



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

---

## AGENDA

### REGULAR MEETING OF THE CITY COUNCIL

AND / OR

### WORK SESSION OF THE CITY COUNCIL

6:00 PM

AUGUST 28, 2012

TOWN HALL

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

---

### WORK SESSION

---

Item            Presentation and discussion of the Airport Budget for fiscal  
#WS1 -            year 2013.

---

### REGULAR MEETING

---

#### Pledge of Allegiance

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

Introduction of Employees

## Discussion of Events/Meetings

---

Item #R2- Consent Agenda.

---

#2a- Approval of Minutes for the August 14, 2012 Regular and Supplemental Council Meeting.

---

#2b- Approval of Minutes for the August 16, 2012 Special Council Meeting.

---

#2c- Approval of Minutes for the August 20, 2012 Special Council Meeting.

---

Item #R3 Presentation of a proclamation honoring community service of Holly Canterbury.  
-

---

Item #R4 Presentation and discussion by Mark Brooks regarding the Addison Business Association  
-

---

Item #R5 Presentation and discussion by Rodney Hand regarding the Addison and the North Dallas Corridor Guide, and additional marketing and advertising opportunities.  
-

---

Item #R6 Discussion and Consideration of an Appointment of a Member to the Planning and Zoning Commission.  
-

---

Item #R7 Presentation and discussion of the Department of Financial & Strategic Services Quarterly Financial Review of the Town for the quarter and year-to-date ended June 30, 2012.  
-

Attachment(s):

1. Quarterly Financial Report Q3 2012

---

Item #R8 Presentation, discussion and consideration of approval authorizing the City Manager to publish the notice of a public hearing to be held on October 9, 2012 and the draft ordinances establishing a stormwater utility and setting the stormwater utility rate.

-

Attachment(s):

1. Stormwater Utility Funding Options
2. DRAFT Findings Ordinance
3. DRAFT Rules Ordinance
4. DRAFT Fee Ordinance

Recommendation:

Staff recommends approval

---

Item #ES1 - Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to conduct a private consultation with its attorney(s) to seek the advice of its attorney(s) regarding certain pending litigation, to wit: *Town of Addison, Texas v. North Texas Contracting, Inc.*, Cause No. 12-6525-C, 68th Judicial District Court, Dallas County, Texas.

---

Adjourn Meeting

---

Posted:

Chris Terry, 8/24/2012, 5:00 PM

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST**

**48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

## Council Agenda Item: #WS1

**AGENDA CAPTION:**

Presentation and discussion of the Airport Budget for fiscal year 2013.

**FINANCIAL IMPACT:**

There is no direct financial impact associated with this item.

**BACKGROUND:**

This item will be presented at the Council meeting.

**RECOMMENDATION:**

n/a

**COUNCIL GOALS:**

Mindful Stewardship of Town Resources, Develop and utilize the Addison Airport as an engine to drive economic growth in the community

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## Council Agenda Item: # R 2a

**AGENDA CAPTION:**

Approval of Minutes for the August 14, 2012 Regular and Supplemental Council Meeting.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

- ▢ [August 14 Regular Minutes](#)
- ▢ [August 14 Supplemental Minutes](#)

Type:

Backup Material  
Backup Material

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

August 14, 2012

6:00 PM - Town Hall

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

Upstairs Conference Room

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

**Work Session**

Item #WS1 - Presentation and discussion regarding the adoption and implementation of a stormwater utility fee.

\_\_\_\_\_

Mayor-Todd Meier

Attest:

\_\_\_\_\_

City Secretary-Chris Terry

# OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL REGULAR MEETING

August 14, 2012

6:00 PM - Town Hall

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

Chris Terry, 8/10/2012, 5:00 pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

## REGULAR MEETING

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

Item #R2 - Consent Agenda

#2a - Approval of Minutes for the June 18, 2012 Special Council Meeting.

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

The motion was seconded by Council Member Bruce Arfsten.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Voting Nay: None

#2b - Approval of Minutes for the June 26, 2012 Regular Council Meeting.

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

The motion was seconded by Council Member Bruce Arfsten.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik  
Voting Nay: None

#2c - Approval of Minutes for the July 2, 2012 Regular Council Meeting.

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

#2d - Approval of Minutes for the July 10, 2012 Regular Council Meeting.

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

#2e - Approval of Minutes for the August 7, 2012 Regular Council Meeting.

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

#2f - Award of bid to Nu-Way Construction for the S-1 Parking Lot Improvements at Addison Airport in the amount of \$58,024.57.

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

#2g - Approval authorizing the City Manager to execute an Inter-local Agreement (ILA) between the City of Carrollton and the Town of Addison for Fleet Services effective October 1, 2012 until September 30, 2015.

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

Item #R3 - Recognition of UDR for the achievement of LEED Gold certification for Savoye II.

Tom Lamberth, UDR, was recognized for excellence in building design in obtaining the LEED Gold certification for the Savoye II property.

There was no action taken.

Item #R4 - Discussion regarding Addison applicants in the 24th class of the Leadership Metrocrest program.

Chris Terry, Assistant City Manager, presented and spoke regarding this item.

There was no action taken.

Item #R5 - FINAL PLAT/MHS South Addition, Lot 1, Block B, and Lot

2R, Block A. Discussion and consideration of approval of a final plat for two lots: Lot 1, Block B &#8211; 2.411 acres, and Lot 2R, Block A &#8211; 2.443 acres, being a replat of Lot 2, Block A, MHS Addition, located at the northeast and southeast corners of Addison Road and Sojourn Drive, on application from MHSS Addition, LP, represented by Mr. David Kochalka of Kimley-Horn and Associates, Inc.

COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on July 26, 2012, voted to recommend approval of the request for Final Plat approval for MHS South Addition, Lot 1, Block B and Lot 2R, Block A, subject to the following conditions: -Check wording, acreages, and dimensions within the Owner's Certificate, as they do not match the drawing. - Change the drawing title to Final Plat and update the date. Voting Aye: Angell, Doherty, Groce, Olive, Stockard Voting Nay: none Absent: Hewitt, Wheeler

Carmen Moran, Director of Development Services, presented and spoke regarding this item.

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

Item #R6 - Presentation, discussion and consideration of an ordinance amending Chapter 62, Signs, of the Code of Ordinances of the Town by providing for a Meritorious Exception to Article IV, Division 3, Attached Signs, Sec. 62-162 and Sec. 62-163 at 4135 Belt Line Rd. Suite 102 in order to provide for two attached signs that with a total of 114.5 square feet in area and a letter 28" in height on application from Salon Boutique Academy.

Lynn Chandler, Development Services, presented and spoke

regarding this item.

A motion to Deny was made by Mayor Todd Meier.

The motion was seconded by Council Member Bruce Arfsten.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Voting Nay: None

Item #R7 - Discussion regarding Modified Levels of Service for the Fiscal Year 2013 budget.

Ron Whitehead, City Manager, and Eric Cannon, Chief Financial Officer, presented and spoke regarding this item.

There was no action taken.

Item #R8 - Discussion and consideration of approval of a resolution approving and authorizing the City Manager to enter into an interlocal agreement with the City of Carrollton, Texas and the City of Farmers Branch, Texas for the resale of wholesale treated water.

Eric Cannon, Chief Financial Officer, presented and spoke regarding this item.

A motion to Approve was made by Council Member Bruce Arfsten.

The motion was seconded by Council Member Chris DeFrancisco.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Voting Nay: None

Item #R9 - Discussion regarding process and philosophy of the Mayor's weekly newsletter.

There was no action taken.

Item #R10 - Discussion regarding City Council rules and procedures and code of ethics.

Mayor Todd Meier spoke regarding this item.

There was no action taken.

---

Mayor-Todd Meier

Attest:

---

City Secretary-Chris Terry

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

August 14, 2012

6:00 PM - Town Hall

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

Chris Terry, 8/14/2012, 12:00 pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

Item #S1 - Discussion and consideration of action, including approval of a Resolution, authorizing the County of Dallas and/or authorized health authorities to conduct aerial spraying over the Town to facilitate the eradication of mosquitoes that carry the West Nile Virus. This Supplemental Emergency Agenda is posted in accordance with the Texas Open Meetings Act, Chapter 551, Tex. Gov. Code. An urgent public necessity exists requiring immediate discussion and consideration of action by the City Council due to an imminent threat to public health and safety and a reasonably unforeseeable situation as described herein. The entire Dallas County area, including Addison, is experiencing a severe outbreak of West Nile Virus (WNV) that has resulted in at least 181 confirmed human cases of WNV and 10 deaths, with 2 of the confirmed cases being in Addison. Dallas County and other health officials notified the Town during the afternoon of August 13, 2012 of the intent to conduct aerial spraying on Thursday, August 16, 2012 for the purpose of mosquito eradication to mitigate the spread of WNV, and that notice of the Town's participation in the aerial spraying, if any, must be provided to the

Dallas County Judge and to the Texas Department of State Health Services by 5:00 on August 15, 2012. Immediate discussion and consideration of action by the City Council is necessary to determine an appropriate course of action to help protect the public from further spread of WNV.

Lea Dunn, Deputy City Manager, presented and spoke regarding this item.

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

The motion was seconded by Council Member Chris DeFrancisco.

The motion result was: Passed

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

Voting Nay: Moore

---

Mayor-Todd Meier

Attest:

---

City Secretary-Chris Terry

## Council Agenda Item: # R 2b

**AGENDA CAPTION:**

Approval of Minutes for the August 16, 2012 Special Council Meeting.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

 [August 16 Minutes](#)

Type:

Backup Material

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

August 16, 2012

7:00 PM - Town Hall

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

Chris Terry, 8/13/2012, 7:00pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

Item #S1 - Consider and take action on an ordinance authorizing the issuance of Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2012; levying a tax and providing for the security for and payment of said certificates; authorizing the execution of a purchase agreement; approving the official statement; enacting other provisions relating to the subject; and declaring an effective date.

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

The motion was seconded by Council Member Neil Resnik.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Voting Nay: None

Item #S2 - Consider and take action on an ordinance authorizing the issuance of Town of Addison, Texas, General Obligation Refunding and Improvement Bonds, Series 2012, levying a tax in payment

thereof; approving the official statement; approving execution of a purchase contract and escrow agreement; and enacting other provisions relating thereto.

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

The motion was seconded by Council Member Margie Gunther.

The motion result was: Passed

Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Voting Nay: None

---

Mayor-Todd Meier

Attest:

---

City Secretary-Chris Terry

## Council Agenda Item: # R 2c

**AGENDA CAPTION:**

Approval of Minutes for the August 20, 2012 Special Council Meeting.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

 [August 20 Minutes](#)

Type:

Backup Material

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

August 20, 2012

6:00 PM - Town Hall

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

Chris Terry, 8/17/2012, 5:00 PM

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

Item #S1 - Discussion and consideration of action, including approval of a Resolution, regarding the conducting of aerial spraying over the Town to facilitate the eradication of mosquitoes that carry the West Nile Virus.

There was no action taken.

Item #S2 - Discussion and consideration of approval of an Ordinance that continues in effect, until terminated by order of the City Council of the Town of Addison, the declaration of disaster for the Town issued by the Mayor on August 16, 2012 regarding the West Nile Virus.

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

The motion was seconded by Council Member Chris DeFrancisco.

The motion result was: Passed

Voting Aye: Clemens, DeFrancisco, Gunther, Meier, Resnik

Voting Nay: Arfsten, Moore

Item #S3 - Discussion regarding the Town of Addison Strategic Plan

and FY 2013 Budget.

There was no action taken.

Item #S4 - Discussion of the Town of Addison's compensation plan.

There was no action taken.

---

Mayor-Todd Meier

Attest:

---

City Secretary-Chris Terry

## Council Agenda Item: #R3

**AGENDA CAPTION:**

Presentation of a proclamation honoring community service of Holly Canterbury.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## **Council Agenda Item: #R4**

**AGENDA CAPTION:**

Presentation and discussion by Mark Brooks regarding the Addison Business Association

**FINANCIAL IMPACT:**

n/a

**BACKGROUND:**

This item will be discussed at the council meeting.

**RECOMMENDATION:**

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## **Council Agenda Item: #R5**

**AGENDA CAPTION:**

Presentation and discussion by Rodney Hand regarding the Addison and the North Dallas Corridor Guide, and additional marketing and advertising opportunities.

**FINANCIAL IMPACT:**

There is no direct financial impact associated with this item.

**BACKGROUND:**

This item will be presented and discussed at the Council Meeting.

**RECOMMENDATION:**

N/A

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## Council Agenda Item: #R6

**AGENDA CAPTION:**

Discussion and Consideration of an Appointment of a Member to the Planning and Zoning Commission.

**FINANCIAL IMPACT:**

NA

**BACKGROUND:**

This appointment belongs to Mayor Todd Meier.

**RECOMMENDATION:**

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available

## **Council Agenda Item: #R7**

### **AGENDA CAPTION:**

Presentation and discussion of the Department of Financial & Strategic Services Quarterly Financial Review of the Town for the quarter and year-to-date ended June 30, 2012.

### **FINANCIAL IMPACT:**

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

### **BACKGROUND:**

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

### **RECOMMENDATION:**

### **COUNCIL GOALS:**

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

### **ATTACHMENTS:**

Description:

 [Quarterly Financial Report Q3 2012](#)

Type:

Backup Material

Department of Financial & Strategic Services  
*Quarterly Review*

*For the Period Ended June 30, 2012*

---

---

*Town of Addison  
August 2012*

# *Quarter Ended 6/30/12*

## *Table of Contents*

---

	Pages
Executive Dashboards .....	i-ii
Memorandum to the City Manager .....	1-2
<b>Financial Section:</b>	
Executive Summary of Operating Funds, Actual Compared to Budget .....	3
General Fund, Quarterly Statement of Revenues Compared to Budget.....	4
General Fund, Quarterly Statement of Expenditures Compared to Budget .....	5
Hotel Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	6
Economic Development Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	7
Advanced Funding Grant Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	7
Reimbursement Grant Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	8
ARRA Grant Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	8
Street Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	9
Parks Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	9
2002 Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	10
2004 Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	10
2006 Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	11
2008 Capital Project Fund, Quarterly Statement of Revenues and Expenditures Compared to Budget .....	11
Airport Fund, Quarterly Statement of Revenues, Expenditures and Changes in Working Capital Compared to Budget .....	12
Utility Fund, Quarterly Statement of Revenues, Expenditures and Changes in Working Capital Compared to Budget .....	13
Schedule of Sales Tax Collections and Related Analyses.....	14
Hotel Occupancy Tax Collection by Hotel Service Type .....	15
Interim Statement of Cash Receipts and Disbursements .....	16
Collateral Summary .....	17
<b>Attachments:</b>	
First Southwest Portfolio Report and Statement of Compliance .....	Attached

# Executive Dashboard – 3rd Quarter, 2012 Fiscal Year

## Financial Indicators

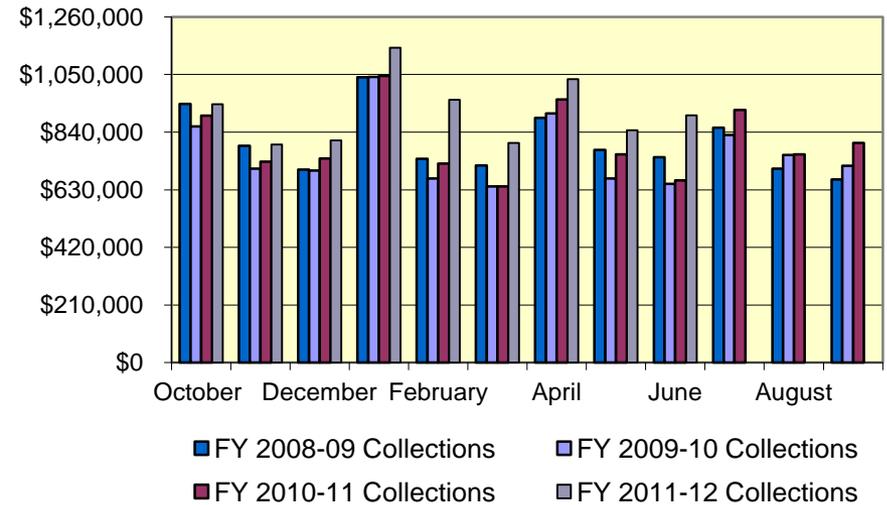
### Key Revenue Sources:

	FY12 Budget	FY12 Projection*	Variance (Unfavorable)
Ad Valorem Taxes	\$17,257,100	\$17,499,730	\$242,630
Sales Taxes	\$9,565,340	\$10,533,337	\$967,997
Franchise Fees	\$2,597,000	\$2,677,100	\$80,100
Licenses and Permits	\$728,490	\$874,290	\$145,800
Court Fines	\$1,143,500	\$1,047,000	\$(96,500)
Hotel Tax	\$4,100,000	\$4,214,500	\$114,500
Fuel Flowage Fees	\$630,000	\$650,000	\$20,000
Water and Sewer Charges	\$10,744,700	\$10,420,200	\$(324,500)

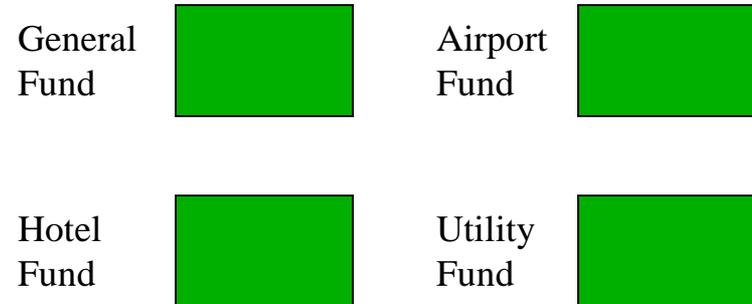
### Key Expenditures:

	FY12 Budget	FY12 Projection*	Variance (Unfavorable)
General Fund	\$27,630,880	\$27,814,730	\$(183,850)
Hotel Fund	\$6,533,530	\$6,487,030	\$46,500
Airport Operations	\$3,590,930	\$3,590,930	\$0
Utility Dept.	\$2,751,750	\$2,621,230	\$130,520

### Addison Sales Tax Collections



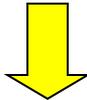
### Overall Fund Outlook:



\*Using data through June 30, 2012

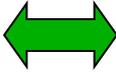
## Economic Indicators

### Occupancy Indicators:

Office Occupancy  Up from 77.0% to 80.0%  
Retail Occupancy  Down from 83.0% to 82.0%

Report Q3 2012 vs. Q3 2011 Source: Xceligent

### Hotel Indicators:

Hotel Occupancy  2012 up 2.7% from 2011  
RevPAR  2012 down \$0.04 from 2011

Source: STR Report – June 2012 vs. June 2011

### Area Economic Indicators:

Area Employment  Up from 92.1% to 93.0%  
Texas Leading Indicators Index \*  2012 up 0.08% from 2011

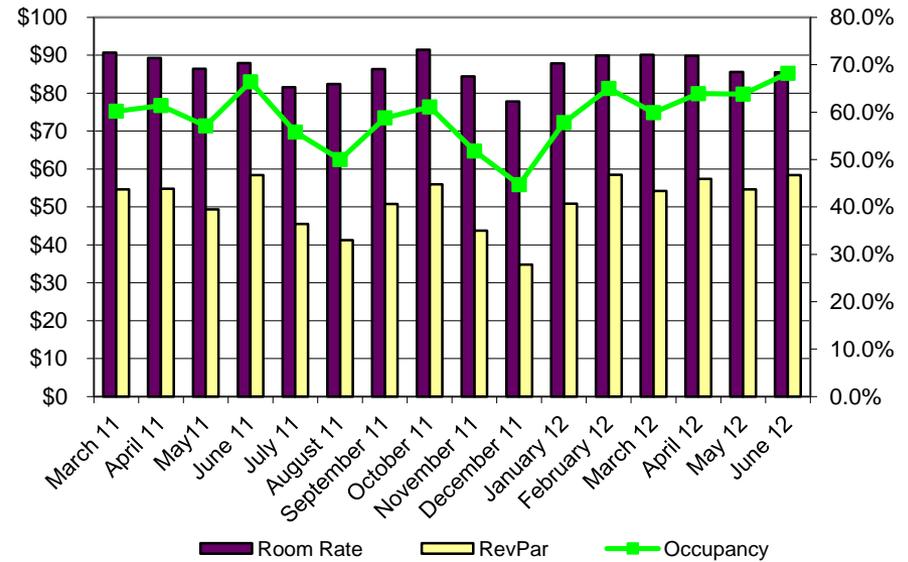
Source: Dallas Federal Reserve Q3 2012 vs. Q3 2011.

\*Data for Q3 2012 was only available through May 31, 2012.

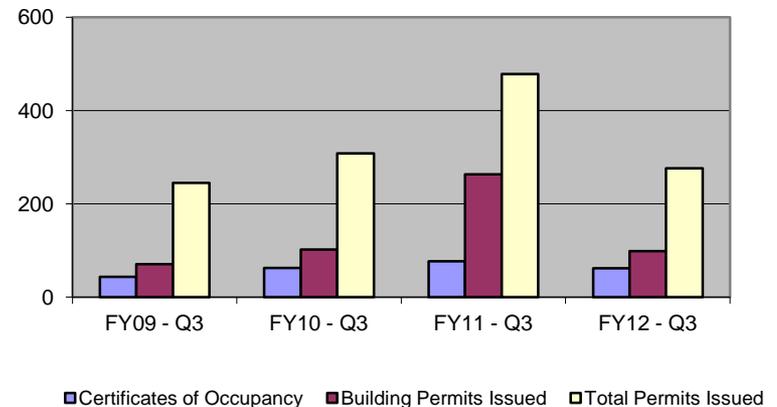
### Building Permit Activity:

	FY 2011 (thru June 30th)	FY 2012 (thru June 30th)
Certificates of Occupancy	77	62
Building Permits Issued	263	99
Total Permits Issued	478	276
Total Valuation	\$38,720,491	\$77,214,727

### Hotel Industry Statistics



### Comparison of Permit Activity





# MEMO

**To:** Ron Whitehead, City Manager  
**From:** Eric Cannon, CPA, Chief Financial Officer  
**Re:** Third Quarter Financial Review  
**Date:** August 9, 2012

## GENERAL FUND

- Through nine months, revenues totaled \$24.5 million, which is \$1.9 million or 8.6% more than received this time last year. Property tax collections are slightly above budget as delinquent tax collections and penalties are higher than expected. Sales tax collections total \$8.2 million, a 14.8% increase over the previous year, indicating a continuing economic improvement. Licenses and permits collections are currently \$283k or 55.5% more than the previous year's collections due to applications for Keller Springs Lofts and Allegro Phase II.
- Expenditures totaled \$19.4 million through June 30, 2012, which is 70.1% of budget and \$38k or 0.2% less than spent this time last year. All departments appear to be on pace with budget. Council Projects has spent 96.5% of budgeted expenditures due to the payment of non-profit grant funding in the fall.

## HOTEL FUND

- For the first nine months, revenues totaled \$4.6 million, an increase of \$310k from this time last year. Hotel occupancy tax (HOT) collections are continuing to improve, and collections through June 30, 2012 are \$199k or 6.6% greater than one year ago. The decrease in special event proceeds is offset by an increase in rental revenue.
- Hotel fund expenditures of \$4.6 million are 64.3% of budget and \$1.38 million less than a year ago. FY2011 expenditures were higher due to making ready the Visitor Services offices and the Visit Addison facilities at Village on the Parkway.

## **AIRPORT FUND**

- Operating revenue through the first nine months of the fiscal year totaled \$2.8 million, slightly more than the previous year. Currently, the fund is experiencing slight increases in all revenue categories.
- Operating expenses through June 30, 2012 amounted to \$1.96 million, resulting in net income of \$916k. The FY2012 budget anticipates \$897k in expenditures for the Town's local match for capital improvement projects to take place later this year.

## **UTILITY FUND**

- For the first nine months, the fund recorded \$6.5 million in operating revenues, a \$418k increase from the year before. The increased revenue is attributed to the new utility rate structure, as well as a slight reduction in our percentage of unbilled water compared to last year.
- Operating expenses totaled \$4.9 million, bringing net operating income to \$1.5 million. Working capital declined \$969k due to capital project expenses for the elevated storage tank and scheduled debt service payments. During the period, approximately \$1.3 million of debt proceeds were transferred from the 2008 C.O. issuance. The purpose of the transfer is to reallocate bond proceeds to compensate for higher than expected costs associated with Vitruvian and the elevated storage tank.

## **CASH AND INVESTMENT REPORT**

- Cash for all funds as of June 30, 2012 totaled \$37 million, a decrease of \$2.9 million from the previous quarter. A decrease in the Town's cash balances can be expected during this time period. Based on the fact that, the majority of the Town's property tax collections are received during the Town's second quarter which impact the General, Economic Development, and Debt Service Funds. Balances in the capital project funds declined as expected because of planned capital project expenses for the Belt Line Streetscape, the Vitruvian Park development, and the transfer of debt proceeds. Also, the Town has transferred debt proceeds from the 2008 C.O. to the Utility Fund; this transaction had no financial impact on the Town's cash balances.
- The Town's average investment yield to maturity at the end of June was 0.44 percent, an increase from the previous quarter's yield of 0.55 percent. This yield is higher than the TexPool benchmark of 0.13 percent. The average weighted maturity increased from 188 days to 251 days.
- As recommended by First Southwest Asset Management, we have invested in commercial paper up to the maximum threshold set in the Town's investment policy. In addition, we will continue to seek out CDs and callable agency securities in order to maximize yields. Finally, with interest rates expected to remain extremely low through the end 2014, we will look to extend the portfolio's duration to the extent cash flows allows.

## TOWN OF ADDISON

### EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED JUNE 30, 2012 UNAUDITED ACTUAL AMOUNTS COMPARED TO THE 2012 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
<b>RESOURCES</b>															
Ad Valorem Tax	\$ 10,812	\$ 10,963	\$ 10,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,812	\$ 10,963	\$ 10,382
Non-Property Tax	10,305	8,641	7,662	4,100	3,193	2,994	-	-	-	-	-	-	14,405	11,834	10,656
Franchise Fees	2,597	2,111	2,041	-	-	-	-	-	-	-	-	-	2,597	2,111	2,041
Service/Permitting/License Fees	2,137	1,821	1,517	1,727	811	861	666	511	505	10,828	6,493	6,074	15,358	9,636	8,958
Rental, Interest and Other Income	1,374	1,020	1,008	776	605	444	3,570	2,374	2,415	(36)	(29)	11	5,684	3,970	3,878
Transfers and Other Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Resources</b>	<b>27,226</b>	<b>24,556</b>	<b>22,610</b>	<b>6,603</b>	<b>4,609</b>	<b>4,299</b>	<b>4,235</b>	<b>2,886</b>	<b>2,920</b>	<b>10,793</b>	<b>6,464</b>	<b>6,085</b>	<b>48,856</b>	<b>38,514</b>	<b>35,914</b>
<b>APPLICATION OF RESOURCES</b>															
Personal Services	18,382	13,049	12,981	1,628	1,097	904	324	272	163	1,261	899	929	21,594	15,317	14,977
Supplies and Materials	1,307	851	795	210	155	188	63	11	14	128	72	82	1,708	1,089	1,079
Maintenance	2,036	1,225	1,223	558	314	1,596	2,355	1,213	1,375	597	218	233	5,547	2,970	4,426
Contractual Services	4,684	3,365	3,028	4,030	2,508	2,764	850	467	622	5,635	3,756	3,457	15,199	10,096	9,871
Capital Equipment Amortization	1,084	813	803	57	42	49	-	-	-	24	18	20	1,164	873	872
Capital Equipment/Projects	137	81	67	40	11	9	957	79	1,303	1,330	59	1,206	2,464	230	2,585
Transfers and Other Uses**	-	-	525	670	503	503	390	293	293	3,215	2,411	2,361	4,275	3,206	3,681
<b>Total Application of Resources</b>	<b>27,631</b>	<b>19,382</b>	<b>19,421</b>	<b>7,192</b>	<b>4,630</b>	<b>6,012</b>	<b>4,938</b>	<b>2,334</b>	<b>3,770</b>	<b>12,189</b>	<b>7,432</b>	<b>8,288</b>	<b>51,951</b>	<b>33,779</b>	<b>37,491</b>
<b>Net Change in Fund Balances</b>	<b>\$ (405)</b>	<b>\$ 5,173</b>	<b>\$ 3,189</b>	<b>\$ (590)</b>	<b>\$ (21)</b>	<b>\$ (1,713)</b>	<b>\$ (703)</b>	<b>\$ 551</b>	<b>\$ (850)</b>	<b>\$ (1,397)</b>	<b>\$ (969)</b>	<b>\$ (2,202)</b>	<b>\$ (3,095)</b>	<b>\$ 4,735</b>	<b>\$ (1,577)</b>

**Notes:**

\* Totals may not exactly match due to rounding.

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

**TOWN OF ADDISON**  
**GENERAL FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Ad Valorem taxes:						
Current taxes	\$ 10,783,840	\$ 86,449	\$ 10,851,515	100.6%	\$ 10,325,250	99.5%
Delinquent taxes	9,540	12,870	67,467	707.2%	20,890	212.1%
Penalty & interest	19,090	16,545	43,929	230.1%	35,684	2724.0%
Non-property taxes:						
Sales tax	9,565,340	2,781,997	8,235,777	86.1%	7,171,426	76.5%
Alcoholic beverage tax	740,000	212,786	404,888	54.7%	490,986	51.1%
Franchise / right-of-way use fees:						
Electric franchise	1,500,000	359,456	1,182,240	78.8%	1,139,647	76.0%
Gas franchise	215,000	-	204,559	95.1%	219,959	88.0%
Telecommunication access fees	650,000	167,452	500,136	76.9%	501,579	77.2%
Cable franchise	225,000	74,208	219,687	97.6%	172,743	86.4%
Street rental fees	7,000	1,250	4,750	67.9%	6,750	84.8%
Licenses and permits:						
Business licenses and permits	171,540	54,220	121,091	70.6%	113,166	67.6%
Building and construction permits	556,950	152,901	676,516	121.5%	401,165	88.4%
Service fees:						
General government	50,650	24	209	0.4%	74	11.4%
Public safety	746,080	198,833	559,726	75.0%	555,571	73.4%
Urban development	3,000	610	1,300	43.3%	2,520	47.5%
Streets and sanitation	337,630	95,165	264,188	78.2%	249,720	78.1%
Recreation	86,800	30,864	59,758	68.8%	56,719	71.4%
Interfund	184,300	46,075	138,225	75.0%	138,225	75.0%
Court fines	1,143,500	267,533	820,600	71.8%	785,371	64.1%
Interest earnings	30,000	7,200	12,735	42.4%	26,807	33.5%
Rental income	153,000	50,876	115,113	75.2%	115,708	75.6%
Other	47,730	27,255	71,145	149.1%	80,241	138.4%
<b>Total Revenues</b>	<b>\$ 27,225,990</b>	<b>\$ 4,644,568</b>	<b>\$ 24,555,555</b>	<b>90.2%</b>	<b>\$ 22,610,201</b>	<b>84.3%</b>

**TOWN OF ADDISON**  
**GENERAL FUND**  
**FY 2012 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
General Government:						
City manager	\$ 1,225,440	\$ 302,450	\$ 900,006	73.4%	\$ 1,140,492	74.6%
Financial & strategic services	909,820	179,465	582,346	64.0%	608,162	72.4%
General services	783,380	172,988	521,355	66.6%	533,897	64.6%
Municipal court	501,730	119,667	338,615	67.5%	321,774	63.1%
Human resources	552,740	131,286	405,383	73.3%	271,235	52.2%
Information technology	1,290,000	286,464	967,517	75.0%	856,990	64.6%
Combined services	617,270	151,514	447,112	72.4%	433,186	71.9%
Council projects	262,330	51,446	253,207	96.5%	281,796	94.7%
Public safety:						
Police	7,344,420	1,936,073	5,475,138	74.5%	5,457,642	71.5%
Emergency communications	1,259,040	332,668	810,126	64.3%	733,390	63.4%
Fire	5,877,700	1,414,856	4,201,283	71.5%	4,086,530	70.7%
Development services	902,300	223,826	649,246	72.0%	615,801	68.5%
Streets	1,648,510	390,443	1,042,583	63.2%	992,241	55.3%
Parks and Recreation:						
Parks	2,976,220	641,201	1,811,887	60.9%	1,593,396	62.8%
Recreation	1,479,980	358,140	976,667	66.0%	969,581	65.4%
Other financing uses:						
Transfer to Economic Development Fund	-	-	-	N/A	525,000	0.0%
<b>Total Expenditures and Other Uses</b>	<b>\$ 27,630,880</b>	<b>\$ 6,692,487</b>	<b>\$ 19,382,469</b>	<b>70.1%</b>	<b>\$ 19,421,113</b>	<b>68.3%</b>

# TOWN OF ADDISON

## HOTEL FUND

### FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Hotel/Motel occupancy taxes	\$ 4,100,000	\$ 1,126,122	\$ 3,192,932	77.9%	\$ 2,993,982	84.3%
Proceeds from special events	1,727,000	463,523	811,460	47.0%	861,322	51.3%
Conference centre rental	488,750	165,671	397,460	81.3%	331,413	66.3%
Visit Addison rental	193,000	49,907	141,726	73.4%	-	0.0%
Theatre centre rental	78,000	19,034	56,978	73.0%	96,173	31.7%
Interest and miscellaneous	15,800	4,473	8,880	56.2%	15,956	115.6%
<b>Total Revenues</b>	<b>6,602,550</b>	<b>1,828,731</b>	<b>4,609,436</b>	<b>69.8%</b>	<b>4,298,846</b>	<b>71.1%</b>
<b>Expenditures and other uses:</b>						
Visitor services	1,053,700	228,780	601,175	57.1%	742,659	67.6%
Visit Addison	610,740	171,996	430,727	70.5%	1,716,614	390.0%
Marketing	763,910	218,782	475,136	62.2%	523,128	71.5%
Special events	2,461,960	754,862	1,433,691	58.2%	1,368,111	57.2%
Conference centre	1,080,980	255,830	709,686	65.7%	661,521	64.3%
Performing arts	562,240	175,539	477,150	84.9%	497,748	90.0%
<b>Other financing uses:</b>						
Transfer to debt service fund	670,000	167,500	502,500	75.0%	502,500	75.0%
<b>Total Expenditures and Other Uses</b>	<b>\$ 7,203,530</b>	<b>\$ 1,973,289</b>	<b>\$ 4,630,066</b>	<b>64.3%</b>	<b>\$ 6,012,281</b>	<b>87.0%</b>

**NOTES:**

1) Amounts spent by special project:

Public Relations	\$ 315,250	\$ 96,367	\$ 179,503	56.9%	\$ 230,614	73.4%
Oktoberfest	529,640	-	7,287	1.4%	8,341	1.5%
Kaboom Town	247,140	68,293	71,043	28.7%	51,838	21.1%
Calendar	30,000	1,990	21,386	71.3%	57,469	114.9%
Hotel Support Program	200,000	53,262	104,307	52.2%	77,246	29.7%
Taste Addison	599,440	490,427	494,682	82.5%	579,262	96.7%
Shakespeare Festival	46,500	-	48,002	103.2%	48,092	103.4%
Summer Jazz Festival	44,320	12,166	12,317	27.8%	13,489	30.3%
WorldFest	224,350	7,500	192,884	86.0%	211,840	98.5%
Book Fair	2,900	-	1,730	59.7%	2,032	69.6%
Weekend to Wipe Out Cancer	13,000	-	-	0.0%	69	0.5%
Vitruvian Park Events	92,000	3,769	142,436	154.8%	-	0.0%
<b>TOTAL</b>	<b>\$ 2,344,540</b>	<b>\$ 733,773</b>	<b>\$ 1,275,577</b>	<b>54.4%</b>	<b>\$ 1,280,292</b>	<b>54.4%</b>

**TOWN OF ADDISON**  
**ECONOMIC DEVELOPMENT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Ad Valorem taxes:						
Current taxes	\$ 548,980	\$ 4,401	\$ 552,478	100.6%	\$ -	0.0%
Delinquent taxes	490	(15)	-	0.0%	-	0.0%
Penalty & interest	970	559	1,599	164.8%	-	0.0%
Business license fee	150,000	8,300	65,150	43.4%	-	0.0%
Interest income and other	500	588	1,382	276.3%	551	0.0%
Other financing sources:						
Transfer from General Fund	-	-	-	0.0%	525,000	75.0%
<b>Total Revenues and Other Sources</b>	<b>700,940</b>	<b>13,833</b>	<b>620,608</b>	<b>88.5%</b>	<b>525,551</b>	<b>75.1%</b>
<b>Expenditures:</b>						
Personal services	136,040	46,603	112,982	83.1%	25,921	0.0%
Supplies	11,420	4,509	9,134	80.0%	10,935	0.0%
Maintenance	6,000	-	-	0.0%	1,449	0.0%
Contractual services	597,630	41,974	222,004	37.1%	192,179	27.5%
Capital replacement/lease	2,700	675	2,025	75.0%	-	0.0%
<b>Total Expenditures</b>	<b>\$ 753,790</b>	<b>\$ 93,760</b>	<b>\$ 346,144</b>	<b>45.9%</b>	<b>\$ 230,484</b>	<b>32.9%</b>

**TOWN OF ADDISON**  
**ADVANCED FUNDING GRANT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 1,200	\$ 4,560	0.0%	\$ 1,565,052	62.6%
Interest earnings and other	2,500	24	499	20.0%	2,497	3567.1%
<b>Total Revenues</b>	<b>2,500</b>	<b>1,224</b>	<b>5,059</b>	<b>202.4%</b>	<b>1,567,549</b>	<b>62.7%</b>
<b>Expenditures:</b>						
Supplies	-	-	-	0.0%	1,466	0.0%
Contractual services	-	4,998	5,142	0.0%	2,461	1.5%
Construction and equipment	-	-	-	0.0%	92,557	4.0%
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 4,998</b>	<b>\$ 5,142</b>	<b>0.0%</b>	<b>\$ 96,484</b>	<b>3.9%</b>

**TOWN OF ADDISON**  
**REIMBURSEMENT GRANT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Intergovernmental	\$ 10,000	\$ 16,650	\$ 29,104	291.0%	\$ 548,055	782.9%
<b>Total Revenues</b>	<b>10,000</b>	<b>16,650</b>	<b>29,104</b>	<b>291.0%</b>	<b>548,055</b>	<b>782.9%</b>
<b>Expenditures:</b>						
Personal services	10,000	1,963	2,496	25.0%	6,208	32.3%
Supplies	-	3,859	9,952	0.0%	2,056	257.0%
Contractual services	-	4,189	4,189	0.0%	-	0.0%
Construction and equipment	-	(35,622)	5,586	0.0%	677,131	N/A
<b>Total Expenditures</b>	<b>\$ 10,000</b>	<b>\$ (25,610)</b>	<b>\$ 22,222</b>	<b>222.2%</b>	<b>\$ 685,395</b>	<b>979.1%</b>

**TOWN OF ADDISON**  
**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Intergovernmental	\$ 188,000	\$ 44,196	\$ 99,396	52.9%	\$ 101,275	72.3%
<b>Total Revenues</b>	<b>188,000</b>	<b>44,196</b>	<b>99,396</b>	<b>52.9%</b>	<b>101,275</b>	<b>72.3%</b>
<b>Expenditures:</b>						
Personal services	188,000	44,196	99,395	52.9%	93,410	66.7%
Supplies	-	-	1,586	0.0%	-	0.0%
Contractual services	-	-	-	0.0%	66,126	0.0%
Construction and equipment	-	512,320	512,320	0.0%	-	0.0%
<b>Total Expenditures</b>	<b>\$ 188,000</b>	<b>\$ 556,516</b>	<b>\$ 613,302</b>	<b>326.2%</b>	<b>\$ 159,536</b>	<b>114.0%</b>

**TOWN OF ADDISON**  
**STREET CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 6,500	\$ 1,473	\$ 4,142	63.7%	\$ 23,541	258.7%
<b>Total Revenues</b>	<b>6,500</b>	<b>1,473</b>	<b>4,142</b>	<b>63.7%</b>	<b>23,541</b>	<b>258.7%</b>
Expenditures:						
Contractual services	-	13,042	13,042	0.0%	-	0.0%
Construction and equipment	819,400	62,080	62,080	7.6%	-	0.0%
<b>Total Expenditures</b>	<b>\$ 819,400</b>	<b>\$ 75,122</b>	<b>\$ 75,122</b>	<b>9.2%</b>	<b>\$ -</b>	<b>0.0%</b>

**TOWN OF ADDISON**  
**PARKS CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 350	\$ 10	\$ 7,134	2038.2%	\$ 26,263	855.5%
<b>Total Revenues</b>	<b>350</b>	<b>10</b>	<b>7,134</b>	<b>2038.2%</b>	<b>26,263</b>	<b>855.5%</b>
Expenditures:						
Contractual services	-	5,224	14,644	0.0%	35,771	368.8%
Construction and equipment	142,510	1,272	84,987	59.6%	133,050	51.1%
<b>Total Expenditures</b>	<b>\$ 142,510</b>	<b>\$ 6,496</b>	<b>\$ 99,631</b>	<b>69.9%</b>	<b>\$ 168,821</b>	<b>62.5%</b>

**TOWN OF ADDISON**  
**2002 CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ -	\$ 55	\$ 1,061	0.0%	\$ 5,746	39.9%
<b>Total Revenues</b>	<b>-</b>	<b>55</b>	<b>1,061</b>	<b>0.0%</b>	<b>5,746</b>	<b>39.9%</b>
Expenditures:						
Contractual services	-	-	104,457	0.0%	147,866	147.9%
Construction and equipment	-	-	745,338	0.0%	-	0.0%
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 849,795</b>	<b>0.0%</b>	<b>\$ 147,866</b>	<b>29.6%</b>

**TOWN OF ADDISON**  
**2004 CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 1,500	\$ 26	\$ 722	48.1%	\$ 1,750	34.7%
<b>Total Revenues</b>	<b>1,500</b>	<b>26</b>	<b>722</b>	<b>48.1%</b>	<b>1,750</b>	<b>34.7%</b>
Expenditures:						
Contractual services	-	13,436	13,436	0.0%	-	0.0%
Construction and equipment	165,110	143,864	426,868	258.5%	-	0.0%
<b>Total Expenditures</b>	<b>\$ 165,110</b>	<b>\$ 157,300</b>	<b>\$ 440,304</b>	<b>266.7%</b>	<b>\$ -</b>	<b>0.0%</b>

**TOWN OF ADDISON**  
**2006 CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Interest earnings and other	\$ 1,000	\$ 204,574	\$ 205,001	20500.1%	\$ 1,407	34.7%
<b>Total Revenues</b>	<b>1,000</b>	<b>204,574</b>	<b>205,001</b>	<b>20500.1%</b>	<b>1,407</b>	<b>34.7%</b>
<b>Expenditures:</b>						
Contractual services	180,000	-	-	0.0%	-	0.0%
Construction and equipment	-	(84,866)	-	0.0%	-	0.0%
<b>Total Expenditures</b>	<b>\$ 180,000</b>	<b>\$ (84,866)</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>

**TOWN OF ADDISON**  
**2008 CAPITAL PROJECT FUND**  
**FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Revenues:</b>						
Interest earnings and other	\$ 25,000	\$ 155,018	\$ 166,065	664.3%	\$ 318,539	151.4%
<b>Total Revenues</b>	<b>25,000</b>	<b>155,018</b>	<b>166,065</b>	<b>664.3%</b>	<b>318,539</b>	<b>151.4%</b>
<b>Expenditures:</b>						
Contractual services	107,820	72,067	359,412	333.3%	1,000,139	0.0%
Construction and equipment	598,570	339,258	1,032,124	172.4%	8,990,943	74.3%
<b>Other financing uses:</b>						
Transfer of debt proceeds	-	-	1,816,416	0.0%	-	0.0%
<b>Total Expenditures and Other Uses</b>	<b>\$ 706,390</b>	<b>\$ 411,325</b>	<b>\$ 3,207,951</b>	<b>454.1%</b>	<b>\$ 9,991,082</b>	<b>82.6%</b>

# AIRPORT FUND

## FY 2012 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

*With Comparative Information from Prior Fiscal Year*

Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Operating revenues:</b>						
Operating grants	\$ 50,000	\$ -	\$ -	0.0%	\$ -	0.0%
Fuel flowage fees	630,000	185,365	470,914	74.7%	464,423	54.9%
Rental	3,488,020	871,963	2,355,521	67.5%	2,313,223	66.7%
User fees	35,540	17,751	40,392	113.7%	40,320	105.0%
Other income	10,300	1,592	12,675	123.1%	-	0.0%
<b>Total operating revenues</b>	<b>4,213,860</b>	<b>1,076,671</b>	<b>2,879,502</b>	<b>68.3%</b>	<b>2,817,966</b>	<b>63.9%</b>
<b>Operating expenses:</b>						
Town - Personal services	323,730	98,120	271,612	83.9%	162,961	64.2%
Town - Supplies	62,600	4,124	11,029	17.6%	13,771	63.2%
Town - Maintenance	33,300	8,496	30,879	92.7%	26,714	91.2%
Town - Contractual services	544,670	69,123	259,641	47.7%	263,937	55.3%
Grant - Maintenance	100,000	74,134	92,784	92.8%	64,151	64.2%
Operator operation & maintenance	2,221,430	386,987	1,089,623	49.1%	1,284,339	56.6%
Operator service contract	305,200	77,227	207,157	67.9%	358,374	108.6%
<b>Total operating expenses</b>	<b>3,590,930</b>	<b>718,211</b>	<b>1,962,725</b>	<b>54.7%</b>	<b>2,174,247</b>	<b>62.4%</b>
Net operating income	622,930	358,460	916,777	147.2%	643,719	69.3%
<b>Non-Operating revenues (expenses):</b>						
Interest earnings and other	21,320	2,335	6,157	28.9%	101,897	659.5%
Interest on debt, fiscal fees & other	(115,090)	(28,773)	(86,318)	75.0%	(94,065)	75.0%
<b>Total non-operating revenues (expenses)</b>	<b>(93,770)</b>	<b>(26,438)</b>	<b>(80,161)</b>	<b>85.5%</b>	<b>7,832</b>	<b>-7.1%</b>
<b>Net income (excluding depreciation)</b>	<b>\$ 529,160</b>	<b>\$ 332,022</b>	<b>\$ 836,616</b>	<b>158.1%</b>	<b>\$ 651,551</b>	<b>79.5%</b>
<b>CHANGES IN WORKING CAPITAL</b>						
<b>Net income (excluding depreciation)</b>	<b>\$ 529,160</b>	<b>\$ 332,022</b>	<b>\$ 836,616</b>	<b>158.1%</b>	<b>\$ 651,551</b>	<b>79.5%</b>
<b>Sources (uses) of working capital:</b>						
Retirement of long-term debt	(275,000)	(68,750)	(206,250)	75.0%	(198,750)	75.0%
Net additions to fixed assets with grants	(897,300)	-	(990)	0.1%	(1,214,003)	97.5%
Other net additions to fixed assets	(60,000)	-	(78,099)	130.2%	(89,173)	156.4%
<b>Net sources (uses) of working capital</b>	<b>(1,232,300)</b>	<b>(68,750)</b>	<b>(285,339)</b>	<b>23.2%</b>	<b>(1,501,926)</b>	<b>95.8%</b>
<b>Net increase (decrease) in working capital</b>	<b>(703,140)</b>	<b>263,272</b>	<b>551,277</b>	<b>-78.4%</b>	<b>(850,375)</b>	<b>113.7%</b>
<b>Beginning fund balance</b>	<b>1,601,980</b>	<b>2,300,999</b>	<b>2,012,994</b>	<b>125.7%</b>	<b>2,124,403</b>	<b>122.0%</b>
<b>Ending fund balance</b>	<b>\$ 898,840</b>	<b>\$ 2,564,271</b>	<b>\$ 2,564,271</b>	<b>285.3%</b>	<b>\$ 1,274,028</b>	<b>128.3%</b>

## UTILITY FUND

### FY 2012 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

*With Comparative Information from Prior Fiscal Year*

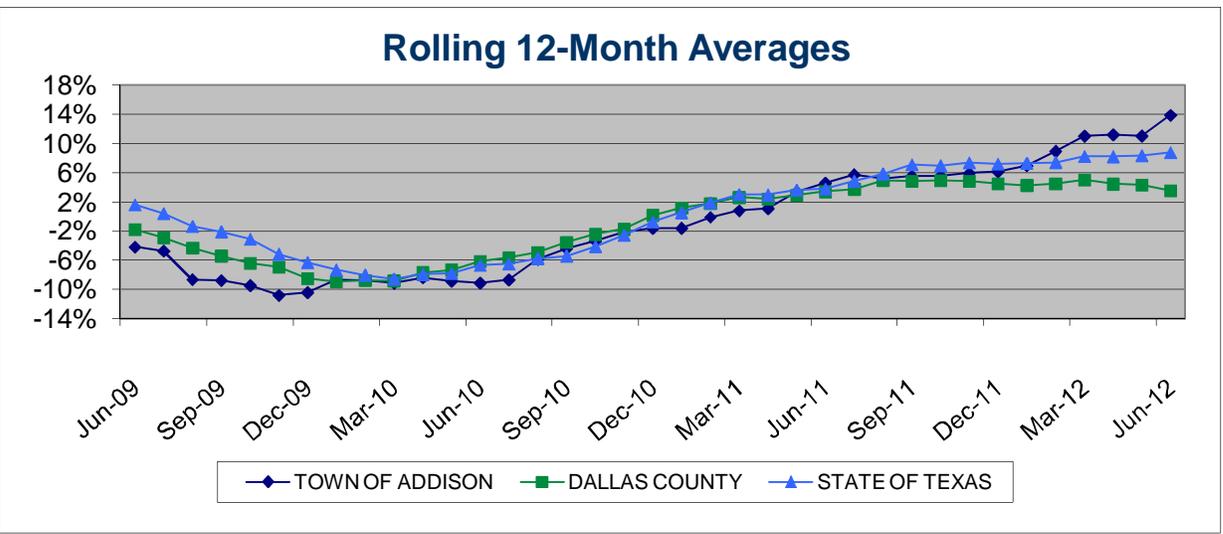
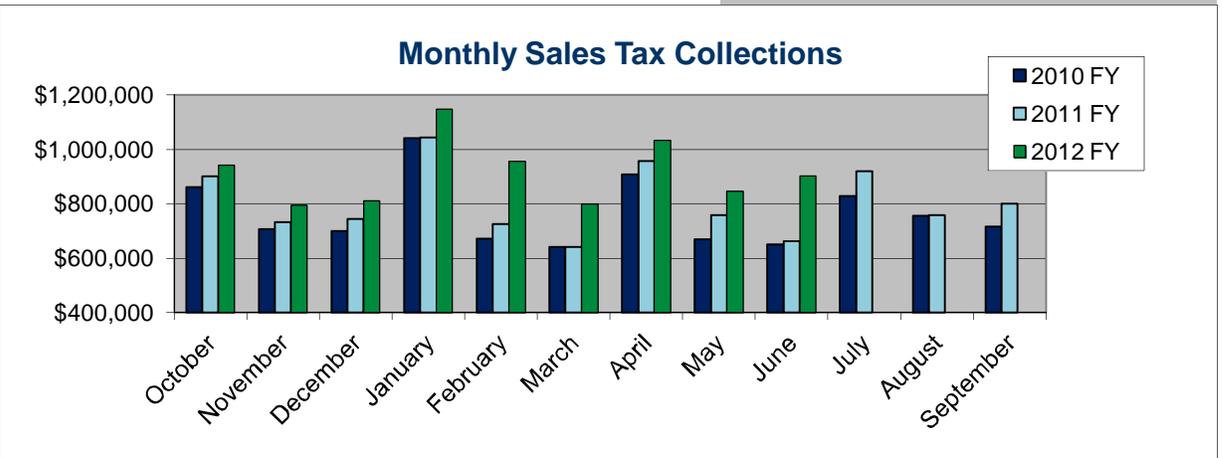
Category	FY2011-12				FY2010-11	
	Budget	3rd Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
<b>Operating revenues:</b>						
Water sales	\$ 6,019,700	\$ 1,370,296	\$ 3,387,158	56.3%	\$ 3,150,700	57.7%
Sewer charges	4,725,000	1,185,267	3,051,132	64.6%	2,857,768	60.8%
Tap fees	10,000	600	6,105	61.1%	11,470	50.6%
Penalties	73,500	14,285	48,108	65.5%	54,557	77.9%
<b>Total operating revenues</b>	<b>10,828,200</b>	<b>2,570,448</b>	<b>6,492,503</b>	<b>60.0%</b>	<b>6,074,495</b>	<b>59.2%</b>
<b>Operating expenses:</b>						
Water purchases	2,841,200	657,491	1,847,566	65.0%	1,747,440	64.5%
Wastewater treatment	2,051,700	510,577	1,496,234	72.9%	1,331,125	67.2%
Utility operations	2,751,750	535,779	1,618,588	58.8%	1,642,238	62.1%
<b>Total operating expenses</b>	<b>7,644,650</b>	<b>1,703,846</b>	<b>4,962,388</b>	<b>64.9%</b>	<b>4,720,803</b>	<b>64.4%</b>
Net operating income	3,183,550	866,602	1,530,115	48.1%	1,353,692	46.3%
<b>Non-Operating revenues (expenses):</b>						
Interest earnings and other	(35,600)	(7,530)	(28,808)	80.9%	10,898	167.7%
Interest on debt, fiscal fees & other	(459,830)	(114,958)	(344,873)	75.0%	(392,760)	75.0%
<b>Total non-operating revenues (expenses)</b>	<b>(495,430)</b>	<b>(122,488)</b>	<b>(373,681)</b>	<b>75.4%</b>	<b>(381,862)</b>	<b>73.8%</b>
<b>Net income (excluding depreciation)</b>	<b>\$ 2,688,120</b>	<b>\$ 744,114</b>	<b>\$ 1,156,434</b>	<b>43.0%</b>	<b>\$ 971,830</b>	<b>40.4%</b>
<b>CHANGES IN WORKING CAPITAL</b>						
<b>Net income (excluding depreciation)</b>	<b>\$ 2,688,120</b>	<b>\$ 744,114</b>	<b>\$ 1,156,434</b>	<b>43.0%</b>	<b>\$ 971,830</b>	<b>40.4%</b>
<b>Sources (uses) of working capital:</b>						
Retirement of long-term debt	(2,754,800)	(688,700)	(2,066,100)	75.0%	(1,967,828)	75.0%
Transfer of debt proceeds	1,000,000	1,316,416	1,816,416	181.6%	-	0.0%
Net additions to fixed assets	(2,330,000)	(164,525)	(1,875,440)	80.5%	(1,206,386)	31.9%
<b>Net sources (uses) of working capital</b>	<b>(4,084,800)</b>	<b>463,191</b>	<b>(2,125,124)</b>	<b>52.0%</b>	<b>(3,174,214)</b>	<b>49.5%</b>
<b>Net increase (decrease) in working capital</b>	<b>(1,396,680)</b>	<b>1,207,305</b>	<b>(968,690)</b>	<b>69.4%</b>	<b>(2,202,384)</b>	<b>55.1%</b>
<b>Beginning fund balance</b>	<b>2,364,190</b>	<b>547,499</b>	<b>2,723,494</b>	<b>115.2%</b>	<b>5,851,222</b>	<b>116.4%</b>
<b>Ending fund balance</b>	<b>\$ 967,510</b>	<b>\$ 1,754,804</b>	<b>\$ 1,754,804</b>	<b>181.4%</b>	<b>\$ 3,648,839</b>	<b>355.6%</b>

# TOWN OF ADDISON

## Schedule of Sales Tax Collections and Related Analyses

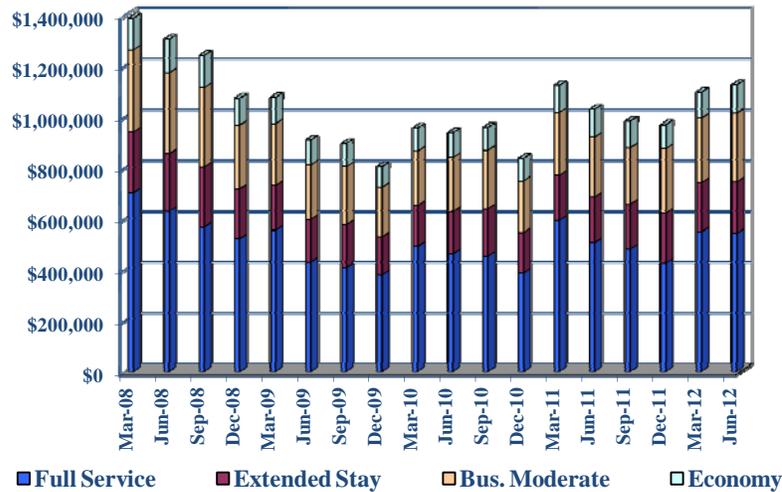
*For the fiscal year ending September 30, 2012*

	TOWN OF ADDISON				DALLAS COUNTY		STATE OF TEXAS	
	2011-12 Collections		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
October	\$ 941,812	\$ 941,812	4.6%	4.6%	5.3%	5.3%	5.7%	5.7%
November	795,061	1,736,873	8.5%	6.4%	0.1%	3.0%	8.6%	7.0%
December	810,293	2,547,166	8.9%	7.2%	2.9%	3.0%	8.3%	7.4%
January	1,148,174	3,695,340	10.0%	8.0%	0.9%	2.3%	6.7%	7.2%
February	957,579	4,652,919	32.0%	12.2%	3.2%	2.5%	8.0%	7.3%
March	800,861	5,453,780	24.6%	13.9%	10.3%	3.6%	15.1%	8.4%
April	1,033,235	6,487,015	7.8%	13.9%	-3.5%	2.3%	4.4%	7.8%
May	846,906	7,333,921	11.5%	13.9%	3.2%	2.4%	8.2%	7.8%
June	901,856	8,235,777	35.8%	13.9%	-0.8%	2.1%	11.0%	8.1%
July								
August								
September								
Budget 11-12:		\$ 9,565,340						
Projected Year End		\$ 10,848,332						



**TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION**  
**Hotels By Service Type for the Quarter and Year-to-Date Ended June 30, 2012**  
**With Comparisons to Prior Year**

	Rooms		3rd Quarter FY 12		12 to 11 % Diff.	YTD FY 12		12 to 11 % Diff.
	Number	Percentage	Amount	Percentage		Amount	Percentage	
<b>Full Service</b>								
Marriott Quorum	535	14%	\$ 200,824	18%	-13%	\$ 542,314	17%	-4%
Intercontinental	532	13%	207,142	18%	-5%	620,957	19%	5%
Crowne Plaza	429	11%	134,834	12%	-1%	355,258	11%	8%
	<u>1,496</u>	<u>38%</u>	<u>542,800</u>	<u>48%</u>	<u>-9%</u>	<u>1,518,530</u>	<u>48%</u>	<u>2%</u>
<b>Extended Stay</b>								
Budget Suites	344	9%	6,698	1%	-24%	14,959	0%	11%
Hawthorne Suites	70	2%	15,430	1%	24%	43,551	1%	20%
Marriott Residence	150	4%	52,097	5%	2%	148,354	5%	8%
Summerfield Suites	132	3%	29,488	3%	37%	87,379	3%	32%
Homewood Suites	128	3%	49,680	4%	-4%	139,762	4%	3%
Springhill Suites	159	4%	50,135	4%	21%	161,303	5%	30%
	<u>983</u>	<u>25%</u>	<u>203,528</u>	<u>18%</u>	<u>16%</u>	<u>595,309</u>	<u>19%</u>	<u>16%</u>
<b>Business Moderate</b>								
Marriott Courtyard Quorum	176	4%	70,164	6%	0%	213,605	7%	16%
LaQuinta Inn	152	4%	37,875	3%	1%	98,053	3%	2%
Marriott Courtyard Proton	145	4%	39,597	4%	-5%	131,555	4%	10%
Holiday Inn Express	102	3%	35,148	3%	-13%	97,236	3%	-2%
Hilton Garden Inn	96	2%	45,506	4%	21%	127,934	4%	22%
Holiday Inn - Arapaho	101	3%	27,975	2%	-12%	74,436	2%	3%
Comfort Inn	86	2%	12,471	1%	276%	29,759	1%	178%
	<u>858</u>	<u>22%</u>	<u>268,736</u>	<u>24%</u>	<u>9%</u>	<u>772,578</u>	<u>24%</u>	<u>13%</u>
<b>Economy</b>								
Motel 6	126	3%	19,045	2%	-2%	54,322	2%	5%
Hampton Inn	159	4%	48,694	4%	-12%	134,953	4%	-5%
Quality Inn	115	3%	12,012	1%	-26%	29,787	1%	-12%
Comfort Suites	78	2%	17,493	2%	26%	51,501	2%	16%
Super 8	78	2%	10,001	1%	2%	25,592	1%	11%
Best Value	60	2%	3,814	0%	-9%	10,361	0%	-8%
	<u>616</u>	<u>16%</u>	<u>111,059</u>	<u>10%</u>	<u>3%</u>	<u>306,517</u>	<u>10%</u>	<u>0%</u>
<b>TOTAL</b>	<u>3,953</u>	<u>100%</u>	<u>\$ 1,126,123</u>	<u>100%</u>	<u>-2%</u>	<u>\$ 3,192,933</u>	<u>100%</u>	<u>7%</u>



**TOWN OF ADDISON**  
**INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
For the Quarter Ending June 30, 2012

Fund	Balance 3/31/2012	Quarter Receipts	Quarter Disbursements	Balance 6/30/2012
<b>General Fund</b>	\$ 16,635,021	\$ 5,191,479	\$ 7,519,661	\$ 14,306,839
<b>Special Revenue Funds:</b>				
Hotel	1,649,604	2,107,900	2,153,659	1,603,845
Economic Development	713,078	20,972	100,914	633,136
Public Safety	25,576	23	3,003	22,596
Municipal Court	445,172	219,341	235,505	429,008
Advanced Funding Grant	29,835	1,224	4,998	26,061
Reimbursement Grant	(1,612,005)	16,666	343,146	(1,938,485)
ARRA Grant	(1)	44,196	556,516	(512,321)
<b>Debt Service Funds:</b>				
G. O. Bonds	1,945,019	225,868	85,885	2,085,002
Hotel Revenue Bonds	558,838	168,012	76,300	650,550
<b>Capital Projects Funds:</b>				
Streets	1,588,608	1,473	50,755	1,539,326
Parks	21,241	10	20,872	379
2002 G.O. Bonds	59,150	55	-	59,205
2004 G.O. Bonds	171,438	46,229	217,653	14
2006 G.O. Bonds	116,645	237,463	-	354,108
2008 C.O. Bonds	6,263,393	155,018	1,875,708	4,542,703
<b>Enterprise Funds:</b>				
Utility	1,813,744	4,541,498	2,352,143	4,003,099
Airport	2,307,800	1,137,221	726,868	2,718,153
<b>Internal Service Funds:</b>				
Capital Replacement	3,704,435	166,745	177,401	3,693,779
Information Technology	2,689,637	147,019	20,334	2,816,322
<b>TOTAL - ALL FUNDS</b>	<b>\$ 39,126,228</b>	<b>\$ 14,428,412</b>	<b>\$ 16,521,321</b>	<b>\$ 37,033,319</b>

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

<b>INVESTMENTS BY MATURITY AND TYPE</b>				
For the Quarter Ending June 30, 2012				
	Type	% of Portfolio	Yield to Maturity	Amount
	Pools	19.35%	0.14%	\$ 7,211,211
	Agencies	33.59%	0.46%	12,519,290
	Bank CD's	17.61%	0.58%	6,564,956
	Treasuries	0.00%	0.00%	-
	Commercial Paper	29.46%	0.56%	10,980,580
<b>Total Investments</b>		<b>100.01%</b>	<b>0.45%</b>	<b>37,276,037</b>
	Accrued Interest Earnings			30,853
	Demand Deposits			(273,571)
<b>TOTAL</b>				<b>\$ 37,033,319</b>

**COLLATERAL SUMMARY**

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

**Town of Addison  
Collateral Analysis  
Demand Deposit Cash  
June 30, 2012**

<b>Pledging Institution</b>	<b>Safekeeping Location</b>	<b>Account Title</b>	<b>Pledged Security Description</b>	<b>Security Par Value</b>	<b>Market Value</b>	<b>FDIC Insurance</b>	<b>Ending Bank Balance</b>	<b>Difference Over(Under)</b>
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	\$ 268,123	\$ 297,608			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	782,918	869,014			
				<u>\$ 1,051,041</u>	<u>\$ 1,166,622</u>	<u>\$ 803,730</u>	<u>\$ 553,730</u>	<u>\$ 1,416,622</u>

## Second Quarter of Calendar Year 2012 Review

Fears that first quarter growth had been fueled by unusually mild winter weather and would reverse itself at the expense of the second quarter did indeed come to pass. Job creation slowed significantly, which in turn curtailed consumer spending. The drop in spending contributed to a drop in stock market prices, which contributed to a further decline in consumer confidence. But, the news of the quarter wasn't really about the domestic, but rather the global economy.

Fitch cut Japan's debt rating from AA- to A+, citing heavy debt levels and a "leisurely" pace in correcting the problem. China cut interest rates for the first time since 2008, lowering both its benchmark lending and deposit rates by 0.25% to stimulate a slowing economy. According to Reuter's, Spain became the most recent European country to fall into recession, joining Belgium, Cyprus, the Czech Republic, Denmark, Greece, Italy, the Netherlands, Ireland, Portugal, Slovenia and the U.K. The Eurozone unemployment rate rose to 11.1%, a new record high. Elections in Greece resulted in a victory for the New Democracy party which hopes to form a coalition government in order to remain a common currency member. In a surprising move, the newly elected socialist government of France lowered the retirement age from 62 to 60, citing "social justice" as an explanation for a move that clearly flies in the face of proposed austerity measures. But it was Spain and its troubled banking system that drew most of the financial headlines.

In June, both Fitch and Moody's downgraded the sovereign debt of Spain by three notches to BBB and Baa3 respectively. Moody's then escalated concerns when it cut credit ratings on 28 Spanish banks, leaving nearly half of these as junk. Spain and the tiny island nation of Cyprus then became the fourth and fifth of the 17 EU countries to request emergency aid. Unfortunately, the proposed conditions on a Spanish aid package troubled investors, who demanded higher rates on Spanish bonds. At a critical EU summit in Brussels, Spain and Italy asked for concessions. German Chancellor Merkel, in a move that is unlikely to increase her popularity at home, agreed to allow Europe's rescue fund to recapitalize troubled banks directly, instead of indirectly through their governments, and without imposing strict austerity measures on its citizens. There was an immediate impact evident in the retreating yields on Spanish and Italian bonds, both of which had recently surged as a result of rapidly rising government debt burdens. After the announcement from Brussels, the Spanish 10-year bond yield dropped 45 basis points to 6.45%, while the Italian 10-year bond fell 22 basis points to 5.87%. Market reaction may have been a bit giddy considering that unanimous approval is still required for passage, but the bottom line seems to be that stronger countries, despite public opposition, have chosen to support the weaker countries for the greater good. This certainly didn't solve the underlying debt crisis, but it did end the immediate threat. In late June, Moody's announced that it was lowering credit ratings on 15 large banks and securities firms with significant global capital markets exposure, including JP Morgan (2 notches), Bank of America (1 notch), Citigroup (2 notches), Goldman Sachs (2 notches) and Morgan Stanley (2 notches).

Throughout the quarter, deposits exited anxious markets in search of the world's safe harbors. On June 1st, the yield on 10-year U.S. Treasury debt fell to a record low of 1.44%. At the same time, the German 10-year bond reached 1.13%, and the German two-year government bond traded below zero for the first time ever. Although negative yields may seem ridiculous, Credit Suisse pointed out that "investors are buying a German insurance policy when they buy Bunds, and insurance policies always come with a fee, not a coupon."

### **EMPLOYMENT**

Job growth has slowed significantly in the spring months. As many feared, much of this may reflect a snapback from accelerated hiring in the winter months. Nonfarm payrolls grew by just 69,000 during the month of May. The prior two month's payroll gains were revised downward, with March lowered from +154,000 to +143,000 and April from +115,000 to +77,000. The unemployment rate rose from 8.1% to 8.2%, the first increase since June 2011, while the number of persons officially unemployed rose from 12.5 to 12.7 million. According to the most recent "JOLT" survey, there are now 3.7 unemployed job seekers for each job opening, up from 3.4 in March. Although this represents solid improvement from the 6.7-to-1 ratio experienced in July

2009, the month after the recession officially ended, it's still more than double the lean 1.6-to-1 ratio from November 2007, the month before the recession began. The job market is still floundering, and the near-term outlook isn't much brighter. Jobs have again become the primary campaign issue for both parties. No standing president in the post-Depression era has ever won reelection with an unemployment rate above 7.2%. On the other hand, no recession in the post-Depression era even came close to the most recent downturn's 5.1% peak-to-trough decline in the nation's gross domestic product, so the task has been somewhat unprecedented.

## **HOUSING**

Much of the housing news reported during the quarter was upbeat, although the sector had taken such a beating over the past six years that relative improvement is easy to find. Housing once contributed over 5% of GDP, but the percentage has been gradually shrinking for the last six years. Now, its share is at an all-time low of 2.3%. Still, there was improvement during the past quarter, and many experts predict that the housing sector will make a positive contribution to economic growth this year for the first time since the bubble burst. New home sales rose by 7.9% in May to a 369k annual pace, the highest since April 2010. Since February 2011, new home sales are up 35% ... although they are still down by roughly 70% from 2005 bubble levels. By contrast, existing home sales dropped by 1.5% in May to a seasonally adjusted annual rate of 4.55 million. Although up 9.6% over the same period last year, existing home sales are still down 37% from the 2005 high. Recent improvement has definitely chipped away at inventories. CNBC reported that there are now 2.49 million homes listed for sale, 20% below a year ago. These less-bloated inventories are starting to support new construction. The revised April housing starts number of 744,000 was the highest since October 2008. The pace of starts so far in 2012 is 18% above 2011, but almost one million below the peak six years ago. Although average home prices are still down nearly 30% by most measures, the median price for an existing home rose 7.9% year-on-year in May to \$182,600, the highest since June 2010, while the median price for a new home fell by 0.6% to \$234,500. Fed-orchestrated mortgage rates are adding support. Freddie Mac's 30-yr mortgage index averaged a record low of 3.66% for the week ending June 21. In 1982, the average mortgage rate was over 16%.

## **CONSUMER SPENDING**

The internet has empowered consumers at the expense of the traditional brick and mortar stores. It's no secret that consumers, especially during tough financial times, use retail stores as a tool to browse, perhaps even trying on shoes or clothing before searching for the best price on the internet. As a result, retail space vacancies are approaching an all-time high. This is a problem for both local job growth, as well as local and state coffers. In addition, average hourly earnings rose by just 1.7% year-over-year in May, a new low for the current recovery cycle. With less money to spend, consumers cut back further. Retail sales fell by 0.1% in April, the first time in 21 months that sales were negative. A month later, not only did the Commerce Department report May retail sales had fallen by 0.2%, but also that the April number was being revised downward to match it. The two-month drop is a significant reversal from the initial three months of 2012 which averaged gains of nearly 0.7%. Likewise, the pace of big ticket vehicle sales has decelerated sharply since hitting a post-recession high of 15 million annualized units in February, despite the fact that the average vehicle in the U.S. is now 11 years old, and more than 20% of these are 16 years or older. The annualized sales volume of cars and light trucks fell to just 13.7 million annualized units in May, suggesting that Americans may need new cars, but are having trouble affording them.

## **INFLATION**

In order for the Fed to maintain its super accommodative interest rate stance, inflation has to be relatively contained. For a while, this objective was questionable. Near the end of March, energy prices were on the rise with WTI crude prices near \$110 per barrel and average gasoline prices approaching \$4 per gallon. Since then, energy prices have been on a gradual decline with crude dipping to an 8-month low of \$78.20 and pump prices falling below \$3.50 just before quarter-end. The Consumer Price Index (CPI) fell by 0.3% in May, dragging the year-over-year increase down to 1.7%. Most of the decline was attributed to a 4.3% drop in energy prices. Stripping out food and energy, core CPI rose 0.2% in May and on a year-over-year basis has now held steady at 2.3% for three straight months. The Fed's preferred inflation measure, the core personal

consumption expenditures price index, fell to a 1.8% year-over-year rate in May. A slowdown in global demand will probably help lower price pressures further later in the year.

### **THE FED**

The Fed is in a tough spot. The overnight funds target has been set at zero for more than 3½ years, the Fed balance sheet has swelled to nearly \$3 trillion, banks are flooded with liquidity, and despite all of this, economic growth is actually slowing down. At the conclusion of the June FOMC meeting, Fed officials announced an extension of “Operation Twist,” whereby the Fed sells securities with maturities of three years or less and invests the proceeds into securities with maturities ranging from six to 30 years in an effort to further reduce long-term interest rates and stimulate the economy. The original \$400 billion Twist program was set to expire at the end of June, but will now be expanded by approximately \$267 billion and extended through the end of this year. Fed officials acknowledged the recent slowdown in economic data at the meeting as well as a decline in inflation, reiterated their belief that “conditions are likely to warrant exceptionally low levels for the fed funds rate at least through late 2014,” and went on to say that the Committee “is prepared to take further action as appropriate...” Although most market participants seemed to be disappointed that a more robust stimulus plan wasn’t announced, a third round of quantitative easing may still be in the cards later this year if the labor market continues to flounder. On a side note, the Bank of Japan introduced quantitative easing in 2001, and has used the tool on numerous occasions since. The result for Japan has been a continuation of two decades of near zero economic growth.

### **STOCK MARKET MOVEMENT**

After two quarters during which the DOW rose a combined 21%, the most recent quarter posted a small loss. In retrospect, when all the numbers were tallied, a slight decline can be justified. In addition to slowing in both the global and domestic economies, and a broadening realization that the “fiscal cliff” could result in even lower GDP growth in 2013, underlying company financials slipped a bit. The final report on first quarter corporate profits showed a seasonally adjusted drop of 0.3% or \$6.4 billion. It was the first decline since the fourth quarter of 2008, a period when GDP was contracting at an 8.9% annualized rate. Going forward, equities could face additional global headwinds. According to Reuters, 50% of S&P 500 operating profits are generated in the overseas markets, and half of these are from Europe.

	<b>DOW</b>	<b>S&amp;P 500</b>	<b>NASDAQ</b>
<b>6/31/11</b>	12,414	1,321	2,774
<b>3/31/12</b>	13,212	1,408	3,092
<b>6/30/12</b>	12,880	1,362	2,935
<b>% Change for Q2-2012</b>	- 2.5%	- 3.3%	- 5.1%
<b>% Change for 12 Months</b>	+ 3.8%	+ 3.1%	+ 5.8%

### **INTEREST RATES**

		<b>Fed Funds</b>	<b>3 mo T-bill</b>	<b>6 mo T-bill</b>	<b>2 yr T-note</b>	<b>5 yr T-note</b>	<b>10 yr T-note</b>
<b>Last</b>	3/31/12	0.00%	0.07%	0.13%	0.33%	1.04%	2.21%
<b>High</b>		0.00%	0.10%	0.16%	0.37%	1.11%	2.30%
<b>Low</b>		0.00%	0.06%	0.11%	0.25%	0.62%	1.44%
<b>End</b>	6/30/12	0.00%	0.08%	0.15%	0.30%	0.72%	1.65%

## **PORTFOLIO ACTIVITY SINCE MARCH 31<sup>ST</sup>**

- There were just two maturities during the second quarter as one agency bullet for \$2.885 million and one U.S. Treasury note for \$2mm rolled off. There were no calls exercised this quarter.
- These maturities were replaced with two new investments into callable agency securities. The first was a \$3mm purchase of an FHLB bond maturing in May-2014 and callable monthly beginning in July-2012 with a yield of 0.41%. The second was a \$2.5mm investment in a FNMA note maturing in July-2015 and callable quarterly from May-2013 at a yield-to-call of 0.50% and yield-to-maturity of 0.83%.

## **SUMMARY / OUTLOOK**

Although much of Europe is either in recession or teetering on the edge, the U.S. outlook isn't quite so bad. Jobs are still being created, even if the pace has slowed. The housing market seems to have turned the corner. Consumer balance sheets have improved. Gasoline prices are falling. The most recent (early June) Bloomberg economist survey shows a median forecast of around 2.5% annualized GDP growth for the second half of 2012, and 2.8% for the first half of 2013. Of course, most of these projections assume the U.S. will be able to find a palatable solution to the hundreds of billions in fiscal stimulus scheduled to expire at year end. It's a good bet that this fiercely-debated issue will heat up even more as the November elections near. The Congressional Budget Office warned if the payroll tax reductions and Bush tax cuts scheduled to expire at the end of 2012 are not extended, and across-the-board spending cuts begin as scheduled at the start of 2013, the U.S. will fall into recession early next year. Under this scenario, the CBO projects an annualized GDP contraction of 1.3% for the first two quarters of 2013, with total growth of just 0.5% for all of 2013. On the other hand, if all of the cuts were simply extended, the CBO expects the U.S. economy would grow "around 4.4%." The most likely scenario is it probably falls somewhere in between. No one would welcome a near-term recession, especially the Fed, which is running dangerously low on its traditional antidotes. But, an increasing number are now more aware than ever that the bloated national debt has to be reined in. Tarnished former Fed Chairman Greenspan recently told a CNBC television audience that "...starting from where we are at the moment, there's no way to resolve this issue without some pain."

Most Americans have already experienced quite a bit of pain during the recession and uneven recovery, and the notion that there may be more discomfort ahead is starting to show up in the confidence data. The Conference Board's measure of consumer confidence dropped for the fourth straight month in June, falling to its lowest level since January. However, CNN conducted its own quarter-ending poll showing that although three-quarters of Americans thought current conditions were poor, 60% believed the U.S. will be in better condition next year, up from 39% six months ago.

Current Fed Chairman Ben Bernanke, in what seems like a no-win position, has indicated on several occasions that the Fed will do what it can to provide additional accommodation as required, and assured investors that the FOMC expects to keep the overnight funds target at the zero to 0.25% range "at least through late 2014." It's a good bet that unless inflation somehow ignites, or job growth accelerates, the ETA for initial tightening will drift further away as the quarters pass. Following the Fed announcement at the June FOMC meeting, Jim Vogel of FTN Financial wrote: "To all the investors who remain on the sidelines waiting for rates to rise significantly, the Federal Reserve has replied 'You'll have to wait longer.'"

## **PROJECTED STRATEGY FOR THE THIRD QUARTER 2012:**

With yields on local government investment pools (LGIP's) hovering between 0.10% and 0.15%, our investment strategy is expected to remain largely unchanged. We will seek to minimize low-yielding balances held in these LGIP's in favor of higher yielding commercial paper and bank CD's. While yields on these instruments have fallen in recent months, they remain attractive relative to other options. Those investments will be supplemented with callable agency securities having final maturities out 24 to 36 months. We may also consider high quality municipal bonds from Texas issuers. Finally, with interest rates expected to remain extremely low through the end of 2014, we will look to extend the portfolio's duration to the extent cash flows allow.



## Investment Portfolio Summary

Town of Addison

*Addison!*

For the Quarter Ended

June 30, 2012



---

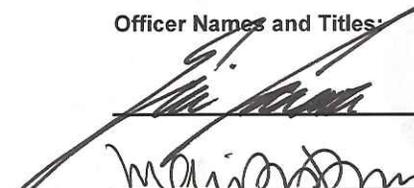
---

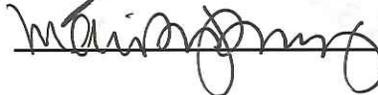
For the Quarter Ended  
June 30, 2012

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

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

Officer Names and Titles:

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Financial Services Manager

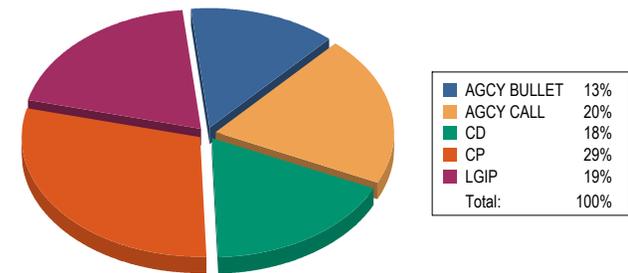
**Account Summary**

**Allocation by Security Type**

Beginning Values as of 03/31/12

Ending Values as of 06/30/12

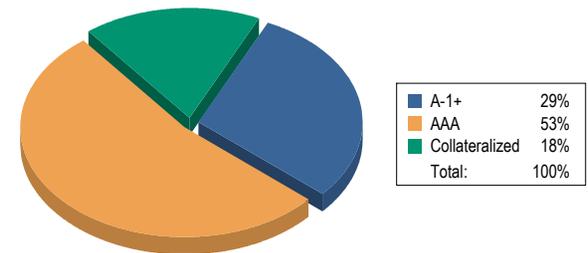
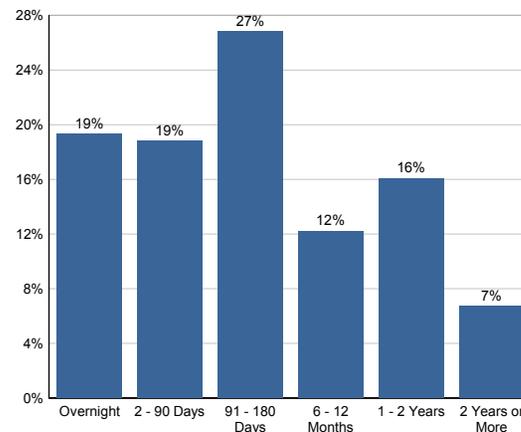
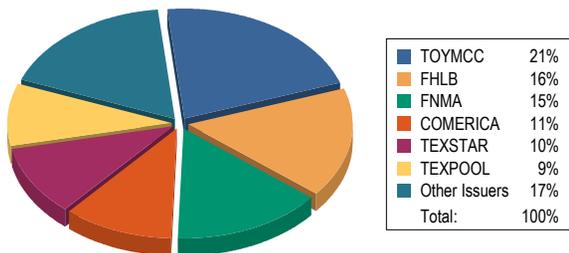
Par Value	37,448,766.77	37,276,166.83
Market Value	37,446,518.77	37,286,800.83
Book Value	37,438,480.26	37,276,036.79
Unrealized Gain / Loss	8,038.51	10,764.04
<b>Market Value %</b>	<b>99.99%</b>	<b>100.03%</b>
Weighted Avg. YTW	0.392%	0.424%
Weighted Avg. YTM	0.392%	0.447%



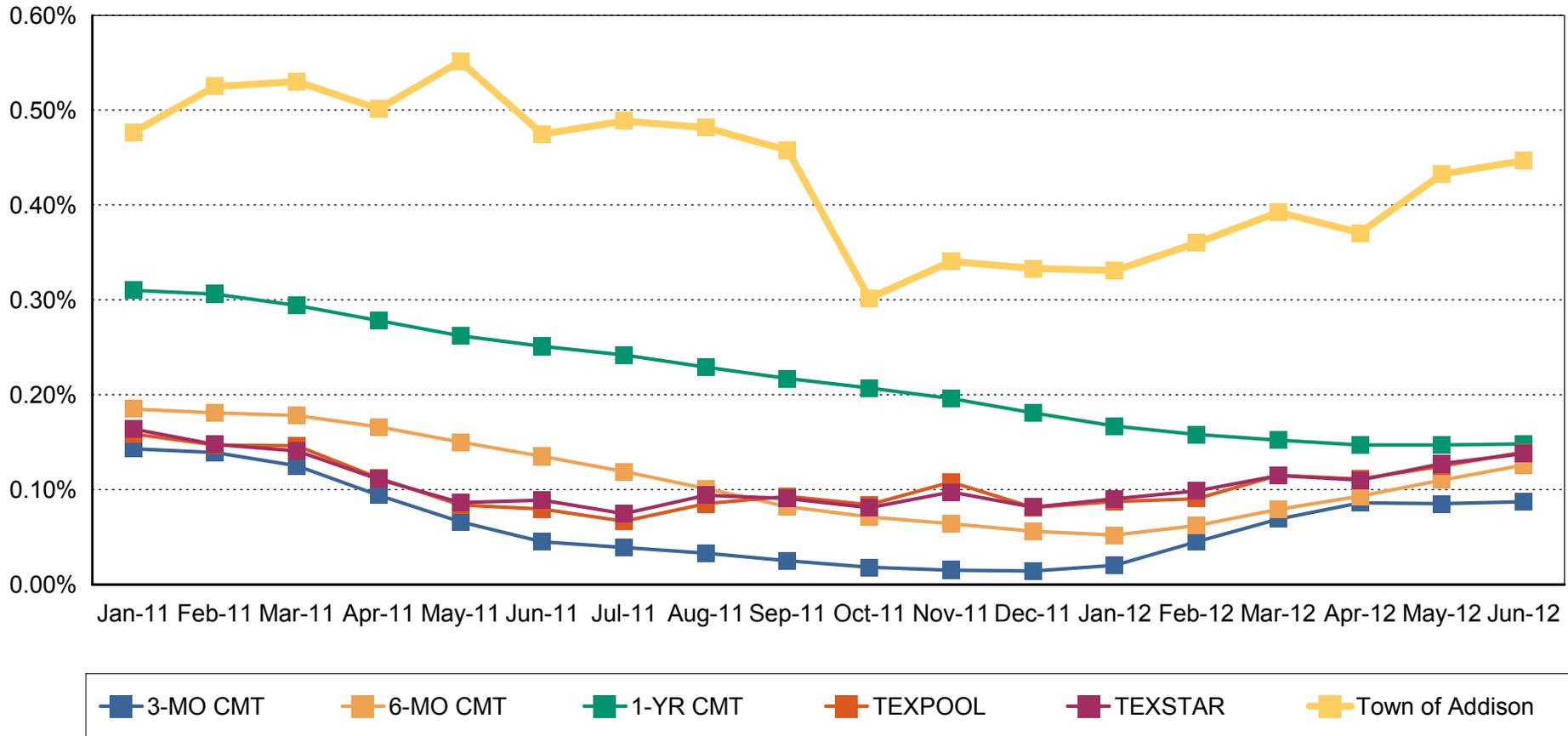
**Allocation by Issuer**

**Maturity Distribution %**

**Credit Quality**



**Weighted Average Days to Maturity: 251**



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

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

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



**Town of Addison**  
**Detail of Security Holdings**  
 As of 06/30/2012

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>Pooled Funds</b>																	
TEXPOOL		LGIP	TexPool					3,451,685.84	100.000	3,451,685.84	3,451,685.84	100.000	3,451,685.84	1		0.139	0.139
TEXSTAR		LGIP	TexSTAR					3,759,525.19	100.000	3,759,525.19	3,759,525.19	100.000	3,759,525.19	1		0.138	0.138
36959HGJ0	01/20/12	CP - DISC	GE Capital Corp		07/18/12			2,000,000.00	99.830	1,996,600.00	1,999,678.88	99.994	1,999,880.00	18		0.341	0.341
31338AYM8	06/27/11	AGCY BULET	FNMA	1.750	08/10/12			3,000,000.00	101.646	3,049,382.97	3,004,783.41	100.170	3,005,100.00	41		0.276	0.276
3024A0HE8	11/18/11	CP - DISC	FCAR Owner Trust		08/14/12			1,000,000.00	99.550	995,500.00	999,266.67	99.979	999,788.00	45		0.603	0.603
3133XYWB7	05/19/11	AGCY BULET	FHLB	0.875	08/22/12			1,000,000.00	100.680	1,006,800.00	1,000,766.63	100.100	1,001,000.00	53		0.333	0.333
89233GKF2	01/20/12	CP - DISC	Toyota Mtr Cr		10/15/12			3,000,000.00	99.507	2,985,205.00	2,994,170.01	99.929	2,997,861.00	107		0.663	0.663
89233GM37	03/09/12	CP - DISC	Toyota Mtr Cr		12/03/12			4,000,000.00	99.567	3,982,664.44	3,990,011.12	99.861	3,994,452.00	156		0.583	0.583
CD-6693	09/08/11	CD	Comerica Bk CD	0.570	12/10/12			2,008,560.47	100.000	2,008,560.47	2,008,560.47	100.000	2,008,560.47	163		0.571	0.571
89233GMM5	03/27/12	CP - DISC	Toyota Mtr Cr		12/21/12			1,000,000.00	99.604	996,039.72	997,453.06	99.845	998,453.00	174		0.532	0.532
CD-8993-2	01/19/12	CD	Comerica Bk CD	0.560	01/21/13			2,045,440.04	100.000	2,045,440.04	2,045,440.04	100.000	2,045,440.04	205		0.561	0.561
CD-2270	10/07/11	CD	ViewPoint Bk CD	0.599	04/08/13			2,510,955.29	100.000	2,510,955.29	2,510,955.29	100.000	2,510,955.29	282		0.599	0.599
3134G3BF6	03/27/12	AGCY BULET	FHLMC	0.625	12/23/13			1,000,000.00	100.356	1,003,560.00	1,003,027.73	100.380	1,003,800.00	541		0.419	0.419
313378K83	03/12/12	AGCY CALL	FHLB	0.410	03/12/14	09/12/12	QRTLY	2,000,000.00	100.000	2,000,000.00	2,000,000.00	100.010	2,000,200.00	620	74	0.410	0.410
313379EF2	05/22/12	AGCY CALL	FHLB	0.400	05/22/14	07/22/12	MTHLY	3,000,000.00	99.975	2,999,250.00	2,999,290.50	99.920	2,997,600.00	691	22	0.413	0.413
3135G0LB7	05/30/12	AGCY CALL	FNMA	1.000	05/29/15	05/29/13	QRTLY	2,500,000.00	100.500	2,512,500.00	2,511,421.95	100.500	2,512,500.00	1,063	333	0.831	0.497
<b>Total for Pooled Funds</b>								<b>37,276,166.83</b>	<b>100.074</b>	<b>37,303,668.96</b>	<b>37,276,036.79</b>	<b>100.029</b>	<b>37,286,800.83</b>	<b>251</b>		<b>0.447</b>	<b>0.424</b>
<b>Total for Town of Addison</b>								<b>37,276,166.83</b>	<b>100.074</b>	<b>37,303,668.96</b>	<b>37,276,036.79</b>	<b>100.029</b>	<b>37,286,800.83</b>	<b>251</b>		<b>0.447</b>	<b>0.424</b>



**Town of Addison**  
**Investment Transactions**  
 From 04/01/2012 to 06/30/2012

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

**Total for All Portfolios**

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Maturities	4,885,000.00	4,885,000.00		0.296	
Total Purchases	5,500,000.00	5,511,819.44		0.603	0.451
Total Income Payments	0.00	36,340.67			
Total Capitalized Interest	9,487.54	9,487.54			

## Council Agenda Item: #R8

**AGENDA CAPTION:**

Presentation, discussion and consideration of approval authorizing the City Manager to publish the notice of a public hearing to be held on October 9, 2012 and the draft ordinances establishing a stormwater utility and setting the stormwater utility rate.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

Staff recommends approval

**COUNCIL GOALS:**

Increase Revenues by at least 6% (to \$28.5mm) while holding the tax rate to \$.55 or less and reserves to at least 25%, Mindful Stewardship of Town Resources

**ATTACHMENTS:**

Description:

Type:

▢ [Stormwater Utility Funding Options](#)

Ordinance

▢ [DRAFT Findings Ordinance](#)

Ordinance

▢ [DRAFT Rules Ordinance](#)

Ordinance

▢ [DRAFT Fee Ordinance](#)

Ordinance

## Stormwater Utility Funding Options

\$250,000 in Cash Expenditures, \$500,000 in Debt Service Reserve in FY2013

FY2013 ERU Fee	Annual Increase for 10 Yrs	FY2022 ERU Fee	FY2013 Collected Revenues (10 months)	FY2014 Collected Revenues	FY2022 Collected Revenues	FY2012 Revenue Bond Value	Percent of CIP Funded
\$6.00	No Increase	\$6.00	\$987,792	\$1,185,351	\$1,185,351	\$9.0	17.8%
\$8.00	No Increase	\$8.00	\$1,317,056	\$1,580,467	\$1,580,467	\$13.8	27.2%
\$10.00	No Increase	\$10.00	\$1,646,320	\$1,975,584	\$1,975,584	\$18.6	36.7%
<b>\$12.00</b>	<b>No Increase</b>	<b>\$12.00</b>	<b>\$1,975,584</b>	<b>\$2,370,701</b>	<b>\$2,370,701</b>	<b>\$23.4</b>	<b>46.2%</b>
\$14.00	No Increase	\$14.00	\$2,304,848	\$2,765,818	\$2,765,818	\$28.2	55.7%
\$4.00	+\$0.50 each Yr	\$8.50	\$658,528	\$889,013	\$1,679,247	\$11.0	21.7%
\$6.00	+\$0.50 each Yr	\$10.50	\$987,792	\$1,284,130	\$2,074,363	\$16.9	33.4%
<b>\$8.00</b>	<b>+\$0.50 each Yr</b>	<b>\$12.50</b>	<b>\$1,317,056</b>	<b>\$1,679,247</b>	<b>\$2,469,480</b>	<b>\$22.2</b>	<b>43.8%</b>
\$10.00	+\$0.50 each Yr	\$14.50	\$1,646,320	\$2,074,363	\$2,864,597	\$27.0	53.3%
\$12.00	+\$0.50 each Yr	\$16.50	\$1,975,584	\$2,469,480	\$3,259,714	\$31.8	62.8%
\$2.00	+\$0.75 each Yr	\$8.75	\$329,264	\$543,286	\$1,728,636	\$6.6	13.0%
\$4.00	+\$0.75 each Yr	\$10.75	\$658,528	\$938,403	\$2,123,753	\$13.6	26.8%
<b>\$6.00</b>	<b>+\$0.75 each Yr</b>	<b>\$12.75</b>	<b>\$987,792</b>	<b>\$1,333,519</b>	<b>\$2,518,870</b>	<b>\$19.7</b>	<b>38.9%</b>
\$8.00	+\$0.75 each Yr	\$14.75	\$1,317,056	\$1,728,636	\$2,913,987	\$25.4	50.1%
\$10.00	+\$0.75 each Yr	\$16.75	\$1,646,320	\$2,123,753	\$3,309,104	\$30.9	61.0%

\$250,000 in Cash Expenditures, \$500,000 in Debt Service Reserve in FY2013

FY2013 ERU Fee	Annual Increase for 10 Yrs	FY2019 ERU Fee	FY2013 Collected Revenues (10 months)	FY2014 Collected Revenues	FY2022 Collected Revenues	FY2012 Revenue Bond Value	Percent of CIP Funded
<b>\$10.00</b>	<b>+\$0.50 each Yr</b>	<b>\$12.50</b>	<b>\$1,646,320</b>	<b>\$2,074,363</b>	<b>\$2,469,480</b>	<b>\$23.8</b>	<b>47.0%</b>

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS PROVIDING FOR THE MAKING OF CERTAIN FINDINGS BY THE CITY COUNCIL OF THE TOWN PERTAINING TO THE ANTICIPATED ADOPTION BY THE TOWN OF THE MUNICIPAL DRAINAGE UTILITY SYSTEMS ACT (SUBCHAPTER C OF CHAPTER 552, TEX. LOC. GOV. CODE) AND A DECLARATION OF STORMWATER (DRAINAGE) OF THE CITY TO BE A PUBLIC UTILITY PURSUANT TO SUBCHAPTER C OF CHAPTER 552, TEX. LOC. GOV. CODE, INCLUDING THAT THE CITY WILL ESTABLISH A SCHEDULE OF CHARGES AGAINST ALL REAL PROPERTY IN THE PROPOSED SERVICE AREA OF THE CITY, THAT THE CITY WILL PROVIDE STORMWATER (DRAINAGE) SERVICE FOR ALL REAL PROPERTY IN THE SERVICE AREA ON THE PAYMENT OF STORMWATER (DRAINAGE) CHARGES, EXCEPT FOR EXEMPT PROPERTY, AND THAT THE CITY WILL OFFER STORMWATER (DRAINAGE) SERVICE ON NONDISCRIMINATORY, REASONABLE, AND EQUITABLE TERMS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas (the “City”) is a home rule municipality having the full power of local self government pursuant to Article 11, Section 5 of the Texas Constitution, Chapter 9, Tex. Loc. Gov. Code, and its Home Rule Charter; and

**WHEREAS**, Subchapter C of Chapter 552, Texas Local Government Code (the “Code”) is the “Municipal Drainage Utility Systems Act” (the “Act”) and among other things allows municipalities to establish a municipal stormwater (drainage) utility system within an established service area and provide rules for the use, operation, and financing of the system; and

**WHEREAS**, Section 552.045(a), Tex. Loc. Gov. Code (part of the Act) authorizes the City Council of the City, being the governing body of the City, by a majority vote of its entire membership to adopt the Act by an ordinance that declares its adoption and that declares the stormwater (drainage) infrastructure and services of the City to be a public utility (the “Adopting Ordinance”); and

**WHEREAS**, Section 552.045(b) provides that, before adopting the Adopting Ordinance the City Council must find that:

- the City will establish a schedule of stormwater (drainage) charges against all real property in the proposed service area subject to charges under the Act;
- the City will provide stormwater (drainage) for all real property in the proposed service area on payment of stormwater (drainage) charges, except real property exempted under the Act; and
- the City will offer stormwater (drainage) service on nondiscriminatory, reasonable, and equitable terms; and

**WHEREAS**, following the adoption of this Ordinance the City Council desires to proceed with the process set forth in the Act to adopt the Act, to declare the stormwater (drainage) of the City to be a public utility, to establish a service area, to levy a schedule of stormwater (drainage) charges, to establish rules regarding stormwater (drainage), and to provide for such other matters as are included in the Act.

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

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

Section 2. Findings. The City Council desires to proceed with the process set forth in the Municipal Drainage Utility Systems Act to adopt the Act, to declare the stormwater (drainage) infrastructure and services of the City to be a public utility, to establish a service area, to levy a schedule of stormwater (drainage) charges, to establish rules regarding stormwater (drainage), and to provide for such other matters as are included in the Act. Accordingly, the City Council does hereby find that:

- (a) the City will establish a schedule of stormwater (drainage) charges against all real property in the proposed service area subject to charges under the Act;
- (b) the City will provide stormwater (drainage) for all real property in the proposed service area on payment of stormwater (drainage) charges, except real property exempted under the Act; and
- (c) the City will offer stormwater (drainage) service on nondiscriminatory, reasonable, and equitable terms.

Section 3. Notice, Hearing. In accordance with Section 552.045(c) of the Act, the City Council hereby directs that the City Staff publish notices as required by the Act in order to proceed with the process set forth in the Act to adopt the Act, to declare the stormwater (drainage) infrastructure and services of the City to be a public utility, to establish a service area, to levy a schedule of stormwater (drainage) charges, to establish rules regarding stormwater (drainage), and to provide for such other matters as are included in the Act. If such publication(s) has occurred prior to the adoption of this Ordinance, the City Council hereby approves the same.

Section 4. Severability. The provisions of this Ordinance are severable, and if any section or provision of this Ordinance or the application of any section or provision to any person, firm, corporation, entity, situation or circumstance is for any reason adjudged invalid or held unconstitutional by a court of competent jurisdiction, the same shall not affect the validity of any other section or provision of this Ordinance or the application of any other section or provision to any other person, firm, corporation, entity, situation or circumstance, and the City Council declares that it would have adopted the valid portions of this Ordinance adopted herein without the invalid or unconstitutional parts and to this end the provisions of this Ordinance adopted herein shall remain in full force and effect.

Section 5. Effective Date. This Ordinance shall become effective from and after its passage and approval.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the \_\_\_\_ day of \_\_\_\_\_, 2012.

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

**ATTEST:**

By: \_\_\_\_\_  
Chris Terry, City Secretary

**APPROVED AS TO FORM:**

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

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING THE TOWN'S CODE OF ORDINANCES BY AMENDING CHAPTER 82 (UTILITIES) OF THE TOWN CODE OF ORDINANCES TO ADD A NEW ARTICLE VI, DIVISION 1 REGARDING A MUNICIPAL STORMWATER (DRAINAGE) UTILITY SYSTEM; DECLARING THE ADOPTION OF THE MUNICIPAL DRAINAGE UTILITY SYSTEMS ACT (SUBCHAPTER C OF CHAPTER 552, TEX. LOC. GOV. CODE) AND DECLARING STORMWATER (DRAINAGE) TO BE A PUBLIC UTILITY AND ESTABLISHING A SERVICE AREA IN CONNECTION THEREWITH; PROVIDING DEFINITIONS; PROVIDING FOR THE ESTABLISHMENT AND CALCULATION OF STORMWATER (DRAINAGE) UTILITY FEES, INCLUDING PROPERTY CLASSIFICATIONS, FOR BILLING POLICIES AND PROCEDURES, AND FOR CREDITS; PROVIDING PENALTIES AND REMEDIES FOR NONPAYMENT OF FEES, INCLUDING DISCONTINUANCE OF UTILITY SERVICES AND THE FILING OF A LIEN; PROVIDING AN APPEAL PROCESS; PROVIDING FOR TERMINATION OF THE STORMWATER (DRAINAGE) UTILITY SYSTEM; PROVIDING FOR A STORMWATER (DRAINAGE) UTILITY FUND; PROVIDING FOR EXEMPTIONS FROM PAYMENT OF THE STORMWATER (DRAINAGE) UTILITY FEE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY, IN ACCORDANCE WITH SECTION 1-7 OF THE CODE OF ORDINANCES, IN AN AMOUNT NOT TO EXCEED THE SUM OF FIVE HUNDRED AND NO/100 DOLLARS (\$500.00), EXCEPT THAT THE PENALTY FOR A VIOLATION OF A PROVISION HEREOF REGARDING FIRE SAFETY, ZONING, OR PUBLIC HEALTH OR SANITATION SHALL NOT EXCEED THE SUM OF TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), BUT IN ANY EVENT THE PENALTY SHALL NOT BE LESS THAN OR EXCEED AN AMOUNT AS MAY BE PRESCRIBED BY STATE LAW FOR A VIOLATION, AND EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES SHALL CONSTITUTE A SEPARATE OFFENSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas ("Town") is a home rule municipality having the full power of local self-government pursuant to its Charter, Article XI, Section 5 of the Texas Constitution, and Chapter 9 of the Texas Local Government Code; and

**WHEREAS**, within the Town there exists a stormwater (drainage) system developed over a number of years that collects and directs stormwater (drainage) runoff; and

**WHEREAS**, it is necessary that the collection and direction of stormwater (drainage) runoff within the Town protect the public health, safety, and welfare of Town citizens including but not limited to protection against property damage; and

**WHEREAS**, the City Council of the Town desires to address the various water quality and environmental issues that may burden its stormwater (drainage) infrastructure, and to protect against surface water overflow, standing surface water, and pollution arising from nonpoint source runoff within the Town; and

**WHEREAS**, the City Council has investigated and determined that it would be advantageous and beneficial to the citizens of the Town to promote the public health, safety and welfare of the citizens by adopting a Stormwater (drainage) Utility system, as authorized by the Texas Local Government Code Chapter 552, Subchapter C “Municipal Drainage Utility Systems” (the “Act”) within the Town’s municipal boundaries; and

**WHEREAS**, the Act provides for the said public utility service to be provided within an established service area; and

**WHEREAS**, among other things, the Act: (i) authorizes the Town to adopt and enforce rules it considers appropriate to operate the Stormwater (drainage) Utility (Section 552.045(e) of the Act), (ii) references rules for the use, operation, and financing of the stormwater (drainage) utility system (Section 552.042(a)(2) of the Act), (iii) references authority to prescribe bases on which a municipal Stormwater (drainage) Utility system may be funded and fees and charges in support of the system may be assessed, levied and collected (Sections 552.042(a)(5), 552.045(d) of the Act), and (iv) together with Section 580.003(a) of the Local Government Code, provides for certain exemptions from the provisions of the Act and ordinances, resolutions, and rules adopted under the Act; and

**WHEREAS**, the Town desires by this Ordinance to, among other things, (i) establish rules for the use, operation, and financing of the Town’s Stormwater (drainage) Utility system, (ii) prescribe bases on which the system is to be funded, to establish fees and charges in support of the system, and to provide for the assessment, levy and collection of the same, and (iii) to provide for certain exemptions from the provisions the Stormwater (drainage) Utility system, all in a manner that fairly, equitably, and in a non-discriminatory manner allocates the cost of stormwater (drainage) control and treatment to properties in proportion to stormwater runoff potential for each class of property; and

**WHEREAS**, in accordance with the Act and in connection with this Ordinance, the City Council, before adopting this Ordinance, adopted Ordinance No. \_\_\_\_ and therein found that: (i) the City will establish a schedule of stormwater (drainage) charges against all real property in the proposed service area subject to charges under the Act, (ii) the City will provide stormwater (drainage) for all real property in the proposed service area on payment of stormwater (drainage) charges, except real property exempted under the Act, and (iii) the City will offer stormwater (drainage) service on nondiscriminatory, reasonable, and equitable terms; and

**WHEREAS**, in accordance with the Act (Section 552.045(c) thereof), notices of a public hearing regarding this Ordinance were published and a public hearing on this Ordinance held concerning the matters set forth herein; and

**WHEREAS**, as set forth herein, the City Council adopts the Act and declares that stormwater (drainage) infrastructure and services of the City is a public utility within the meaning of the Act.

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

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

Section 2. Amendment. The Code of Ordinances of the Town of Addison, Texas (the “City”) is hereby amended by amending Chapter 82 (Utilities) thereof to add thereto a new Article VI (Municipal Stormwater (Drainage) Utility System), Division 1 (Generally) regarding stormwater (drainage) as set forth in Exhibit A attached hereto and incorporated herein for all purposes, and all other chapters, articles, sections, subsections, sentences, phrases and words of the Code of Ordinances are not amended hereby.

Section 3. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances, and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or any penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 4. Penalty. It shall be unlawful for any person, firm, corporation, or other business entity to violate any provision of this Ordinance, and any person, firm, corporation, or other business entity violating or failing to comply with any provision hereof shall be fined, upon conviction, in an amount in accordance with and as provided in Section 1-7 of the Code of Ordinances (that is, in an amount, not to exceed \$500.00, except that a fine not to exceed \$2,000.00 shall be imposed upon a person convicted of a violation of this Ordinance if the violation governs fire safety, zoning or public health or sanitation, but any penalty imposed for a violation of this Ordinance shall not exceed or be less than the penalty as may be prescribed by state law), and a separate offense shall be deemed committed each day during or on which a violation or failure occurs or continues.

Section 5. Severability. The provisions of this Ordinance are severable, and if any section, subsection, sentence, paragraph, phrase, word, or provision of this Ordinance or the application of any section, subsection, sentence, paragraph, phrase, word, or provision hereof to any person, firm, corporation, entity, situation or circumstance is for any reason adjudged invalid or held unconstitutional by the valid judgment or decree of a court of competent jurisdiction, the same shall not affect the validity of any other section, subsection, phrase, word, or provision of this Ordinance or the application of any other section, subsection, sentence, paragraph, phrase, word, or provision to any person, firm, corporation, entity, situation or circumstance, and the City Council declares that it would have adopted the valid portions of this Ordinance adopted herein without the invalid or unconstitutional section, subsection, sentence, paragraph, phrase, word, or provision, and to this end the remainder of this Ordinance shall remain in full force and effect.

Section 6. Effective Date. This Ordinance shall become effective from and after its passage and approval and its publication as may be required by law, including but not limited to the City Charter and ordinances.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the \_\_\_\_ day of \_\_\_\_\_, 2012.

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

**ATTEST:**

By: \_\_\_\_\_  
Chris Terry, City Secretary

**APPROVED AS TO FORM:**

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

**EXHIBIT A  
TO ORDINANCE NO. \_\_\_\_\_**

Addition of Article VI (Municipal Stormwater (Drainage) Utility System),  
Division 1 (Generally) to Chapter 82 (Utilities) of the Code of Ordinances

**ARTICLE VI. STORMWATER (DRAINAGE) UTILITY SYSTEM**

**DIVISION 1. GENERALLY**

**Section 82-261 - Municipal Stormwater (drainage) Utility System Established;  
Incorporation of Existing Facilities.**

The Act (as defined in Section 82-264 below) is hereby declared adopted and shall be fully implemented as provided by the Act and by the city council; and the stormwater (drainage) of the town is hereby declared and found to be a public utility within the meaning of the Act. Pursuant to Section 552.046 of the Act, the town's existing stormwater (drainage) facilities, materials, and supplies, including equipment, are incorporated into the Stormwater (drainage) Utility system.

**Section 82-262 - Stormwater (Drainage) Service Provided; Service Area.**

The town will provide stormwater (drainage) service for all real property within its boundaries upon payment of the stormwater (drainage) charges applicable thereto as may be included in this Article or otherwise adopted by the town, excluding real property exempt under the Act or other law and certain real property exempted by the town, and such stormwater (drainage) service will be based on nondiscriminatory, reasonable and equitable terms. For purposes of this Article and in connection herewith, the service area for the stormwater (drainage) service is the entire area within the boundaries of the town.

**Section 82-263 - Application.**

This Article applies to the user (Owner or Customer) of a benefitted property within the service area to which Stormwater (drainage) Utility service is provided.

**Section 82-264 - Definitions.**

The following definitions shall apply to the establishment and operation of the Stormwater (drainage) Utility system:

*Act* means Chapter 552, Subchapter C (entitled "Municipal Drainage Utility Systems") of the Texas Local Government Code, as amended.

*Airport public area* means that portion of the Addison Airport, which is now or hereafter considered by the town to be the obligation and responsibility of the town to operate and maintain for the common use and benefit of the general aviation public. Subject to the prior

sentence, the airport public area includes any air navigation facility or structure designed and intended to serve the general public not specifically subject to a lease agreement; all runways, taxiways and other common-use paved, graveled or turfed areas and their respective protection zones, safety areas and/or object free areas; field lighting and associated beacon and lighted wind and landing direction indicators; security, fire, and emergency medical protection; protection of aerial approaches to the Airport; directional signs; and perimeter or restricted access fences. Airport public area does not include any portion of or improvement on the Airport that (a) is owned and leased or rented to third parties by the town, or (b) is occupied by or leased or rented to any government entity, authority, or agency, including the Federal Aviation Administration or U.S. Customs.

*Allocated portion* means the part of an improved parcel that has been allocated to an Owner or Customer based on the portion used by the Owner or Customer as compared to the improved parcel's total area.

*Benefitted property* means an improved parcel within the service area to which Stormwater (drainage) Utility service is made available. All real property within the service area directly or indirectly receives Stormwater (drainage) Utility service.

*City manager* means the town manager or the manager's designee.

*City secretary* means the town secretary or the secretary's designee.

*Customer* means a user who is recorded as the customer of, or the person using, utility or other service(s) for a parcel based on the records of the town.

*DCAD* means Dallas Central Appraisal District.

*Director of Public Works* or *Director* means the town's Director of Public Works or the Director's designee.

*Equivalent Residential Unit (ERU)* means a unit of measurement of impervious surface area calculated for the average single family residential property within the service area, as measured in square feet, including the residential structure, garage, driveway, sidewalk, patio, out buildings, and any other impervious surface.

*Impervious area* means a measurement in square feet of impervious surface by which the amount of stormwater (drainage) runoff potential for a benefitted property within a customer class is estimated.

*Impervious surface* means a surface that has been compacted or covered with a layer of material so that it is resistant to penetration by water. An impervious surface includes, but is not limited to, compacted soil with a surface treatment, gravel, crushed stone surface or soil compacted by vehicle traffic, asphalt or concrete pavement, a parking lot, a driveway, a sidewalk or private roadway, a building or artificial structure, or any surface that changes the natural

landscape and increases, concentrates, pollutes, or otherwise alters the flow or amount of stormwater (drainage) runoff.

*Improved parcel* means a parcel that has a building, or other structure, or other improvement, on it that causes or creates an impervious surface.

*Include* (and any of its derivatives, such as *including*) is a term of enlargement and not of limitation or exclusive enumeration, and use thereof does not create a presumption that components not expressed are excluded.

*Non-residential property* means an improved parcel that is not a residential property, and includes improved parcels used primarily for retail, commercial, industrial, institutional, or governmental uses, and apartment multi-story complexes consisting of five (5) or more residential dwelling units in one building, and an improved parcel that is owned by a property owners' association. A condominium property that is master metered for water utility service shall be treated as a non-residential property for the purposes of calculating Stormwater (drainage) Utility Fees.

*Owner* means the person(s) listed as the owner of a benefitted property in the records of DCAD or the town.

*Parcel* means a platted lot, or other tract of land that is separately described (by metes and bounds or otherwise), including a leased tract of land.

*Person* means an individual, sole proprietorship, partnership, limited partnership, joint venture, limited liability company, corporation, business trust, estate, association, and any other legal entity.

*Residential dwelling unit* means any building or portion thereof that contains living facilities, including provisions for sleeping, eating, cooking and sanitation, as required by applicable town codes, for not more than one family. A residential dwelling unit may be a single-family house, a townhome, a manufactured home or a portion of a duplex, triplex or quadplex.

*Residential property* means an improved parcel upon which four (4) or fewer residential dwelling units are constructed. A townhome development that includes a row of five (5) or more residential dwelling units that share common walls, with each unit and the land on which it is located being individually owned, are also residential property. An improved parcel with condominium units that are individually metered for water utility service and are similar to townhomes are also considered residential property for the purpose of calculating Stormwater (drainage) Utility Fees.

*Service area* means the geographic area within the incorporated limits of the town.

*Stormwater (drainage) Utility Infrastructure* means the property - real, personal or mixed - that is used in providing stormwater (drainage) capacity to manage and control stormwater

(drainage) runoff for the Stormwater (drainage) Utility system, including bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, retention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.

*Stormwater runoff potential* means the relative potential for causing stormwater (drainage) runoff quantities, qualities, or velocities from an improved parcel based on the type of development or land use on the improved parcel and the size of the improved parcel.

*Stormwater (drainage) Utility* means the stormwater (drainage) utility system owned or directly controlled by the town, in whole or in part, including the town's existing stormwater (drainage) facilities, materials, and supplies and any stormwater (drainage) facilities, materials, and supplies hereafter constructed or utilized, and dedicated to the service of benefitted property, including future additions to the system. The Stormwater (drainage) Utility system may also be referred to as a *Utility*.

*Stormwater (drainage) Utility Fee* means the fee or charge established under this Article VI that is levied against a user (Owner or Customer) of a benefitted property for Stormwater (drainage) Utility services provided by the Stormwater (drainage) Utility system, and such fee or charge includes, but is not limited to, the items described in the definition of "cost of service" in the Act. The Stormwater (drainage) Utility Fee may also be referred to as a *Fee*.

*Town* means the Town of Addison, Texas.

*User* means the person who owns or occupies a Benefitted Property.

*Wholly Sufficient and Privately Owned Stormwater (drainage) Utility System* means land and facilities owned and operated by a person other than the town and from which stormwater (drainage) does not discharge, under any storm frequency event or conditions, into a creek, river, slough, culvert, channel or other infrastructure that is part of the Stormwater (drainage) Utility system.

## **Section 82-265 - Administration.**

(a) *Duty of Director of Public Works.* The Director of Public Works shall administer the Stormwater (drainage) Utility system. The Director shall maintain an accurate record of all benefitted property and the Stormwater (drainage) Utility Fee levied for each such property. The record may be maintained within the town's utility billing system or in another record keeping system that may be developed.

(b) *Program Implementation.* By the adoption of this Article, the town makes no representation that all stormwater (drainage) problems may or will be remedied, and the city council has and retains full discretion in establishing the priorities in expending funds as they become available to meet the town's Stormwater (drainage) Utility needs. The adoption of this

Article does not and shall not be construed to relieve private land owners, developers or other individuals or entities from providing stormwater (drainage) improvements pursuant to the ordinances, rules, codes, and regulations of the town, and federal or State laws and regulations.

(c) *Access to Benefitted Properties.* Town employees shall have access to a benefitted property within the service area to inspect, maintain, repair, or enforce this Article or State laws or regulations relating to stormwater (drainage).

(d) *Governmental Immunity.* The town does not waive any immunity or defense granted or available under any law or otherwise.

### **Section 82-266 - Stormwater (drainage) Utility Fee, Billing Policies, and Procedures.**

(a) *Stormwater (drainage) Utility Rate Classes.* A benefitted property within the service area shall be classified and charged a Stormwater (drainage) Utility Fee based on the Stormwater (drainage) Utility rate determined by the property's rate class. Depending on the use of the benefitted property, the property shall be classified as one of the following rate classes:

- (1) Residential property; or
- (2) Non-residential property.

(b) *Responsible Party.*

- (1) A Customer or Owner shall be billed monthly a Stormwater (drainage) Utility Fee for Stormwater (drainage) Utility services. The Stormwater (drainage) Utility Fee shall be levied or charged, along with other municipal services (if any) provided, to the benefitted property, including water, wastewater or solid waste/refuse services.
- (2) The utility bill imposing the Stormwater (drainage) Utility Fee will be mailed to either the Customer or Owner, who is then currently identified by the town as the responsible party for water, wastewater and/or solid waste/refuse service for the benefitted property; and, the Customer or Owner recorded in the town's utility or other billing system shall be responsible for payment of the Stormwater (drainage) Utility Fee.
- (3) If there is no active Customer account for a benefitted property recorded in the town's utility or other billing system, or if a benefitted property is considered by the town to be vacant, either on a temporary or permanent basis, the town may bill the Owner of the benefitted property for the Stormwater (drainage) Utility Fee. The Owner of the benefitted property shall be responsible for payment of fees imposed via a Stormwater Only Account.

- (4) If the town does not bill a benefitted property for water service, wastewater service, or solid waste/refuse service, the Director may establish for that property a “Stormwater Only Account” and bill the Owner or Customer as the Director may determine is appropriate.

(c) *Initial Fee, Rates; Revision of Fee, Rates.* The initial Stormwater (drainage) Utility Fee and Stormwater (drainage) Utility rates are or will be set forth in Division 2 of this Article, below. The city council has and reserves the right to review the fee and rate schedules at any time and may, by ordinance, increase or decrease the Stormwater (drainage) Utility Fee or rates within the schedule upon a determination that the increase or decrease is warranted.

(d) *Billing Procedures and Policies.*

- (1) Any partial payment of the Stormwater (drainage) Utility Fee shall be applied against the amount due in accordance with the policies and procedures established for utility services provided by the town.
- (2) A late charge and interest may be imposed in accordance with the policies and procedures of the town established utility services provided by the town.\
- (3) A bill that is issued for a period of less than one month shall be prorated on the basis of the proportionate part of the period during which Stormwater (drainage) Utility service was provided.

(e) *Non-Payment.* In addition to any other remedies or penalties provided at law, in the Act, or in this Article, a Customer’s or Owner’s failure to pay promptly when due the Stormwater (drainage) Utility Fee when due shall subject the Customer or Owner to discontinuance of any utility services provided by the town and/or the placement of a lien against the benefitted property that is the subject of such failure to pay to the extent authorized by law and this Article. Additionally, the town may file suit to recover any Stormwater (drainage) Utility Fees, together with maximum interest, attorneys’ fees and other costs and fees allowable under State or federal law, that are not paid when due.

(f) *Allocation of Fee by Residential and Non-Residential Multifamily Properties.* The owner, manager or operator of a residential property or of a non-residential property with a multi-family use, such as an apartment complex, may not bill or collect from its occupants or tenants thereof an amount that, collectively, exceeds the actual Fee imposed on the said property. Any agreement between the owner, manager or operator of such property shall contain a clear written description of the method of calculation of the allocation of the Fee for each of the occupants or tenants. However, the owner, manager or operator may charge an occupant or tenant a fee for late payment of an occupant’s or tenant’s allocated portion of the Fee. The owner, manager, or operator shall maintain adequate records regarding the allocation of the Fee to occupants or tenants of such property, and shall make such records available for inspection by such occupants or tenants during normal business hours.

**Section 82-267 - Calculation of Stormwater (drainage) Utility Fees.**

(a) *Rates in Accordance with the Act.* The Stormwater (drainage) Utility Fee and rates shall be established in accordance with the provisions of the Act and this Section.

(b) *Fee Calculation.* The Stormwater (drainage) Utility fee shall be based on an inventory of parcels within the service area. The inventory shall evaluate the stormwater runoff potential for improved parcels within the service area and establish a rate for each class of benefitted properties. The stormwater runoff potential shall be equitably and proportionately distributed between classes and among the parcels within each class of benefitted properties relative to the contribution of each class to stormwater (drainage) runoff. Additionally, the stormwater runoff potential within a class may be subdivided into tiers that group together parcels with similarly sized impervious area on the parcel.

(c) *Stormwater Runoff Potential.* For purposes of establishing the stormwater runoff potential for each class of benefitted properties and between classes of benefitted properties, the Director shall calculate the impervious area for parcels within the service area based on data gathered from DCAD, Geographic Information System records, aerial photography, and site plans or plats available. The Director shall then determine the relative stormwater runoff potential for each rate class and among parcels within each rate class. The rate for each class of benefitted properties and for parcels within each class shall be based on the impervious area measured in square feet (SF).

(d) *Property Values.* In calculating the Stormwater (drainage) Utility Fee and rates, property values may not be used.

**Section 82-268 - Stormwater (drainage) Utility Fee Credit.**

(a) Any non-residential property on which stormwater (drainage) runoff mitigation measures or best management practices (BMPs) have been implemented or which has on file with the town an approved individual stormwater (drainage) management permit issued by the Texas Commission on Environmental Quality (TCEQ) may be eligible for a credit to the Stormwater (drainage) Utility Fee.

(b) The Director shall adjust the Fee for such properties according to the actual mitigative effect of the measures taken. BMPs that were required as part of development plan approval will not be eligible for such credits.

(c) The credit methodology shall be set forth in an administrative policy to be developed and maintained by the Director.

(d) The application for credit shall be in writing and shall include an engineering report sealed by a Texas licensed professional engineer qualified in civil engineering, and/or other documentation that the Director deems necessary, to properly evaluate the rationale for determining the credit for the approved stormwater (drainage) management techniques. Submitted applications may be reviewed by the Director or by a third-party licensed engineer

retained by the town to validate the submitted rationale and methodology. Stormwater (drainage) credits will begin upon completion and inspection of the approved mitigation measures on the property.

(e) Any property served by a private stormwater (drainage) facility that is maintained by the town shall not receive a credit and shall be charged the normal monthly Stormwater (drainage) Utility Fee.

(f) The credit will be only for the impervious area within the total parcel area of the non-residential property that receives the stormwater (drainage) management technique.

(g) The maximum credits available with appropriate documentation and approval by the Director are as follows:

- (1) Mitigation efforts impacting stormwater (drainage) quality are worth up to fifty percent (50%) credit against the original Fee;
- (2) Mitigation efforts impacting stormwater (drainage) quantity are worth up to fifty percent (50%) credit against the original Fee.

(h) The Director will determine the final credit allowance based on all engineering reports and any other documentation that the Director deems necessary to make the determination.

(i) The Director shall have the right to inspect the private stormwater (drainage) infrastructure facility at any reasonable time to determine if it is in compliance with the approved design and continues to be capable of functioning properly. If the facility's performance is affected because it fails to meet the proper operating standards, has been altered, or is in disrepair, the Customer or Owner shall pay the monthly Stormwater (drainage) Utility Fee at the normal rate, without benefit of reduction, until such time that the facility is brought into total compliance as determined by the Director.

### **Section 82-269 – Discontinuance of Utility Service; Collections and Liens.**

(a) *Discontinuance of Municipal Utility Service.* The town shall keep an itemized account of the amounts owed pursuant to this Article. If any account is not fully paid within the time period established by the town for the payment of municipal utility fees for the benefitted property, as outlined in the town's policies and procedures, and the Customer or Owner fails to make other arrangements satisfactory to the town, the town, or its contracted utility service provider at the town's direction, is authorized to discontinue utility services provided by the town pursuant to its normal and customary business practices.

(b) *Notice of Intent to Impose Lien.* If any account as described in paragraph (a) of this section is not fully paid within sixty (60) days following the billing date for the account, the town shall send notice to the Customer and the Owner of its intent to impose a lien against the benefitted property to which Stormwater (drainage) Utility service is provided (the "notice of

intent”). The notice of intent shall be mailed by certified mail, return receipt requested, to the Customer’s billing address, the Owner, and the property address listed by DCAD, if different from the Owner’s address. The notice of intent shall contain the following:

- (1) The name and mailing address of the Customer or Owner to whom the unpaid utility bills were sent pursuant to this Article;
- (2) The name and mailing address of the Owner;
- (3) The street address and a legal description of the benefitted property;
- (4) A statement of Fees and the balance due, including any late charges, interest, and administrative fees incurred; and
- (5) A statement that the Fees are unpaid and delinquent, and that if, within thirty (30) days following the date the notice of intent is mailed, full payment of the balance due has not been received by the town nor an appeal perfected pursuant to Section 82-270, a lien will be placed upon the benefitted property.

(c) *Notice of Lien Filed in County Records.* If, within the time specified in Section 82-269(b)(5), full payment of the balance due has not been received by the town nor has an appeal pursuant to Section 82-270 been perfected, the town secretary shall file a notice of lien in the real property records of Dallas County, Texas. The notice of lien shall contain the following:

- (1) The name and mailing address of the Customer and/or Owner to whom the unpaid utility bills were sent pursuant to this Article;
- (2) The name and mailing address of the Owner;
- (3) The street address and a legal description of the benefitted property; and
- (4) An updated statement of Fees and the balance due, including any late charges and interest, and the account number for the delinquent charges.

(d) *Personal Obligation of Customer, Owner; Lien.* The Fees, late charges, interest and administrative fees incurred by the town as set forth in the notice of lien shall be a personal obligation of both the Customer and the Owner, and shall be a lien against the benefitted property, unless the benefitted property is a homestead as protected by the Texas Constitution, for delinquent bills for Stormwater (drainage) Utility service to the benefitted property. The Town may bring an action in any court of proper jurisdiction against the Customer or Owner to recover the same and any costs incurred by the town in connection therewith.

(f) *Perfection of Lien; Lien Shall be Valid and Privileged.* The lien shall be perfected by recording in the real property records of Dallas County a notice of lien as described in subsection (c) of this section above. The lien may include penalties, interest, and collection

costs. The town's lien is inferior to a bona fide mortgage lien that is recorded before the recording of the lien in the real property records of Dallas County. The lien is superior to all other liens, including previously recorded judgment liens and any liens recorded after the town's lien. The lien shall continue until the assessment and all penalties, interest, and other charges due and payable thereon have been paid.

(g) *Lien Must be Paid.* No utility service, building permit, or certificate of occupancy shall be allowed or issued on any property against which a lien has been imposed until the lien is paid in full and such lien is released by the town.

(h) *Release of Lien.* After the expenses incurred by the town, as set forth in the notice of lien, have been fully paid with interest of ten percent (10%) per annum, the town secretary shall execute a release of lien, which shall be filed in the real property records of Dallas County, Texas.

### **Section 82-270 - Appeal.**

(a) *Appeal of Fee Calculation or Determination.* An Owner or Customer who has been charged with a Stormwater (drainage) Utility Fee and who believes that the calculation or determination of the Fee is incorrect, may appeal such calculation or determination to the Director. Such Owner or Customer will be referred to as "appellant" in this section. During all periods of appeal, the appellant shall be responsible for payment in full of the Stormwater (drainage) Utility Fee and related charges.

An appeal described in this subsection (a) of this section shall be processed as follows:

(i) The appeal shall be in writing and set forth in detail the grounds upon which relief is sought.

(ii) Until October 1, 2013, the Director shall issue a decision on the appeal within four (4) months from the date that the Director receives the appeal. If the Director determines an adjustment is warranted the Director shall authorize an adjustment retroactive to the beginning of billings of the appealed Fee, but the adjustment period shall not exceed one (1) year

(iii) From and after October 1, 2013, the Director shall issue a decision on the appeal within thirty 30 days from the date that the Director receives the appeal. An adjustment resulting from such a request shall be prospective and applied to future billings and may also be retroactive for no more than three 3 months prior to the receipt of the appeal.

(iv) The Director shall issue a written decision on an appeal.

(b) *Appeal of Other Matters.*

(i) An Owner or Customer may appeal the following to the Director:

(A) the applicability of a Stormwater (drainage) Utility Fee to a parcel;

- (B) the calculation of applicable stormwater runoff potential for a parcel;
- (C) the discontinuance of utility service, notice of lien, filing of a lien or other legal action (except for the filing of suit) of the town for non-payment of Stormwater (drainage) Utility Fees.

(ii) An appeal described in this subsection (b) of this section shall be processed as follows:

(A) The Owner or Customer shall file a written appeal to the Director within thirty (30) days following the date of issuance by the town of a notice or information that would give rise to or be the basis of such an appeal. By way of example and not by way of limitation, the date of issuance of a billing statement that includes a Stormwater (drainage) Utility Fee charge would be the date from which to calculate the said 30-day time period for an appeal regarding the applicability of a Stormwater (drainage) Utility Fee to a parcel or regarding the calculation of applicable stormwater runoff potential for a parcel. The Director may extend the time period for filing an appeal for good cause shown.

(B) The appeal shall be in writing and set forth in detail the grounds upon which relief is sought.

(C) The Director shall hear the appeal within sixty (60) days following the Director's receipt of the appeal. Notice of the hearing shall be mailed to the address given in the appeal form, or if no address is given to the address on the utility billing statement at least fourteen (14) days prior to the hearing.

(D) The burden of proof in connection with an appeal shall be on the Owner or Customer to demonstrate that the Fee is not applicable or that the determination of the value of the Fee was not calculated according to the applicable Stormwater (drainage) Utility Fee schedule or the methodologies established for determining the Stormwater (drainage) Utility Fees. If applicable and if not previously submitted to the Director, the Owner or Customer shall submit with the appeal a report describing the basis for the appeal. The report shall be prepared by a Texas licensed professional engineer qualified in civil engineering. The Director may require the Owner or Customer to provide supplemental information regarding the appeal, including but not limited to survey data sealed by a Texas licensed professional land surveyor, or other documentation or information that the Director deems necessary to properly evaluate the appeal. The failure to submit such a report and/or information shall be considered in determining whether the applicant has met the burden of proof.

(E) If the appeal is accompanied by a bond or other sufficient security satisfactory to the attorney for the town in an amount equal to the original determination of the Stormwater (drainage) Utility Fee due, any discontinued utility services may be reinstated while the appeal is pending.

(F) At the hearing, the Director shall allow testimony from the Owner or Customer filing the appeal, town employees, and other interested persons relevant to the appeal. The hearing may be continued from time to time.

(G) Following the hearing the Director shall consider all evidence and determine whether the appeal should be granted in whole or in part or denied. The Director shall complete the Director's review and make a decision about the appeal within thirty (30) days of the hearing.

(c) *Burden of Proof.* The Owner or Customer filing the appeal shall bear the burden of proving by a preponderance of the evidence the relief sought in the appeal. By way of example and not limitation, the Owner or Customer shall bear the burden of proving that a Fee does not apply, or that the Fee is calculated in error, or that the rate class assigned to the Owner or Customer is incorrect.

(d) *Review by the city manager.* An Owner or Customer dissatisfied with the decision of the Director may seek review of the decision with the city manager by filing a request for review. A written request for review by the city manager must be filed with the city secretary within fifteen (15) days following receipt of the decision on appeal from the Director. In connection with a request for review from an appeal filed pursuant to subsection (a) of this section, the process set forth in subsection (a) of this section shall be followed, and in connection with a request for review from an appeal filed pursuant to subsection (b) of this section, the process set forth in subsection (b)(ii) of this section shall be followed, in each instance with "city manager" substituted as appropriate for "Director." If the Owner or Customer does not file a request for review with the city manager, the decision of the Director regarding the appeal shall be final. If the Owner or Customer does file a request for review with the city manager, the decision of the city manager shall be final.

(e) *Material Change of Circumstances.* No appeal for the same or substantially the same issue on the same parcel shall be allowed. If, however, the Owner or Customer asserts a material change of circumstances on a parcel that was the subject of a previous appeal, the Owner or Customer must perfect a new appeal; and in such an appeal, the Owner or Customer shall bear the burden of proving by a preponderance of the evidence the existence of a material change of circumstances.

#### **Section 82-271 - Termination of Stormwater (drainage) Utility System.**

If, after at least five (5) years of substantially continuous operation of the Stormwater (drainage) Utility system, the city council determines that the Stormwater (drainage) Utility system should be discontinued, that the powers under the Act should be revoked, and the provision for financing municipal stormwater (drainage) costs should be made by using other revenues, the city council may adopt an ordinance, after providing notice and a public hearing as required by the Act, that in effect discontinues the Stormwater (drainage) Utility system.

#### **Section 82-272 - Stormwater (drainage) Utility Fund.**

**Exhibit A to Ordinance No. \_\_\_\_\_**

(a) *Stormwater (drainage) Utility Fund.* A Stormwater (drainage) Utility fund is established and may consist of one or more accounts. All Stormwater (drainage) Utility Fees shall be deposited as collected and received into this fund and shall be used exclusively for Stormwater (drainage) Utility services as provided in the Act, including, but not limited to the following:

- (1) The prorated cost of the acquisition, whether by eminent domain or otherwise, of land, rights-of-way, options to purchase land, easements, and interests in land relating to structures, equipment, and facilities used in draining the benefitted property;
- (2) The prorated cost of the acquisition, construction, repair, and maintenance of structures, equipment, and facilities used in draining the benefitted property;
- (3) The prorated cost of architectural, engineering, legal, and related services, plans and specifications, studies, surveys, estimates of cost and of revenue, and all other expenses necessary or incident to planning, designing, providing, or determining the feasibility and practicability of structures, equipment, and facilities used in draining the benefitted property;
- (4) The prorated cost of all machinery, equipment, furniture, and facilities necessary or incident to the provision and operation of draining the benefitted property;
- (5) The prorated cost of funding and financing charges and interest arising from construction projects and the start-up cost of a Stormwater (drainage) Utility facility used in draining the benefitted property;
- (6) The prorated cost of debt service and reserve requirements for funding of Stormwater (drainage) Utility infrastructure, equipment and facilities paid with revenue bonds or other securities or obligations issued by the town and supported by pledge of stormwater (drainage) revenues;
- (7) To the extent permitted by law, the cost of constructing, sampling, monitoring, building, inspecting and maintaining structures needed for the town's compliance with State or federal regulations and permitting requirements for providing stormwater quality improvements for benefitted property; and
- (8) The administrative costs of the Stormwater (drainage) Utility system.

(b) *Stormwater (drainage) Utility Fund Accounting.*

- (1) The town shall clearly account for revenues and expenditures authorized for operation of the Stormwater (drainage) Utility system.
- (2) The revenues collected from Stormwater (drainage) Utility Fees shall be segregated and completely identifiable from other Town funds and accounts.
- (3) Funds and revenues in the Stormwater (drainage) Utility fund may be transferred to the town's general fund as allowed by law.

(c) *Stormwater (drainage) Utility Service Deposit.* A deposit shall not be imposed for initiation or continuation of Stormwater (drainage) Utility service.

**Section 82-273 - Exemptions.**

(a) *Mandatory Exemptions.* The following shall be exempt from payment of the Fees established by this Article:

- (1) Entities to which a mandatory exemption under Section 580.003(a) of the Texas Local Government Code applies, including:
  - (A) an agency of the State of Texas;
  - (B) a public or private institution of higher learning.
- (2) Any property to which a mandatory exemption under Section 552.053 of the Act applies, including without limitation:
  - (A) Property with proper construction and maintenance of a wholly sufficient and privately owned Stormwater (drainage) Utility system;
  - (B) Property held and maintained in its natural state, until such time that the property is developed and all of the public infrastructure constructed has been accepted by the town for maintenance; and
  - (C) A subdivided parcel, until a structure or improvement has been built on the subdivided parcel and a certificate of occupancy has been issued by the town, or the town has taken another official action to release the parcel for occupancy.

(b) *Permissible Exemptions.* The following shall be exempt from payment of the fees established by this Article (and the city council may consider other exemptions to include herein at or after the time of the public regarding this article):

- (1) Town of Addison rights-of-way, including streets, sidewalks, and alleys;

Airport public area.

(c) *Proof of Exemption.* If the Owner or Customer asserts that a parcel is exempt pursuant to this section or any other applicable law, such Owner or Customer has the burden to assert such exemption by filing notice of eligibility for such exemption and sufficient evidence of entitlement to such exemption with the Director. If the exemption is not granted, the Owner may appeal using the procedures for appeal provided in Section 82-270(b)(2), above.

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 82 (UTILITIES), ARTICLE VI (STORMWATER (DRAINAGE) UTILITY SYSTEM) OF THE TOWN CODE OF ORDINANCES, AS AMENDED, BY ADDING THERETO A NEW DIVISION II REGARDING STORMWATER (DRAINAGE) UTILITY FEES; ESTABLISHING MONTHLY STORMWATER (DRAINAGE) UTILITY FEES FOR THE PURPOSE OF FUNDING THE STORMWATER (DRAINAGE) UTILITY SYSTEM; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas (the “City”) is a home rule municipality having the full power of local self-government pursuant to its Charter, Article XI, Section 5 of the Texas Constitution, and Chapter 9 of the Texas Local Government Code; and

**WHEREAS**, the City Council of the Town (“City Council”) heretofore adopted Ordinance No. \_\_\_\_\_ that, among other things, declared adopted Chapter 552, Subchapter C (entitled “Municipal Drainage Utility Systems”) of the Texas Local Government Code (the “Act”), declared the stormwater (drainage) of the City to be a public utility, and provided for Stormwater (drainage) Utility service for benefitted properties within a designated service area upon payment of Stormwater (drainage) Utility Fees; and

**WHEREAS**, Section 552.045(d) of the Act provides that, after passage of an ordinance adopting the Act, a municipality may levy a schedule of stormwater (drainage) charges following the holding of a public hearing on the charges for which notice was given; and

**WHEREAS**, in accordance with the Act, the City published notices of a public hearing regarding this Ordinance and the City Council held a public hearing regarding the charges (fees) set forth in this Ordinance, and the City Council, finding that the charges (fees) set forth herein are nondiscriminatory, reasonable, and equitable, now desires to levy the schedule of Stormwater (drainage) Utility Fees for Stormwater (drainage) Utility service set forth in this Ordinance; and

**WHEREAS**, in setting the schedule of Stormwater (drainage) Utility Fees, the Fees are based on an inventory of all parcels within the utility service area; and

**WHEREAS**, the City Council finds that the adoption of this Ordinance is in the best interests of the health, safety and welfare of the citizens of the City.

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

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

Section 2. Establishment of Stormwater (Drainage) Utility Fees. Stormwater (drainage) Utility fees as set forth herein are hereby established. Stormwater (drainage) Utility fees shall be levied against all benefitted properties (as defined in Chapter 82, Article VI, Division 1 (“Division 1”) of the Code of Ordinances of the Town of Addison, Texas (the “City”) within the utility service area (as defined in Division 1) unless exempt under Division 1. These fees shall be imposed and issued with utility billing statements issued on and after October 1, 2012.

Section 3. Amendment. The Code of Ordinances of the City is hereby amended by amending Chapter 82 (Utilities), Article VI (Municipal Stormwater (Drainage) Utility System) thereof by adding thereto a new Division 2 (Stormwater (Drainage) Utility Fees), and all other chapters, articles, sections, subsections, sentences, phrases and words of the Code of Ordinances are not amended hereby. The said Division 2 shall read as follows:

#### DIVISION 2. STORMWATER (DRAINAGE) UTILITY FEES

##### **Sec. 82-280 - Applicability.**

The city council hereby establishes the Stormwater (drainage) Utility Fees as set forth herein. A Stormwater (drainage) Utility Fee shall be levied against all benefitted property within the service area unless exempt under Section 82-273, above.

##### **Section 82-281 - Fee calculation.**

(a) *Stormwater (drainage) Utility Fee Calculation.* Stormwater (drainage) Utility Fees shall be calculated based on the total stormwater runoff potential for benefitted properties for all Customers within the service area. The total stormwater runoff potential shall be measured as impervious areas in square feet (“SF”).

(b) *Stormwater (drainage) Utility Fee.* The total stormwater runoff potential for the service area shall be allocated between and among the Customer classes based on the relative amount of impervious area in each class established in Section 82-266(a), above.

(1) *Residential Property Class.* Stormwater (drainage) Utility Fees for the residential property class of Customers shall be as follows:

(A) The equivalent residential unit (“ERU”) is defined as the average impervious area for all single family residential properties within the city and includes the impervious area of the building footprint plus and an allocation for other impervious surfaces on a residential property. The said average impervious area is 3,100 square feet (SF).

(B) Single family residential properties are further allocated into four (4) residential tiers (Tier 1, Tier 2, Tier 3, Tier 4) for the purpose of billing stormwater charges based on their relative impervious

area compared to the ERU of 3,100 SF; the ERU is the same as the average impervious area within Tier 2.

(C) The monthly Stormwater (drainage) Fee shall be a flat-rate Fee for each dwelling unit within each defined residential tier.

(D) The value that will be used to identify the tier that will be used to determine the Stormwater (drainage) Fee for a particular residential dwelling unit shall be impervious area of the building footprint on the parcel is listed below:

(i) Tier 1 Residential:

a. Building Impervious Area 1 SF to 1,999 SF

b. The average impervious area for each property in Tier 1 is 60% of the ERU of 3,100 SF, or 1,850 SF

(ii) Tier 2 Residential:

a. Building Impervious Area: 2,000 SF to 3,399 SF

b. The average impervious area for each property in Tier 2 is 100% of the ERU of 3,100 SF, or 3,100 SF

(iii) Tier 3 Residential:

a. Building Impervious Area: 3,400 SF to 4,999 SF

b. The average impervious area for each property in Tier 3 is 150% of the ERU of 3,100 SF, or 4,650 SF

(iv) Tier 4 Residential:

a. Building Impervious Area: 5,000 SF and above

b. The average impervious area for each property in Tier 4 is 250% of the ERU of 3,100 SF, or 7,750 SF

(E) The monthly, flat-rate Fee for each Tier for each fiscal year is established in the Fee schedule listed in subsection (c)(1), below.

(2) *Non-Residential Property Class.* Stormwater (drainage) Utility Fees for the non-residential property class of Customers shall be as follows:

(A) Each non-residential property or allocated portion of a non-residential property shall be compared to the size of the equivalent residential unit (ERU), which is 3,100 SF.

(B) The Stormwater (drainage) Utility Fee for each non-residential property or allocated portion of a non-residential property shall be equal to the product of (a) the impervious area in square feet of such non-residential property or allocated portion measured in 1,000 SF, times (b) the rate established in the rate schedule listed in subsection (c)(2), below.

(c) *Schedule of Monthly Fees and Rates.* The monthly Stormwater (drainage) Utility Fee shall be as follows:

- (1) Tier 1 Residential Fee. The monthly Stormwater (drainage) Utility Fee for each residential dwelling unit in Tier 1 shall be as follows for each fiscal year (FY) that begins October 1 and continues through and ends the following September 30, with the first such fiscal year beginning October 1, 2012 and ending September 30, 2013 (and being referred to below as FY2013):

FY2013 shall be \$4.80, FY2014 shall be \$5.10, FY2015 shall be \$5.40, FY2016 shall be \$5.70, FY2017 shall be \$6.00, FY2018 shall be \$6.30, FY2019 shall be \$6.60, FY2020 shall be \$6.90, FY2021 shall be \$7.20, FY2022 shall be \$7.50.

- (2) Tier 2 Residential Fees. The monthly Stormwater (drainage) Utility Fee for each residential dwelling unit in Tier 2 shall be as follows for each fiscal year (FY) that begins October 1 and continues through and ends the following September 30, with the first such fiscal year beginning October 1, 2012 and ending September 30, 2013 (and being referred to below as FY2013):

FY2013 shall be \$8.00, FY2014 shall be \$8.50, FY2015 shall be \$9.00, FY2016 shall be \$9.50, FY2017 shall be \$10.00, FY2018 shall be \$10.50, FY2019 shall be \$11.00, FY2020 shall be \$11.50, FY2021 shall be \$12.00, FY2022 shall be \$12.50.

- (3) Tier 3 Residential Fees. The monthly Stormwater (drainage) Utility Fee for each residential dwelling unit in Tier 3 shall be as follows for each fiscal year (FY) that begins October 1 and continues through and ends the following September 30, with the first such fiscal year beginning October 1, 2012 and ending September 30, 2013 (and being referred to below as FY2013):

FY2013 shall be \$12.00, FY2014 shall be \$12.75, FY2015 shall be \$13.50, FY2016 shall be \$14.25, FY2017 shall be \$15.00, FY2018 shall be \$15.75, FY2019 shall be \$16.50, FY2020 shall be \$17.25, FY2021 shall be \$18.00, FY2022 shall be \$18.75.

- (4) Tier 4 Residential Fees. The monthly Stormwater (drainage) Utility Fee for each residential dwelling unit in Tier 4 shall be as follows for each fiscal year (FY) that begins October 1 and continues through and ends the following September 30, with the first such fiscal year beginning October 1, 2012 and ending September 30, 2013 (and being referred to below as FY2013):

FY2013 shall be \$20.00, FY2014 shall be \$21.25, FY2015 shall be \$22.50, FY2016 shall be \$23.75, FY2017 shall be \$25.00, FY2018 shall be \$26.25, FY2019 shall be \$27.50, FY2020 shall be \$28.75, FY2021 shall be \$30.00, FY2022 shall be \$31.25.

- (3) Non-residential Fees. The monthly Stormwater (drainage) Utility Fee per 1,000 square feet (SF) of impervious area on each non-residential property or allocated portion of a non-residential property shall be as follows for each fiscal year beginning October 1, 2012 and ending September 30, 2013 (and being referred to below as FY2013):

FY2013 shall be \$2.59 per 1,000 SF, FY2014 shall be \$2.75 per 1,000 SF, FY2015 shall be \$2.91 per 1,000 SF, FY2016 shall be \$3.07 per 1,000 SF, FY2017 shall be \$3.23 per 1,000 SF, FY2018 shall be \$3.39 per 1,000 SF, FY2019 shall be \$3.55 per 1,000 SF, FY2020 shall be \$3.71 per 1,000 SF, FY2021 shall be \$3.88 per 1,000 SF, FY2022 shall be \$4.04 per 1,000 SF.

(d) *Minimum Monthly Stormwater (drainage) Utility Fee.* Notwithstanding the rates set forth above, the minimum monthly Stormwater (drainage) Utility Fee for all Customer classes shall be the Fee for Tier 1 of the residential class for each fiscal year.

(e) *Revision of Fees or Rates.* The Stormwater (drainage) Utility Fee or the Stormwater (drainage) Utility rate may be revised by the city council through an ordinance from time to time as permitted by this Article and the Act.

Section 4. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances, and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or any penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 5. Severability. The provisions of this Ordinance are severable, and if any phrases, clauses, sentences, paragraphs, sections, subsections, words, or provisions of this Ordinance or the application of any phrases, clauses, sentences, paragraphs, sections, subsections, words, or provisions hereof to any person, firm, corporation, entity, situation or circumstance is for any reason adjudged invalid or held unconstitutional by the valid judgment or decree of any court of competent jurisdiction, the same shall not affect the validity of any other phrases, clauses, sentences, paragraphs, sections, subsections, words, or provisions of this Ordinance or the application of any other phrases, clauses, sentences, paragraphs, sections,

subsections, words, or provisions of this Ordinance to any person, firm, corporation, entity, situation or circumstance, and the City Council declares that it would have adopted the valid portions of this Ordinance adopted herein without the invalid or unconstitutional phrases, clauses, sentences, paragraphs, sections, subsections, words or provisions, and to this end the remainder of this Ordinance shall remain in full force and effect.

Section 6. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication as required by law, , including but not limited to the City Charter and ordinances.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2012.

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

ATTEST:

By: \_\_\_\_\_  
Chris Terry, City Secretary

APPROVED AS TO FORM:

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

## Council Agenda Item: #ES1

**AGENDA CAPTION:**

Closed (executive) session of the City Council, pursuant to Section 551.071 of the Texas Government Code, to conduct a private consultation with its attorney(s) to seek the advice of its attorney(s) regarding certain pending litigation, to wit: *Town of Addison, Texas v. North Texas Contracting, Inc.*, Cause No. 12-6525-C, 68th Judicial District Court, Dallas County, Texas.

**FINANCIAL IMPACT:**

n/a

**BACKGROUND:**

n/a

**RECOMMENDATION:**

**COUNCIL GOALS:**

N/A

**ATTACHMENTS:**

Description:

Type:

No Attachments Available