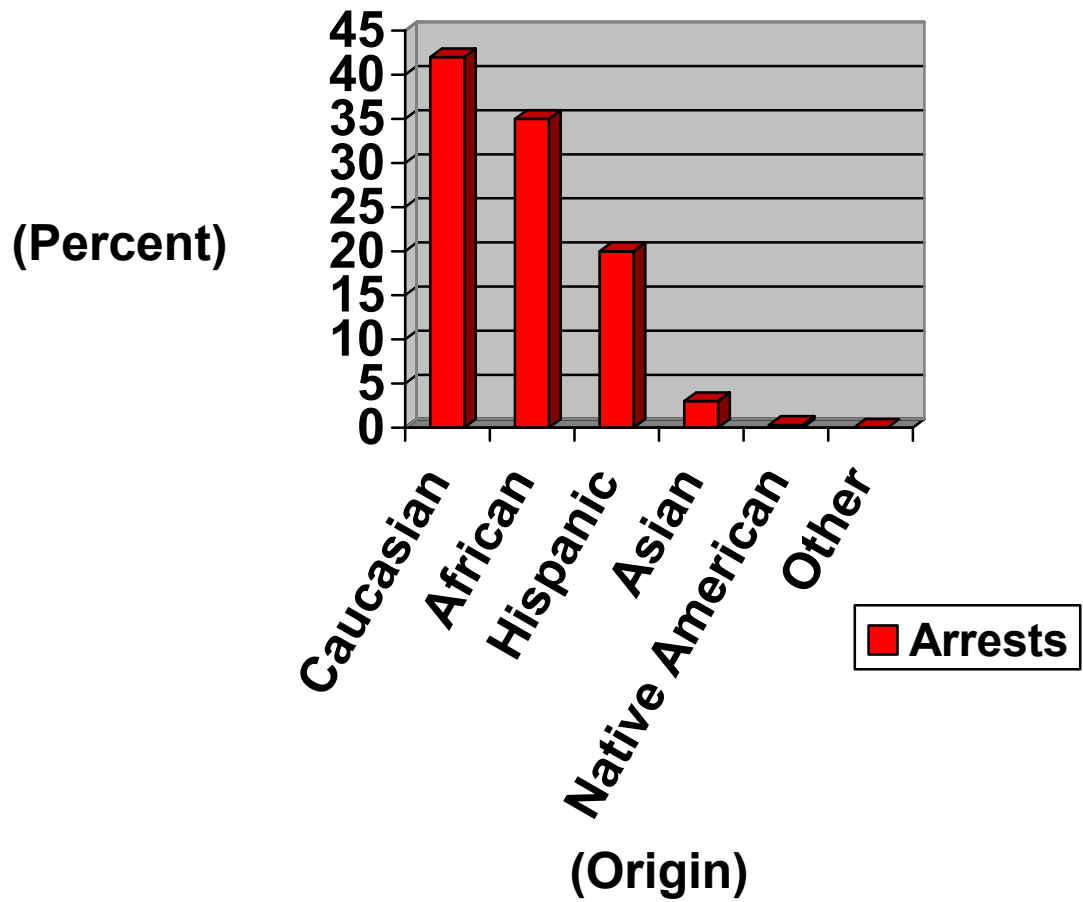
Tier 1 Data (Traffic Contacts)



Tier 1 Data (Searches)



Tier 1 Data (Arrests)



**Tier 1 Baseline Comparison
(Fair Roads Standard)**

(II) Traffic-Contacts and Fair Roads Standard Comparison

Comparison of traffic-related contacts with households in Addison that have vehicle access (in percentages). (1/1/08—12/31/08)

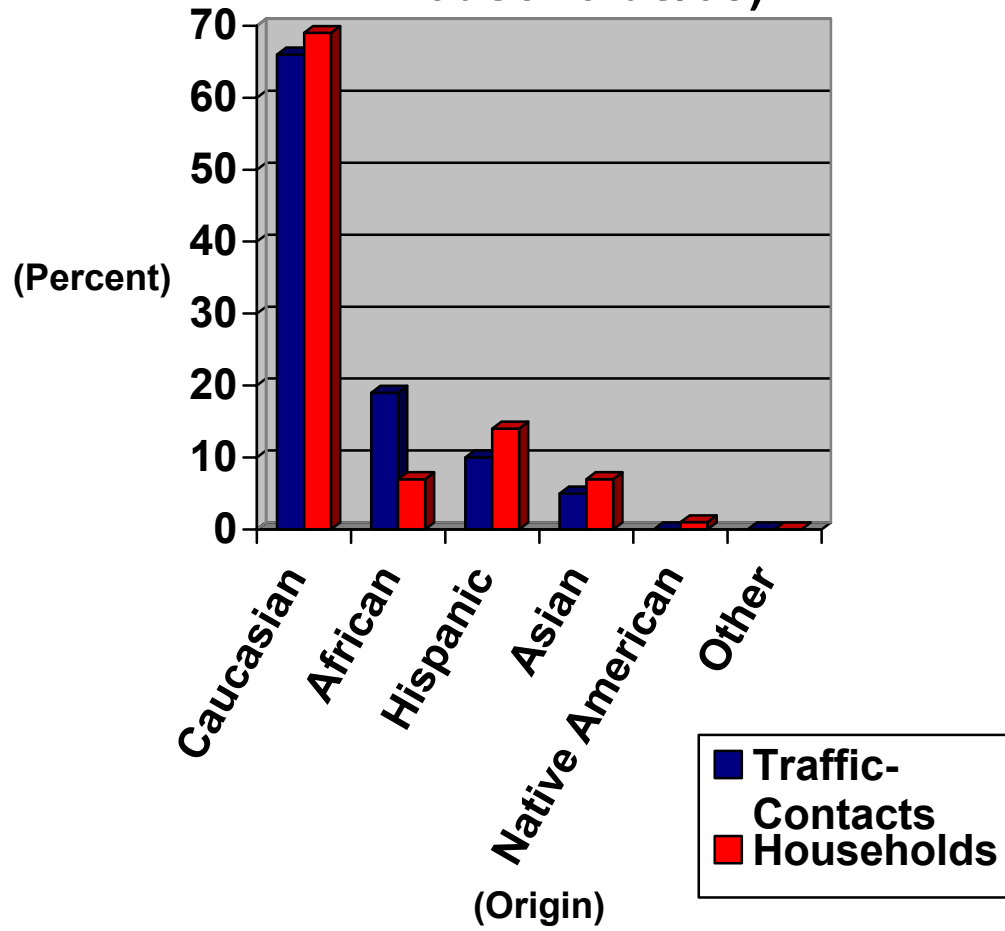
| Race/Ethnicity* | Traffic-Contacts (in percentages) | Households with Vehicle Access (in percentages) |
|------------------------|--|--|
| Caucasian | 66 | 69 |
| African | 19 | 7 |
| Hispanic | 10 | 14 |
| Asian | 5 | 7 |
| Native American | .01 | 1 |
| Other | 0 | N/A |
| Total | 100** | 98*** |

* Race/Ethnicity are defined by Senate Bill 1074 as being of a “particular descent, including Caucasian, African, Hispanic, Asian, or Native American”.

**Represents rounded figure

***Amount does not total 100% since Census data does provide value of “other” category.

Tier 1 (Traffic-Contacts and Households/08)



Tier 1 Data
(Seven-Year Comparative Analysis)
(2002—2008)

(III) Seven-Year Tier 1 Data Comparison

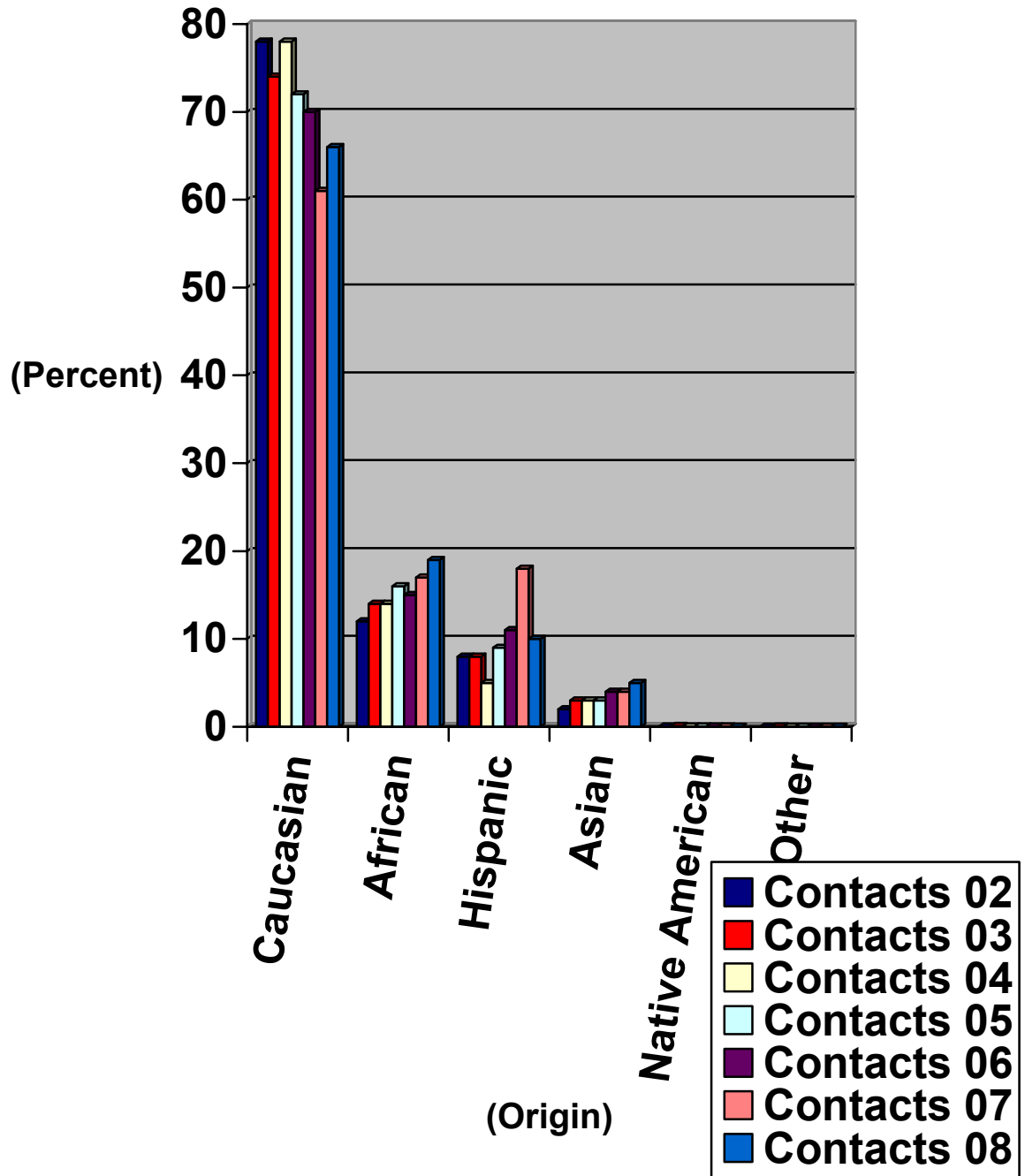
Comparison of Seven-Year Traffic-Related Contact Information (1/1/02---12/31/08)

| Race/Ethnicity* | Traffic-Related Contacts (in percentages) | | | | | | |
|------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | (02) | (03) | (04) | (05) | (06) | (07) | (08) |
| | | | | | | | |
| Caucasian | 78 | 74 | 78 | 72 | 70 | 61 | 66 |
| African | 12 | 14 | 14 | 16 | 15 | 17 | 19 |
| Hispanic | 8 | 8 | 5 | 9 | 11 | 18 | 10 |
| Asian | 2 | 3 | 3 | 3 | 4 | 4 | 5 |
| Native American | .04 | .09 | .02 | .03 | .03 | .04 | .01 |
| Other | 0 | .05 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Total | 100 | 100** | 100 | 100** | 100** | 100 | 100 |

* Race/Ethnicity is defined by Texas Senate Bill 1074 as being of a “particular descent, including Caucasian, African, Hispanic, Asian, or Native American”.

** Figure has been rounded.

Tier 1 Data (Traffic-Contacts 02-08)



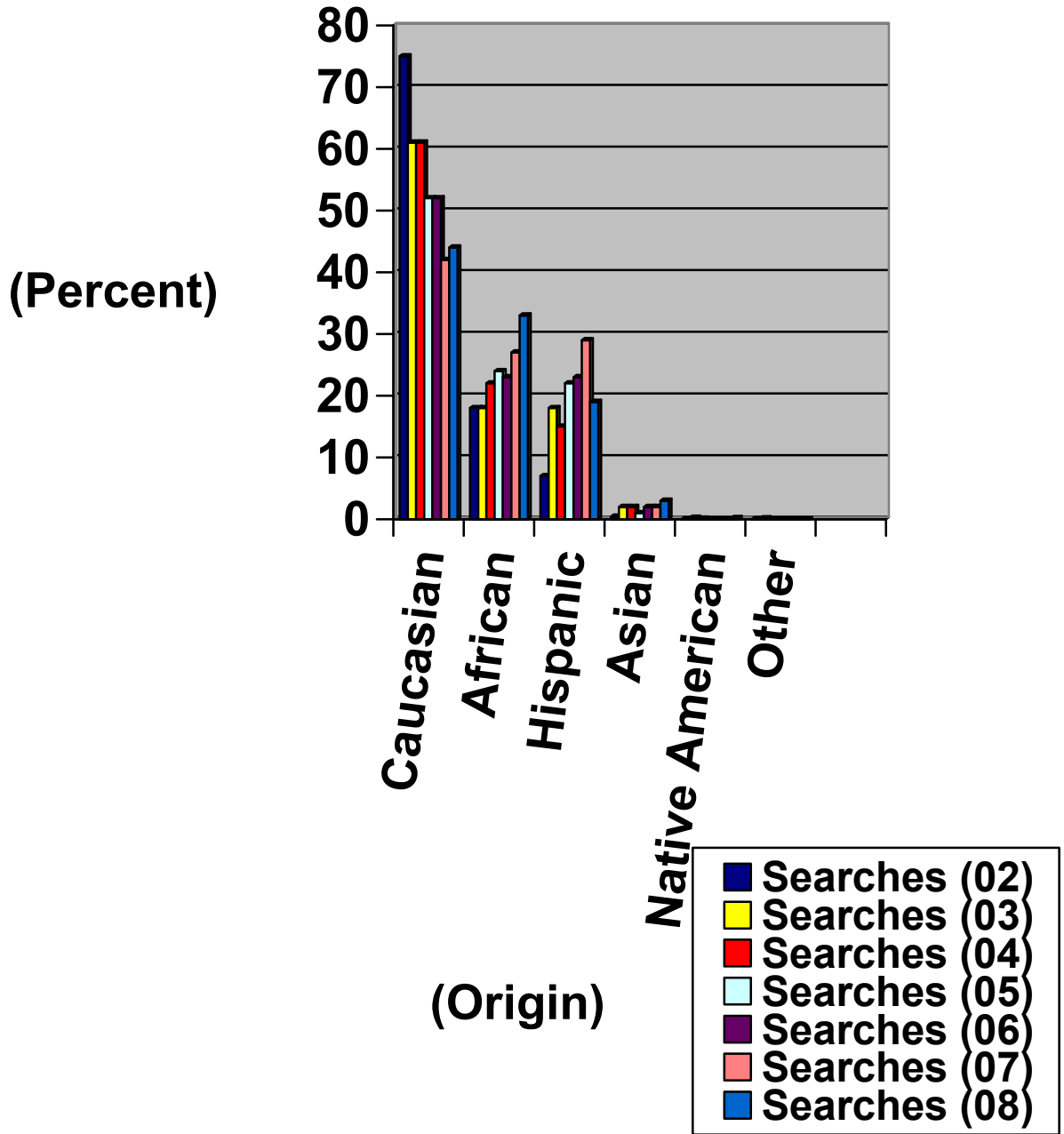
**Comparison of Seven-Year Traffic-Related Search Information
(1/1/02---12/31/08)**

| Race/Ethnicity* | Traffic-Related Searches (in percentages) | | | | | | |
|------------------------|--|------|-------|-------|------|------|------|
| | (02) | (03) | (04) | (05) | (06) | (07) | (08) |
| | | | | | | | |
| Caucasian | 75 | 61 | 61 | 52 | 52 | 42 | 44 |
| African | 18 | 18 | 22 | 24 | 23 | 27 | 33 |
| Hispanic | 7 | 18 | 15 | 22 | 23 | 29 | 19 |
| Asian | .42 | 2 | 2 | 1 | 2 | 2 | 3 |
| Native American | 0 | .26 | .09 | 0 | 0 | 0 | .2 |
| Other | 0 | .17 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Total | 100 | 100 | 100** | 100** | 100 | 100 | 100 |

* Race/Ethnicity is defined by Texas Senate Bill 1074 as being of a “particular descent, including Caucasian, African, Hispanic, Asian, or Native American”.

** Figure has been rounded.

Tier 1 Data (Searches 02-08)



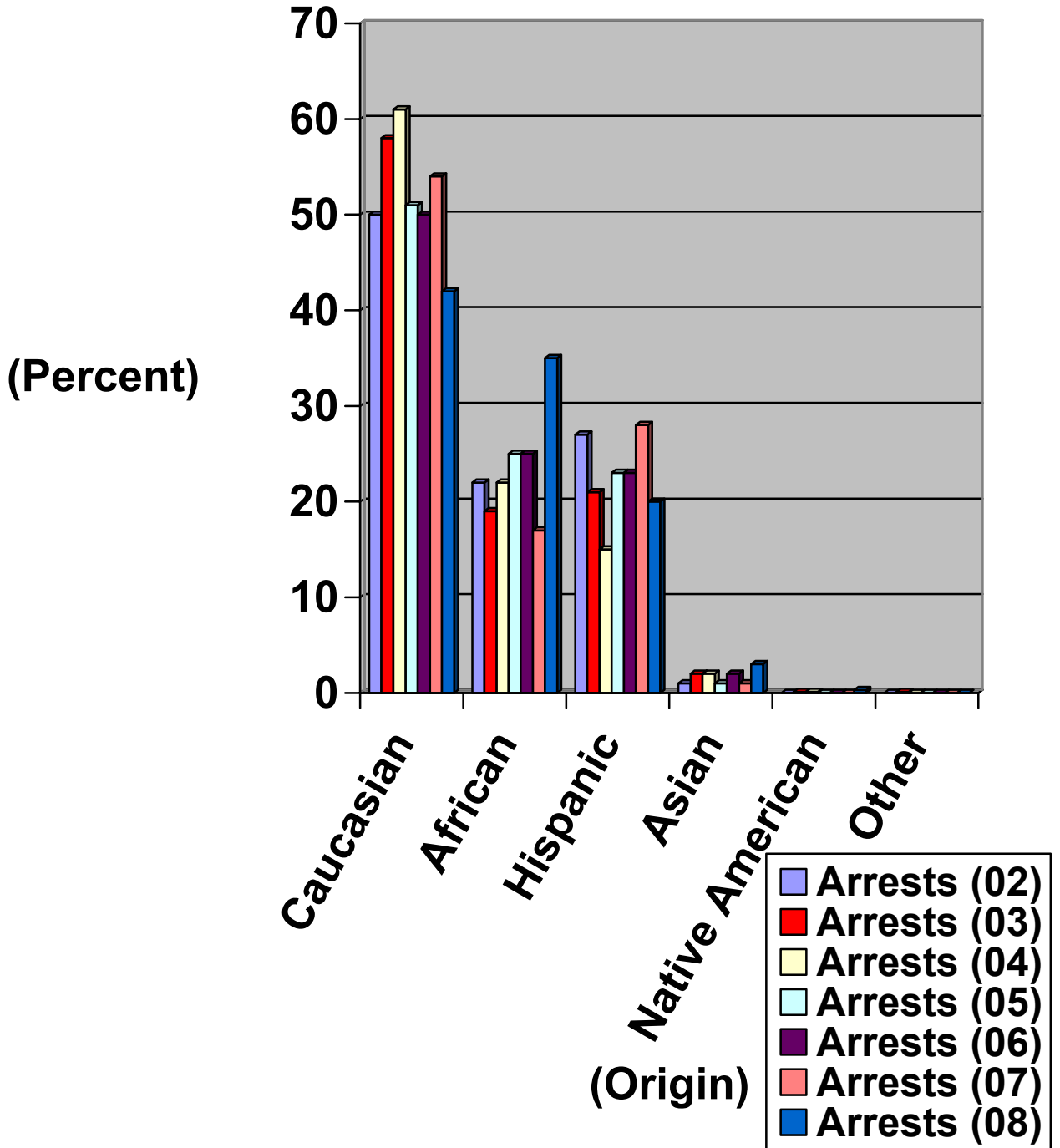
**Comparison of Seven-Year Traffic-Related Arrest Information
(1/1/02---12/31/08)**

| Race/Ethnicity* | Traffic-Related Arrests (in percentages) | | | | | | |
|------------------------|---|-------|-------|------|------|------|------|
| | (02) | (03) | (04) | (05) | (06) | (07) | (08) |
| | | | | | | | |
| Caucasian | 50 | 58 | 61 | 51 | 50 | 54 | 42 |
| African | 22 | 19 | 22 | 25 | 25 | 17 | 35 |
| Hispanic | 27 | 21 | 15 | 23 | 23 | 28 | 20 |
| Asian | 1 | 2 | 2 | 1 | 2 | 1 | 3 |
| Native American | 0 | .10 | .1 | 0 | 0 | 0 | .3 |
| Other | 0 | .10 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Total | 100 | 100** | 100** | 100 | 100 | 100 | 100 |

* Race/Ethnicity is defined by Texas Senate Bill 1074 as being of a “particular descent, including Caucasian, African, Hispanic, Asian, or Native American”.

** Figure has been rounded.

Tier 1 Data (Arrests 02-08)



Analysis and Interpretation of Data

Analysis

In 2001, the Texas Legislature passed Senate Bill 1074 which later became the Texas Racial Profiling Law. The law came into effect on January 1, 2002 and requires that all police departments in Texas collect traffic-related data and report this information to their local governing authority by March 1st of each year. The purpose in collecting and presenting this information is to determine if police officers in a particular municipality are engaging in the practice of profiling minority motorists.

The Texas Racial Profiling Law also requires police departments to interpret traffic-related data. Although most researchers would probably agree with the fact that it is within the confines of good practice for police departments to be accountable to the citizenry while carrying a transparent image before the community, it is very difficult to determine if police departments are engaging in racial profiling, from a review or analysis of aggregate data. In other words, it is challenging for a reputable researcher to identify specific “individual” racist behavior from aggregate-level “institutional” data on traffic-related contacts.

The Addison Police Department, in an effort to comply with The Texas Racial Profiling Law (S.B. 1074), commissioned the analysis of its 2008 traffic contact data. Thus, three different types of data analyses were performed. The first of these involved a careful evaluation of the 2008 traffic stop data. This particular analysis measured, as required by the law, the number and percentage of Caucasians, African Americans, Hispanics, Asians, Native Americans, and individuals belonging to the “other” category, that came in contact with the police in the course of a traffic-related stop, and were either issued a citation or arrested. Further, the analysis included information relevant to the number and percentage of searches (table 1) while indicating the type of search performed (i.e., consensual or probable cause). Also, the data analysis included the number and percentage of individuals who, after they came in contact with the police for a traffic-related reason, were arrested.

The additional data analysis performed was based on a comparison of the 2008 traffic-contact data with a specific baseline. When reviewing this particular analysis, it should be noted that there is disagreement, in the literature, regarding the appropriate baseline to be used when analyzing traffic-related contact information. Of the baseline measures available, the Addison Police Department opted to adopt, as a baseline measure, the Fair Roads Standard. This particular baseline is based on data obtained through the U.S. Census Bureau (2000) relevant to the number of households that have access to vehicles while controlling for the race and ethnicity of the heads of households.

It is clear that census data presents challenges to any effort made at establishing a fair and accurate racial profiling analysis. That is, census data contains information on all residents of a particular community, regardless of the fact they may or may not be among the driving population. Further, census data, when used as a baseline of comparison, presents the challenge that it captures information related to city residents only. Thus, excluding individuals who may have come in contact with the Addison Police

Department in 2008 but live outside city limits. In some cases, the percentage of the population that comes in contact with the police but lives outside city limits represents a substantial volume of all traffic-related contacts made in a given year.

In previous years, several civil rights groups in Texas have expressed their desire and made recommendations to the effect that all police departments should rely, in their data analysis, on the Fair Roads Standard. This source contains census data specific to the number of “households” that have access to vehicles. Thus, proposing to compare “households” (which may have multiple residents and only a few vehicles) with “contacts” (an individual-based count). This, in essence, constitutes a comparison that may result in ecological fallacy. Despite this, the Addison Police Department made a decision that it would use this form of comparison (i.e., census data relevant to households with vehicles) in an attempt to demonstrate its “good will” and “transparency” before the community. Thus, the Fair Roads Standard data obtained and used in this study is specifically relevant to Addison.

The final analysis was conducted while using the 2002--2008 traffic contact data. Specifically, all traffic-related contacts made in 2008 were compared to similar figures reported in 2002, 2003, 2004, 2005, 2006 and 2007. Although some researchers may not support the notion that in seven years, a “significant” and “permanent” trend can take effect, when considering this analysis, it was determined that comparing seven years of traffic contact data may highlight possible areas of consistency with regards to traffic-related contacts. That is, the seven-year comparison has the potential of revealing indicators that a possible trend of traffic-based contacts with regards to members of a specific minority group, may in fact, develop.

Tier 1 (2008) Traffic-Related Contact Analysis

When analyzing the Tier 1 data collected in 2008, it was evident that most traffic-related contacts were made with Caucasian drivers. This was followed by African American and Hispanic drivers. With respect to searches, most of them were performed on Caucasian drivers. This was also followed by African Americans and Hispanics. It is important to note that the arrest data revealed that Caucasian drivers were arrested the most in traffic-related contacts; this was followed by African Americans and Hispanics, in that order.

Fair Roads Standard Analysis

The data analysis of traffic contacts to the census data relevant to the number of “households” in Addison who indicated, in the 2000 census, that they had access to vehicles, produced interesting findings. Specifically, the percentage of individuals of Caucasian, Hispanic, Asian and Native American descent that came in contact with the police was lower than the percentage of Caucasian, Hispanic, Asian and Native American households in Addison that claimed, in the 2000 census, to have access to vehicles. With respect to African American drivers, a higher percentage of contacts were detected. That is, the percentage of African American drivers that came in contact with the police in

2008 was higher than the percentage of African American households in Addison with access to vehicles.

Seven-Year Comparison

The seven-year comparison (02-08) of traffic-contact data showed some similarities. As illustrated in table 3, the percentage of drivers (from different racial/ethnic groups) that came in contact with the Addison Police in 2008 was similar to the percentage of drivers, from the same racial/ethnic groups that came in contact with the Addison Police Department in 2007, 2006, 2005, 2004, 2003 and 2002. However, a few differences were noted. When comparing 2008 to the previous years, there was an increase in percentage of contacts among Caucasians, African Americans and Asians while a decrease in percentage of contacts was detected among Hispanic drivers.

It is clear that commonalities in the data existed, when analyzing the search-related contacts for all seven years. An increase in percentage was detected among Caucasians, African Americans and Asians while a percentage decrease was noted among Hispanics. When considering the arrests made, the data revealed that the percentage of arrests increased among African Americans and Asians while a decrease in percentage was evident among Caucasians and Hispanics.

Summary of Findings

The comparison of traffic contacts showed that the Addison Police Department came in contact (in traffic-related incidents) with a smaller percentage of Caucasian, Hispanic, Asian and Native American drivers than the percentage that resided in Addison and had access to vehicles. Further, the data suggested that the percentage of African American drivers that came in contact with the police in 2008 was higher than the percentage of African American Addison households with access to vehicles.

A careful examination of the seven-year traffic-related contact data suggested that the Addison Police Department has been, for the most part, consistent in the racial/ethnic composition of motorists it comes in contact with during a given year. The consistency of contacts for the past 7 years is in place despite the fact the city demographics may have changed, thus, increasing the number of subjects likely to come in contact with the police.

While considering the findings made in this analysis, it is recommended that the Addison Police Department should continue to collect and evaluate additional information on traffic-contact data (i.e., reason for probable cause searches, contraband detected) which may prove to be useful when determining the nature of the traffic-related contacts police officers are making with all individuals; particularly with African Americans. Although this additional data may not be required by state law, it is likely to

provide insights regarding the nature and outcome of all traffic contacts made with the public. As part of this effort, the Addison Police Department is also encouraged to:

- 1) Perform an independent search analysis on the search data collected in 2008.
- 2) Commission data audits in order to assess data integrity; that is, to ensure that the data collected is consistent with the data being reported

It should be noted that the Department has commissioned Del Carmen Consulting with the task of quarterly audits and a search analysis. Thus, these recommendations are currently being met. The information and analysis provided in this report serves as evidence that the Addison Police Department has, once again, complied with the Texas Racial Profiling Law.

(III) Summary

Checklist

Checklist

The following requirements **were** met by the Addison Police Department in accordance with The Texas Racial Profiling Law:

- Clearly defined act or actions that constitute racial profiling
- Statement indicating prohibition of any peace officer employed by the Addison Police Department from engaging in racial profiling
- Implement a process by which an individual may file a complaint regarding racial profiling violations
- Provide public education related to the complaint process
- Implement disciplinary guidelines for officer found in violation of the Texas Racial Profiling Law
- Collect data (Tier 1) that includes information on
 - a) Race and ethnicity of individual detained
 - b) Whether a search was conducted
 - c) If there was a search, whether it was a consent search or a probable cause search
 - d) Whether a custody arrest took place
- Produce an annual report on police contacts (Tier 1) and present this to local governing body by March 1, 2009.
- Adopt a policy, if video/audio equipment is installed, on standards for reviewing video and audio documentation

Contact Information

Contact Information

For additional questions regarding the information presented in this report, please contact:

Del Carmen Consulting, LLC

817.681.7840

www.texasracialprofiling.com

www.delcarmenconsulting.com

Disclaimer: The author of this report, Alejandro del Carmen/del Carmen Consulting, LLC, is not liable for any omissions or errors committed in the acquisition, analysis, or creation of this report. Further, Dr. del Carmen/del Carmen Consulting is not responsible for the inappropriate use and distribution of information contained in this report. Further, no liability shall be incurred as a result of any harm that may be caused to individuals and/or organizations as a result of the information contained in this report.

Council Agenda Item: #R13

SUMMARY:

Staff is requesting approval to enter into an agreement with Shiroma Southwest to provide public relations and media publicity programs to promote Addison Perks and certain special events in the Town of Addison.

FINANCIAL IMPACT:

Budgeted Amount: \$60,000

Cost: \$60,000 plus expenses that may be incurred

BACKGROUND:

For the last several years, the Town has utilized the services of Shiroma Southwest to promote the Town's four major events as well as the smaller events and third party events sponsored by the Town. With the success of the Arts and Events District, the number of events and the Town's exposure as a result of the events has continued to grow. Staff is very pleased with the results that Shiroma consistently provides and feels that the marketing of Addison is definitely enhanced as a result of their services. Funds have been budgeted to cover the marketing costs.

RECOMMENDATION:

Staff recommends approval.

shiroma | southwest

17311 North Dallas Parkway, Suite 110 Dallas, TX 75248 972-732-6100 info@shiromasouthwest.com

October 13, 2008

LETTER OF AGREEMENT BETWEEN THE TOWN OF ADDISON AND SOUTHWEST SPEAKERS BUREAU, INC., D.B.A. SHIROMA/SOUTHWEST, FOR EVENT PUBLIC RELATIONS AND PUBLICITY

This Letter confirms the agreement between the Town of Addison (the client) and Southwest Speakers Bureau, Inc., d.b.a., Shiroma/Southwest (the agency):

SERVICES:

Shiroma Southwest will develop and execute public relations and media publicity programs to promote the Town of Addison's events:

EVENTS ARE AS FOLLOWS:

EVENTS

Bookworm Bash
Resolution Run
Addison Perks
Out of the Loop Festival
Jazz Festival
Taste Addison
Summer Series
KaboomTown
Oktoberfest
Worldfest
Urbanato
Miscellaneous consultation

FEES: The annual fee is \$60,000, with fees allotted proportionately to each event, based on the amount of hours required. The fee will be billed in 12 monthly increments of \$5,000.00.

EXPENSE REIMBURSEMENT:

Expenses will be billed monthly. Agency will provide the client with a budget of anticipated charges. Client agrees to provide any necessary collateral pieces, if possible, to reduce the need for additional expenses. Agency will be reimbursed for all expenses pertaining to the programs, which may include copies, long distance phone, faxes, postage, printing, messenger services, overnight deliveries, press kit materials and assembly, photo reproduction, print and electronic clipping services, etc. All outside purchases are made only under the authorization of the client and insomuch, the client agrees to accept full responsibility for all obligations and holds the agency harmless from all liability and payment of such charges as ordered under the client's authorization.

All amounts are due in Dallas, Dallas County, Texas. Balances that are more than sixty (60) days past due are subject to a finance charge of 1.33% per month (16% annually) or the current amount allowable by law.

This agreement is effective immediately upon signing and shall remain in effect through October 31, 2009.

FOR TOWN OF ADDISON

**FOR SOUTHWEST SPEAKERS BUREAU, INC.
D.B.A. SHIROMA/SOUTHWEST**

BY: _____

BY: _____

ITS: _____

ITS: _____

DATE: _____

DATE: _____

shiroma | southwest

Town of Addison

Total PR Values 2008

| Media | Outlets | Circulation/ Viewers |
|-----------------------------|------------|-------------------------|
| Total Media Value | 430 | 52,796,842 |
| Quarter 1 (Jan-Mar) | 2 | 935,830 |
| 1 Resolution Run | 2 | 935,830 |
| Quarter 2 (Apr-Jun) | 143 | 15,811,730 |
| 2 North Texas Jazz Fest | 44 | 3,096,875 |
| 3 Taste Addison | 85 | 10,564,811 |
| 4 Cinema in the Circle | 14 | 2,150,044 |
| Quarter 3 (Jul-Sept) | 225 | 28,464,123 |
| 5 Summer Series | 33 | 8,140,157 |
| 6 Oklahoma | 5 | 1,253,584 |
| 7 Kaboom Town! | 77 | 8,113,180 |
| 8 Oktoberfest | 110 | 10,957,202 |
| Quarter 4 (Oct-Dec) | 60 | 7,585,159 |
| 9 Worldfest | 42 | 5,009,517 |
| 10 Urbanato | 12 | 2,490,042 |
| 11 Monster Movie Mash | 2 | 85,600 |
| 12 Bookworm Bash | 4 | NA |

" PR HOME RUN " HIGHLIGHTS

1. Taste Addison — International Pinnacle Award for best "large event" press kit
2. Summer Series — Most publicized local summer entertainment series
3. KaboomTown — *Dallas Morning News* large front page "above the fold" photo symbolizing July 4 for DFW
4. Oktoberfest — A record total of 42 television segments plus Pinnacle accolades for "best media stunt"

Bottom line — Nearly 53 million local, regional and national viewer, listener and reader impressions for Town of Addison special events in Fiscal 2008.

Council Agenda Item: #R14

SUMMARY: Staff is requesting approval to enter into agreement with jimbockrause to develop a brand position, logo and tag line for the Town.

FINANCIAL IMPACT:

Budgeted Amount: No funds were budgeted for this specific project but funds are available within the Marketing Budget.

Cost: \$40,000

BACKGROUND:

On January 13, a Council work session was held to discuss the next steps regarding the Branding research that was conducted in August 2008. Based on that work session, Council instructed jimbockrause to prepare a work program that would include the development of a positioning statement, logo and tag line. It is anticipated that the project will take approximately eight weeks. The cost is an amount not to exceed \$40,000.

RECOMMENDATION:

Staff recommends approval.

Objective

Develop a distinctive and compelling brand position for the Town of Addison that is relevant to all its core audiences: residents, businesses, visitors and employees.

Background/Situation

The Town of Addison is a role model for other towns and cities because of its initiatives to create an environment that attracts and retains citizens, visitors, businesses and employees. However, changes in Addison's competitive environment and audiences may impact its future success:

- Growth of northern suburbs
- More "wet" areas nearby
- Other cities expanding their special event offerings (i.e., Plano Balloon Festival, Richardson's Wildflower Festival)
- Development of higher end condominiums and apartments offers people more choices in living, and also affects citizen demographics

Town management and council recognize there is potential blurring between what the Town of Addison stands for and its unique brand identity. As a result, Addison is looking for ways to differentiate itself and make itself more distinctive and relevant to the needs of *all* its audiences. The Town wants to create a brand that is relevant to its distinct audiences, yet versatile enough to adapt to economic and social changes.

Branding Process

Building a successful brand is more than creating a logo, slogan, product or idea. It's more than a company's history, employees or values. A successful brand is one that effectively aligns all the associations people attribute to a product or company with their own values and beliefs. Bridging the gap from rational attributes to emotional ones increases the value of a brand, as well as loyalty and regard. In order for Addison to have a lasting brand, we must take its core values and beliefs and connect them with the values and beliefs of all its core audiences.

Positioning Statement

With the research phase complete, the next step in the branding process is the development of a positioning statement. The positioning statement should describe how we want our audiences to view our brand. A well-constructed positioning statement is invaluable and brings focus and clarity to the development of a marketing strategy and tactics. Every decision that is made regarding the brand is judged by how well it supports the positioning statement--from the brand name, the offering itself, to advertising, promotions, etc.

Brand Logo and Tagline

As we develop the positioning statement, we will also do a logo and tagline exploration. The logo and tagline will capture the Addison brand’s personality and positioning, and be flexible enough to work across all communication and constituencies.

Timeline

| | |
|---|-----------|
| Approval of proposal | 2 weeks |
| Development of the positioning statement/brand logo and tagline | 5-6 weeks |
| Present positioning statement/brand logo and tagline | 1 week |
| Approval | 2 weeks |

Compensation Proposal

Agency Fee: \$40,000.

Includes all internal labor directed towards the initiatives as described in this proposal. Any outside vendor costs will be estimated in advance.

Assumptions

The estimate may fluctuate +/- 10%. Costs are based upon 2 rounds of revisions per project. Should the scope of the project, or an element of the project shift significantly, we will discuss the modification with the client and provide updated estimates accordingly. No substantive change to the areas of focus or estimated work plan will be made without client approval, which will be submitted through change orders.

Upon your approval, we are ready to begin immediately and look forward to an exciting partnership.

Approved, Town of Addison, Date

Approved, jimbockrause, Date

Council Agenda Item: #R15

SUMMARY: Staff is requesting approval to amend the advertising agreement with jimboakrause advertising to provide marketing consultation, creative ad production services, administrative and account oversight for the Town marketing and special events initiatives.

FINANCIAL IMPACT:

Budgeted Amount: \$216,000

Cost: \$7,500 per month for Krause's services (March – February 2010) for total cost of \$90,000

BACKGROUND: In July 2007 staff solicited proposals from area advertising firms to provide creative and marketing services to the Town. As a result of that process, Krause Advertising was selected to provide creative and marketing services for the Town. The terms of the agreement are for a three-year period.

Staff continues to be very pleased with jimboakrause's work and their ability to address the variety of events and the other marketing elements that comprise the Town's marketing program. However, given the current economic climate staff believes it prudent to revise the current agreement.

The amendment is structured so that jimboakrause will still provide marketing consulting and servicing of the Town's account, but any new creative produced will be provided on a project by project basis. For the upcoming event season, staff intends to utilize existing creative rather than producing new creative. As a result the fee has been adjusted to reflect that change.

RECOMMENDATION:

Staff recommends approval.



Town of Addison
Retainer Fee Proposal 2009
February 2, 2009

Objective

The purpose of this document is to outline the breadth of work jimbo krause will perform on behalf of the Town of Addison and the monthly fee associated with developing and executing the work. Proposal to take effect March 1, 2009 through February 28, 2010.

Agency Fee

The proposed monthly fee will include all internal labor spent on behalf of the Town of Addison as described below:

- o Account service
- o Marketing consultation/planning
- o Media planning and buying
- o Attend general marketing meetings with Town and Town partners
- o Attend council meetings (when necessary)
- o Fulfill image and file requests, as well as other administrative duties

Excluded from the fee are the following:

- o Internal creative and production labor
- o Outside production and media costs
- o Miscellaneous out-of-pocket expenses
- o Fees associated with the Branding Proposal and 2010 Calendar
- o On-site marketing assistance

All projects outside the fee will be estimated in advance and approved by the client prior to commencement of work.

| | |
|---------------------|------------------|
| Monthly Fee | \$7,500. |
| Annual Total | \$90,000. |

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

SECOND AMENDMENT TO ADVERTISING AGREEMENT

This Second Amendment to Advertising Agreement (the “Second Amendment”) is made as of February __, 2009 by and between the Town of Addison, Texas (the “City”) and jimboakrause, LLC, a Texas limited liability company (successor in interest to Krause Advertising, Inc., a Texas corporation) (“Krause”) (the City and Krause are herein sometimes referred to together as the “parties” and individually as a “party”).

Recitals:

1. The City and Krause previously entered into an agreement entitled “Advertising Agreement” (and so called herein) dated October 1, 2007, pursuant to which Krause provides to the City advertising services as requested by the City.
2. The City and Krause desire to modify the Advertising Agreement as set forth herein.

NOW, THEREFORE, for and in consideration of the above and foregoing recitals, the benefits flowing to each of the parties hereto, and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the Town of Addison, Texas and Krause Advertising, Inc. do contract and agree as follows:

Section 1. Incorporation of Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Amendment. The Advertising Agreement between the parties dated October 1, 2007 is amended as follows:

A. Section 3, Services, of the Advertising Agreement is amended to read as follows:

Services. Krause shall provide to the Town, and to the Town’s satisfaction, advertising services in any and all fields of advertising (the “Services”) as the Town may request from time to time, in the Town’s sole discretion. In connection with the provision of such Services, Krause shall comply with all applicable federal, state and local laws, rules and regulations.

In providing the Services, Krause may from time to time receive information from the Town that is incorporated by Krause into its work; as to such information, Krause assumes no responsibility for its accuracy, and to the extent such information is accurately incorporated into Krause's work, Krause shall not be responsible for any claims in connection therewith.

B. Section 4, Compensation, of the Advertising Agreement is amended to read as follows:

4. Compensation. For the Services provided by Krause, the Town shall pay Krause in accordance with the following:

(a) A monthly fee of \$7,500.00 ("Monthly Fee"), which will cover all internal agency labor in performance of account service, marketing consultation and planning, media planning and buying, attendance (as may be requested by the Town) at general marketing meetings with the Town and at marketing meetings with those with whom the Town may have contracted, attendance (as may be requested by the Town) at Town Council meetings, and the fulfillment of image and file requests, and other administrative duties. Not included in this fee is internal creative and production labor, outside production and media costs, miscellaneous out-of-pocket expenses, fees associated with branding and the 2010 Addison calendar, and, except as otherwise set forth herein, on-site marketing assistance. Separate cost estimates will be submitted to the Town in advance of any work being performed.

(b) All scans, photography, illustration, printing, and any other outside suppliers engaged by Krause on the Town's behalf and with the Town's prior consent will be invoiced to Krause and billed to the Town with a production management fee of 15% of the gross cost. This fee will cover agency time to identify qualified vendors, submit bid sheets, analyze proposals, award the work, oversee and manage the process, provide quality control, and supervise the final production of materials.

(c) Krause will receive reimbursement at cost for outlays made by Krause for courier, freight, postage, long distance and similar expenditures incurred by Krause for the Town in accordance with the terms hereof.

(d) All jobs include two rounds of revisions. For all additional revisions Krause will estimate and charge for all agency time necessary for these revisions. For all sponsor specific requested material Krause will provide the Town an estimate and will precede once approval is received from the Town. For all ads over the amount specified in the fee proposal Krause will provide the Town with an estimate to produce these ads.

(e) Krause will advise, plan and place all media for the Town and receive 12% of the gross cost of the media. (Standard agency commission is 15%).

C. Section 12, Insurance; Indemnity, of the Advertising Agreement is amended by amending subsection (b) thereof in its entirety to read as follows:

(b) KRAUSE'S INDEMNITY OBLIGATION. Krause covenants, agrees to, and shall DEFEND (with counsel reasonably acceptable to the City), INDEMNIFY, AND HOLD HARMLESS the Town of Addison, Texas and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas each being an "Addison Person" and collectively the "Addison Persons"), from and against any and all claims, liabilities, judgments, lawsuits, demands, harm, losses, damages, proceedings, suits, actions,

causes of action, liens, fees, fines, penalties, expenses, or costs, of any kind and nature whatsoever made upon or incurred by the Town of Addison, Texas and/or any other Addison Person, whether directly or indirectly, (the "Claims"), that arise out of, result from, or relate to: (i) any of Krause's services as set forth in this Agreement, including Section 3 hereof, (ii) any representations and/or warranties by Krause under this Agreement, and/or (iii) any act or omission under, in performance of, or in connection with this Agreement by Krause or by any of its owners, directors, officers, shareholders, managers, partners, employees, agents, engineers, architects, consultants, contractors, subcontractors, invitees, patrons, guests, customers, tenants, subtenants, licensees, sublicensees, concessionaires, or any other person or entity for whom Krause is legally responsible, and their respective owners, directors, officers, shareholders, managers, partners, employees, agents, engineers, architects, consultants, contractors, subcontractors, invitees, patrons, guests, customers, licensees, and concessionaires. **SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY ADDISON PERSON, OR CONDUCT BY ANY ADDISON PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.** However, Krause's liability under this clause shall be reduced by that portion of the total amount of the Claims (excluding defense fees and costs) equal to the Addison Person or Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Krause's liability for Addison Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

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

Section 3. No Third Party Beneficiaries. The Agreement, and all amendments thereto (including this Second Amendment) are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

Section 4. No Other Amendments. Except to the extent modified or amended herein, all other terms, conditions, standards, and obligations of the Advertising Agreement shall remain unchanged and in full force and effect. Without limiting the foregoing, the City and Krause agree that all provisions of the Advertising Agreement, including provisions relating to breach or default of the Advertising Agreement and City remedies for such breach or default, shall apply to the obligations, provisions, standards, terms and conditions of this Second Amendment.

Section 5. Effective Date. This Second Amendment shall take effect on March 1, 2009 and be in effect through the end of the term of the Advertising Agreement (the end of the term being and including September 30, 2010), subject, however to the earlier termination thereof in accordance with the Advertising Agreement.

As to the changes to Section 4 (Compensation) of the Advertising Agreement set forth in Section 2.B. of this Second Amendment, such changes shall be in effect through and including February 28, 2010. During the 60 day period prior to February 28, 2010, the parties agree to discuss possible modifications to those changes; if the parties cannot agree on modifications, if any are proposed by either of the parties, then the Agreement (as amended) may be terminated by either party by giving at least thirty (30) days notice of such termination.

Section 6. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Amendment on behalf of the parties hereto.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment To Advertising Agreement effective as of the date first set forth above.

TOWN OF ADDISON, TEXAS

jimbobkrause, LLC

By: _____
Ron Whitehead, City Manager

By: _____
Typed/printed Name: _____

Date: _____

Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ADVERTISING AGREEMENT

This Advertising Agreement (“Agreement”) is made as of October 1, 2007 by and between the Town of Addison, Texas (the “Town”) and Krause Advertising (“Krause”).

WHEREAS, the Town is a Texas home rule municipality operating under and pursuant to article 11, section 5 of the Texas Constitution, the laws of the State of Texas, and its Home Rule Charter; and

WHEREAS, Krause is a corporation doing business in the State of Texas; and

WHEREAS, the Town and Krause desire to enter into this Agreement setting forth the terms and conditions under which Krause will provide to the Town advertising services on a non-exclusive basis.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the mutual promises and covenants contained herein, and other good and valuable consideration, the Town of Addison, Texas and Krause Advertising do contract and agree as follows:

1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein in their entirety.

2. Term. Subject to the earlier termination of this Agreement as provided for herein and subject to the annual appropriation and budgeting of funds by the Town to make payments under this Agreement, this Agreement shall be in effect for a period of three (3) years, beginning on October 1, 2007 and ending on September 30, 2010. If funds to make any payment or payments under this Agreement during the said Term are not appropriated and budgeted by the Town, this Agreement shall terminate. For purposes of clarification, the Monthly Fee (as defined in Section 4 below) for the first year of this Agreement (beginning October 1, 2007 and ending September 30, 2008) in the amount of \$216,000.00 (\$18,000.00 x (times) 12 months) has been appropriated and budgeted by the Town for the Town’s fiscal year beginning October 1, 2007 and ending September 30, 2008, but the Monthly Fee (and other fees, costs or expenses) for future years of this Agreement have not been appropriated and budgeted by the Town, and such appropriation and budgeting by the Town in future years is and shall be at the Town’s sole discretion.

3. Services. Krause shall provide to the Town, and to the Town’s satisfaction, advertising services in any and all fields of advertising (the “Services”) as the Town may request from time to time, in the Town’s sole discretion and including, without limitation, the items outlined in Exhibit A (entitled “Krause Creative for FY 2008”) attached hereto and incorporated herein. In connection with the provision of such Services, Krause shall comply with all applicable federal, state and local laws, rules and regulations.

In providing the Services, Krause may from time to time receive information from the Town that is incorporated by Krause into its work; as to such information, Krause assumes no

responsibility for its accuracy, and to the extent such information is accurately incorporated into Krause's work, Krause shall not be responsible for any claims in connection therewith.

4. Compensation. For the Services provided by Krause, the Town shall pay Krause in accordance with the following:

(a) A monthly fee of \$18,000 ("Monthly Fee"), which will cover all internal agency labor in performance of account service, marketing consultation, creative concepts, electronic production, production management, administrative and account oversight. Not included in this fee is electronic production labor for Special Events materials other than print advertising and posters. Separate cost estimates will be submitted to the Town in advance of any work being performed. This Monthly Fee is based on the initiatives as outlined in the Town's marketing and special events agendas as outlined in the attached Exhibit A. In the event a new event be created or a significant increase in the marketing budget occur, both parties may discuss adjusting the fee accordingly.

(b) All scans, photography, illustration, printing, and any other outside suppliers engaged by Krause on the Town's behalf and with the Town's prior consent will be invoiced to Krause and billed to the Town with a production management fee of 15% of the gross cost. This fee will cover agency time to identify qualified vendors, submit bid sheets, analyze proposals, award the work, oversee and manage the process, provide quality control, and supervise the final production of materials.

(c) Krause will receive reimbursement at cost for outlays made by Krause for courier, freight, postage, long distance and similar expenditures incurred by Krause for the Town in accordance with the terms hereof.

(d) All jobs include two rounds of revisions. For all additional revisions Krause will estimate and charge for all agency time necessary for these revisions. For all sponsor specific requested material Krause will provide the Town an estimate and will precede once approval is received from the Town. For all ads over the amount specified in the fee proposal Krause will provide the Town with an estimate to produce these ads.

(e) Krause will advise, plan and place all media for the Town and receive 12% of the gross cost of the media. (Standard agency commission is 15%).

5. Billing.

(a) Krause shall submit to the Town, on or before the fifth day of each month, during the Term hereof and beginning with November 2007, an invoice for the Monthly Fee.

(b) Krause shall submit to the Town, on or before the fifth day of each month, a detailed statement in writing of all costs and expenses authorized pursuant to this Agreement and incurred by Krause during the immediately preceding month (the first such statement, for the

month of October 2007 being due on or before November 5, 2007 and the last such statement due on or before October 5, 2010).

(c) Each such invoice and statement shall include (i) a description of the work performed for the month preceding the date of the invoice and statement, (ii) Krause will provide any such additional documents or materials as the Town may request in connection with the invoice and statement and/or the compensation paid to Krause.

(d) The Town shall pay the Monthly Fee set forth in the invoice and all costs and expenses properly incurred by Krause and set forth in the statement within thirty (30) days following the Town's receipt of the invoice and statement.

(e) The obligations of the parties extending into October 2010, shall survive the expiration of this Agreement.

6. Termination.

(a) *Without cause.* Either party may terminate this Agreement at any time and for any reason by giving to the other party at least 90 days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination, all finished or unfinished data, studies, reports and other materials and items (whether kept electronically, in writing, or otherwise) prepared by Krause shall be and become the property of the Town, and Krause shall promptly deliver such items to the Town. Krause shall be paid for all work satisfactorily completed prior to the effective date of said termination.

(b) *With cause.* If Krause, Krause's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the Town, then Town shall have the right to terminate this Agreement effective immediately upon the Town giving written notice thereof to Krause. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination, all finished or unfinished data, studies, reports and other items (whether kept electronically, in writing, or otherwise) prepared by Krause shall be and become the property of the Town and Krause shall promptly deliver such items to the Town. Krause shall be paid for all work satisfactorily completed prior to the effective date of such termination.

7. Entire Agreement and Modification. This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. Krause shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Krause specifically acknowledges that in entering into and executing this Agreement, it relies solely upon the provisions contained in this Agreement and no others.

8. Assignment. Inasmuch as this Agreement is intended to secure the specialized services of Krause, Krause has no authority or power to and may not assign, transfer, delegate, subcontract or otherwise convey any interest herein without the prior written consent of Town,

and any such assignment, transfer, delegation, subcontract or other conveyance without the Town's prior written consent shall be considered null and void.

9. Applicable Law; Venue. In the event of any action under this Agreement, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Contract; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

10. Enforceability. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

11. Independent Contractor. Krause shall, during the entire term of the Agreement, be construed to be an independent contractor and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow the Town to exercise discretion or control over the professional manner in which Krause performs the services which are the subject matter of the Agreement; provided, however, that the Services to be provided by Krause shall be provided in a manner consistent with all applicable standards and regulations governing such Services.

12. Insurance; Indemnity.

(a) Krause, at its own expense, shall purchase, maintain and keep in force such insurance as described and in the minimum amounts set forth below:

- (i) Commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence, which shall include coverages for bodily injury (including, without limitation, death) and property damage, and particularly for liability arising from premises operations, independent contractors, products/completed operations, personal injury, advertising injury, and contractual liability (including, without limitation, the liability assumed under the indemnity provisions of this Agreement). If such CGL insurance contains a general aggregate limit, it shall apply separately to the Work under this Agreement.
- (ii) Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned and hired car coverage.
- (iii) Worker's compensation insurance through an insurance company licensed to do business in Texas or, if qualified by law, through self-insurance.

The above policies shall be endorsed to provide the following, as applicable: (i) in all liability policies, name the Town of Addison, Texas as an additional insured; (ii) in all

liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted hereunder, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison must be included in all such policies. All insurance policies shall be issued by an insurance company with an A.M. Best's rating of not less than A- and authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, and shall be endorsed to provide for at least 30 days advance written notice to the Town of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to the Town, evidencing all coverage above, shall be furnished to the Town prior to January 31, 2008, with complete copies of policies furnished to the Town upon request. The Town reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

- (b) (i) KRAUSE AGREES TO AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS, ITS OFFICERS, AGENTS AND EMPLOYEES (IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES) (EACH AN "INDEMNITEE") FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CLAIMS, JUDGMENTS, LIABILITIES, PENALTIES, FINES, EXPENSES, FEES AND COSTS (INCLUDING REASONABLE ATTORNEY'S FEES AND OTHER COSTS OF DEFENSE), AND DAMAGES (TOGETHER, "DAMAGES") ARISING OUT OF OR IN CONNECTION WITH KRAUSE'S PERFORMANCE OF THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, DAMAGES RELATING TO COPYRIGHT OR ANY OTHER INTELLECTUAL PROPERTY RIGHT), ANY BREACH OR DEFAULT IN THE PERFORMANCE OF KRAUSE'S OBLIGATIONS UNDER THIS AGREEMENT, AND WITHOUT LIMITING ANY OF THE FOREGOING, ANY ACT OR OMISSION OF KRAUSE OR OF ITS OFFICERS, EMPLOYEES, REPRESENTATIVES, AND AGENTS UNDER, RELATED TO, OR IN CONNECTION WITH, THIS AGREEMENT, INCLUDING DAMAGES CAUSED BY THE INDEMNITEE'S OWN NEGLIGENCE, OR GROSS NEGLIGENCE, OR CONDUCT THAT MAY OR DOES EXPOSE AN INDEMNITEE TO STRICT LIABILITY UNDER ANY LEGAL THEORY, EXCEPT AS SPECIFICALLY LIMITED HEREIN.
- (ii) With respect to Krause's indemnity obligation set forth in subsection (i), Krause shall have no duty to indemnify an Indemnatee for any Damages caused by the sole negligence of the Indemnatee, or sole gross negligence of the Indemnatee, or sole conduct of the Indemnatee that may or does expose the Indemnatee to strict liability under any legal theory.
- (iii) If an Indemnatee suffers Damages arising out of or in connection with the performance of this Agreement that are caused by the concurrent negligence, gross negligence, or conduct that may or does result in exposure to strict liability, of both Krause and the Indemnatee, Krause's indemnity obligation set forth in subsection (iii) will be limited to a fraction of the total Damages equivalent to Krause's own percentage of responsibility.

- (iv) With respect to Krause's duty to defend set forth herein in subsection (i), Krause shall have the duty, at its sole cost and expense, through counsel of its choice, to litigate, defend, settle or otherwise attempt to resolve any claim, lawsuit, cause of action, or judgment arising out of or in connection with this Agreement; provided however, that the Town shall have the right to approve the selection of counsel by Krause and to reject Krause's selection of counsel and to select counsel of the Town's own choosing, in which instance, Krause shall be obligated to pay reasonable attorney fees and the expenses associated thereto. The Town agrees that it will not unreasonably withhold approval of counsel selected by Krause, and further, the Town agrees to act reasonably in the selection of counsel of its own choosing.
- (v) In the event that Krause fails or refuses to provide a defense to any claim, lawsuit, judgment, or cause of action arising out of or in connection with this Agreement, the Town shall have the right to undertake the defense, compromise, or settlement of any such claim, lawsuit, judgment, or cause of action, through counsel of its own choice, on behalf of and for the account of, and at the risk of Krause, and Krause shall be obligated to pay the reasonable and necessary costs, expenses and attorneys' fees incurred by the Town in connection with handling the prosecution or defense and any appeal(s) related to such claim, lawsuit, judgment, or cause of action.
- (vi) The defense, indemnity and hold harmless provisions and obligations set forth in this Agreement shall survive the expiration or termination of this Agreement.

13. Records.

- (a) Krause shall keep complete and accurate records for the services performed pursuant to this Agreement and any records required by law or government regulation and shall make such records available to Town upon request.
- (b) Krause shall assure the confidentiality of any records that are required by law to be so maintained.
- (c) Krause shall prepare and forward such additional or supplementary records as Town may reasonably request.

14. Notices. Where the terms of this Agreement require that notice in writing be provided, such notice shall be deemed received by the party to whom it is directed upon being hand-delivered or upon three (3) days following the deposit of the notice in the United States mail, postage pre-paid, and sent by certified mail, return receipt requested and properly addressed as follows:

To the Town:

Town of Addison
5300 Belt Line Road
Dallas, Texas 75254

To Krause:

Krause Advertising
5307 E. Mockingbird Lane
Suite 250

Attn: Lea Dunn

Dallas, Texas 75206

15. Findings Confidential. No reports, information, documents, or other materials given to or prepared by Krause under this Agreement which Town requests to be kept confidential shall be made available to any individual or organization by Krause without the prior written approval of Town. However, Krause shall be free to disclose such data as is publicly available.

16. Ownership of Reports. The reports, documents and materials prepared by Krause under this Agreement shall be the sole property of the Town upon payment by the Town to Krause for the fees earned under this Agreement in connection with the preparation and delivery of such reports, documents and materials. Upon expiration or termination of this Agreement, Krause will transfer, assign, and make available to the Town all such reports, documents, and materials. A reasonable hourly fee for compilation of files will be charged. Krause also agrees to give all reasonable cooperation toward transferring with approval of third parties in interest all reservations, contracts and arrangements, with advertising media, or others, for advertising space, radio time, or materials yet to be used (including uncancellable contracts), and all rights and claims thereto and therein, upon being released from the obligations thereof.

17. Agreement Controlling. The Proposal is incorporated into this Agreement, except to the extent any such terms or provisions are in conflict with any term or provision of this Agreement, in which event the express terms and provisions of this Agreement shall control.

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

19. Survival. Any rights and remedies either party may have with respect to the other arising out of the performance of services during the term of this Agreement shall survive the cancellation, expiration or termination of this Agreement. Obligations of either party hereunder arising prior to the termination or cancellation of this Agreement allocating responsibility or liability of or between the Town and Krause shall survive the completion of this Services hereunder and termination or cancellation of this Agreement.

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

IN WITNESS WHEREOF, the Town and Krause have executed this Agreement on the day and year first hereinabove set forth.

TOWN OF ADDISON, TEXAS

KRAUSE ADVERTISING

By: _____
Ron Whitehead, Town Manager

By: _____
Printed Name: _____
Title: _____

Council Agenda Item: #R16

SUMMARY: Approval to fund the Cavanaugh Flight Museum sponsorship request in the amount of \$50,000 to assist the Museum in their marketing efforts.

FINANCIAL IMPACT:

Budgeted Amount: \$50,000

Cost: \$50,000

BACKGROUND: For the past several years, the Town has provided funding to the Cavanaugh Flight Museum to assist the Museum in their marketing efforts. These funds are used for promotional purposes and advertising special events hosted by the Museum, and are matched on a dollar for dollar basis. In return for the sponsorship, the Town will be listed as a sponsor on all print advertising. Staff believes this is a good partnership because it not only increases attendance at the museum but it also increases the Town's exposure to the visitor market and our event activity.

RECOMMENDATION:

Staff recommends approval.



December 3, 2008

Lea Dunn
Town of Addison
Deputy City Manager
5300 Belt Line Road
PO Box 9010
Addison, TX 75001-9010

Dear Lea,

Cavanaugh Flight Museum is requesting \$ 50,000 to help with our marketing efforts for 2009. In 2008 we spent \$131,220.94 for advertising in various media outlets and special promotions to increase the exposure of the Cavanaugh Flight Museum in Addison, TX. In 2009 we will continue expanding our marketing efforts to include these following media:

Dallas Morning News
Travel Host of Dallas
MAP, Dallas/Fort Worth
DFW Official Visitor Guide
Discover Plano
Aircraft Authority – Advertising in brochure at Addison Airport and FBO's throughout Texas
Various local radio stations
World Air Show News magazine
ICAS – International Council of Air Shows
AirVenture – Oshkosh WI
Sun-n-Fun, Lakeland FL

Cavanaugh Flight Museum has appreciated all your support in the past and any continued support you can provide us in the future.

If you need more details or any questions please don't hesitate to call me at 863-712-4068.

Best Regards,

Wendy Stoneman
Development & Marketing
Cavanaugh Flight Museum

Cavanaugh Flight Museum

501(C) 3 Non-Profit Educational Organization - www.cavanaughflightmuseum.com
Addison Airport, 4572 Claire Chennault, Addison, Texas 75001 (972) 380-8800 ext. 112

Cavanaugh Flight Museum

Total PR Values 2008

| | Media | Outlets | Circulation/ Viewers |
|--------------------------|-----------------------------------|----------|-------------------------|
| Total Media Value | | | 19,292,212 |
| 1 | Dallas Morning News | 6 | 11,232,000 |
| 2 | TravelHost | 4 | 2,000,000 |
| 3 | Website - Cavanaugh Flight Museum | on-going | 1,918,212 |
| 4 | Discover Plano | 2 | |
| 5 | AirVenture Oshkosh Airshow - WI | | 640,000 |
| 6 | Sun-n-Fun Airshow - FL | | 235,000 |
| 7 | Warbirds Magazine | | 9,000 |
| 8 | Addison/North Dallas Guide | 6 | 3,100,000 |
| 9 | CFM brochures | | 100,000 |
| 10 | Avid Golfer | 2 | 30,000 |
| 11 | World Airshow News | 4 | 28,000 |
| 12 | | | |

Council Agenda Item: #R17

SUMMARY:

Approval of a Supplemental Agreement to the Agreement for Professional Service with Icon Consulting Engineers, Inc., in the amount not to exceed \$58,500.00, for additional professional services on the Vitruvian Park Phase 1 Infrastructure project.

FINANCIAL IMPACT:

Current Design/Inspection Contract Amount: \$1,997,200.00

Additional Design Cost: \$58,500.00

Source of Funds: General Obligation Bonds for Vitruvian Park

Project Manager: Clay Barnett, P.E.

BACKGROUND:

The Agreement for Professional Services for the Vitruvian Park Phase 1 Infrastructure with Icon Consulting Engineers, Inc. was authorized by the City Council on April 8, 2008. Included in the agreement was:

- the full structural design of one vehicular bridge on Ponte Avenue,
- the full structural design of a pedestrian bridge located in the middle of the park, and
- the design of the abutments for a pedestrian bridge located at the south end of the park.

Pedestrian Bridge: South end of park

The design fee of \$7,750 allocated for the pedestrian bridge at the south end of the park only included the design of the abutments because it was anticipated at that time that the bridge would be prefabricated. Since that time, a great deal of progress has been made on the design of Vitruvian Park. During the process, it has been determined that this pedestrian bridge would need to be longer than any prefabricated bridges that currently exist on the market today. Therefore it is necessary to provide a full structural bridge design for the pedestrian bridge.

Vehicular Bridge on Bella Lane

Additionally, there is an existing vehicular bridge in the vicinity of the proposed pedestrian bridge located in the middle of the park. Construction of this pedestrian bridge and a portion of the park are not possible with this existing bridge in place. Since it is desirable that the Town maintain two points of access to the opposite side of Farmers Branch Creek, it is recommended that the Town design and build the second vehicular

bridge at proposed Bella Lane at this time with the park project. The cost for the second vehicular bridge was identified in Phase III of the Master Facilities Agreement with UDR, which was approved by Council on October 9, 2007. An amendment to the Master Facilities Agreement will be necessary in order to move the funds from Phase III to Phase I for the bridge. UDR has approached staff about the possibility of constructing Phase III prior to Phase II as is currently defined in the Master Facilities Agreement. Therefore it appears that the construction of this bridge would take place much sooner than was anticipated in the Master Facilities Agreement.

Finally it is possible that by building four bridges in lieu of three bridges, an economy of scale will be achieved and an overall lower price per bridge will be realized than by bidding three bridges in one package and a fourth in another package a short time later.

The additional amount of \$58,500.00 for Professional Services includes the full structural design of the pedestrian bridge structure (excluding the abutments which are already included in the agreement) located at the south end of the park and the full structural design of the vehicular bridge on Bella Lane that was included in Phase III of the Master Facilities Agreement.

RECOMMENDATION:

Staff recommends that Council authorize the City Manager to enter into a Supplemental Agreement to the Agreement for Professional Service with Icon Consulting Engineers, Inc., in the amount not to exceed \$58,500.00, for additional professional services on the Vitruvian Park Phase 1 Infrastructure project.

Council Agenda Item **#ES1**

There are no attachments for this Item.

Council Agenda Item: #R18

There are no attachments for this Item.