



## REGULAR MEETING & WORK SESSION OF THE CITY COUNCIL

March 24, 2020

ADDISON TOWN HALL

**5300 BELT LINE RD., DALLAS, TX 75254**  
**7:00 PM WORK SESSION & REGULAR MEETING**

**Notice** is hereby given that the Addison City Council, using electronic medium, will conduct its REGULARLY SCHEDULED MEETING on Tuesday, March 24, 2020. No meeting will be conducted at Town Hall. A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code. Telephonic or videoconferencing capabilities will be utilized to allow individuals to address the Council. Emails may also be submitted by 3:00 pm the day of the meeting. Members of the public are entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683#, Participant ID: #. For more detailed instructions on how to participate in this meeting visit our Agenda Page. The meeting will be live streamed on Addison's website at [www.addisontexas.net](http://www.addisontexas.net).

1. Call Meeting to Order

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### WORK SESSION

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2. Present and Discuss Any Action Necessary or New Information Regarding the COVID-19 Pandemic.
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### REGULAR MEETING

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## Pledge of Allegiance

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Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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Public Comment.

The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.

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Consent Agenda:

*All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

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3. Consider Action to Approve the **Minutes for the March 10, 2020 City Council Work Session and Regular Meeting Minutes.**
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4. Consider Action on a **Resolution to Adopt an Asset Management Policy.**
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Regular Items

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5. Present, Discuss, and Consider Action on the **Acceptance of the Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR).**
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Adjourn Meeting

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NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

### **NOTICE**

*Pursuant to Section 551.127, Texas Government Code, one or more Council Members or employees may attend this meeting remotely using videoconferencing technology. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting.*

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Posted: \_\_\_\_\_

Irma Parker, City Secretary

Date: Friday, March 20, 2020

Time: 7:35 pm

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

## Work Session and Regular Meeting

2.

Meeting Date: 03/24/2020

Department: City Manager

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### AGENDA CAPTION:

Present and Discuss **Any Action Necessary or New Information Regarding the COVID-19 Pandemic.**

### BACKGROUND:

In December 2019, a novel (new) coronavirus known as SARS-CoV-2 ('the virus') was first detected and subsequently began causing outbreaks of the coronavirus disease COVID-19 that spread globally. The virus is easily transmitted through person to person contact, especially in group settings. As a result, the Federal Government, State of Texas, Dallas County, and the Town of Addison issued a series of declarations and orders to take measures to slow the spread of the virus and protect the ability of public and private health care providers to handle the influx of potential new patients and safeguard public health and safety.

On March 13, 2020:

- The President of the United States issued a Proclamation Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19). This implemented a suspension on entry of certain person's who visited locations where COVID-19 outbreaks have occurred, implemented measures to slow the spread of the virus and treat those affected, and released policies to accelerate the acquisition of personal protective equipment and streamline new diagnostic capabilities in laboratories.
- The Texas Governor Declared a State of Disaster that authorized the use of all available and necessary state government resources to help manage the COVID-19 response in Texas. This declaration activated the State's Emergency Operations Center, mobilized resources obtained through the Strategic National Stockpile, and restricted visitations at certain facilities such as hospitals, nursing homes and daycare centers.
- The Dallas County Order that prohibited community gatherings of 500 or more people and discouraged community gatherings of 250 or more people took effect. The order also included Social Distancing recommendations.
- The Mayor of Addison issued a Declaration of Local Disaster for Public Health Emergency. This declaration was effective immediately and activated the Town of Addison emergency management plan.
- The Mayor of Addison announced an Order that supported Dallas County's



Order regulating community gatherings and Social Distancing recommendations.

- The Addison City Manager issued the attached Covid-19 Coronavirus Response Plan detailing guidelines for Town operations in response to a Pandemic COVID-19 event in Addison. This plan is designed to compliment the plans prepared by Dallas County Health and Human Services, Texas Department of State Health Services, U.S. Department of State Health Human Services, and the Centers for Disease Control and Prevention.

On March 16, 2020:

- The Dallas County Judge issued an amended Order that prohibited community gatherings of 50 or more persons and restricted restaurants, microbreweries, micro-distilleries and wineries to provide only take out, delivery or drive-thru services.
- The Addison Mayor issued an Amended Order similar to the Dallas County Amended Order of the same date.

On March 18, 2020:

- The Dallas County Judge announced an amended Order that restricted recreational gatherings larger than 10 people.
- The Mayor of Addison announced an amended Order that supported Dallas County's amended Order of the same date.

The Town has also taken the following actions:

- The Athletic Club has been closed from Saturday, March 14 through Saturday, March 28. All Athletic Club camps and classes for this time period have been canceled. We anticipate that the Club will reopen on Sunday, March 29 (subject to change).
- Third-party outside exercise programs are being held at the discretion of the vendor.
- Addison Conference and Theatre Centre (ACTC) has been closed from Saturday, March 14 through Saturday, March 28.
- Special Events: The Town has not made any changes at this point, but continues to monitor the situation.
- Parks and Public Works crews are continuing their work to maintain the Town's assets.
- The Town of Addison has (and will continue) taken actions to prevent the spread of the virus. Everyone is encouraged to follow Social Distancing recommendations.

This agenda item is to bring the Council and community up to date on the recent events and to discuss steps that may need to be taken in the near future.

#### **RECOMMENDATION:**

Information only, no action required.

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## **Attachments**

Social Distancing Recommendations

Addison Declaration of Local Disaster

Dallas County Order Effective March 13 2020

Addison Mayoral Order March 13 2020

Dallas County Order Amended March 16 2020

Addison Mayoral Order Amended March 16 2020

Dallas County Order Amended March 18 2020

Addison Mayoral Order Amended March 18 2020

Town of Addison COVID-19 Coronavirus Response Plan

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## **DCHHS Social Distancing Recommendations**

### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

### **3) Large Gatherings: Cancel Non-essential Events**

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.



## DECLARATION OF LOCAL DISASTER FOR PUBLIC HEALTH EMERGENCY

WHEREAS, beginning in December 2019, a novel coronavirus, now designated SARS-CoV2 which causes the disease COVID-19, has spread through the world and has now been declared a global pandemic by the World Health Organization; and

WHEREAS, symptoms of COVID-19 include fever, coughing, and shortness of breath. In some cases, the virus has caused death; and

WHEREAS, to date, there have been no confirmed positive tests or presumptive positive tests of residents of the Town of Addison; and

WHEREAS, the Town of Addison is deeply concerned about the global spreading of illness caused by COVID-19 and is desirous to be good community partners and to do what we can to help prevent and control this contagious illness; and

WHEREAS, it is prudent to consider taking extraordinary measures to contain COVID-19 and prevent its spread throughout Dallas County and the Town of Addison, including, if necessary, the quarantine of individuals, groups of individuals, and property as well as compelling individuals, groups of individuals, or property to undergo additional health measures that prevent or control the spread of disease; and

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF THE TOWN OF ADDISON, TEXAS:

1. That a local state of disaster for public health emergency is hereby declared for the Town of Addison, Texas, pursuant to section 418.108(a) of the Texas Government Code.
2. Pursuant to section 418.108(b) of the Government Code, the state of disaster for public health emergency shall continue for a period of not more than seven days from the date of this declaration unless continued or renewed by the City Council of Addison, Texas.
3. Pursuant to section 418.108(c) of the Government Code, this declaration of a local state of disaster for public health emergency shall be given prompt and general publicity and shall be filed promptly with the City Secretary.
4. Pursuant to section 418.108(d) of the Government Code, this declaration of a local state of disaster activates the Town of Addison emergency management plan.
5. That this proclamation shall take effect immediately from and after its issuance.

DECLARED this 13<sup>th</sup> day of March, 2020.

Joe Chow  
Mayor, Town of Addison



## **DALLAS COUNTY**

### **ORDER OF COUNTY JUDGE CLAY JENKINS**

DATE ORDER ISSUED: March 12, 2020

Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to protect the most vulnerable members of the community, this Order prohibits community gatherings, of 500 persons or more anywhere in Dallas County beginning at 11 a.m. on March 13, 2020, and continuing seven days through 11:00 a.m. on March 20, 2020, as defined by Section 3 herein. For all other gatherings, the Office of the Dallas County Judge and the Health Authority strongly recommends following the social distancing protocols attached to this Order, including canceling, rescheduling, or not attending events with more than 250 persons. Additionally, the Office of the Dallas County Judge and the Health Authority strongly urges high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), to cancel, reschedule, or not attend events that will have or will likely have 10 or more people.

#### **UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE**

#### **SECTION 108, DALLAS COUNTY JUDGE CLAY JENKINS ORDERS:**

1. Effective as of 11:00 a.m. on Friday, March 13, 2020, and continuing until 11:00 a.m. on March 20, 2020, public or private Community Gatherings (as defined in Section 3 below) are prohibited anywhere in Dallas County.
2. In addition, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services ("Health Authority") strongly recommends canceling, rescheduling, or not attending events with more than 250 persons. The Office of the Dallas County Judge and the Health Authority strongly urges organizations that serve high-risk populations to cancel gatherings of more than 10 people. These recommendations are based on the social distancing practices attached to this Order as well as the "Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission" issued by the United States Centers for Disease Control and Prevention ("CDC"). The Office of the Dallas County Judge and the Health Authority urges people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus.
3. Definitions:
  - a. For purposes of this Order, a "Community Gathering" is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together five-hundred (500) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center, meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space.



## DALLAS COUNTY

- b. An outdoor "Community Gathering" under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure and (ii) where people are present and they are within arm's length of one another for extended periods.
- c. **This Order also does not prohibit gatherings of people in multiple, separate enclosed spaces in a single building such as a multiplex movie theater, school or office tower, so long as 500 people are not present in any single space at the same time. This Order also does not prohibit the use of enclosed spaces where 500 or more people may be present at different times during the day, so long as 500 or more people are not present in the space at the same time. For any gathering covered by this subsection c., the Office of the Dallas County Judge and the Health Authority strongly encourages compliance with the attached Social Distancing Recommendations, including providing hand sanitizer and tissues and increasing cleaning of commonly touched surfaces.**
- d. For purposes of clarity, a "Community Gathering" does not include the following so long as visitors are generally not within arm's length of one another for extended periods:
  - i. (i) spaces where 500 or more persons may be in transit or waiting for transit such as airports, bus stations or terminals; (ii) office space or residential buildings; (iii) grocery stores, shopping malls, or other retail establishments where large numbers of people are present but it is unusual for them to be within arm's length of one another for extended periods; and (iv) hospitals and medical facilities. In all such settings, the Office of the Dallas County Judge and the Health Authority recommends following the attached Social Distancing Recommendations, and personal hygiene measures such as hand sanitizer and tissues should be provided when possible.
- 4. This Order shall be effective until 11:00 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
- 5. The County of Dallas must promptly provide copies of this Order by posting on the Dallas County Health and Human Services website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

**IT IS SO ORDERED**

**CLAY JENKINS  
DALLAS COUNTY JUDGE**



## **DALLAS COUNTY**

### **DCHHS Social Distancing Recommendations**

#### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

#### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

#### **3) Large Gatherings: Cancel Non-essential Events**

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

#### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.





## DALLAS COUNTY

### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a child care plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



## **ORDER OF MAYOR JOE CHOW**

DATE ORDER ISSUED: March 13, 2020

Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to preventatively protect the most vulnerable members of the community, this Order of Mayor Joe Chow ("Order") prohibits community gatherings of 500 persons or more anywhere in the Town of Addison beginning at 11 a.m. on March 13, 2020, and continuing seven (7) days through 11 a.m. on March 20, 2020, as defined by Section 3 herein. For all other gatherings, the Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly recommend following the social distancing protocols attached to this Order, including canceling, rescheduling, or not attending events with more than two hundred fifty (250) persons. Additionally, the Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly urge high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), to cancel, reschedule, or not attend events that will have or will likely have ten (10) or more people.

### **UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE CHAPTER 418 SECTION 108, ADDISON MAYOR JOE CHOW ORDERS:**

1. Effective as of 11 a.m. on Friday, March 13, 2020, and continuing until 11 a.m. on March 20, 2020, public or private Community Gatherings (as defined in Section 3 below) are prohibited anywhere in the Town of Addison.
2. In addition, the Town of Addison, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services ("Health Authority") strongly recommend canceling, rescheduling, or not attending events with more than 250 persons. The Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly urge organizations that serve high-risk populations to cancel gatherings of more than ten (10) people. These recommendations are based on the social distancing practices attached to this Order as well as the "Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission" issued by the United States Centers for Disease Control and Prevention ("CDC"). The Town of Addison, the Office of the Dallas County Judge, and the Health Authority urge people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus.
3. Definitions:
  - a. For purposes of this Order, a "Community Gathering" is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together five-hundred (500) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center,

meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space.

- b. An outdoor "Community Gathering" under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure, and (ii) where people are present and they are within arm's length of one another for extended periods.
  - c. **This Order also does not prohibit gatherings of people in multiple, separate enclosed spaces in a single building such as a multiplex movie theater, school or office tower, so long as 500 people are not present in any single space at the same time. This Order also does not prohibit the use of enclosed spaces where 500 or more people may be present at different times during the day, so long as 500 or more people are not present in the space at the same time. For any gathering covered by this subsection c., the Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly encourage compliance with the attached Social Distancing Recommendations, including providing hand sanitizer and tissues and increasing cleaning of commonly touched surfaces.**
  - d. For purposes of clarity, a "Community Gathering" does not include the following so long as visitors are generally not within arm's length of one another for extended periods:
    - i. (i) spaces where 500 or more persons may be in transit or waiting for transit such as airports, bus stations or terminals; (ii) office space or residential buildings; (iii) grocery stores, shopping malls, or other retail establishments where large numbers of people are present but it is unusual for them to be within arm's length of one another for extended periods; and (iv) hospitals and medical facilities. In all such settings, the Town of Addison, the Office of the Dallas County Judge and the Health Authority recommend following the attached Social Distancing Recommendations, and personal hygiene measures such as hand sanitizer and tissues should be provided when possible.
4. This Order shall be effective until 11 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
5. The Town of Addison must promptly provide copies of this Order by posting on the Town of Addison website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

IT IS SO ORDERED



JOE CHOW

MAYOR – ADDISON, TEXAS



## **DALLAS COUNTY HEALTH AND HUMAN SERVICES Social Distancing Recommendations**

### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

### **3) Large Gatherings: Cancel Non-essential Events**

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a childcare plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



## **DALLAS COUNTY**

### **AMENDED ORDER OF COUNTY JUDGE CLAY JENKINS**

DATE AMENDED ORDER ISSUED: March 16, 2020

WHEREAS, pursuant to Texas Government Code Section 418.108, Dallas County Judge Clay Jenkins issued a Declaration of Local Disaster for Public Health Emergency on March 12, 2020, due to a novel coronavirus now designated SARS-CoV2 which causes the disease COVID-19; and,

WHEREAS, on March 12, 2020, Judge Jenkins issued an Order in furtherance of his authority to protect the safety and welfare of the public by slowing the spread of the virus; and,

WHEREAS, the on-going evaluation of circumstances related to the virus and the updated recommendations of the Centers for Disease Control and the Texas Department of State Health Services warrant the March 12, 2020 Order of County Judge Clay Jenkins to be amended;

THEREFORE, the March 12, 2020, Order of County Judge Clay Jenkins is hereby AMENDED as follows:

Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to protect the most vulnerable members of the community, this Order prohibits community gatherings, of 50 persons or more anywhere in Dallas County beginning at 11:59 p.m. on March 16, 2020, and continuing through 11:00 a.m. on March 20, 2020, as defined by Section 3 herein. For all other gatherings, the Office of the Dallas County Judge and the Health Authority strongly recommends following the social distancing protocols attached to this Order, including canceling, rescheduling, or not attending events with more than 50 persons. The Office of the Dallas County Judge and the Health Authority also strongly urges individuals to cancel, reschedule, or not attend social gatherings that will have or will likely have 10 or more people. Additionally, the Office of the Dallas County Judge and the Health Authority urges in the strongest terms possible high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), to cancel, reschedule, or not attend any event.

#### **UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE**

#### **SECTION 418.108, DALLAS COUNTY JUDGE CLAY JENKINS ORDERS:**

1. Effective as of 11:59 p.m. on Monday, March 16, 2020, and continuing until 11:00 a.m. on March 20, 2020
  - (a) public or private Community Gatherings (as defined in Section 3 below) are prohibited anywhere in Dallas County



## DALLAS COUNTY

(b) Restaurants with or without drive-in or drive-through services and microbreweries, micro-distilleries, or wineries may only provide take out, delivery, or drive-through services as allowed by law,

(c) Bars, lounges, taverns, or arcades and private clubs shall close.

2. In addition, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services ("Health Authority") strongly urge organizations that serve high-risk populations to cancel all gatherings until further notice. These recommendations are based on the social distancing practices attached to this Order as well as the "Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission" issued by the United States Centers for Disease Control and Prevention ("CDC"). The Office of the Dallas County Judge and the Health Authority urge people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus.
3. Definitions:
  - a. For purposes of this Order, a "Community Gathering" is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together fifty (50) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center, gym, meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space.
  - b. An outdoor "Community Gathering" under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure and (ii) where people are present and they are within six feet of one another for extended periods.
  - c. For purposes of clarity, a "Community Gathering" does not include the following so long as visitors are generally not within six feet of one another for extended periods:
    - i. (i) spaces where 50 or more persons may be in transit or waiting for transit such as airports, bus stations or terminals; (ii) office space, schools, or residential buildings; (iii) grocery stores, shopping malls, or other retail establishments, not including restaurants with and without drive-in or drive-through services, microbreweries, micro-distilleries or wineries, bars, lounges, or taverns, and private clubs, where large numbers of people are present but it is unusual for them to be within six feet of one another for extended periods; and (iv) hospitals and medical facilities. In all such settings, the Office of the Dallas County Judge and the Health Authority recommends following the attached Social Distancing Recommendations, and personal hygiene measures such as hand sanitizer and tissues should be provided when possible.
4. If someone in a household has tested positive for coronavirus, the household is ordered to isolate at home. Members of the household cannot go to work, school, or any other community function.



## **DALLAS COUNTY**

5. Nursing homes, retirement, and long-term care facilities are instructed by this order to prohibit non-essential visitors from accessing their facilities unless to provide critical assistance or for end-of-life visitation.
6. Public and private schools and institutions of higher education are instructed by this order to provide a safety plan to Dallas County Office of Homeland Security and Emergency Management 72 hours before students return to a classroom settings.
7. Additionally, the Office of the Dallas County Judge and the Health Authority instructs all employees to remain at home if sick. Employees of private businesses and nonprofits with six or more employees in the City of Dallas can use their paid sick leave when they are sick or to care for sick family members.
8. This Order shall be effective until 11:00 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
9. The County of Dallas must promptly provide copies of this Order by posting on the Dallas County Health and Human Services website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

**IT IS SO ORDERED**

**CLAY JENKINS  
DALLAS COUNTY JUDGE**





## **DALLAS COUNTY**

### **DCHHS Social Distancing Recommendations**

#### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings unless it is essential. If you can telecommute, you should. Avoid people who are sick.

#### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within six feet of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

#### **3) Cancel Non-essential Events**

- Cancel non-essential events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

#### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

#### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.



## DALLAS COUNTY

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long-term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long-term care facilities should restrict all visitation except for certain compassionate care situations, such as end of life situations.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a child care plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



## **AMENDED ORDER OF MAYOR JOE CHOW**

DATE AMENDED ORDER ISSUED: March 16, 2020

WHEREAS, pursuant to Texas Government Code Section 418.108, Dallas County Judge Clay Jenkins issued a Declaration of Local Disaster for Public Health Emergency on March 12, 2020, due to a novel coronavirus now designated SARS-CoV2 which causes the disease COVID-19; and,

WHEREAS, on March 12, 2020, County Judge Jenkins issued an Order in furtherance of his authority to protect the safety and welfare of the public by slowing the spread of the virus; and,

WHEREAS, on March 13, 2020, Addison Mayor Joe Chow issued a similar order pursuant to Texas Government Code Section 418.108 in an effort to be good community partners and to do what we can to help prevent and control this contagious illness; and

WHEREAS, Dallas County has determined that additional measures are required to be taken to curb the spread of SARS-CoV2 which causes the disease COVID-19; and

WHEREAS, the Town of Addison, as a city in Dallas County, is required by law to comply with the Dallas County Orders; and

WHEREAS, the Town of Addison recognizes that this extraordinary measure will impact many local businesses; and

WHEREAS, the on-going evaluation of circumstances related to the virus and the updated recommendations of the Centers for Disease Control and the Texas Department of State Services warrant the March 12, 2020 Order of County Judge Clay Jenkins to be amended;

Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to preventatively protect the most vulnerable members of the community, this Order of Mayor Joe Chow ("Order") prohibits community gatherings of 50 persons or more anywhere in the Town of Addison beginning at 11:59 pm on March 16, 2020, and

continuing seven (7) days through 11 a.m. on March 20, 2020, as defined by Section 3 herein. For all other gatherings, the Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly recommend following the social distancing protocols attached to this Order, including canceling, rescheduling, or not attending events with more than 50 persons. Additionally, the Town of Addison, the Office of the Dallas County Judge, and the Health Authority strongly urge high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), to cancel, reschedule, or not attend events that will have or will likely have ten (10) or more people.

**UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE CHAPTER 418  
SECTION 108, ADDISON MAYOR JOE CHOW ORDERS:**

1. Effective as of 11:59pm. on Monday, March 16, 2020, and continuing until 11 a.m. on March 20, 2020,
  - (a) public or private Community Gatherings (as defined in Section 3 below) are prohibited anywhere in the Town of Addison
  - (b) Restaurants with or without drive-in or drive-through services and microbreweries, micro-distilleries, or wineries may only provide take out, delivery, or drive-through services as allowed by law,
  - (c) Bars, lounges, taverns, or arcades and private clubs shall close.
2. In addition, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services (“Health Authority”) strongly urge organizations that serve high-risk populations to cancel all gatherings until further notice. These recommendations are based on the social distancing practices attached to this Order as well as the “Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission” issued by the United States Centers for Disease Control and Prevention (“CDC”). The Office of the Dallas County Judge and the Health Authority urge people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus
3. Definitions:
  - a. For purposes of this Order, a “Community Gathering” is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together fifty (50) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center, meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space.
  - b. An outdoor “Community Gathering” under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure, and (ii) where people are present and they are within arm’s length of one another for extended periods.
  - c. For purposes of clarity, a “Community Gathering” does not include the following so long as visitors are generally not within six feet of one another for extended periods:
    - i. (i) spaces where 50 or more persons may be in transit or waiting for transit such as airports, bus stations or terminals; (ii) office space, schools, or



residential buildings; (iii) grocery stores, shopping malls, or other retail establishments, not including restaurants with and without drive-in or drive-through services, microbreweries, micro-distilleries or wineries, bars, lounges, or taverns, and private clubs, where large numbers of people are present but it is unusual for them to be within six feet of one another for extended periods; and (iv) hospitals and medical facilities. In all such settings, the Town of Addison, Office of the Dallas County Judge and the Health Authority recommends following the attached Social Distancing Recommendations, and personal hygiene measures such as hand sanitizer and tissues should be provided when possible.

4. If someone in a household has tested positive for coronavirus, the household is ordered to isolate at home. Members of the household cannot go to work, school, or any other community function.
5. Nursing homes, retirement, and long-term care facilities are instructed by this order to prohibit non-essential visitors from accessing their facilities unless to provide critical assistance or for end-of-life visitation.
6. Public and private schools and institutions of higher education are instructed by this order to provide a safety plan to Dallas County Office of Homeland Security and Emergency Management 72 hours before students return to a classroom settings.
7. Additionally, the Office of Dallas County Judge and the Health Authority instructs all employees to remain at home if sick.
8. This Order shall be effective until 11:00 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
9. The Town of Addison must promptly provide copies of this Order by posting on the Town of Addison website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

**IT IS SO ORDERED**

A handwritten signature in black ink, appearing to read 'Joe Chow', with a long horizontal flourish extending to the right.

**JOE CHOW  
MAYOR – ADDISON, TEXAS**

## **DALLAS COUNTY HEALTH AND HUMAN SERVICES Social Distancing Recommendations**

### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

### **3) Large Gatherings: Cancel Non-essential Events**

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.



- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a childcare plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



## **DALLAS COUNTY**

### **AMENDED ORDER OF COUNTY JUDGE CLAY JENKINS**

DATE AMENDED ORDER ISSUED: March 18, 2020

WHEREAS, pursuant to Texas Government Code Section 418.108, Dallas County Judge Clay Jenkins issued a Declaration of Local Disaster for Public Health Emergency on March 12, 2020, due to a novel coronavirus now designated SARS-CoV2 which causes the disease COVID-19; and,

WHEREAS, on March 12, 2020, Judge Jenkins issued an Order in furtherance of his authority to protect the safety and welfare of the public by slowing the spread of the virus; and,

WHEREAS, the on-going evaluation of circumstances related to the virus and the updated recommendations of the Centers for Disease Control and the Texas Department of State Health Services warrant the March 12, 2020 Order of County Judge Clay Jenkins to be amended;

WHEREAS, on March 16, 2020, President Trump acknowledged the gravity of the COVID-19 pandemic, releasing strict new guidelines to limit people's interactions, including that Americans should avoid groups of more than 10 people;

THEREFORE, the March 12, 2020, Order of County Judge Clay Jenkins is hereby AMENDED as follows:

Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to protect the most vulnerable members of the community, this Order prohibits community gatherings, as defined by Section 3 herein, of 50 persons or more anywhere in Dallas County beginning at 11:59 p.m. on March 18, 2020, and continuing through 11:00 a.m. on March 20, 2020. Additionally, this Order prohibits social gatherings, as defined by Section 3 herein, of 10 persons or more anywhere in Dallas County beginning at 11:59 p.m. on March 18, 2020, and continuing through 11:00 a.m. on March 20, 2020. For gatherings of less than 10 persons, the Office of the Dallas County Judge and the Health Authority strongly recommends following the social distancing protocols attached to this Order. Additionally, the Office of the Dallas County Judge and the Health Authority urges in the strongest terms possible all high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), cancel, reschedule, or not attend any event.

#### **UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE SECTION 418.108, DALLAS COUNTY JUDGE CLAY JENKINS ORDERS:**

1. Effective as of 11:59 p.m. on Wednesday, March 18, 2020, and continuing until 11:00 a.m. on March 20, 2020





## DALLAS COUNTY

- (a) Public or private Recreational Gatherings and Community Gatherings (as defined in Section 3 below) are prohibited anywhere in Dallas County
  - (b) Restaurants with or without drive-in or drive-through services and microbreweries, micro-distilleries, or wineries may only provide take out, delivery, or drive-through services as allowed by law,
  - (c) Bars, lounges, taverns, private clubs, arcades, and gyms shall close.
  - (d) Dallas County Tax Offices and passport offices shall close for in-person services.
2. In addition, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services ("Health Authority") strongly urge high-risk individuals to cancel, reschedule, and not attend all gatherings until further notice. These recommendations are based on the social distancing practices attached to this Order as well as the "Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission" issued by the United States Centers for Disease Control and Prevention ("CDC"). The Office of the Dallas County Judge and the Health Authority urge people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus.
3. Definitions:
- a. For purposes of this Order, a "Community Gathering" is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together fifty (50) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center, meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space. An outdoor "Community Gathering" under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure and (ii) where people are present and they are within six feet of one another for extended periods. For clarity, community gatherings include, but are not limited to, weddings, religious services, funerals, and other gatherings.
  - b. For the purposes of the Order, a "Recreational Gathering" is any indoor or outdoor event or convening that is primarily social or recreational in nature, subject to the exceptions and clarifications below, that brings together or is likely to bring together ten (10) or more persons at the same time in a single room or other single confined or enclosed space. For clarity, social gatherings include, but are not limited to, parties, backyard barbecues, social events, sporting events, and other gatherings. Private facilities, such as county clubs, may still operate their outdoor facilities, such as golf or tennis courts, but must limit indoor activities, such as their card rooms and similar amenities to 10 people or less.
  - c. This Order does not prohibit gatherings of people in multiple, separate enclosed spaces in a single building such as school classrooms, residential buildings, or hotels, so long as 50 people are not present in any



## DALLAS COUNTY

single space at the same time. This Order also does not prohibit the use of enclosed spaces where 50 or more people may be present at different times during the day, so long as 50 or more people are not present in the space at the same time. For example, residential buildings may continue to operate their common facilities, such as laundry facilities, so long as 50 or more people are not present at the same time. For any gathering covered by this subsection, the Office of the Dallas County Judge and the Health Authority strongly encourage compliance with the attached Recommendations, including social distancing, providing hand sanitizer and tissues, and increasing cleaning of commonly and frequently touched services.

- d. This Order does not apply to the following critical facilities, so long as visitors are generally not within six feet of one another for extended periods:
  - i. (i) critical infrastructure, including airport facilities and operations, bus stations, transit, and transit facilities;
  - ii. (ii) government buildings providing essential services;
  - iii. (iii) schools or institutes of higher learning;
  - iv. (iv) office buildings, so long as employers take all steps reasonably possible to implement social distancing protocols;
  - v. (v) grocery stores and pharmacies; and
  - vi. (vi) hospitals and medical offices and facilities, including cafes and restaurants located within these facilities.

For purposes of this Order, "grocery stores" includes warehouse stores, big-box stores, bodegas, gas stations, and farmers' markets that sell food products and household staples.

In the settings described in Section (3)(d), the Office of the Dallas County Judge and the Dallas County Health Authority strongly encourage compliance with the attached Recommendations, including social distancing, providing hand sanitizer and tissues, and increasing cleaning of commonly and frequently touched services.

4. Our community's critical infrastructure, which includes communications, emergency services, energy, transportation systems, and water and wastewater systems, are instructed by this order to continue operating and encouraged to implement screening precautions to protect employees.
5. Grocery stores, supermarkets, warehouse stores, hospitals, and medical facilities are experiencing high levels of demand for a large number of products, requiring more deliveries from manufacturers and distribution centers to serve their customers. A number of Texas cities and local associations have implemented restrictions on delivery hours to stores to mitigate truck noise and traffic. Due to the need to deliver products as quickly and efficiently as possible during this critical time frame, this Order hereby suspends all delivery hour restrictions for transport



## **DALLAS COUNTY**

to or from any entity involved in the selling or distribution of food products, medicine, or medical supplies in Dallas County for the next 60 days.

6. Due to the public health emergency, the Office of the Dallas County Judge hereby advises the Dallas County Justices of the Peace to suspend eviction hearings and writs of possession for at least the next 60 days to prevent renters from being displaced.
7. If someone in a household has tested positive for coronavirus, the household is ordered to isolate at home. Members of the household cannot go to work, school, or any other community function.
8. Nursing homes, retirement, and long-term care facilities are instructed by this order to prohibit non-essential visitors from accessing their facilities unless to provide critical assistance or for end-of-life visitation.
9. Public and private schools and institutions of higher education are instructed by this order to provide a safety plan to Dallas County Office of Homeland Security and Emergency Management 72 hours before students return to a classroom settings.
10. Additionally, the Office of the Dallas County Judge and the Health Authority instructs all employees to remain at home if sick. Employees of private businesses and nonprofits with six or more employees in the City of Dallas can use their paid sick leave when they are sick or to care for sick family members.
11. This Order shall be effective until 11:00 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
12. The County of Dallas must promptly provide copies of this Order by posting on the Dallas County Health and Human Services website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

**IT IS SO ORDERED**

**CLAY JENKINS  
DALLAS COUNTY JUDGE**



## **DALLAS COUNTY**

### **DCHHS Social Distancing Recommendations**

#### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings unless it is essential. If you can telecommute, you should. Avoid people who are sick.

#### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within six feet of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

#### **3) Cancel Non-essential Events**

- Cancel non-essential events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

#### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

#### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.



## DALLAS COUNTY

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long-term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long-term care facilities should restrict all visitation except for certain compassionate care situations, such as end of life situations.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a child care plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



## **AMENDED ORDER OF MAYOR JOE CHOW**

DATE AMENDED ORDER ISSUED: March 18, 2020

WHEREAS, pursuant to Texas Government Code Section 418.108, Dallas County Judge Clay Jenkins issued a Declaration of Local Disaster for Public Health Emergency on March 12, 2020, due to a novel coronavirus now designated SARS-CoV2 which causes the disease COVID-19; and,

WHEREAS, on March 12, 2020, County Judge Jenkins issued an Order in furtherance of his authority to protect the safety and welfare of the public by slowing the spread of the virus; and,

WHEREAS, on March 13, 2020, Addison Mayor Joe Chow issued a similar order pursuant to Texas Government Code Section 418.108 in an effort to be good community partners and to do what we can to help prevent and control this contagious illness; and

WHEREAS, Dallas County determined that additional measures were required to be taken to curb the spread of SARS-CoV2 which causes the disease COVID-19 and issued an Amended Order on March 16, 2020 implementing further restrictions on Community Gatherings and restaurant operations; and

WHEREAS, the Town of Addison demonstrated its support of the County's additional measures to curb the spread of SARS-CoV2 which causes the disease COVID-19 and issued a similar Amended Order on March 16, 2020; and

WHEREAS, Dallas County has determined that even more additional measures are required to be taken to curb the spread of SARS-CoV2 which causes the disease COVID-19; and

WHEREAS, the Town of Addison, as a city in Dallas County, is required by law to comply with the Dallas County Orders; and

WHEREAS, the Town of Addison recognizes that this extraordinary measure will impact many local businesses and residents; and

WHEREAS, the on-going evaluation of circumstances related to the virus and the updated recommendations of the Centers for Disease Control and the Texas Department of State Services warrant the March 12, 2020 Order of County Judge Clay Jenkins to be amended;

Summary: Summary: The virus that causes 2019 Coronavirus Disease (COVID-19) is easily transmitted through person to person contact, especially in group settings, and it is essential that the spread of the virus be slowed to protect the ability of public and private health care providers to handle the influx of new patients and safeguard public health and safety. Because of the risk of the rapid spread of the virus, and the need to protect the most vulnerable members of the community, this this Order of Mayor Joe Chow (“Order”) prohibits community gatherings, as defined by Section 3 herein, of 50 persons or more anywhere in the Town of Addison beginning at 11:59 p.m. on March 18, 2020, and continuing through 11:00 a.m. on March 20, 2020. Additionally, this Order prohibits social gatherings, as defined by Section 3 herein, of 10 persons or more anywhere in Dallas County beginning at 11:59 p.m. on March 18, 2020, and continuing through 11:00 a.m. on March 20, 2020. For gatherings of less than 10 persons, the Town of Addison, the Office of the Dallas County Judge and the Health Authority strongly recommends following the social distancing protocols attached to this Order. Additionally, the Town of Addison, the Office of the Dallas County Judge and the Health Authority urges in the strongest terms possible all high-risk individuals, as defined by the Centers for Disease Control and Prevention (CDC), cancel, reschedule, or not attend any event.

**UNDER THE AUTHORITY OF TEXAS GOVERNMENT CODE CHAPTER 418  
SECTION 108, ADDISON MAYOR JOE CHOW ORDERS:**

1. Effective as of 11:59 p.m. on Wednesday, March 18, 2020, and continuing until 11:00 a.m. on March 20, 2020
  - (a) Public or private Recreational Gatherings and Community Gatherings (as defined in Section 3 below) are prohibited anywhere in the Town of Addison
  - (b) Restaurants with or without drive-in or drive-through services and microbreweries, micro-distilleries, or wineries may only provide take out, delivery, or drive-through services as allowed by law,
  - (c) Bars, lounges, taverns, private clubs, arcades, and gyms shall close.
  - (d) Dallas County Tax Offices and passport offices shall close for in-person services.
2. In addition, the Office of the Dallas County Judge and the Dallas County Department of Health and Human Services (“Health Authority”) strongly urge highrisk individuals to cancel, reschedule, and not attend all gatherings until further notice. These recommendations are based on the social distancing practices attached to this Order as well as the “Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission” issued by the United States Centers for Disease Control and Prevention (“CDC”). The Office of the Dallas County Judge and the Health Authority urge people to not attend non-essential gatherings during the duration of this Order in order to help slow down the spread of the COVID-19 virus
3. Definitions:
  - a. For purposes of this Order, a “Community Gathering” is any indoor or outdoor event or convening, subject to the exceptions and clarifications below, that brings together or is likely to bring together fifty (50) or more persons at the same time in a single room or other single confined or enclosed space, such as an auditorium, theatre, stadium (indoor or outdoor), arena or event center, meeting hall, conference center, large cafeteria, or any other confined indoor or confined outdoor space. An outdoor

“Community Gathering” under this Order is limited to events in confined outdoor spaces, which means an outdoor space that (i) is enclosed by a fence, physical barrier, or other structure and (ii) where people are present and they are within six feet of one another for extended periods. For clarity, community gatherings include, but are not limited to, weddings, religious services, funerals, and other gatherings.

- b. For the purposes of the Order, a “Recreational Gathering” is any indoor or outdoor event or convening that is primarily social or recreational in nature, subject to the exceptions and clarifications below, that brings together or is likely to bring together ten (10) or more persons at the same time in a single room or other single confined or enclosed space. For clarity, social gatherings include, but are not limited to, parties, backyard barbecues, social events, sporting events, and other gatherings. Private facilities, such as county clubs, may still operate their outdoor facilities, such as golf or tennis courts, but must limit indoor activities, such as their card rooms and similar amenities to 10 people or less.
- c. This Order does not prohibit gatherings of people in multiple, separate enclosed spaces in a single building such as school classrooms, residential buildings, or hotels, so long as 50 people are not present in any single space at the same time. This Order also does not prohibit the use of enclosed spaces where 50 or more people may be present at different times during the day, so long as 50 or more people are not present in the space at the same time. For example, residential buildings may continue to operate their common facilities, such as laundry facilities, so long as 50 or more people are not present at the same time. For any gathering covered by this subsection, the Town of Addison, the Office of the Dallas County Judge and the Health Authority strongly encourage compliance with the attached Recommendations, including social distancing, providing hand sanitizer and tissues, and increasing cleaning of commonly and frequently touched services.
- d. This Order does not apply to the following critical facilities, so long as visitors are generally not within six feet of one another for extended periods:
  - i. (i) critical infrastructure, including airport facilities and operations, bus stations, transit, and transit facilities;
  - ii. (ii) government buildings providing essential services;
  - iii. (iii) schools or institutes of higher learning;
  - iv. (iv) office buildings, so long as employers take all steps reasonably possible to implement social distancing protocols;
  - v. (v) grocery stores and pharmacies; and
  - vi. (vi) hospitals and medical offices and facilities, including cafes and restaurants located within these facilities. For purposes of this Order, “grocery stores” includes warehouse stores, bigbox stores, bodegas, gas stations, and farmers’ markets that sell food products and household staples.

In the settings described in Section (3)(d), the Office of the Town of Addison, Dallas County Judge and the Dallas County Health Authority strongly encourage compliance with the attached Recommendations, including social distancing, providing hand sanitizer and tissues, and increasing cleaning of commonly and frequently touched services.



4. Our community's critical infrastructure, which includes communications, emergency services, energy, transportation systems, and water and wastewater systems, are instructed by this order to continue operating and encouraged to implement screening precautions to protect employees.
5. Grocery stores, supermarkets, warehouse stores, hospitals, and medical facilities are experiencing high levels of demand for a large number of products, requiring more deliveries from manufacturers and distribution centers to serve their customers. A number of Texas cities and local associations have implemented restrictions on delivery hours to stores to mitigate truck noise and traffic. Due to the need to deliver products as quickly and efficiently as possible during this critical time frame, this Order hereby suspends all delivery hour restrictions for transport to or from any entity involved in the selling or distribution of food products, medicine, or medical supplies in Dallas County for the next 60 days.
6. Due to the public health emergency, the Office of the Dallas County Judge hereby advises the Dallas County Justices of the Peace to suspend eviction hearings and writs of possession for at least the next 60 days to prevent renters from being displaced.
7. If someone in a household has tested positive for coronavirus, the household is ordered to isolate at home. Members of the household cannot go to work, school, or any other community function.
8. Nursing homes, retirement, and long-term care facilities are instructed by this order to prohibit non-essential visitors from accessing their facilities unless to provide critical assistance or for end-of-life visitation.
9. Public and private schools and institutions of higher education are instructed by this order to provide a safety plan to Dallas County Office of Homeland Security and Emergency Management 72 hours before students return to a classroom settings.
10. Additionally, the Office of the Dallas County Judge and the Health Authority instructs all employees to remain at home if sick.
11. This Order shall be effective until 11:00 a.m. on March 20, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.
12. The Town of Addison must promptly provide copies of this Order by posting on the Town of Addison website. In addition, the owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and to provide a copy to any member of the public asking for a copy. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.

**IT IS SO ORDERED**

A handwritten signature in black ink, appearing to read "Joe Chow", with a stylized, flowing script.

**JOE CHOW**  
**MAYOR – ADDISON, TEXAS**

## **DALLAS COUNTY HEALTH AND HUMAN SERVICES Social Distancing Recommendations**

### **1) Vulnerable Populations: Limit Outings**

- Vulnerable populations include people who are:
  - 60 years old and older.
  - People with certain health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.
- For vulnerable populations, don't go to gatherings (of 10 people or more) unless it is essential. If you can telecommute, you should. Avoid people who are sick.

### **2) Workplace and Businesses: Minimize Exposure**

- Suspend nonessential employee travel.
- Minimize the number of employees working within arm's length of one another, including minimizing or canceling large in-person meetings and conferences.
- Urge employees to stay home when they are sick and maximize flexibility in sick leave benefits.
- Do not require a doctor's note for employees who are sick.
- Consider use of telecommuting options.
- Some people need to be at work to provide essential services of great benefit to the community. They can take steps in their workplace to minimize risk.

### **3) Large Gatherings: Cancel Non-essential Events**

- Recommend cancelling or postponing large gatherings, such as concerts, sporting events, conventions or large community events.
- Do not attend any events or gatherings if sick.
- For events that aren't cancelled, we recommend:
  - Having hand washing capabilities, hand sanitizers and tissues available.
  - Frequently cleaning high touch surface areas like counter tops and hand rails.
  - Finding ways to create physical space to minimize close contact as much as possible.

### **4) Schools: Safety First**

- Do not have your child attend school if sick.
- If you have a child with chronic health conditions, consult the child's doctor about school attendance.
- Schools should equip all classrooms with hand sanitizers and tissues.
- Recommend rescheduling or cancelling medium to large events that are not essential.
- Explore remote teaching and online options to continue learning.
- Schools should develop a plan for citywide school closures, and families should prepare for potential closures.

### **5) Transit: Cleaning and Protection**

- Increase cleaning of vehicles and high touch surface areas.
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles.

### **6) Health Care Settings: Avoid as possible, protect the vulnerable**

- Long term care facilities should have a COVID-19 plan in accordance with CDC or state guidelines.
- Long term care facilities should screen all staff and visitors for illness and turn away those with symptoms.
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill.
- If you are ill, call your health care provider ahead of time, and you may be able to be served by phone.
- Do not visit emergency rooms unless it is essential.
- Visitors should not go to long-term care facilities unless absolutely essential.
- Follow guidance and directions of all facilities.

### **7) Everyone: Do your part**

The best way for all Dallas County residents to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds.
- Cough or sneeze into your elbow or a tissue. Throw the tissue in the trash.
- Stay home if you are sick.
- Avoid touching your face.
- Try alternatives to shaking hands, like an elbow bump or wave.
- If you have recently returned from a country, state or region with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials and CDC guidance.
- There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak. Preparedness actions include:

- Prepare to work from home if that is possible for your job, and your employer.
- Make sure you have a supply of all essential medications for your family.
- Prepare a childcare plan if you or a caregiver are sick.
- Make arrangements about how your family will manage a school closure.
- Plan for how you can care for a sick family member without getting sick yourself.
- Take care of each other and check in by phone with friends, family and neighbors that are vulnerable to serious illness or death if they get COVID-19.
- Keep common spaces clean to help maintain a healthy environment for you and others. Frequently touched surfaces should be cleaned regularly with disinfecting sprays, wipes or common household cleaning products.



# **COVID-19 Coronavirus Response Plan**

### RECORD OF CHANGES

DATE OF CHANGE	DESCRIPTION	CHANGED BY
2/28/2020	Plan Creation	Sandra Long
3/9/2020	Updates /corrections	Sandra Long
3/13/2020	Updates/corrections	David Jones

### PLAN APPROVAL

  
City Manager

3/13/20  
Date

## **I. PURPOSE**

The purpose of this plan is to provide effective guidelines for response to a Pandemic COVID-19, also known as Coronavirus, event in the Town of Addison. This plan is designed to complement the plans prepared by Dallas County Health and Human Services, Texas Department of State Health Services, U.S. Department of Health and Human Services, and the Centers for Disease Control and Prevention.

## **II. GOALS**

The goals of the Pandemic COVID-19 Plan are to identify local (TOA) organization, operational concepts, responsibilities and procedures to accomplish a coordinated public health and medical services response to a pandemic event. Additionally, to reduce human exposures, hospitalizations, mortality and morbidity by activation of this plan and through effective communications, provide timely, factual information to the public to minimize community disruption.

## **III. EXPLANATION OF TERMS**

### **A. Acronyms**

ACF	Alternate Care Facility
CDC	Centers for Disease Control and Prevention
DCHHS	Dallas County Health and Human Services
DSHS	Texas Department of State Health Services
EMS	Emergency Medical Services
EOC	Emergency Operations Center
FEMA	Federal Emergency Management Agency
HEICS	Hospital Emergency Incident Command System
HEPA	High Efficiency Positive Airflow
ICS	Incident Command System
NIMS	National Incident Management System
NTECC	North Texas Emergency Communication Center
PHIN	Public Health Information Network
PPE	Professional Protective Equipment
TOA	Town of Addison
USHHS	U.S. Department of Health and Human Services

## IV. SITUATION & ASSUMPTIONS

### A. Situation

1. A novel (new) coronavirus was recently detected in Wuhan City, Hubei Province, China and is causing an outbreak of respiratory disease. On February 11, 2020, the World Health Organization named the disease coronavirus disease 2019 (abbreviated "COVID-19").
2. The Texas Department of State Health Services (DSHS) is working closely with CDC in monitoring the developing outbreak. See the CDC website for the latest developments on COVID-19, including current case counts.
3. Chinese health officials have reported tens of thousands of cases of COVID-19 in China, with the virus reportedly spreading from person-to-person in parts of that country. COVID-19 illnesses, most of them associated with travel from Wuhan, also are being reported in a growing number of international locations, including the United States. Some person-to-person spread of this virus outside China has been detected.
4. As of March 13, 2020, the United States had 1,629 confirmed cases of COVID-19; 138 were travel related, 129 close contact and 1,362 under investigation.

### B. Assumptions

1. Prevention and control of COVID-19 hinges on surveillance of the genetic characteristics of circulating viruses, effective control measures, infection control programs, and community education and cooperation.
2. A pandemic public health emergency could result in the disruption of government, business, schools and food service; instill public fear and panic; and result in serious medical and health risk in addition to other situations that adversely affect the daily life of our citizens.
3. An COVID-19 pandemic could result in loss of life with potential for mass fatalities, especially among the most vulnerable, namely the elderly, immuno-compromised individuals and children.
4. Hospitals, medical clinics, ambulatory services facilities, pharmacies and other medical and health care facilities may be overwhelmed with capacity and staffing concerns.
5. On March 11, 2020 the World Health Organization Director General declared COVID-19 a pandemic
6. As of March 13, 2020, there are 8 confirmed cases in Dallas County, 5 presumptive cases and 1 community spread.



## V. PREPAREDNESS

### A. Monitoring

The Town of Addison will be vigilant in monitoring the status of the federal, state and county response via regular conference calls and emails. Information will be distributed to key City personnel for situational awareness.

### B. Preparedness

1. Duties of the Town of Addison Departments
  - i. Each Department Director shall review the COVID-19 Response Plan and relay information to their respective department.
  - ii. Provide employees with COVID-19 safety information regarding transmission, prevention, and control.
  - iii. Remain alert to potential outbreak illnesses among employees and community members. Alert Fire Department Infection Control Officer of Covid-19 cases so City Management and Dallas County Health and Human Services can be notified.

### C. Employee and Public Communication

1. All employees and the public should receive COVID-19 safety information regarding transmission, prevention, and control.
2. The primary source of general information concerning COVID-19 for employees and residents are the websites of the state and national health organizations.
  - a. <https://www.dallascounty.org/departments/dchhs/2019-novel-coronavirus.php>
  - b. <https://dshs.texas.gov/coronavirus/>
  - c. <https://www.cdc.gov/coronavirus/2019-ncov/index.html>
3. Employees should receive the information the following ways:
  - i. Email Communication
  - ii. Inclusion on Town Intranet
  - iii. Handouts distributed in the office
  - iv. Everbridge mass notification
  - v. In person during staff meetings
4. The Public should receive the information the following ways:
  - i. Everbridge mass notification system
  - ii. Town Website

## VI. PLAN ACTIVATION

The City Manager with the Emergency Management Coordinator, and other appropriate staff, in consideration of all available information provided by Dallas County Health and Human Services and the State will determine the activation of the COVID-19 Response Plan Phases.

### A. COVID-19 Response Phase I

There are no confirmed cases in Texas, but multiple confirmed cases throughout the world.

1. Preparedness duties for City Departments outlined above should begin.
2. City Management and Directors will determine the essential personnel in each department that must work event if certain facilities or services are closed.
3. City Management and Human Resources will define the policy for employees that cannot come in to work or are deemed non-essential and asked not to report in.
4. City Management will determine the trigger points for the possible cancellation of upcoming large events.

## **B. COVID-19 Response Phase 2**

There are confirmed COVID-19 cases in the State of Texas.

1. City Management and Directors will plan which City facilities may need to close, limit hours, or limit staff if cases appear in Dallas County.
2. Determine which departments and personnel can telecommute to limit the number of employees in the office. Define the capabilities of telecommuting options.
3. Create a page on the City's website specific for COVID-19 information. This is where the City will provide safety instructions and list facility closures or partial closures. The website link should be sent to all City employees and the public.
4. The Marketing & Communications Department will provide additional educational information meeting to city employees and include what to do if the employee experiences flu-like symptoms.
5. If immunization/prophylaxis becomes available, the Fire Department/Emergency Management will work with Dallas County Health and Human Services to administer the medicine.
6. Encourage hygiene measures for employees as recommended by the Department of Health and Human Services: hand washing, hand-sanitizers and "cover your cough". Utilize masks and gloves as directed.

## **C. COVID-19 Response Phase 3**

There are confirmed cases of COVID-19 in Dallas County as advised by Dallas County Health and Human Services. The planning assumption is that all Dallas County governmental facilities, including school districts, will close by the direction of Dallas County Health and Human Services.

The planning assumption is:

- a. All Dallas County governmental facilities, including school districts, will close/limit operations by the direction of Dallas County Health and Human Services.
  - b. The closure/limited operational duration is two weeks.
  - c. The Mayor may declare a local State of Emergency via a Disaster Declaration.
1. The EOC may partially be activated or remotely activate to coordinate the response.
  2. City Management and Directors will direct which City facilities will close, limit hours, or limit staff.
    - a. City Facilities that will close include:
      - i. Addison Athletic Center,
      - ii. Addison Conference and Theater Centre, and
      - iii. Courts.

- b. City Facilities that may have limited access and restricted hours and staffing include:
  - i. Town Hall
  - ii. Police Admin, and
  - iii. Fire Admin
  - iv. Service Center
    - 1. General Services
    - 2. Parks & Recreation
    - 3. Infrastructure
    - 4. Development Services
    - 5. Special Events
    - 6. Information Technology
- c. Critical City services that will remain open include:
  - i. Fleet
  - ii. Police
  - iii. Fire
  - iv. Customer Utility Operations
  - v. Environmental Health
- 3. Consider telecommuting for personnel who do not need to be in the office.
- 4. Mandatory hygiene for employees – may include masks, gloves, hand washing, hand sanitizers, and “cover your cough” or as directed by DCHHS.
- 5. May require front desk employees, if working, to use PPE.
- 6. Update the COVID-19 City webpage.
- 7. Follow orders from State or County related to regulation of large community gatherings (e.g. special events, etc.).
- 8. City Emergency Management team will coordinate closures and service limitations with our partner Cities, schools, and community college districts.
- 9. Special planning considerations; how to address:
  - a. Scheduled City Council and Planning & Zoning
  - b. Pre-Planned City Events
  - c. Planned Recreational Activities

### ***DECLARATION OF A DISASTER***

To allow the city to operate under any type of State/County directed quarantine, the Mayor should consider declaring a disaster. A Disaster Declaration expires after 7 days unless renewed by the City Council. A Disaster Declaration allows the city to:

- 1. Allow for emergency purchasing procedures
- 2. Ability to suspend some procedural laws and rules if needed
- 3. Exercise special provisions related to municipal court

### **COVID-19 Response Phase 4: Recovery**

**Dallas County Health and Human Services has ended any quarantine/mandatory closure requirements.**

The planning assumption is:

- a. All Dallas County governmental facilities, including school districts, will slowly resume operations.

- b. Returning to full normal operations will take up to two weeks.
- 1. The EOC may partially activate to coordinate the return to normal operations.
- 2. The City Manager will direct what City facilities are to open and what their hours of operation will be.
  - a. All Facilities should be cleaned according to released guidance prior to opening to public. Currently, COVID-19 remains on surfaces from 2 hours up to 9 days.
  - b. Employees and the public will be notified of facility openings and resumed services.
- 3. The Mayor will issue a Termination of Disaster order to end the local State of Emergency.

<b>VII. RESPONSE</b>
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- 1. City Notification of Cases through (NTECC)
  - i. NTECC has been designated as the local 911 PSAP point of contact if Dallas County Health and Human Services needs to warn the City of a known COVID-19 case in the City. NTECC will enter the information into the CAD and alert public safety officials.
- 2. Employee Communication and Responsibilities
  - i. City employees should be kept informed on changes to facility hours or staffing via the following methods:
    - a. Email Communication
    - b. Text Alerts
    - c. Handouts distributed in the office ahead of a change
    - d. In person during staff meetings ahead of a change
    - e. The COVID-19 City webpage
  - ii. Employees must notify their supervisor if they are a potential COVID-19 patient or are confirmed with the disease. They should not report to work and should discuss an alternative with their supervisor.
- 3. Public Communication
  - i. The public should be kept informed on changes to facility hours or city services via the following methods:
    - a. Town Newsletter
    - b. Town Website including the COVID-19 City webpage
    - c. Everbridge system to notify residents.
    - d. City Social Media accounts
- 4. Medicine Distribution
  - i. For City Employees: The Service Center or Fire Administration can serve as the location where prophylaxis will be administered to City employees if medicine is available from Dallas County Health and Human Services, if necessary.
  - ii. For City Residents: The Addison Athletic Center or Conference Centre is designated as a location where prophylaxis could be administered to the public

if medicine is available from Dallas County Health and Human Services, if necessary.

5. Use of Personal Protective Equipment (PPE)
  - i. Employees who come in direct contact with confirmed or potential COVID-19 patients must use proper PPE. This includes Fire and Police field personnel.
  - ii. Employees who come into contact with a large amount of people when the threat of COVID-19 is affecting the City must use proper PPE.
  - iii. See Appendix 1 for PPE Guidelines.
4. Closure or Limited Hours/Staff of City Facilities or Services
  - i. City employees should be notified prior to a facility being closed or partially closed if they report there.
  - ii. Signs should be posted outside of the facility with details of the closure or limited hours/staff for the public.
  - iii. The City COVID-19 webpage should be updated with facility information.
  - iv. Emergency Management should issue an Everbridge message to the COVID public group.

<b>VIII. Appendices</b>
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**Appendix 1: Proper PPE Guidelines**

**Appendix 2: COVID-19 Safety Information for Distribution**

**Appendix 3: World Health Organization Pandemic Phases**

**Appendix 4: Pandemic Planning Checklist for Individuals and Families**

**Appendix 5: Understanding the Difference between Masks & Respirators**

## **Appendix 1: PPE Guidelines for Non-Public Safety Employees**

Personal Protective Equipment or PPE should be used by employees to prevent self-contamination. Any reusable PPE must be properly cleaned, decontaminated, and maintained after and between uses. The Fire Department will provide guidelines on PPE use and disposal procedures.

- **Gloves**
  - Thoroughly wash hands, then put on clean, non-sterile gloves before handling items from the public. Change gloves if they become torn.
  - Remove and discard gloves when leaving the call or the office for the day, and immediately perform hand hygiene.
- **Masks**
  - Put on the provided mask and keep on for the duration of the call or day.
  - Masks should be removed and discarded after the call or before leaving the office for the day. Thoroughly wash hands after discarding the mask.
- **Eye Protection**
  - Put on eye protection (e.g., goggles, a disposable face shield that covers the front and sides of the face). Remove eye protection before leaving for the day or after the call. Reusable eye protection (e.g., goggles) must be cleaned and disinfected according to manufacturer's reprocessing instructions prior to re-use. Disposable eye protection should be discarded after use and then wash hands.



# Facial Hairstyles and Filtering Facepiece Respirators



"If your respirator has an exhalation valve, some of these styles may interfere with the valve working properly if the facial hair comes in contact with it. This graphic may not include all types of facial hairstyles. For any style, hair should not cross under the respirator sealing surface."

Source: OSHA Respiratory Protection Standard

[https://www.osha.gov/plh/owweb/owadisp\\_show\\_document?table=standard&id=12716](https://www.osha.gov/plh/owweb/owadisp_show_document?table=standard&id=12716)

Further Reading: NIOSH Respirator Trusted-Source Webpage

[https://www.cdc.gov/niosh/nppd/topics/respirators/disp\\_bar/respsourcd3fftest.html](https://www.cdc.gov/niosh/nppd/topics/respirators/disp_bar/respsourcd3fftest.html)



Centers for Disease Control  
and Prevention  
National Institute for Occupational  
Safety and Health



## **Appendix 2: COVID-19 Safety Information for Distribution**

### **How does COVID-19 spread?**

Current understanding about how the virus that causes coronavirus disease 2019 (COVID-19) spreads is largely based on what is known about similar coronaviruses.

The virus is thought to spread mainly from person-to-person:

- Between people who are in close contact with one another (within about 6 feet).
- Via respiratory droplets produced when an infected person coughs or sneezes.
- These droplets can land in the mouths or noses of people who are nearby or possibly be inhaled into the lungs.

It may be possible that a person can get COVID-19 by touching a surface or object that has the virus on it and then touching their own mouth, nose, or possibly their eyes, but this is not thought to be the main way the virus spreads.

People are thought to be most contagious when they are most symptomatic (the sickest). Some spread might be possible before people show symptoms; there have been reports of this with this new coronavirus, but this is not thought to be the main way the virus spreads.

Early on, many of the patients in the COVID-19 outbreak in Wuhan, China had some link to a large seafood and live animal market, suggesting animal-to-person spread. However, it is now clear that person-to-person spread is occurring. There is much more to learn about the transmissibility, severity, and other features associated with COVID-19, and investigations are ongoing.

### **What are the symptoms of COVID-19?**

Patients with COVID-19 have reportedly had mild to severe respiratory illness.

Symptoms can include:

- Fever
- Cough
- Shortness of breath

At this time, CDC believes that symptoms of COVID-19 may appear in as few as 2 days or as long as 14 days after exposure. This is based on what has been seen previously as the incubation period of MERS coronaviruses.

### **How can I prevent COVID-19?**

There is currently no vaccine to prevent COVID-19. The best way to prevent infection is to take precautions to avoid exposure to this virus, which are similar to the precautions you take to avoid the flu. DSHS always recommends these everyday actions to help prevent the spread of respiratory viruses, including:

- Wash your hands often with soap and water for at least 20 seconds, especially after going to the bathroom; before eating; and after blowing your nose, coughing, or sneezing. If soap and water are not available, use an alcohol-based hand sanitizer with at least 60% alcohol.
- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Avoid close contact with people who are sick.

- Stay home when you are sick.
- Cover your cough or sneeze with a tissue, then throw the tissue in the trash.
- Clean and disinfect frequently touched objects and surfaces using a regular household cleaning spray or wipe.
- Follow the CDC's recommendations for using a facemask:
  - The CDC does not recommend that people who are well wear a facemask to protect themselves from respiratory diseases, including COVID-19.
  - Facemasks should be used by people who show symptoms of COVID-19 to help prevent the spread of the disease to others. The use of facemasks is also crucial for health workers and people who are taking care of someone in close settings (at home or in a health care facility).

**What do I do if I think I may have COVID-19?**

If you are experiencing fever, cough, or difficulty breathing, and you have traveled to China, been exposed to a sick traveler from China, or been exposed to a person with COVID-19 in the last 14 days, you should contact your healthcare provider. **Be sure to call ahead before going to your doctor's office or emergency department to prevent any potential spread.**

## Appendix 3: World Health Organization Pandemic Phases

WHO keeps track of all identified viruses, animal or human, through a set of phases or stages.

- **Phase 1:** Viruses are circulating within animals only. No human infection has resulted from the animal virus.
- **Phase 2:** An animal virus has caused an infection in a human being. At this point, there is a basic level of pandemic threat because the virus strain has mutated to make that transfer to a human.
- **Phase 3:** Small clusters of human beings have contracted the virus in one community. There is potential for the spread of the virus if others outside that community come into contact with those humans who are infected. At this point, the illness may be epidemic in that community, but it is not pandemic.
- **Phase 4:** Human-to-human and animal-to-human virus transmission are causing outbreaks in many communities and more people are getting sick in those communities. More communities report outbreaks and pandemic is more likely, although, according to WHO, a pandemic is not a foregone conclusion.
- **Phase 5:** Human-to-human transmission is taking place in at least two countries in one WHO region. WHO has a network of 120 National Influenza Centers in 90 different countries. At phase 5, most countries are not affected (yet) but a pandemic is considered imminent. This phase is the signal that governments and health officials must be ready to implement their pandemic mitigation plans.
- **Phase 6:** A global pandemic is underway. Illness is widespread and governments and health officials are actively working to curtail the spread of the disease, and help their populations deal with it using preventive and stop-gap measures.
- **Post-Pandemic:** After the increase in activity, the disease-spreading activity will begin to wane. The key at this point is to be prepared to try to prevent a second wave.

## **Appendix 4: Pandemic Planning Checklist for Individuals and Families**

**This checklist will help you to take steps to lessen the impact of a severe pandemic event on you and your family. Many of these steps are good advice to help you and your family during any disaster, like an earthquake or flood.**

### **At home preparedness**

#### **Store water, food, and other essentials**

Prepare to get by for at least a week on what you have at home. You may be unable to get to a store, or stores may not be open or may have limited supplies for weeks. Public services may also be disrupted, so prepare for outages in electricity, water, and garbage services. Keep extra supplies on hand (they can also be useful in other types of emergencies, such as power outages and natural disasters).

#### **Examples of non-perishable food:**

- Canned meats, such as tuna, chicken, turkey, Vienna sausage
- Canned beans, fruits, vegetables, soups
- Protein or fruit bars
- Dry cereal or granola
- Dried fruit
- Peanut butter and jelly
- Nuts and trail mix
- Crackers
- Comfort food, including cookies, candy, instant coffee, tea bags
- Canned juices
- Bottled water
- Baby formula and canned or jarred baby food

#### **Examples of other emergency supplies:**

- Pet food, cat litter
- Disposable diapers
- Feminine supplies
- Flashlight
- Portable radio
- Batteries for flashlights, radios, games, thermometers
- Manual can opener
- Plastic garbage bags
- Tissues and toilet paper
- Entertainment—games, crafts, books, movies, etc.
- Supplies for persons with special needs—the elderly or disabled
- Some extra cash

#### **Make household emergency plans**

- Prepare for possible changes in healthcare. For example, medical advice and healthcare may be more difficult to obtain during a severe pandemic and healthcare providers and medical facilities may be overwhelmed. There may not be enough medical supplies, healthcare providers, and hospital beds for all persons who are ill.
- Difficult decisions about who receives medical care and how much treatment can be administered will be necessary. Talk about these possibilities with your family and loved ones.
- In a severe pandemic, you may be advised to stay away from others and from public places as much as possible. Plan to limit the number of trips you take to shop or run errands. Also, remember public transportation routes and times may be limited.
- Think about how you would care for people in your family who have disabilities if support services are not available.
- Decide who will take care of children if schools are closed.
- For general preparedness, agree on a point of contact where all family members can check-in if you are separated during any emergency.

### **Store medical and health supplies**

Get an extra supply of your regular prescription drugs. Ask your healthcare provider for a prescription. If your insurance will not agree to cover the extra supply, you may need to pay out-of-pocket. Keep health supplies and nonprescription drugs on hand.

### **Examples of medical and health supplies:**

- Prescribed medicines and supplies, such as glucose meters and blood-pressure monitoring equipment
- Soap and water
- Alcohol-based hand cleaner, such as Purell® or store-brand
- Medicines for fever and pain, such as acetaminophen and ibuprofen
- Diarrhea remedy, such as Pepto-Bismol® or Kaopectate® (not generally recommended for children)
- Throat lozenges
- Cough syrup containing Dextromethorphan
- Thermometer(s)
- Vitamins
- Fluids with electrolytes, like Gatorade® and Pedialyte® (preferred for small children)

## **At work preparedness**

- **Prepare to stay home.**  
Staying at home from work when you are sick is the most important thing you can do to protect others.
- **Know policies.**  
Ask your employer or union about sick leave and policies about absences, time off, and telecommuting.
- **Encourage planning.**  
Every business, organization and agency should have a plan for making sure essential work can get done if large numbers of employees are absent over many

months. You may be asked to perform duties that are not typically part of your job.

- **Explore other ways to get your work done.**  
Find ways to reduce personal contact, such as increased use of e-mails or phone conferences. Plan to work from home whenever possible.

## **Preparedness in your community**

- **Know your neighbors.**  
Talk with family, friends, and neighbors to make sure everyone is prepared. Be ready to help neighbors who are elderly or have special needs if services they depend on are not available.
- **Know school policies.**  
Know policies about illness and being absent. Be prepared for school closures.
- **Volunteer with community groups.**  
Assist with planning for emergency response to disasters and pandemic events.

## **Prevent the spread of the virus**

- Stay home from work and school when you are sick.
- Stay away from others as much as possible when they are sick.
- Wash hands frequently. Use soap and water or an alcohol-based hand cleaner, such as Purell® or store-brand.
- Cover your mouth and nose when coughing and sneezing. Try using the crook of your elbow or your shoulder for cover, instead of hands.
- Throw away used tissues right away. If you use tissues to cover your cough or blow your nose, dispose of them in the nearest waste bin immediately after use, then wash hands.
- Set an example for your children. Show them how to limit the spread of viruses and germs





## **Work Session and Regular Meeting**

**3.**

**Meeting Date:** 03/24/2020

**Department:** City Secretary

**Pillars:** N/A

**Milestones:** N/A

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### **AGENDA CAPTION:**

Consider Action to Approve the **Minutes for the March 10, 2020 City Council Work Session and Regular Meeting Minutes.**

### **BACKGROUND:**

The Minutes for the March 10, 2020 City Council Work Session and Regular Meeting Minutes have been prepared for consideration.

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

March 10, 2020 Minutes

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# DRAFT

## OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION

March 10, 2020

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

6:00 p.m. Executive Session & Work Session

7:30 Regular Meeting

Present: Mayor Joe Chow; Mayor Pro-Tempore Tom Braun; Deputy Mayor Pro-Tempore Lori Ward; Council Member Ivan Hughes; Council Member Guillermo Quintanilla; Council Member Paul Walden; and Council Member Marlin Willesen

1. **Call Meeting to Order**

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2. **CLOSED (EXECUTIVE) SESSION:** Pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney pertaining to:
- Bigelow Arizona TX-344, Limited Partnership D/B/A Suites of America and/or Budget Suites of America v. Town of Addison, Cause No. DC-19-09630, 191st Judicial District, Dallas County District Court.

Mayor Chow closed the Open Session and convened the City Council into Executive Session at 6:02 pm.

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3. **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

Mayor Chow reconvened the City Council into Open Session at 6:55 pm. No action to be taken.

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## WORK SESSION

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#### 4. **Present and Discuss a Draft Asset Management Policy.**

Acting Chief Financial Officer Bill Hawley presented a timeline of the Town's asset management activities beginning in 2017 when Council authorized Town Staff to begin the process of creating an asset management plan to manage the Town's infrastructure assets. Mr. Hawley introduced the draft asset management policy and explained that the policy's intent is to establish the scope and framework for the Town's asset management plan, to establish key definitions related to asset management, to establish key principles that would govern the Town's asset management activities, and to define the roles and responsibilities of the City Council and Town staff regarding asset management.

COUNCIL COMMENTS: Council Member Quintanilla asked how tools and other consumables would be tracked. City Manager Pierson stated that the Town's Financial Policies define Town assets in two main categories: Capital Equipment and Capital Improvements. Capital Equipment is an item that costs over \$5,000 and has a useful lifespan of least a three-years. Capital Improvements are items that have a cost of over \$25,000 and has a lifespan of ten-years or more. Mr. Pierson explained that items do not meet these criteria are not included in the asset management plan. Council Member Quintanilla asked for an explanation or examples of how the Town plans to monitor performance and benchmarks against similar organizations. Mr. Hawley informed Council that not many communities in the United States are participating at this level of asset management. Most of the comparable cities the Town will compare to are in Canada, Australia and New Zealand. Staff anticipates monitoring several of those comparable cities to track our effectiveness. City Manager Pierson stated that the Town was a trailblazer in establishing this program. Staff will be learning and continuously improving the process to develop management decisions that are supported by the data based on cost and benefit analysis.

Council Member Willesen asked how the Town would comply with the proposed principle that states the Town will balance community expectations and affordability to provide safe and reliable services. City Manager Pierson replied that the City Council would determine the level of service. Staff will provide data from this asset program and include any regulatory and budget requirement for Council discussion and consideration. Deputy Mayor Pro-Tempore Ward added establishment of this plan was included in the adopted Pillars and Milestones of Excellence in Asset Management making the Town a benchmark city. Council Member Hughes commented that he thought the program was great and asked if Council would be receiving an integrated set of financials with asset management data during the budget process. City Manager Pierson advised that Staff planned to provide this information during the budget process.

Council Member Willesen inquired how the Town would provide transparency and accountability to the community. City Manager Pierson stated that the first step in the process of keeping Council and Citizens informed was conducted in December 2019 when Director Public Works and Engineering Services Lisa Pyle presented a Capital Improvement Plan Report. Going forward, regularly scheduled reports would be provided at Council Meetings as well as information posted online on the Town's website.

# REGULAR MEETING

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## Pledge of Allegiance

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## Announcements and Acknowledgements regarding Town and Council Events and Activities

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## Discussion of Events/Meetings

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**Public Comment:** *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

No citizens addressed the City Council.

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**Consent Agenda:** *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

5. **Consider Action to Approve the Minutes of the February 25, 2020 City Council Meeting.**

*(This item pulled from Consent Agenda by Council Member Walden for separate discussion.)*

6. **Consider Action to Approve an Ordinance Amending Chapter 22 - Businesses of the Code of Ordinances by Adding Article VIII, Short Term Rentals, in order to Amend Regulations for Short Term Rentals.**

7. **Consider Action on a Resolution to Approve a License Agreement with Elan Addison Grove Apartments Owner, L.P. for the Use of a Portion of the Town's Right of Way and Easement Area Adjacent to Belt Line Road and Authorize the City Manager to Execute the Agreement.**

8. **Consider Action on a Resolution to Approve a Contract Agreement Between the Town of Addison and Groves Electrical Services, Inc., for the Vitruvian West 2 Streetscape Improvements Project and Authorize the City Manager to Execute the Agreement in an Amount Not to Exceed \$293,332.**

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion. Council Member Walden requested to remove Item Number 5.

**MOTION:** Mayor Pro-Tempore Braun moved to approve Consent Agenda Items 6, 7, and 8.

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Deputy Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

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**Regarding Consent Agenda Item Number 5:** There were three (3) corrections requested by Council for the February 25, 2020 City Council Meeting Minutes:

1. Council Member Walden requested to amend Item 13 to correct date of the May 2, 2020 Official Canvass which shows the canvass to take place in March. That should be changed to May;
2. Council Member Hughes requested correction to Work Session Item 2 by adding Midway Road Update in addition to Beltline 1.5 Beautification Master Plan; and
3. Council Member Quintanilla requested correction to Item 9, Resolution for Flow-Line Construction, Inc. by deleting the word “bid” and replace with the word “agenda”. Sentence to read as follows – “Council Member Quintanilla advised that the bid questions submitted by the contractor in the bid packet was a communication tool and recommended this in included in ~~bid~~ **agenda** packages going forward.”

**MOTION:** Council Member Walden moved to approve Consent Agenda Item 5 with amendments. Council Member Hughes seconded the motion. Motion carried unanimously.

**Ordinance No. O20-06:** Amend Chapter 22, Article VIII, Short-Term Rentals

**Resolution No. R20-024:** Elan Addison Grove Apartment Owner, LP Easement and Right-of-Way Agreement

**Resolution No. R20-025:** Groves Electrical Services Contract for Vitruvian West 2 Streetscape

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## Regular Items

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9. **Hold a Public Hearing, Present, Discuss, And Consider Action on an Ordinance Changing the Zoning on Property Located at 5100 Belt Line Road Suite 532, Which Property is Currently Zoned PD, Planned Development, Through Ordinance 012-002, by Approving a Special Use Permit for a New Restaurant. Case 1811-SUP/Cinnaholic.**

Director of Development Services Charles Goff informed Council that this application request is for lease space of property located between Pluckers Wing Bar and Stirr-Addison. He explained that this is a 1,096 square-foot restaurant with a large kitchen area, service counter and minimal dining area with seating for 12 people. Mr. Goff explained that Cinnaholic is a chain restaurant which offers create-your-own 100% vegan cinnamon rolls and other sweet treats. The Planning & Zoning Commission meeting in regular session on February 18 voted to recommend approval of a Special Use Permit for a new restaurant without conditions.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

**MOTION:** Deputy Mayor Pro-Tempore Ward moved to approve. Council Member Hughes seconded the motion. Motion carried unanimously.



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10. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Changing the Zoning on a 31-Acre Property Located at 5100 Belt Line Road, Which Property is Currently Zoned PD, Planned Development, Through Ordinance O12-002, by Amending the Development Plans for a New Office Building with Ground Floor Retail. Case 1807-Z/Village on the Parkway.**

Director of Development Services Charles Goff presented this amendment to the existing Planning Development District to allow development of a new 31,006 square foot office building with ground floor retail. Mr. Goff explained that the applicant is proposing changes to the parking layout of the main east to west drive aisle, to close the southwestern drive adjacent to Dallas Parkway to provide some additional landscaping and parking. Mr. Goff shared that this case was presented to the Planning & Zoning Commission on January 21, 2020 and tabled with the direction for Staff and the applicant to discuss additional signage, improved garage utilization and valet technology. Mr. Goff shared that this item was revisited by the Planning and Zoning Commission at their February 18, 2020.

At the February 18, 2020 meeting the Commission recommended approval of an amendment to the existing PD, subject to the following conditions:

1. If valet services are provided, the property owner shall require the use of “park & stroll” or similar concepts that allow customers to drop off and pick up their car from any valet stand on the property.
2. If valet services are provided, then the property owner shall require the use of technology to allow customers to request their vehicle prior to arriving at the valet stand.
3. The applicant shall make the southernmost driveway on the east as a right out only and the southernmost driveway on the west as a right in only and install additional landscaping.
4. The applicant shall remove 7 parking spaces within the visibility triangle south of the driveway to Dallas Parkway adjacent to Suite 600.

Public Hearing: Mayor Chow opened with no citizens addressing the City Council; except for the applicant. The applicant advised that there would be 7 valet stations and a valet application (App) would be made available to all customers at the time of check-in. Deputy Mayor Pro-Tempore Ward stated she has used the valet app and found it to be user-friendly. Mayor Pro-Tempore Braun asked for clarification for the amount the applicant budgets for valet enforcement. The applicant stated that they budget for security personnel, tow-truck calls and general compliance of the valet program. He added that complaints should be addressed to the on-site security at the time of service or violation.

Council Member Quintanilla inquired as to the hours of operation. The applicant stated the hours will depend on the restaurants hours of operation but generally would start between 4 and 5 pm with closing anywhere between 11 pm to 1 am again depending on the restaurants in that location. Council Member Hughes asked how soon the new valet service anticipates being in operation? The valet plan will go into effect as soon as this item is approved by Council and appropriate signage installed. Mayor Chow closed the public hearing.

**MOTION:** Deputy Mayor Pro-Tempore Ward moved to approve. Council Member Walden seconded the motion. Motion carried unanimously.

**Ordinance No. O20-08:** Case 1807-Z/Village on the Parkway, 5100 Belt Line Road

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11. **Present, Discuss, and Consider Action on an Ordinance Granting a Meritorious Exception from the Code of Ordinances Chapter 62 for Addison Pet Yard Located at 15003 Inwood Road, in Order to Permit a 454.5 Square-Foot Mural on the East Facade.**

Director of Development Services Charles Goff presented the Addison Pet Yard request to extend the east façade and build a new wall specifically to provide a large mural visible from Inwood Road. The project is located at 15003 Inwood Road, the former site of the Sigel's Liquor Store, will be a pet-centric commercial retail plaza containing a fish gallery, dog daycare and outdoor dog run, and 2 additional retail/office spaces geared toward pet oriented uses.

The applicant requested a meritorious exception to allow a mural on the east façade in order to provide a more pleasing visual experience, on and off the property. The proposed mural, is a large yellow dog, designed to be 18-feet wide and 25-feet 3-inches tall for a total area of 454.5 square feet. Mr. Goff stated that it was difficult to distinguish between art and signage; however, Staff determined this request was a sign since the services intended on this property are pet and dog related and therefore does not warrant a meritorious exception.

The applicant addressed the City Council and stated that he felt the mural was artwork not a sign. Deputy Mayor Pro-Tempore Ward stated that the Town had approved a mural of a dog on an apartment building; however, this request could be perceived as a sign since the business is dog related. Mayor Pro-Tempore Braun stated that this portion of town could use some excitement. He stated that he understood Staff's perspective but opined that this request should be approved. Council Member Hughes stated he agreed with the comments expressed by Mayor Pro-Tempore Braun; however, he worried approving this project would set a precedent. Council Member Willesen stated that he felt this proposal was a clever large advertising. Mayor Chow stated he considered this proposal to be art. Council Member Quintanilla opined that the scale was a little big and he does consider this proposal to be art; however, he felt that he must support Staff's recommendation.

Council Member Walden, who had expressed concern with future maintenance of signs, suggested that the proposed artwork include something not dog centric. He added that he was in favor of the artwork but suggested that Staff and the applicant work on a compromise. In the essence of time, Mayor Chow requested that the applicant meet with Staff to agree on the mural contents and bring back to the Council for consideration. City Manager Pierson clarified the Code of Ordinances related to signage and a mural's future maintenance and enforcement.

**MOTION:** Mayor Pro-Tempore Braun moved to Table. Deputy Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

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12. Present, Discuss, and Consider Action on an **Ordinance Granting a Meritorious**

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**Exception for Elan Addison Grove, Located at 4150 Belt Line Road, from the Code of Ordinances, Chapter 62 Sections 62-162. – Premises Signs and 62-186. - Monument Signs, in Order to Permit an Additional Wall Sign on the East Facade of the Building and a Monument Sign Setback 17.8 Feet From the Back of the Belt Line Road Curb.**

Director to Development Services Charles Goff presented the Elan Addison Grove at 4150 Belt Line Road requests. This item consists of 2 distinct requests. The first request relates to 2 parking signs on the east façade of the building. One sign, a blade sign facing north and south, has already been approved through the sign permit process; however, the second sign is not allowed by the Sign Ordinance. An exception to allow the second sign is requested.

The second request is for a meritorious exception for an additional 30.22 square foot wall sign on the east façade of the building, facing east. In order to complete the required sidewalk improvements along Belt Line Road, the developer had to install a retaining wall along the southern edge of the sidewalk. As a result, between the retaining wall, the underling utilities, and the parking spaces along the frontage, there is not enough room to erect a standalone monument sign. The Developer proposes to install vertical, one inch thick, 18-inch-tall aluminum letters spelling Addison Grove on top of a portion of the retaining wall, with an effective area of 33 square feet. This type of sign would be consistent with the Sign Code regulations except of the setback requirement. The applicant is requesting a meritorious exception for this 33 square foot monument sign setback 17.8 feet from the back of the Belt Line Road curb instead of the required 20 feet. Staff recommends approval of both requests.

**MOTION:** Mayor Pro-Tempore Braun moved to approve the item. Deputy Mayor Pro-Tempore Ward seconded the motion. Motion carried unanimously.

**Ordinance No. O20-09:** Meritorious Exception Signage for Elan Addison Grove, 4150 Belt Line Road

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13. **Present, Discuss, and Consider Action on an Ordinance Amending Various Sections of the Code of Ordinances Relating to Fees for Environmental Health Related Permits, Licenses, and Inspections.**

Director of Development Services Charles Goff presented this proposed Ordinance amending the fees for environmental health services from changes as recommended from the February 25, 2020 Work Session meeting. Staff began discussing new fees during the budget cycle for funding of an environmental health specialist. A review of fees charged by our comparator cities presented at the January 28<sup>th</sup> showed that the Town's current fees were much lower than our comparator cities. The Council requested that staff reconsider the fee structure and present a hybrid option that considers restaurant type and number of employees, and to stay as close to 90% of the average fees charged by the comparator cities as possible.

Mayor Chow made a brief statement after the agenda caption was read. Mayor Chow then announced he would recuse himself from voting on this item due to a conflict of interest. The fully executed Affidavit of Conflict of Interest is attached hereto and made a part of these minutes. The

gavel was passed to Mayor Pro-Tempore Braun to conduct this agenda item.

**MOTION:** Council Member Hughes moved to approve. Council Member Willesen seconded the motion. Motion carried unanimously.

**Ordinance No. O20-10:** Amend Chapter 18 - Building & Building Regulations, Chapter 46 – Health & Sanitation, Chapter 82 – Utilities, Article IV and adding new Article IX.

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### **Adjourn Meeting**

There being no further action to be taken, Mayor Pro-Tempore Braun closed the March 10, 2020 meeting.

**TOWN OF ADDISON, TEXAS**

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Tom Braun, Mayor Pro-Tempore

**ATTEST:**

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Irma G. Parker, City Secretary

## Work Session and Regular Meeting

4.

**Meeting Date:** 03/24/2020

**Department:** City Manager

**Pillars:** Excellence in Asset Management

**Milestones:** Implement the Asset Management Plan

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### **AGENDA CAPTION:**

Consider Action on a **Resolution to Adopt an Asset Management Policy.**

### **BACKGROUND:**

In Fiscal Year 2017, Council directed Staff to initiate the development of an Asset Management Plan to assist in managing the Town's assets. To date, Staff has completed a number of vital steps in this process:

- A Request for Qualifications was issued resulting in the engagement of Kayuga Solutions, Inc. (Kayuga) to assist the Town in the development of the plan. Kayuga was founded to develop asset management plans for public agencies. They have worked with numerous domestic and international clients in asset inventory, condition assessment, risk management, lifecycle modeling and other asset management related activities.
- Staff and Kayuga developed the Town's asset inventory and assessed each asset's condition.
- The asset information was loaded into a software program called IRIS (Infrastructure Reinvestment Intelligence System). This software allows users to develop various cost models related to the maintenance, rehabilitation and replacement of assets.
- The Council approved a software license and maintenance agreement for a Computerized Maintenance Management System (CMMS) to store records of an asset's work history and understand the life-cycle cost of asset ownership.

On March 10, 2020, Council discussed a draft Asset Management Policy that:

- Establishes the scope and framework for the Asset Management Plan.
- Establishes key definitions regarding Asset Management.
- Establishes principles regarding sustainability, resiliency, transparency, communication and fiscal responsibility.
- Defines roles and responsibilities for Council, the City Manager, the Chief Financial Officer, and Department Directors regarding Asset Management.

This agenda item adopts the Asset Management Policy discussed on March 10, 2020.

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Resolution - Asset Management Policy

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**RESOLUTION NO. R20-\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS  
ADOPTING AN ASSET MANAGEMENT POLICY AND PROVIDING AN  
EFFECTIVE DATE.**

**WHEREAS,** in Fiscal Year 2017, Council directed Staff to initiate the development of an Asset Management Plan to assist in managing the Town's assets; and

**WHEREAS,** a contract was executed with Kayuga Solutions, Inc. to assist in the development of the Town's asset inventory and to assess each asset's condition; and

**WHEREAS,** this information was loaded into the IRIS (Infrastructure Reinvestment Intelligence System) to assist in the development of cost models related to the maintenance, rehabilitation and replacement of the Town's assets; and

**WHEREAS,** a software license and maintenance agreement was executed with Azteca Systems, LLC. for a Computerized Maintenance Management System (CMMS) to store records of an asset's work history and understand the life-cycle cost of asset ownership; and

**WHEREAS,** at the March 10, 2020 City Council Work Session a presentation of the Town's proposed Asset Management Policy was presented for consideration. No amendments and/or corrections were proposed by the City Council.

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

**SECTION 1.** The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

**SECTION 2.** The Town of Addison's Asset Management Policy, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved.

**SECTION 3.** This Resolution shall take effect from and after its date of adoption.

**DULY RESOLVED AND ADOPTED** by the City Council of the Town of Addison, Texas, on this the **24<sup>th</sup>** day of **MARCH** 2020.

**TOWN OF ADDISON, TEXAS**

\_\_\_\_\_  
Joe Chow, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**



---

Irma Parker, City Secretary

---

Brenda N. McDonald, City Attorney

## Exhibit A



### Asset Management Policy

#### Purpose

The Town of Addison (Town) owns and manages an array of assets that are utilized to provide services to the community. This policy establishes the framework and defines the principles by which the Town of Addison's assets will be managed. With the Council's adoption of the policy, the Town will be able to develop and maintain an Asset Management System that will help to ensure the optimized delivery of services and the responsible stewardship of the Town's assets.

This policy establishes the Town's commitment to asset management and helps ensure that asset related decisions are made in alignment with the principles defined herein. This policy:

- Documents the Town's commitment to asset management and the continuous improvement of asset management practices.
- Defines over-arching principles for asset management that are appropriate for the Town and are reasonable, logical, and necessary for delivery of sustainable, affordable services.
- Defines guiding principles for asset management.
- Establishes roles and responsibilities for asset management.

#### Scope

This policy applies to the lifecycle management activities of the Town's assets and includes the following:

- A. All assets or asset systems (including natural assets) owned by the Town and used to deliver services to the community. These assets are categorized by the following asset systems:

Buildings	Parks and Trails	Landscape
Pedestrian Lights	Water	Wastewater
Signals	Pavement	Bridges
Curb Ramps	Sidewalks	Traffic Signals
Traffic Signs	Streetlights	Fleet
Airport	Stormwater	

- B. Assets owned by others but managed or co-managed by the Town to deliver services to the community are subject to the terms of any agreements already in place.

#### Definitions

**Asset** - An item that has potential or actual value to the organization.

**Asset Management** - Managing assets to minimize the total cost of owning, operating, maintaining those assets while delivering the desired service level at an acceptable level of risk.

**Asset Management Plan** - A long-range planning document that provides a framework for understanding the assets an organization owns and manages, the services it provides, risks it assumes, and the financial investments required to sustain the services.

**Asset Management System** – The system of policies, strategies, and plans needed to manage the Town's assets.

**Lifecycle** - The stages involved in the management of an asset.

**Lifecycle Cost** - The cost of owning, operating, and maintaining an asset over its lifetime.

March 24, 2020

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## Asset Management Policy

**Level of Service** - Parameters that reflect political and economic outcomes that the organization desires to deliver.

### Principles

The following principles will guide the Town's Asset Management System:

#### A. Service Delivery

- The Town will adopt a whole organization, all asset approach to asset management that considers the interdependence between asset systems and services throughout their full lifecycle.
- The Town will balance community expectations and regulatory requirements with risk, affordability, and available resources to provide safe and reliable services.
- The Town will provide transparency and accountability to the community. This will include regular communications to Council.
- The Town will comply with all required legislative, regulatory, and statutory requirements.

#### B. Sustainability and Resiliency

- The Town will make asset management decisions that consider financial impacts and will be based on the long-term outlook, minimization of risk and lifecycle costs, and maximization of value to the community.
- The Town will adopt a proactive approach to managing infrastructure assets to minimize service disruption.
- The Town will ensure that financial and resource planning are in alignment with the Town's service delivery requirements.
- Staff will provide an annual update to Council on asset management planning progress.

#### C. Fiscal Responsibility

- The Town will ensure asset management decisions are supported by data and cost / benefit analysis.
- The Town will strive to make asset management decisions that promote minimization of long-term cost rather than lowest initial cost.
- The Town will develop and update plans for infrastructure asset rehabilitation and replacement. This will include the following:
  - Development of long-term projections of infrastructure investment needs
  - Identification of operations and maintenance cost
  - Analysis of resources needed to perform work
- The Town will develop prioritized capital investment plans.
- The Town will develop mechanisms to ensure long-term financial sustainability.
- The Town will recognize that asset management practices must be proactive and responsive to changing environments.

#### D. Coordination, Communication, and Transparency

- The Town will coordinate asset management decisions and activities across all departments to ensure maximum value to the community.
- The Town will operate with a clear structure of organizational accountability for the inventory, condition, use, and performance of assets.
- The Town will embed asset management principles and practices across all

March 24, 2020

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## Asset Management Policy

departments by adopting a formal, consistent, and repeatable approach to the management of its assets.

- The Town will ensure transparency to stakeholders regarding asset performance.
- The Town will measure and report to Council periodically on the performance and effectiveness of the Asset Management System.

### E. Innovation and Continual Improvement

- The Town will utilize technology to support effective asset management practices.
- The Town will focus on driving innovations that promote a more efficient delivery of services and enhance value to the community.
- The Town will work towards industry best practices.
- The Town will monitor performance and benchmark against similar organizations.

### Roles and Responsibilities

The development and continued improvement of the Town's Asset Management System requires a collaborative effort. Asset Management roles and responsibilities are described below:

#### Council

- Adopt, review, and update the Asset Management Policy.
- Approve the funding necessary to ensure the Town possesses the corporate capacity to support the Asset Management System.
- Provide strategic direction, set priorities, and articulate community values.
- Approve asset funding through the annual budget process.

#### City Manager

- Implement the Asset Management Policy.
- Provide Town-wide leadership in asset management.
- Maintain the necessary corporate capacity (including, but not limited to staff competencies, business processes, and information systems) to support the Asset Management System.
- Promote and raise awareness of asset management to Council, staff, and other stakeholders.
- Ensure alignment and integration across the organization toward achieving asset management goals.
- Propose a budget that includes the necessary funding for asset maintenance, rehabilitation, and replacement projects consistent with the Council's strategic direction and priorities.

#### Chief Financial Officer

- In collaboration with the impacted departments, develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- In collaboration with the impacted departments, utilize Infrastructure Reinvestment Intelligence System (IRIS) to develop financial models that identify and fund qualifying maintenance, rehabilitation and replacement projects.
- Develop funding strategies and options for each of these models.
- Develop options within each of these models as needed to assist in decision making.
- Work with the City Manager's Office to create a proposed budget that funds maintenance, rehabilitation and replacement projects consistent with the Council's strategic direction and priorities.
- Consider the full spectrum of financing options to achieve asset management objectives. This includes but is not limited to annual budget appropriations for

March 24, 2020

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## Asset Management Policy

maintenance, fee increases in enterprise funds, assessments, impact fees, debt financing, and cash financing (Infrastructure Investment Fund).

- Propose financial policy changes as needed to achieve asset management objectives.
- Provide strategic insight into the potential reallocation of resources to achieve asset management objectives.

### Department Heads

- In collaboration with the Chief Financial Officer, develop an annual maintenance budget that cost effectively maximizes the useful life of assets.
- In collaboration with the Chief Financial Officer, utilize IRIS to develop financial models that identify and fund qualifying maintenance, rehabilitation and replacement projects.
- Lead in the development, implementation, and continuous improvement of asset management processes and practices.
- Ensure alignment of asset management decisions with the Town's strategic goals.
- Track, analyze, and report on asset management progress for assets within the department.
- Champion asset management practices and collaboration within the department and across the organization.

March 24, 2020

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## Work Session and Regular Meeting

5.

**Meeting Date:** 03/24/2020

**Department:** City Manager

**Pillars:** Gold Standard for Financial Health

---

### **AGENDA CAPTION:**

Present, Discuss, and Consider Action on the **Acceptance of the Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR)**.

### **BACKGROUND:**

The Addison Town Charter requires that Town Staff prepare a Comprehensive Annual Financial Report (CAFR) that shows the status of the Town's finances. The CAFR is required to be prepared in accordance with generally accepted accounting and financial reporting principles. The charter also requires that the Town's financial statements be audited annually by an independent external auditing firm. The results of the independent external audit are included in the CAFR.

The Town of Addison Finance Department has prepared the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. The CAFR is a report of the Town's overall financial results. The Town's financial statements have been audited by BDK, LLP, an independent firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement.

In addition to providing an overview of the Town of Addison CAFR for Fiscal Year 2019, BKD will present their audit report and opinion on the Town's financial statements.

BKD has issued an unmodified opinion, which means that financial statements are presented, in all material respects, in accordance with applicable financial reporting framework. Simply stated, an unmodified opinion is a clean opinion.

### **RECOMMENDATION:**

Administration recommends approval.

---

## **Attachments**

Draft 2019 - CAFR





# **Town of Addison, Texas**

## **Comprehensive Annual Financial Report**

For the Year Ended September 30, 2019

### **City Council**

#### **Expiration of Term**

Joe Chow, Mayor	May 2021
Tom Braun, Mayor Pro Tempore	May 2021
Lori Ward, Deputy Mayor Pro Tempore	May 2021
Ivan Hughes, Council Member	May 2021
Guillermo Quintanilla, Council Member	May 2020
Paul Walden, Council Member	May 2020
Marlin Willesen, Council Member	May 2020

### **City Manager**

Wesley S. Pierson

### **Prepared by the Department of Finance**

Amanda Turner, CPA, CGFO, Controller  
Ashley Boatright, Accounting Manager  
Tandi Dickey, Senior Accountant  
Ismael Villalta, Accountant  
Kristen Solares, CGFO, Senior Budget Analyst



**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended September 30, 2019

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March 17, 2020

Honorable Mayor and Members of the City Council  
Town of Addison, Texas

I am pleased to submit the Comprehensive Annual Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2019. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the Town's financial condition.

## THE REPORT

This report satisfies §103.001 of the Texas Local Government Code requiring annual audits of all municipalities and was conducted in accordance with Section 2.15 of the Charter of the Town of Addison. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position of the Town. We also believe all disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included. To provide a reasonable basis for making these representations, management of the Town of Addison has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Addison's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town of Addison's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Comprehensive Annual Financial Report (CAFR) is organized into three major sections: *Introductory*, *Financial*, and *Statistical*. The *Introductory Section* provides general information on the government's structure and personnel as well as information useful in assessing the government's financial condition.

The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by BKD, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion (i.e., clean opinion) that the Town of Addison's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Also included in the *Financial Section* is management's discussion and analysis (MD&A) that provides users of the basic financial statements a narrative introduction, overview, and analysis of those statements. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the Town of Addison as a single entity, as well as the individual funds that account for the Town's various governmental and business-type activities.

**CITY MANAGER'S  
OFFICE**

5300 Belt Line Road  
Dallas, TX 75254

P.O. Box 9010  
Addison, TX 75001

phone: 972.450.7000  
fax: 972.450.7043

ADDISONTEXAS.NET

IT ALL COMES  
TOGETHER.

The report concludes with the *Statistical Section*, which, through the use of tables, presents comparative economic and financial data to give users of the report a perspective of the Town's performance over a number of years.

## THE REPORTING ENTITY

The Town of Addison is located in the Dallas North Parkway area, which has been referred to as the "platinum corridor" of the Dallas Metroplex. The area, which developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls. At 4.4 square miles, Addison is the smallest, yet most densely developed, of the various suburbs located in the area. Although it has just over 16,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. Money Inc. and Doorsteps.com recently listed Addison as the number one place in the Dallas region to live.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in November 2010. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.



The Town provides a full range of municipal services including general government, public safety (police and fire), streets, parks and recreation, planning and zoning, code enforcement, stormwater and water, and sewer utilities. Sanitation collection services are provided through private contractors; non-residential customers contract with the collection firm of their choice while single-family residential customers contract through the Town with sanitation fees added to their municipal utility bills.

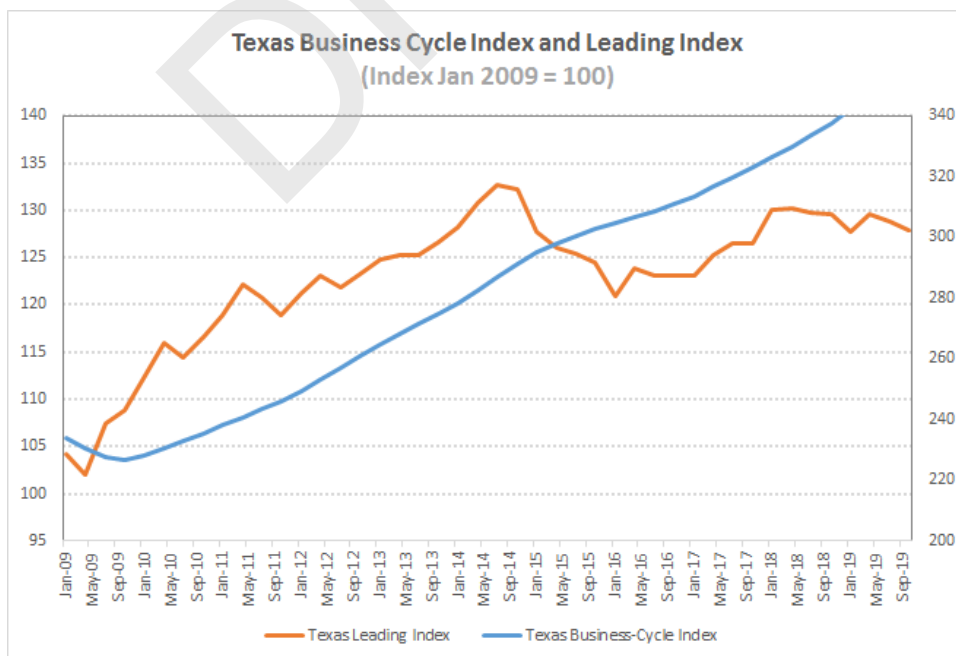
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and Council ordinances. The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g. personal services). All expenses of the Town are made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budget-to-actual comparisons are provided in this report for each major fund for which an appropriated annual budget has been adopted. For the non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements section of this report.

## FACTORS AFFECTING FINANCIAL CONDITION

### Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the Leading Index indicators are declining, however the Business Cycle Index remains strong. This trend bodes well for the continued economic strength of the Town.



The United States unemployment rate continues to decline, with Texas just below the nation as a whole. Texas began fiscal year 2019 at 3.8% unemployment, reached as low as 3.4%, and ended the year at 3.4%, just below the U.S. rate of 3.5%.

Addison is densely developed with 11.4 million square feet of office space distributed among 120 office buildings. Much attention is given to the occupancy rates of buildings in Addison. At the end of September 2019, Addison's occupancy rate stood at 82 percent compared with the 85.8 percent recorded a year earlier. Addison's occupancy rate is 3.3 percent lower than the 85.3 percent average for all of the Dallas/Ft. Worth Area. (Source: CoStar Group)

The Town experienced a 2 percent increase in taxable property values for the 2019 certified levy compared to a 3.5 percent increase for the 2018 certified levy.

For the 2019 fiscal year, General Fund revenues of \$40.2 million represented a slight decrease from \$40.3 million in fiscal year 2018. The property tax levy produced 43% of the total revenue available to the Town's General Fund for this year, while the sales tax revenue category produced 37%. The Town's sales tax receipts decreased 8.71 percent from fiscal year 2018. General Fund expenditures and transfers for the 2019 fiscal year totaled \$40.6 million. The General Fund ending fund balance decreased by almost \$400 thousand to \$20.6 million, with an ending fund balance of 57% of General Fund operating expenditures. The primary reason for the decrease was due to planned increased transfers to cash-funded capital project funds.

### **Long-Term Financial Planning**

The City Council has adopted various financial policies for operations, capital, and debt management. Fiscal year 2019 was most significantly impacted by our policy requiring a multi-year plan for capital projects. During the year, key community stakeholders were selected by Council to develop a bond election program to help the Town align the Town priorities with the needs and values of the stakeholders.

Users of this document, as well as others interested in the programs and services offered by the Town of Addison, are encouraged to read the Town's 2018-19 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Financial and Strategic Services Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's website at <http://addisontexas.net/index.php?section=finance-department> [Addison-budget](#)

### **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018. The *Certificate*, which is reproduced herein, is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. A *Certificate of Achievement* is valid for a period of one year only. The Town of Addison has received a *Certificate* for the last 43 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA for consideration.

In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2019 annual budget document. In order to qualify for the *Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 32 consecutive years. Together, the *Award* and the *Certificate* are evidence of the Finance Department's dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

I wish to thank all members of the Finance Department who assisted in preparing and assembling the information presented in this report. I also acknowledge our auditors, BKD, LLP, and the assistance they provided in meeting the deadlines established for publication of the document. I am grateful for the support provided by the City Council, and affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,

Wesley S. Pierson  
City Manager

DRAFT



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Addison  
Texas**

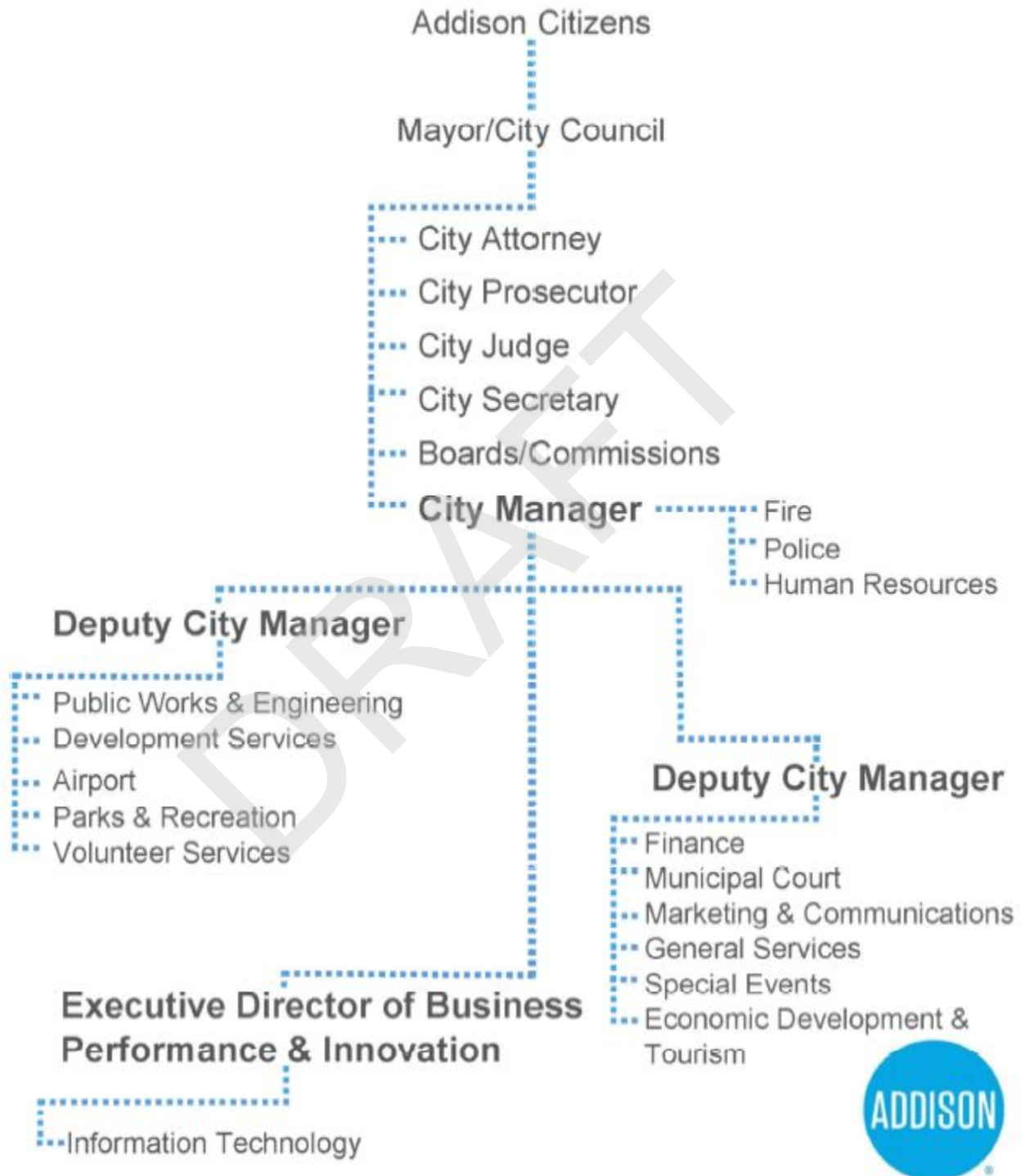
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# Addison Staff Organization Chart



**Town of Addison**  
**LIST OF PRINCIPAL OFFICIALS**  
**September 30, 2019**

Town Hall  
(972) 450-7000  
Fax (972) 450-7043

**Elected Officials**

Mayor	Joe Chow	(972) 450-7000
Mayor Pro Tempore	Tom Braun	(972) 450-7000
Deputy Mayor Pro Tempore	Lori Ward	(972) 450-7000
Council Member	Ivan Hughes	(972) 450-7000
Council Member	Guillermo Quintanilla	(972) 450-7000
Council Member	Paul Walden	(972) 450-7000
Council Member	Marlin Willesen	(972) 450-7000

**Town Management**

City Manager	Wesley Pierson	(972) 450-7037
Deputy City Manager	Ashley Mitchell	(972) 450-7010
Deputy City Manager	John Crawford	(972) 450-7036
Exec. Dir. of Business Performance & Innovation	Hamid Khaleghipour	(972) 450-2868
City Secretary	Irma Parker	(972) 450-7017
Director of Airport Administration	Joel Jenkinson	(972) 392-4855
Director of Economic Development & Tourism	Orlando Campos	(972) 450-7034
Chief Financial Officer	Steven Glickman	(972) 450-7050
Fire Chief	David Jones	(972) 450-7206
Director of General Services	Rob Bourestom	(972) 450-6203
Director of Human Resources	Passion Hayes	(972) 450-2819
Director of Public Works & Engineering	Lisa Pyles	(972) 450-2878
Director of Development Services	Charles Goff	(972) 450-7027
Director of Parks and Recreation	Janna Tidwell	(972) 450-2869
Director of Special Events	Jasmine Lee	(972) 450-6221
Police Chief	Paul Spencer	(972) 450-7168
Director of Public Communications	Mary Rosenbleeth	(972) 450-7032

## **Independent Auditor's Report**

The Honorable Mayor and  
Members of the Town Council  
Town of Addison, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the North Dallas County Water Supply Corporation, a joint venture between the Town of Addison and the City of Farmers Branch, Texas, which statements reflect total net position of \$11,777,632 of which 55% (\$6,474,399) is recorded in the statement of net position and represents 5.1% of the business-type activities total assets. The financial statements of the North Dallas County Water Supply Corporation were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included as equity in joint venture, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund and hotel fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules and introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and  
Members of the Town Council  
Town of Addison, Texas  
Page 11

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Dallas, Texas  
March 17, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2019. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section. ***All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars (000's).***

### Financial Highlights

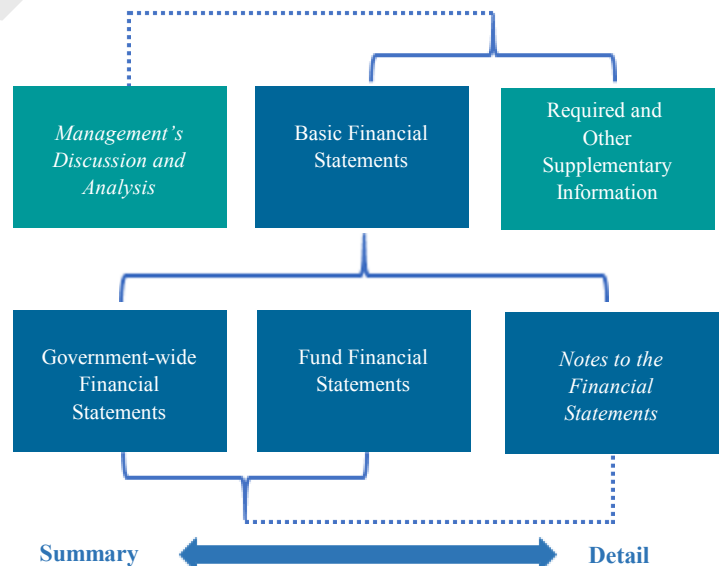
- The Town's assets and deferred outflows exceeded its liabilities and deferred inflows of resources at the close of the 2019 fiscal year by \$251,711. This amount represents an increase over the previous year of \$2,115. The increase is due to an increase in the pension liability of \$11,957, offset by an increase in deferred outflows on pensions of \$6,488 and a decrease of deferred inflows on pensions of \$3,524.
- As of September 30, 2019, the Town's governmental funds reported combined ending fund balances of \$46,450, a decrease of \$2,561. The majority of the decrease is due to payments for capital expenditures and projects.
- At the end of the 2019 fiscal year, the fund balance for the General Fund was \$20,588, or 57 percent of total fund expenditures. Fund balance decreased \$375 during the year.
- At year-end, the Town of Addison's outstanding debt totals \$114,945, an increase of \$24,088 from the previous year, which is attributed to the issuance of additional debt during the year.

### Overview of Financial Statements

This annual report is comprised of four segments as dictated by generally accepted accounting principles (GAAP): *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The *government-wide financial statements* provide both long-term and short-term information about the Town's overall financial status.
- The fund financial statements focus on individual parts of Addison's government, reporting the Town's operations in more detail than the government-wide statements.
  - The *governmental funds statements* explain how general government services such as public safety were financed in the short-term, as well as what remains for future spending.
  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the government operates as business-like, such as the airport.

**Illustration A-1 Required Components of  
Town of Addison's Annual Financial Report**



The financial statements also include *notes*, which elaborate on some of the information in the financial statements, providing more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Illustration A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included other information such as the Town's statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

Illustration A-2 summarizes the major features of the Town's financial statements. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

<b>Illustration A-2</b> <b>Major Features of Town of Addison's Government-wide and Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to a private-sector business: airport, water/sewer utility, and storm water
Required financial statements	<ul style="list-style-type: none"> <li>* Statement of net position</li> <li>* Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>* Balance Sheet</li> <li>* Statement of revenues, expenditures, and changes in fund balances</li> <li>* Budget and actual</li> </ul>	<ul style="list-style-type: none"> <li>* Statement of net position</li> <li>* Statement of revenues, expenses, and changes in net position</li> <li>* Statement of cash flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All Revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

## Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Addison's finances in a manner similar to a private-sector business. These statements can be located on pages 21-22 of this document.

- The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows and outflows, with the difference reported as *net position*. Over time, increases or decreases in net position **may** indicate the improvement or deterioration of the Town's financial position.
- The *statement of activities* presents information showing the Town's change in net position during the concluded fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – These are functions such as fire, police, and other services that are principally supported by taxes and intergovernmental revenue.
- *Business-type activities* – These functions are intended to recover all or a significant portion of their costs through user fees and charges. The Town's airport, utility system and storm water system fall within this category.

## Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. The Town of Addison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as *governmental activities*. However, unlike the government-wide financial statements, governmental fund financial statements focus on **short-term** inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the **long-term impact** of the government's **short-term financing** decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The Town of Addison maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Economic Development Fund, Municipal Court Fund, Public Safety Fund, Advanced Funding Grant Fund, Reimbursement Grant Fund and PEG Fees Fund, which are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for almost all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget except for the Capital Projects and Reimbursement Grant Funds.

*Proprietary Funds* – Services for which the Town charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The Town of Addison maintains two different types of proprietary funds.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its general aviation airport, storm water (drainage), and its utility (water and sewer) system.
- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles and its technological information systems. Both of these services predominantly benefit governmental rather than business-type functions hence they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for Addison's airport, utility system, and storm drainage system, all of which are considered to be major funds of the Town of Addison. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-69 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Addison's funding of its obligations to provide pension benefits to Town employees through the Texas Municipal Retirement System (TMRS) and to provide other postemployment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 75-84.

### **Government-wide Financial Analysis**

As of the close of the 2019 fiscal year, the Town's net position (assets and deferred outflows exceeding liabilities and deferred inflows) totaled \$251,711 (see Table A-1). Of this amount \$188,947, or 75 percent, represents the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net position has been restricted for the Town's long-term general obligation debt (\$84), promotion of tourism and hotel industry (\$3,449) and other restrictions (\$612). The remaining amount of net position is labeled as unrestricted and totals \$58,618. This amount is available to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Addison is able to report positive balances in these three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Table A-1**  
**Town of Addison's Net Position (000's)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$ 60,424	\$ 65,020	\$ 44,785	\$ 31,770	\$ 105,210	\$ 96,790
Capital Assets	176,504	176,750	81,653	81,597	258,157	258,347
<b>Total Assets</b>	<b>236,928</b>	<b>241,770</b>	<b>126,439</b>	<b>113,367</b>	<b>363,367</b>	<b>355,137</b>
Deferred Outflows of Resources:						
Deferred Charges on Refundings	1,372	1,476	369	402	1,741	1,878
Deferred Outflows on Pensions	8,188	2,183	627	144	8,816	2,327
Deferred Outflows on OPEB	259	303	22	26	281	329
<b>Total Deferred Outflows of Resources</b>	<b>9,819</b>	<b>3,962</b>	<b>1,019</b>	<b>572</b>	<b>10,838</b>	<b>4,533</b>
Liabilities:						
Long-Term Liabilities Outstanding	79,034	73,006	35,911	23,064	114,945	96,070
Other Liabilities	4,594	7,198	2,660	3,190	7,254	10,388
<b>Total Liabilities</b>	<b>83,628</b>	<b>80,204</b>	<b>38,572</b>	<b>26,255</b>	<b>122,199</b>	<b>106,458</b>
Deferred Inflows of Resources:						
Deferred Inflows on Pensions	84	3,383	6	231	90	3,614
Deferred Inflows on OPEB	187	4	16	-	204	4
<b>Total Deferred Inflows of Resources</b>	<b>271</b>	<b>3,387</b>	<b>23</b>	<b>231</b>	<b>294</b>	<b>3,618</b>
Net Position:						
Net Investment in Capital Assets	125,522	125,983	63,425	64,971	188,947	190,954
Restricted :						
Debt Service	84	311	-	-	84	311
Tourism/Hotel	3,449	4,168	-	-	3,449	4,168
Child Safety	91	84	-	-	91	84
Justice Administration	53	23	-	-	53	23
Court Technology	28	33	-	-	28	33
Public Safety	101	85	-	-	101	85
Court Security	37	47	-	-	38	47
Other Purposes	303	242	-	-	303	242
Unrestricted	33,180	31,165	25,438	22,483	58,618	53,648
<b>Total Net Position</b>	<b>\$ 162,848</b>	<b>\$ 162,141</b>	<b>\$ 88,863</b>	<b>\$ 87,454</b>	<b>\$ 251,711</b>	<b>\$ 249,595</b>

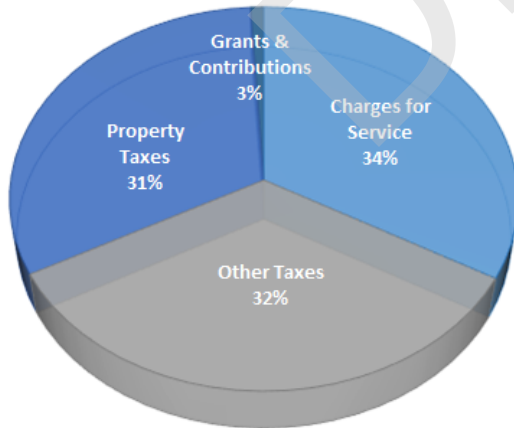


As reflected in Table A-2, the Town's net position increased \$2,115 during the 2019 fiscal year.

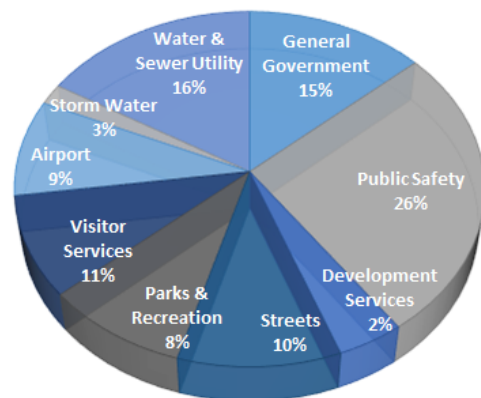
**Table A-2**  
**Town of Addison's Change in Net Position (000's)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,362	\$ 5,373	\$ 20,811	\$ 20,516	\$ 26,173	\$ 25,890
Capital Grants & Contributions	130	122	457	395	587	517
Operating Grants & Contributions	101	106	69	121	170	227
General Revenues:						
Property Taxes	25,181	23,601	-	-	25,181	23,601
Other Taxes	24,208	25,866	-	-	24,208	25,866
Other	1,708	1,152	903	114	2,611	1,266
<b>Total Revenues</b>	<b>56,690</b>	<b>56,220</b>	<b>22,240</b>	<b>21,147</b>	<b>78,930</b>	<b>77,367</b>
Expenses:						
General Government	10,150	10,219	-	-	10,150	10,219
Public Safety	19,855	17,815	-	-	19,855	17,815
Development Services	3,138	1,379	-	-	3,138	1,379
Streets	7,678	7,249	-	-	7,678	7,249
Parks & Recreation	6,840	6,069	-	-	6,840	6,069
Visitor Services	6,885	7,118	-	-	6,885	7,119
Interest and Fiscal Charges on Long-Term Debt	1,938	2,038	-	-	1,938	2,038
Airport	-	-	6,574	6,996	6,574	6,996
Storm water	-	-	1,428	820	1,428	820
Water & Sewer Utility	-	-	12,329	12,709	12,329	12,709
<b>Total Expenses</b>	<b>56,484</b>	<b>51,887</b>	<b>20,331</b>	<b>20,525</b>	<b>76,815</b>	<b>72,412</b>
Increase (decrease) in net position	206	4,333	1,909	621	2,115	4,954
Transfers	500	500	(500)	(500)	-	-
<b>Change in Net Position</b>	<b>706</b>	<b>4,833</b>	<b>1,409</b>	<b>121</b>	<b>2,115</b>	<b>4,954</b>
Change in Accounting Principle	-	(2,519)	-	(250)	-	(2,769)
Net Position - Beginning of year	162,141	159,827	87,454	87,583	249,595	247,410
<b>Net Position - End of year</b>	<b>\$ 162,848</b>	<b>\$ 162,141</b>	<b>\$ 88,863</b>	<b>\$ 87,454</b>	<b>\$ 251,711</b>	<b>\$ 249,595</b>

**Illustration A-3**  
**Total Sources of Revenue**



**Illustration A-4**  
**Total Expenses by Activity**



## Governmental Activities

Governmental activities increased the Town of Addison's net position by \$706 in fiscal year 2019 as compared to a \$2,315 (\$4,834 before change in accounting principle of \$2,519) million increase in fiscal year 2018. The major changes from 2018 to 2019 are as follows:

1. Property tax revenue increased by \$1.6 million due to increasing property values
2. Sales tax revenue decreased by \$1.5 million due to a one-time large audit collection in 2018
3. Expenses in public safety increased by \$2 million due to the increase in pension expense in 2019

## Business-Type Activities

The Town's business-type activities experienced a \$1,409 increase in net position with the Airport Fund recording an increase of \$367, due mostly to the decrease of maintenance costs and increase of rent and fees, while the Utility Fund posted an increase in net position of \$324, due mainly to the discontinuation of the transfer out to fund infrastructure development. The Storm Water Fund posted an increase in net position of \$543, which is \$1,034 less than the prior year increase in net position. This is due mostly to the increase in contractual service fees related to construction projects, as well as the addition of a \$500 transfer out to capital project funds in 2019.

## Financial Analysis of the Government Funds

*Governmental funds* – The focus of the Town of Addison's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of September 30, 2019, the Town's governmental funds reported combined ending fund balances of \$46,450, a decrease of \$2,561 compared to balances a year earlier. Of the ending balance, \$20,084 or 43.2 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$11,067), promotion of tourism and hotel industry (\$3,449), debt service (\$18) or *committed* for Economic Development (\$1,797) and Capital Projects (\$8,952). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures and transfers out totaled \$40,627 compared to revenues of \$40,239. Expenditures increased \$1,649 from the 2018 fiscal year. This increase is primarily due to the increases in public safety (\$774), general government (\$550), and parks and recreation expenditures (\$466). Revenues decreased \$37 from the previous year. The decrease was mainly due to receiving less sales tax collections from sales tax audit adjustments in 2019 as compared to 2018.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$8,028 compared to revenues of \$7,355. Fund revenues decreased \$535 from the previous year, and expenditures decreased \$532 from fiscal year 2018 due in large part to the removal of Tasty Bucks sales and transition to the Point-of-Sale systems for vendors at the Town's special events.
- Capital project funds recorded a net decrease in fund balance of \$1,789, primarily due to ongoing expenditures for capital projects. Included in these funds is the Infrastructure Investment Fund with an ending fund balance of \$4,585 as of September 30, 2019. Other balances included are for capital projects funded with bond proceeds such as the 2012 and 2014 G.O. Bonds issued as well as savings from general operations transferred to the Self-Funded Project fund for future capital projects.

*Proprietary funds* - The Town of Addison's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Airport Fund at the end of the fiscal year amounted to \$6,835; the Utility Fund reported an unrestricted net position of \$12,234, while the Stormwater Fund reported an unrestricted net position of \$6,194.

## General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below, **not expressed in thousands of dollars (000's)**:

- Sales tax revenue was amended to recognize an increase in sales tax collections by \$305,000, and other financing uses was amended for an increase of \$363,089 for transfers out to self-funded capital projects. Additionally, \$235,000 was amended for costs associated with storm cleanup in the Parks Department. Other allocations to fund the classification and compensation study pay increases to various departments were made that did not result in a net change to appropriations.

The adjustments resulted in an increase to budgeted revenue of \$305,000 and increasing expenditures by \$903,089 or 0.9 percent. \$363,089 was transferred to the Self-Funded Project Fund for future capital needs.

The final actuals resulted in revenues of 6.6 percent higher than the revised budget, and expenditures 4.3 percent lower than the revised budget. The savings in expenditures resulted from lower than expected salary expenses due to vacancies, lower than expected expenses for economic development incentives, and lower than expected expenses for utilities, specifically electricity and water.

## Capital Asset and Debt Administration

**Capital assets** – As detailed in Table A-3 below, the Town of Addison's investment in capital assets for its governmental and business-type activities as of September 30, 2019, totals \$258,158 (net of accumulated depreciation). This amount represents a \$189 decrease from the previous year and is attributed to the addition of the completion of constructed assets less depreciation of existing assets. Projects that are in progress include the Vitruvian Public Infrastructure, Midway Road Revitalization, Kellway Lift Station Rehabilitation, Sherlock Basin Improvements, Airport Facility Improvements, and Customs Facility Construction. More information related to the Town's capital assets can be found in Sections; I, D, 4 and III, D of the Notes to Financial Statements.

**Table A-3**  
**Town of Addison's Capital Assets**  
(Net of Depreciation) (000's)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 66,250	\$ 66,250	\$ 17,046	\$ 16,945	\$ 83,296	\$ 83,195
Intangible Assets	672	554	-	-	672	554
Buildings	8,951	8,326	6,585	6,775	15,536	15,102
Improvements other than Buildings	76,702	65,043	48,500	50,574	125,202	115,617
Machinery and Equipment	10,030	9,075	1,815	1,566	11,846	10,641
Construction in Progress	13,900	27,502	7,707	5,737	21,607	33,239
<b>Total Capital Assets</b>	<b>\$ 176,505</b>	<b>\$ 176,751</b>	<b>\$ 81,653</b>	<b>\$ 81,598</b>	<b>\$ 258,158</b>	<b>\$ 258,348</b>

*Long-term debt* – At the end of the 2019 fiscal year, the Town of Addison had total bonded debt outstanding of \$98,025 as detailed in Table A-4. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aaa” from Moody’s. Several of the Town’s outstanding debt issuances are insured. More information related to the Town’s long-term debt can be found in Section III, F of the Notes to Financial Statements.

**Table A-4**  
**Town of Addison's Outstanding Debt (000's)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 51,888	\$ 56,086	\$ 6,411	\$ 7,186	\$ 58,299	\$ 63,272
Certificates of Obligation	11,605	12,310	28,121	15,275	39,726	27,585
<b>Total Debt Outstanding</b>	<b>\$ 63,493</b>	<b>\$ 68,396</b>	<b>\$ 34,532</b>	<b>\$ 22,461</b>	<b>\$ 98,025</b>	<b>\$ 90,857</b>

### **Economic Factors and Next Year's Budget and Rates**

The development of the Town's budget is guided by several factors including the Town's strategic plan and prevailing economic conditions. The fiscal year 2020 budget plan adopted by the City Council adheres to the Town's financial policies and preserves the Town's strong financial position while providing excellent levels of service. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project major operating revenues and categories of expenses. Changes in fund balances are monitored to ensure that the Town is in compliance with adopted fund balance policy.

Major programs in the General Fund continue to focus on public safety, community development and parks to ensure the high quality of life enjoyed by Addison citizens and visitors.

Revenue assumptions in the General Fund are expected to take into consideration current economic indicators. Revenues, such as property tax revenue and sales tax revenue, are forecasted using both historical results and current trends. Certified taxable property values in Addison totaled \$4,819,907,442 for fiscal year 2020 which represented a 2.0 percent increase from the previous year. The property tax rate increased to \$0.583500 per \$100 appraised value, from the previous fiscal year. Of the 2020 budget tax rate, \$0.434117 was levied for operation/maintenance and \$0.149383 for debt service.

Sales tax collections for the Town were conservatively budgeted from the amount collected in 2019. Sales tax collections were projected to remain flat in fiscal year 2020 compared to the 2019 budget.

Hotel occupancy tax collections were budgeted to increase slightly by approximately 0.18 percent between fiscal year 2019 and fiscal year 2020.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Addison's finances and to show the Town's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Town of Addison  
Finance Department  
P.O. Box 9010  
Addison, TX 75001  
Telephone: (972) 450-7050  
Email: [adturner@addisontx.gov](mailto:adturner@addisontx.gov)

**Town of Addison, Texas**  
**Basic Financial Statements**

TOWN OF ADDISON  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 54,322,073	\$ 35,483,100	\$ 89,805,173
Receivables, Net of Allowances for Uncollectibles	4,699,724	2,827,888	7,527,612
Prepaid Items	470,103	-	470,103
Inventories, at Cost	34,155	-	34,155
Investment in Joint Venture	897,402	6,474,399	7,371,801
Capital Assets, Net of Accumulated Depreciation			
Land	66,249,935	17,046,407	83,296,342
Intangible Assets	672,076	-	672,076
Buildings	8,950,779	6,584,713	15,535,492
Improvements other than Buildings	76,701,637	48,500,030	125,201,667
Machinery and Equipment	10,030,498	1,815,156	11,845,654
Construction in Progress	13,899,390	7,706,752	21,606,142
<b>Total Assets</b>	<b>236,927,772</b>	<b>126,438,445</b>	<b>363,366,217</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refundings	1,372,093	369,084	1,741,177
Deferred Outflows on Pensions	8,188,125	627,498	8,815,623
Deferred Outflows on OPEB	258,647	22,459	281,106
<b>Total Deferred Outflows of Resources</b>	<b>9,818,865</b>	<b>1,019,041</b>	<b>10,837,906</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	4,590,031	1,236,329	5,826,360
Customer Deposits	4,067	1,423,780	1,427,847
Long-Term Liabilities			
Due within One Year	3,541,365	1,707,915	5,249,280
Due in More Than One Year	75,492,269	34,203,570	109,695,839
<b>Total Liabilities</b>	<b>83,627,732</b>	<b>38,571,594</b>	<b>122,199,326</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows on Pensions	83,940	6,493	90,433
Deferred Inflows on OPEB	187,396	16,292	203,688
<b>Total Deferred Inflows of Resources</b>	<b>271,336</b>	<b>22,785</b>	<b>294,121</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	125,521,642	63,424,919	188,946,561
Restricted for:			
Debt Service	83,524	-	83,524
Promotion of Tourism and Hotel Industry	3,449,095	-	3,449,095
Child Safety	90,718	-	90,718
Justice Administration	52,722	-	52,722
Court Technology	27,831	-	27,831
Court Security	37,495	-	37,495
Public Safety	101,240	-	101,240
Other Purposes	303,147	-	303,147
Unrestricted	33,180,155	25,438,188	58,618,343
<b>Total Net Position</b>	<b>\$ 162,847,569</b>	<b>\$ 88,863,107</b>	<b>\$ 251,710,676</b>

See accompanying notes to basic financial statements.

Town of Addison, Texas  
Basic Financial Statements

TOWN OF ADDISON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Program Revenues				Net (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 10,149,540	\$ 763,244	\$ -	\$ -	\$ (9,386,296)	\$ -	\$ (9,386,296)
Public Safety	19,855,190	916,430	100,904	95,000	(18,742,856)	-	(18,742,856)
Development Services	3,137,715	1,379,721	-	-	(1,757,994)	-	(1,757,994)
Streets	7,677,651	403,676	-	-	(7,273,975)	-	(7,273,975)
Parks and Recreation	6,840,345	64,453	-	35,000	(6,740,892)	-	(6,740,892)
Visitor Services	6,884,597	1,834,700	-	-	(5,049,897)	-	(5,049,897)
Interest on Long-Term Debt	1,938,010	-	-	-	(1,938,010)	-	(1,938,010)
<b>Total Governmental Activities</b>	<b>56,483,048</b>	<b>5,362,224</b>	<b>100,904</b>	<b>130,000</b>	<b>(50,889,920)</b>	<b>-</b>	<b>(50,889,920)</b>
Business-Type Activities:							
Airport	6,574,351	6,725,125	69,241	-	-	220,015	220,015
Utilities	12,329,112	11,847,562	-	457,426	-	(24,124)	(24,124)
Stormwater	1,427,551	2,237,953	-	-	-	810,402	810,402
<b>Total Business-Type Activities</b>	<b>20,331,014</b>	<b>20,810,640</b>	<b>69,241</b>	<b>457,426</b>	<b>-</b>	<b>1,006,293</b>	<b>1,006,293</b>
<b>Total Primary Government</b>	<b>\$ 76,814,062</b>	<b>\$ 26,172,864</b>	<b>\$ 170,145</b>	<b>\$ 587,426</b>	<b>(50,889,920)</b>	<b>1,006,293</b>	<b>(49,883,627)</b>
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes					25,180,507	-	25,180,507
Sales Taxes					16,258,669	-	16,258,669
Franchise Taxes					2,513,414	-	2,513,414
Hotel/Motel Taxes					5,436,211	-	5,436,211
Interest on Investments					1,365,659	833,703	2,199,362
Gain on Sale of Capital Assets					12,935	-	12,935
Miscellaneous					328,764	68,955	397,719
Transfers					500,000	(500,000)	-
<b>Total General Revenues and Transfers</b>					<b>51,596,159</b>	<b>402,658</b>	<b>51,998,817</b>
<b>Change in Net Position</b>					<b>706,239</b>	<b>1,408,951</b>	<b>2,115,190</b>
<b>NET POSITION, Beginning of Year</b>					<b>162,141,330</b>	<b>87,454,156</b>	<b>249,595,486</b>
<b>NET POSITION, End of Year</b>					<b>\$ 162,847,569</b>	<b>\$ 88,863,107</b>	<b>\$ 251,710,676</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**Governmental Funds**  
**Balance Sheet**  
**September 30, 2019**

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Pooled Cash and Investments	\$ 20,092,402	\$ 3,772,872	\$ 18,973	\$ 20,885,272	\$ 2,503,430	\$ 47,272,949
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	141,428	-	56,860	2,307	8,933	209,528
Non-Property Taxes	2,815,218	442,227	-	-	-	3,257,445
Franchise Fees	304,561	-	-	-	-	304,561
Service Fees, Net	150,455	-	-	-	-	150,455
Ambulance, Net	241,418	-	-	-	-	241,418
Interest	62,702	10,421	-	36,849	7,205	117,177
Intergovernmental	71,963	-	-	-	5,692	77,655
Other	13,523	307,557	-	-	-	321,080
Prepaid Items	470,103	-	-	-	-	470,103
Inventories, At Cost	34,155	-	-	-	-	34,155
Total Assets	<u>\$ 24,397,928</u>	<u>\$ 4,533,077</u>	<u>\$ 75,833</u>	<u>\$ 20,924,428</u>	<u>\$ 2,525,260</u>	<u>\$ 52,456,526</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:</b>						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 1,928,245	\$ 990,992	\$ 981	\$ 902,829	\$ 140,816	\$ 3,963,863
Intergovernmental Payable	78,873	2,243	-	-	-	81,116
Customer Deposits	3,417	650	-	-	-	4,067
Total Liabilities	<u>2,010,535</u>	<u>993,885</u>	<u>981</u>	<u>902,829</u>	<u>140,816</u>	<u>4,049,046</u>
Deferred Inflows of Resources:						
Unavailable Resources	<u>1,799,149</u>	<u>90,097</u>	<u>56,859</u>	<u>2,307</u>	<u>9,086</u>	<u>1,957,498</u>
Total Deferred Inflows of Resources	<u>1,799,149</u>	<u>90,097</u>	<u>56,859</u>	<u>2,307</u>	<u>9,086</u>	<u>1,957,498</u>
Fund Balances:						
Nonspendable						
Inventories	34,155	-	-	-	-	34,155
Prepaid Items	470,103	-	-	-	-	470,103
Restricted						
Debt Service	-	-	17,993	-	-	17,993
Promotion of Tourism and Hotel Industry	-	3,449,095	-	-	-	3,449,095
Capital Projects	-	-	-	11,067,329	-	11,067,329
Child Safety	-	-	-	-	90,718	90,718
Justice Administration	-	-	-	-	23,829	23,829
Court Technology	-	-	-	-	27,831	27,831
Court Security	-	-	-	-	37,495	37,495
Public Safety	-	-	-	-	95,319	95,319
Governmental Public Education	-	-	-	-	303,147	303,147
Committed						
Capital Projects	-	-	-	8,951,963	-	8,951,963
Economic Development	-	-	-	-	1,797,019	1,797,019
Unassigned	<u>20,083,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,083,986</u>
Total Fund Balance	<u>20,588,244</u>	<u>3,449,095</u>	<u>17,993</u>	<u>20,019,292</u>	<u>2,375,358</u>	<u>46,449,982</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 24,397,928</u>	<u>\$ 4,533,077</u>	<u>\$ 75,833</u>	<u>\$ 20,924,428</u>	<u>\$ 2,525,260</u>	<u>\$ 52,456,526</u>

See accompanying notes to basic financial statements.



**Town of Addison, Texas**  
**Basic Financial Statements**

**TOWN OF ADDISON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

Total Fund Balances - Governmental Funds	\$ 46,449,982
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position. The effect of this consolidation is to increase net position.	12,525,633
Capital assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital assets of \$170,803,183, net of accumulated depreciation of \$135,967,101, exclusive of the capital assets of internal service funds with a net carrying value of \$5,701,132, included above, increased net position in the government-wide financial statements.	170,803,183
Investment in Joint Venture is not financial resources and is not reported in the fund financial statements. Investment in Joint Venture of \$897,402 increased net position in the government-wide financial statements.	897,402
Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.	1,372,093
Bonds payable, contractual obligations, and related premium and discount amounts have not been included in the fund financial statements.	(63,492,587)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(918,562)
Total OPEB liability is not reflected in the fund financial statements.	(3,715,831)
Deferred outflows on OPEB, net of amortization, are not reflected in fund financial statements	258,647
Deferred inflows on OPEB, net of amortization, are not reflected in fund financial statements	(187,396)
Deferred outflows on pension costs, net of amortization, are not reflected in fund financial statements	8,188,125
Deferred inflows on pension costs, net of amortization, are not reflected in fund financial statements	(83,940)
Net pension liability is not reflected in fund financial statements	(10,906,652)
Interest payable on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording accrued interest is to decrease net position.	(300,026)
Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants is a deferred inflow in the fund financial statements until it is considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	1,957,498
<b>Net Position of Governmental Activities</b>	<b>\$ 162,847,569</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2019**

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Ad Valorem Taxes	\$ 17,240,969	\$ -	\$ 6,585,427	\$ 284,010	\$ 1,086,365	\$ 25,196,771
Non-Property Taxes	16,168,139	5,427,585	-	-	-	21,595,724
Franchise Fees	2,459,254	-	-	-	54,160	2,513,414
Licenses and Permits	1,366,941	-	-	-	-	1,366,941
Intergovernmental	71,963	-	-	-	121,941	193,904
Service Fees	1,726,863	1,206,764	-	-	64,026	2,997,653
Fines and Forfeitures	376,362	-	-	-	39,359	415,721
Earnings on Investments	643,083	94,058	23,219	541,393	63,906	1,365,659
Rental Charges	7,380	558,877	-	-	-	566,257
Recycling Proceeds	616	-	-	-	-	616
Other	177,446	67,500	-	-	9,154	254,100
Total Revenues	<u>40,239,016</u>	<u>7,354,784</u>	<u>6,608,646</u>	<u>825,403</u>	<u>1,438,911</u>	<u>56,466,760</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	8,917,497	-	3,909	-	1,654	8,923,060
Public Safety	18,589,033	-	-	-	119,468	18,708,501
Development Services	1,350,598	-	-	-	-	1,350,598
Streets	1,777,128	-	-	-	-	1,777,128
Parks and Recreation	5,520,903	-	-	-	-	5,520,903
Visitor Services	-	7,313,226	-	-	-	7,313,226
Municipal Court	-	-	-	-	53,096	53,096
Economic Development	-	-	-	-	1,553,813	1,553,813
Debt Service:						
Principal Retirement	-	-	4,280,000	-	-	4,280,000
Interest and Fiscal Charges	-	-	2,475,279	-	-	2,475,279
Capital Projects:						
Engineering and Contractual Services	-	-	-	1,469,752	-	1,469,752
Construction and Equipment	-	-	-	6,115,742	-	6,115,742
Total Expenditures	<u>36,155,159</u>	<u>7,313,226</u>	<u>6,759,188</u>	<u>7,585,494</u>	<u>1,728,031</u>	<u>59,541,098</u>
Excess/(Deficiency) of Revenues over Expenditures	4,083,857	41,558	(150,542)	(6,760,091)	(289,120)	(3,074,338)
<b>OTHER FINANCING SOURCES/(USES):</b>						
Transfers In	-	-	-	4,971,504	715,000	5,686,504
Transfers Out	(4,471,504)	(715,000)	-	-	-	(5,186,504)
Proceeds on Asset Sales	12,935	-	-	-	-	12,935
Total Other Financing Sources/(Uses)	<u>(4,458,569)</u>	<u>(715,000)</u>	<u>-</u>	<u>4,971,504</u>	<u>715,000</u>	<u>512,935</u>
Net Change in Fund Balance	(374,712)	(673,442)	(150,542)	(1,788,587)	425,880	(2,561,403)
Fund Balances at Beginning of Year	20,962,956	4,122,537	168,535	21,807,879	1,949,478	49,011,385
Fund Balances at End of Year	<u>\$ 20,588,244</u>	<u>\$ 3,449,095</u>	<u>\$ 17,993</u>	<u>\$ 20,019,292</u>	<u>\$ 2,375,358</u>	<u>\$ 46,449,982</u>

See accompanying notes to basic financial statements.

**TOWN OF ADDISON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Total Net Change in Fund Balances - Governmental Funds		\$ (2,561,403)
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the revenues and expenses of the internal service funds are included in governmental activities in the government-wide statement of activities. The effect of this consolidation is to increase net position.		594,136
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position.		7,406,675
Capital asset donations are not recognized in fund financial statements.		35,000
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position. This amount excludes \$1,026,131 depreciation in the internal service funds.		(7,650,643)
The Town's share of net loss from Investment in Joint Venture is not reflected in fund financials.		(62,783)
The issuance of long term debt increases the current financial resources of governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds, but both have no effect on net position. The amortization of prepaid insurance associated with the issuance of long-term debt, bond premiums, bond discounts, and deferred gain/loss on refunding of long term debts is reported in the statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance. This amount represents the increase in net position of the following:		
Bond repayments	4,280,000	
Amortization	519,454	
	<u>4,799,454</u>	4,799,454
The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's increase in liability is to decrease net position.		(53,720)
The current year decrease in the total OPEB liability of \$29,619, amortization of deferred inflows and outflows on OPEB of \$228,143 are not shown in the fund financial statements. The effect of recording these amounts is to decrease net position.		(198,524)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording the decrease in accrued interest is to increase net position.		17,815
Decrease in pension asset of \$192,086, amortization of deferred inflows and outflows on pensions of (\$9,304,378), and addition of a pension liability of \$10,906,652, decrease net position by increasing the pension expense in each function.		(1,794,360)
Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants not recognized in fund financial statements on the modified accrual basis is recognized on the accrual basis in the government-wide financial statements.		174,592
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 706,239</u></u>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended September 30, 2019**

	Budget		Actual GAAP	Variance With
	Original	Final	Basis	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
<b>Taxes:</b>				
Ad Valorem Taxes:				
Current	\$ 16,965,736	\$ 16,965,736	\$ 17,296,733	\$ 330,997
Delinquent	(45,000)	(45,000)	(96,002)	(51,002)
Penalties and Interest	30,000	30,000	40,238	10,238
Total Ad Valorem	16,950,736	16,950,736	17,240,969	290,233
Non-Property Taxes:				
Sales Tax	13,700,000	14,005,000	15,017,082	1,012,082
Alcoholic Beverage Tax	1,200,000	1,200,000	1,151,057	(48,943)
Total Non-Property Taxes	14,900,000	15,205,000	16,168,139	963,139
Total Taxes	31,850,736	32,155,736	33,409,108	1,253,372
<b>Franchise Fees:</b>				
Electric Franchise	1,600,000	1,600,000	1,534,930	(65,070)
Gas Franchise	200,000	200,000	253,426	53,426
Telephone Franchise	475,000	475,000	400,099	(74,901)
Cable Franchise	300,000	300,000	270,799	(29,201)
Total Franchise Fees	2,575,000	2,575,000	2,459,254	(115,746)
<b>Licenses and Permits:</b>				
Business Licenses and Permits	194,900	194,900	222,420	27,520
Building and Construction Permits	603,900	603,900	1,144,521	540,621
Total Licenses and Permits	798,800	798,800	1,366,941	568,141
<b>Service Fees:</b>				
General Government	100	100	-	(100)
Public Safety	931,000	931,000	907,174	(23,826)
Urban Development	2,850	2,850	2,180	(670)
Streets and Sanitation	370,000	370,000	403,676	33,676
Recreation	71,300	71,300	64,453	(6,847)
Interfund	328,520	328,520	349,380	20,860
Total Service Fees	1,703,770	1,703,770	1,726,863	23,093
<b>Fines and Forfeitures</b>	320,000	320,000	376,362	56,362
<b>Earnings on Investments</b>	100,000	100,000	643,083	543,083
<b>Intergovernmental</b>	-	-	71,963	71,963
<b>Rental Charges</b>	6,600	6,600	7,380	780
<b>Recycling Proceeds</b>	3,000	3,000	616	(2,384)
<b>Other</b>	90,000	90,000	177,446	87,446
Total Revenues	\$ 37,447,906	\$ 37,752,906	\$ 40,239,016	\$ 2,486,110

**Town of Addison, Texas**  
**Basic Financial Statements**

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended September 30, 2019**

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>General Government:</b>				
City Secretary:				
Salaries and Fringe Benefits	94,889	94,889	113,997	(19,108)
Supplies	20,700	20,700	13,374	7,326
Contractual Services	64,500	64,500	48,598	15,902
Total City Secretary	180,089	180,089	175,969	4,120
City Manager's Office:				
Salaries and Fringe Benefits	951,447	924,447	976,878	(52,431)
Supplies	23,848	23,848	27,765	(3,917)
Maintenance and Materials	40,777	40,777	20,203	20,574
Contractual Services	113,922	140,922	129,389	11,533
Capital Replacement	18,982	18,982	18,982	-
Capital Outlay	-	-	12,900	(12,900)
Total City Manager's Office	1,148,976	1,148,976	1,186,117	(37,141)
Financial and Strategic Services:				
Salaries and Fringe Benefits	1,303,557	1,303,557	1,132,480	171,077
Supplies	27,100	27,100	17,808	9,292
Maintenance and Materials	34,624	34,624	18,000	16,624
Contractual Services	409,851	714,851	830,196	(115,345)
Capital Replacement	45,682	45,682	45,682	-
Total Financial and Strategic Services	1,820,814	2,125,814	2,044,166	81,648
General Services:				
Salaries and Fringe Benefits	488,478	488,478	473,252	15,226
Supplies	21,398	21,398	26,039	(4,641)
Maintenance and Materials	91,461	91,461	109,437	(17,976)
Contractual Services	108,894	108,894	76,141	32,753
Capital Replacement	31,980	31,980	31,980	-
Total General Services	742,211	742,211	716,849	25,362
Municipal Court:				
Salaries and Fringe Benefits	540,894	540,894	485,172	55,722
Supplies	13,500	13,500	9,556	3,944
Maintenance and Materials	52,400	52,400	49,313	3,087
Contractual Services	92,160	92,160	67,689	24,471
Capital Replacement	38,931	38,931	38,931	-
Total Municipal Court	737,885	737,885	650,661	87,224
Human Resources:				
Salaries and Fringe Benefits	485,000	485,000	443,810	41,190
Supplies	8,248	8,248	8,628	(380)
Maintenance and Materials	881	881	1,349	(468)
Contractual Services	190,233	190,233	177,483	12,750
Capital Replacement	11,844	11,844	11,844	-
Total Human Resources	696,206	696,206	643,114	53,092

**Town of Addison, Texas**  
**Basic Financial Statements**

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended September 30, 2019**

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Information Technology:				
Salaries and Fringe Benefits	1,095,829	1,095,829	1,095,135	694
Supplies	34,994	34,994	18,800	16,194
Maintenance and Materials	812,000	812,000	735,669	76,331
Contractual Services	127,894	127,894	80,315	47,579
Capital Replacement	29,876	29,876	29,876	-
Capital Outlay	-	-	47,136	(47,136)
Total Information Technology	2,100,593	2,100,593	2,006,931	93,662
Combined Services:				
Salaries and Fringe Benefits	7,642	7,642	41,706	(34,064)
Supplies	47,000	47,000	42,480	4,520
Contractual Services	1,305,984	1,305,984	1,078,949	227,035
Total Combined Services	1,360,626	1,360,626	1,163,135	197,491
City Council Special Projects:				
Salaries and Fringe Benefits	29,483	29,483	27,384	2,099
Supplies	20,500	20,500	16,011	4,489
Contractual Services	288,260	288,260	283,896	4,364
Capital Replacement	3,264	3,264	3,264	-
Total City Council Special Projects	341,507	341,507	330,555	10,952
Total General Government	9,128,907	9,433,907	8,917,497	516,410
<b>Public Safety:</b>				
Police:				
Salaries and Fringe Benefits	7,652,344	7,652,344	7,521,152	131,192
Supplies	330,469	330,469	240,028	90,441
Maintenance and Materials	237,693	237,693	237,200	493
Contractual Services	631,793	631,793	698,999	(67,206)
Capital Replacement	657,435	657,435	657,435	-
Total Police	9,509,734	9,509,734	9,354,814	154,920
Emergency Communications:				
Maintenance and Materials	26,643	26,643	33,165	(6,522)
Contractual Services	1,356,509	1,356,509	1,332,326	24,183
Total Emergency Communications	1,383,152	1,383,152	1,365,491	17,661
Fire:				
Salaries and Fringe Benefits	6,606,571	6,606,571	6,661,958	(55,387)
Supplies	252,595	252,595	244,666	7,929
Maintenance and Materials	258,145	252,758	259,412	(6,654)
Contractual Services	357,223	357,223	320,760	36,463
Capital Replacement	376,545	376,545	376,545	-
Capital Outlay	-	5,387	5,387	-
Total Fire	7,851,079	7,851,079	7,868,728	(17,649)
Total Public Safety	18,743,965	18,743,965	18,589,033	154,932

**Town of Addison, Texas**  
**Basic Financial Statements**

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended September 30, 2019**

	Budget		Actual GAAP	Variance With
	Original	Final	Basis	Final Budget
				Positive
				(Negative)
<b>EXPENDITURES (CONTINUED)</b>				
<b>Development Services:</b>				
Development Services:				
Salaries and Fringe Benefits	1,213,052	1,181,896	1,123,412	58,484
Supplies	32,554	32,554	31,029	1,525
Maintenance and Materials	9,353	9,353	10,951	(1,598)
Contractual Services	312,545	343,701	140,866	202,835
Capital Replacement	44,340	44,340	44,340	-
Total Development Services	1,611,844	1,611,844	1,350,598	261,246
<b>Streets:</b>				
Streets:				
Salaries and Fringe Benefits	544,692	544,692	477,216	67,476
Supplies	43,615	43,615	47,449	(3,834)
Maintenance and Materials	727,942	722,602	548,237	174,365
Contractual Services	792,879	792,879	598,985	193,894
Capital Replacement	67,125	67,125	67,125	-
Capital Outlay	28,000	33,340	38,116	(4,776)
Total Streets	2,204,253	2,204,253	1,777,128	427,125
<b>Parks and Recreation:</b>				
Parks:				
Salaries and Fringe Benefits	1,714,970	1,699,970	1,495,200	204,770
Supplies	220,616	220,616	253,990	(33,374)
Maintenance and Materials	971,348	1,173,848	1,203,687	(29,839)
Contractual Services	884,960	899,960	833,120	66,840
Capital Replacement	90,758	90,758	90,417	341
Capital Outlay	-	32,500	34,903	(2,403)
Total Parks	3,882,652	4,117,652	3,911,317	206,335
Recreation:				
Salaries and Fringe Benefits	997,472	997,472	936,968	60,504
Supplies	179,232	173,232	144,117	29,115
Maintenance and Materials	206,559	212,559	138,726	73,833
Contractual Services	418,523	418,523	328,193	90,330
Capital Replacement	61,582	61,582	61,582	-
Total Recreation	1,863,368	1,863,368	1,609,586	253,782
Total Parks and Recreation	5,746,020	5,981,020	5,520,903	460,117
Total Expenditures	37,434,989	37,974,989	36,155,159	1,819,830
Excess (deficiency) of revenues over expenditures	12,917	(222,083)	4,083,857	4,305,940
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers Out	(4,108,415)	(4,471,504)	(4,471,504)	-
Proceeds on Asset Sales	5,000	5,000	12,935	7,935
Total Other Financing Sources/(Uses)	(4,103,415)	(4,466,504)	(4,458,569)	7,935
Net Change in Fund Balance	(4,090,498)	(4,688,587)	(374,712)	4,313,875
Fund Balances at Beginning of Year	20,962,956	20,962,956	20,962,956	-
Fund Balances at End of Year	\$ 16,872,458	\$ 16,274,369	\$ 20,588,244	\$ 4,313,875

**Town of Addison, Texas**  
**Basic Financial Statements**

**Hotel Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			Variance With
	Budget		Actual GAAP	Final Budget
	Original	Final	Basis	Positive
				(Negative)
<b>REVENUES:</b>				
Hotel/Motel Occupancy Taxes	\$ 5,530,000	\$ 5,530,000	\$ 5,427,585	\$ (102,415)
Proceeds from Special Events and Service Fees	2,647,700	2,647,700	1,206,764	(1,440,936)
Earnings on Investments	17,000	17,000	94,058	77,058
Rental Charges	630,000	630,000	558,877	(71,123)
Other	70,000	82,880	67,500	(15,380)
Total Revenues	8,894,700	8,907,580	7,354,784	(1,552,796)
<b>EXPENDITURES:</b>				
Conference Centre	1,100,052	1,100,052	956,507	143,545
Marketing	1,083,888	1,083,888	962,527	121,361
Special Events	5,043,519	5,043,519	3,482,551	1,560,968
Performing Arts	840,452	1,919,960	1,768,877	151,083
General Hotel Operations	161,470	161,470	142,764	18,706
Total Expenditures	8,229,381	9,308,889	7,313,226	1,995,663
Excess/(Deficiency) of Revenues over Expenditures	665,319	(401,309)	41,558	442,867
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfer to Debt Service Fund	(715,000)	(715,000)	(715,000)	-
Net Change in Fund Balance	(49,681)	(1,116,309)	(673,442)	442,867
Fund Balances at Beginning of Year	4,122,537	4,122,537	4,122,537	-
Fund Balances at End of Year	\$ 4,072,856	\$ 3,006,228	\$ 3,449,095	\$ 442,867

See accompanying notes to basic financial statements.



**Town of Addison, Texas**  
**Basic Financial Statements**

**Proprietary Funds**  
**Statement of Net Position**  
**September 30, 2019**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>ASSETS:</b>					
Current Assets:					
Pooled Cash and Investments	\$ 14,248,789	\$ 12,576,797	\$ 8,482,839	\$ 35,308,425	\$ 7,223,799
Interest Receivable	41,302	38,668	48,299	128,269	20,405
Accounts Receivable, Net	250,475	2,147,060	302,084	2,699,619	-
Total Current Assets	14,540,566	14,762,525	8,833,222	38,136,313	7,244,204
Non-Current Assets:					
Capital Assets:					
Land	15,633,373	1,413,034	-	17,046,407	-
Construction in Progress	1,119,527	4,955,579	1,631,646	7,706,752	-
Buildings	2,600,302	6,923,788	-	9,524,090	-
Improvements other than Buildings	56,595,270	47,302,072	1,520,299	105,417,641	-
Machinery and Equipment	1,658,285	2,915,876	21,035	4,595,196	15,337,454
Accumulated Depreciation	(31,555,281)	(30,968,262)	(113,485)	(62,637,028)	(9,636,322)
Total Capital Assets, Net of Accumulated Depreciation	46,051,476	32,542,087	3,059,495	81,653,058	5,701,132
Investment in Joint Venture	-	6,474,399	-	6,474,399	-
Total Assets	60,592,042	53,779,011	11,892,717	126,263,770	12,945,336
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred Charges on Refundings	2,405	366,679	-	369,084	-
Deferred Outflows on Pensions	-	627,498	-	627,498	-
Deferred Outflows on OPEB	3,933	16,703	1,823	22,459	-
Total Deferred Outflows of Resources	6,338	1,010,880	1,823	1,019,041	-
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 365,050	\$ 346,363	\$ 362,319	\$ 1,073,732	\$ 245,028
Accrued Interest Payable	45,023	86,047	31,527	162,597	-
Current Compensated Absences Payable	518	9,897	-	10,415	-
Current Maturities of Long-Term Liabilities	562,500	840,000	295,000	1,697,500	-
Customer Deposits	330,117	1,093,663	-	1,423,780	-
Total Current Liabilities	1,303,208	2,375,970	688,846	4,368,024	245,028
Non-Current Liabilities:					
Long-Term Liabilities, Net of Current Portion	9,400,952	19,224,266	5,578,352	34,203,570	-
Total Liabilities	10,704,160	21,600,236	6,267,198	38,571,594	245,028
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred Inflows on Pensions	-	6,493	-	6,493	-
Deferred Inflows on OPEB	2,851	12,218	1,223	16,292	-
Total Deferred Inflows of Resources	2,851	18,711	1,223	22,785	-
<b>NET POSITION:</b>					
Net Investment in Capital Assets	43,056,100	20,936,659	(567,840)	63,424,919	5,701,132
Unrestricted	6,835,269	12,234,285	6,193,959	25,263,513	6,999,176
Total Net Position	\$ 49,891,369	\$ 33,170,944	\$ 5,626,119	\$ 88,688,432	\$ 12,700,308

Reconciliation to business-type activities:

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.

\$ 174,675

Net Position of business type activities

\$ 88,863,107

See accompanying notes to basic financial statements.

**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year ended September 30, 2019**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>OPERATING REVENUES:</b>					
Water	\$ -	\$ 6,663,348	\$ -	\$ 6,663,348	\$ -
Sewer	-	5,153,298	-	5,153,298	-
Drainage	-	-	2,235,566	2,235,566	-
Penalties	-	107,593	-	107,593	-
Water and Sewer Taps and Other Fees	-	9,438	2,387	11,825	-
Fuel Flowage Fees	1,019,452	-	-	1,019,452	-
Customs Agent Fees	103,306	-	-	103,306	-
Rental Charges	5,488,112	-	-	5,488,112	-
Other Income	178,523	5,455	-	183,978	4,700
Department Contributions	-	-	-	-	2,141,524
<b>Total Operating Revenues</b>	<b>6,789,393</b>	<b>11,939,132</b>	<b>2,237,953</b>	<b>20,966,478</b>	<b>2,146,224</b>
<b>OPERATING EXPENSES:</b>					
Salaries and Fringe Benefits	324,776	1,867,185	275,422	2,467,383	-
Supplies	33,600	176,462	16,117	226,179	21,179
Maintenance and Materials	2,839,071	329,051	77,810	3,245,932	8,999
Contractual Services	930,680	909,601	757,941	2,598,222	33,147
Water Purchases	-	3,551,624	-	3,551,624	-
Wastewater Purchases	-	3,809,787	-	3,809,787	-
Total Operating Expenses (Excluding Depreciation)	4,128,127	10,643,710	1,127,290	15,899,127	63,325
Depreciation	2,342,091	1,362,770	65,459	3,770,320	1,026,131
<b>Total Operating Expenses</b>	<b>6,470,218</b>	<b>12,006,480</b>	<b>1,192,749</b>	<b>19,669,447</b>	<b>1,089,456</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>319,175</b>	<b>(67,348)</b>	<b>1,045,204</b>	<b>1,297,031</b>	<b>1,056,768</b>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>					
Investment Income	287,969	313,187	232,547	833,703	71,027
Gain/(Loss) on Disposal of Assets	68,473	-	-	68,473	50,398
Gain/(Loss) on Joint Venture	-	(86,115)	-	(86,115)	-
Interest Expense and Fiscal Charges	(336,097)	(674,725)	(234,802)	(1,245,624)	-
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>20,345</b>	<b>(447,653)</b>	<b>(2,255)</b>	<b>(429,563)</b>	<b>121,425</b>
<b>NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>339,520</b>	<b>(515,001)</b>	<b>1,042,949</b>	<b>867,468</b>	<b>1,178,193</b>
Capital Grants and Contributions	-	457,426	-	457,426	-
Transfers In	27,864	381,518	-	409,382	-
Transfers Out	-	-	(500,000)	(500,000)	(409,382)
<b>CHANGE IN NET POSITION</b>	<b>367,384</b>	<b>323,943</b>	<b>542,949</b>	<b>1,234,276</b>	<b>768,811</b>
Net Position at Beginning of Year	49,523,985	32,847,001	5,083,170	87,454,156	11,931,497
Net Position at End of Year	\$ 49,891,369	\$ 33,170,944	\$ 5,626,119	\$ 88,688,432	\$ 12,700,308

Reconciliation to business-type activities:

Change in net position of enterprise funds \$ 1,234,276

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.

Net Position of business type activities \$ 1,408,951

**Town of Addison, Texas**  
**Basic Financial Statements**

**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended September 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 6,643,375	\$ 12,073,485	\$ 2,258,127	\$ 20,974,987	\$ 2,146,224
Payments to Suppliers	(3,739,996)	(8,703,957)	(662,311)	(13,106,264)	(156,742)
Payments to Employees for Services	(321,892)	(1,705,394)	(274,127)	(2,301,413)	-
<i>Net Cash Provided by Operating Activities</i>	<u>2,581,487</u>	<u>1,664,134</u>	<u>1,321,689</u>	<u>5,567,310</u>	<u>1,989,482</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers to Other Funds	-	-	(500,000)	(500,000)	-
<i>Net Cash Used by Noncapital and Related Financing Activities</i>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and Construction of Capital Assets	(405,366)	(2,041,720)	(1,423,841)	(3,870,927)	(1,155,676)
Proceeds from Issuance of Long-Term Debt	7,058,568	6,549,642	-	13,608,210	-
Principal Paid on Long-Term Debt	(547,500)	(595,000)	(290,000)	(1,432,500)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(321,115)	(742,787)	(261,724)	(1,325,626)	-
Proceeds from Sale of Capital Assets	68,473	-	-	68,473	72,436
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>5,853,060</u>	<u>3,170,135</u>	<u>(1,975,565)</u>	<u>7,047,630</u>	<u>(1,083,240)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on Cash and Investments	257,565	289,675	226,633	773,873	63,137
<i>Net Cash Provided by Investing Activities</i>	<u>257,565</u>	<u>289,675</u>	<u>226,633</u>	<u>773,873</u>	<u>63,137</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	8,692,112	5,123,944	(927,243)	12,888,813	969,379
Cash and Cash Equivalents, October 1	5,556,677	7,452,853	9,410,082	22,419,612	6,254,420
Cash and Cash Equivalents, September 30	<u>\$ 14,248,789</u>	<u>\$ 12,576,797</u>	<u>\$ 8,482,839</u>	<u>\$ 35,308,425</u>	<u>\$ 7,223,799</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ 319,175	\$ (67,348)	\$ 1,045,204	\$ 1,297,031	\$ 1,056,768
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation	2,342,091	1,362,770	65,459	3,770,320	1,026,131
Change in Assets, Liabilities, and Deferred Items:					
(Increase)/Decrease in Accounts Receivables	(150,018)	139,982	20,174	10,138	-
(Increase)/Decrease in Prepaid Items	-	-	-	-	9,000
Increase/(Decrease) in Accounts Payable	63,218	70,667	189,557	323,442	(102,417)
Increase/(Decrease) in Customer Deposits	4,000	(5,629)	-	(1,629)	-
(Increase)/Decrease in Deferred Outflows on Pensions	-	(483,122)	-	(483,122)	-
(Increase)/Decrease in Deferred Outflows on OPEB	677	2,898	290	3,865	-
(Increase)/Decrease in Pension Asset	-	12,193	-	12,193	-
Increase/(Decrease) in Deferred Inflows on Pensions	-	(224,773)	-	(224,773)	-
Increase/(Decrease) in Deferred Inflows on OPEB	2,795	11,980	1,198	15,973	-
Increase/(Decrease) in Net Pension Liability	-	846,448	-	846,448	-
Increase/(Decrease) in Total OPEB Liability	(451)	(1,932)	(193)	(2,576)	-
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 2,581,487</u>	<u>\$ 1,664,134</u>	<u>\$ 1,321,689</u>	<u>\$ 5,567,310</u>	<u>\$ 1,989,482</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Grants and Contributions	\$ -	\$ 457,426	\$ -	\$ 457,426	\$ -
Capital Assets in Accounts Payable	(134,674)	(576,340)	(199,888)	(910,902)	243,210
Transfers of Capital Assets	27,864	381,518	-	409,382	(409,382)
Gain/(Loss) of Joint Venture	-	(86,115)	-	(86,115)	-
<i>Net Noncash Items from Capital and Related Financing Activities</i>	<u>\$ (106,810)</u>	<u>\$ 176,489</u>	<u>\$ (199,888)</u>	<u>\$ (130,209)</u>	<u>\$ (166,172)</u>

See accompanying notes to the basic financial statements.



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Town of Addison, Texas ("Town"), relating to the funds included in the accompanying financial statements, conform to the generally accepted accounting principles applicable to state and local governments. The following represent the more significant accounting and reporting policies and practices used by the Town.

**A. Reporting Entity**

The Town is a municipal corporation incorporated on June 15, 1953, under the Constitution of the State of Texas (Home Rule Amendment). The Town's charter was last amended in November 2010. The Town operates as a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the Town and its inhabitants.

The Town is a financial reporting entity as defined by GASB Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 61 "The Financial Reporting Entity: Omnibus: an amendment of GASB Standards No. 14 and No. 34." As required by generally accepted accounting principles (GAAP), the Town's financial statements include all required activities relating to the Town and its operations. In accordance with the standards, the Town does not have component units requiring inclusion.

**B. Basic Financial Statements**

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both sets of financial statements classify activities as either governmental activities, which are supported by taxes and intergovernmental revenues, or business-type activities, which rely on fees and charges for support.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. "Measurement focus" refers to what is being measured, and "basis of accounting" refers to the timing of revenue and expenditure recognition in financial statements. The government-wide financial statements and the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied.

The governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town considers all revenues available if they are collected within thirty (30) days after year-end. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

Ad Valorem (property), sales, and hotel taxes, as well as franchise fees, recorded in the General Fund and Ad Valorem tax revenues recorded in the Economic Development Fund, General Obligation Debt Service Fund and Capital Project Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services (except ambulance services), fines and forfeitures (except court warrants), and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ambulance services, court warrants and investment earnings are recorded as earned since they are measurable and available.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's airport and utility functions and various other functions of the Town, and charges of the internal service funds to the Airport and Utility funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses of the Town's enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Revenues which are not allocated by law or contractual agreement to other funds are accounted for in this fund.

Hotel Fund – The Hotel Fund is used to account for tax revenues received from local hotels. Expenditures must fall within the guidelines set forth in the Texas Hotel Occupancy Tax Act (Article 1269: Vernon's Texas Civil Statutes).

General Obligation Debt Service Fund – The General Obligation Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest on the general obligation bonded debt of the Town.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources related to the acquisition, construction, or improvements of major capital assets.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Additionally, the Town reports the following non-major governmental funds:

Municipal Court Fund – The Municipal Court Fund accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court function.

Public Safety Fund – The Public Safety Fund accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

Advanced Funding Grant Fund – The Advanced Funding Grant Fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

Economic Development Fund – The Economic Development Fund accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

Reimbursement Grant Fund – The Reimbursement Grant Fund accounts for expenditures for which the Town expects to be reimbursed. For any reimbursements not received prior to the fiscal year end, the Town will record a receivable. Amounts not received within 30 days of the fiscal year end are reported as deferred revenue.

PEG Fees Fund - The PEG Fees Fund was created to collect state restricted public, educational, and government access channels, or PEG, fees and account for their use.

The Town reports the following major proprietary funds:

Airport Fund – The Airport Fund accounts for all revenue generated by the Town's general aviation airport. The Town is required to spend this revenue on airport functions. The airport's operating, maintenance, and capital expenses are supported solely by airport income.

Utility Fund – The Utility Fund provides water and sewer services to the residents and businesses of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing.

Stormwater Fund - The Town's Stormwater Fund accounts for maintenance and improvements to Town stormwater infrastructure. It is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

Additionally, the Town reports the following internal service funds:

Capital Replacement Fund – The Capital Replacement Fund is used to accumulate sufficient resources to replace existing capital equipment that have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected life. The funds are used to finance replacement equipment when needed.

Information Technology Replacement Fund – The Information Technology Replacement Fund is used to accumulate sufficient resources to replace existing information technology systems. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of a system based upon the component's expected life. The funds are used to finance replacement equipment when needed.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity**

**1) Cash and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. To maximize investment opportunities, all funds participate in a pooling of cash and investments.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of the State of Texas and related agencies; obligations of state, agencies, counties, cities and other political subdivisions of any state rated A or above by Standard & Poor's Corporation or Moody's Investors Service; certificates of deposit issued by state or national banks and savings banks domiciled in Texas; fully collateralized direct repurchase agreements; prime domestic banker's acceptances (BA's); commercial paper with a stated maturity of 180 days or less and a rating of not less than A-1+ or its equivalent; and state or local government investment pools.

Investments in debt securities and money market mutual funds for the Town are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town considers quoted market price at September 30, 2019 to be the fair value of investments. Investments in nonnegotiable certificates of deposit are carried at cost. The government investment pools, TexPool and TexSTAR, operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the Town's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

**2) Receivables and Payables**

All receivables for the Town are reported net of an allowance for uncollectibles. The allowances are based on historical collections data and evaluated periodically.

The Town's property tax lien is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Values are assessed at 100% of the estimated market value. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance.

**3) Inventories and Prepaid Items**

In accordance with the consumption method of accounting, both inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventories are stated at cost. Cost is determined for inventories of supplies and fuel using the moving-average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. The prepaid items of the Town consist primarily of prepaid software maintenance agreements, the quarterly payment to support the operations of our joint venture North Texas Emergency Communications Center, Inc. (NTECC), the quarterly payment to Dallas Central Appraisal District for appraisal fees, and postage.



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

4) Capital Assets

Capital assets include land, buildings, equipment, and improvements. Improvements include upgrading facilities other than buildings such as streets or sewers and infrastructure, including pavement, storm sewers, and right-of-way contributed by developers. Capital expenditures are defined as purchases that meet specific guidelines as listed below:

- Expected useful life must be three years or more for equipment and ten years or more for improvements.
- Original unit cost of the equipment should be \$5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories; capital improvements should be \$25,000 or greater.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

The Land and Improvements other than Buildings categories associated with governmental activities include amounts for infrastructure. Related accumulated depreciation of Improvements other than Buildings includes amounts associated with infrastructure. Subsequently, infrastructure is tracked and reported as a separate component of general capital assets associated with governmental activities.

The internal service funds may record assets that have an original cost of \$5,000 or less if assets are considered part of an overall system. Individual items may be retired and replaced as parts of the larger system.

Contributed assets are recorded at acquisition value as of the date donated. Depreciation of property, plant, and equipment by major classes is provided by the straight-line method based on the following estimated useful lives by major class of depreciable capital assets:

Buildings.....	50 years
Improvements other than Buildings.....	20-50 years
Equipment.....	3-50 years

Depreciation of current year additions and retirements is computed at one-half the straight-line rate.

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The liability is computed based on the reimbursable hours at the employees' rate of pay as of September 30, 2019. The Town's liability for compensated absences increased \$51,682 for a total liability of \$1,012,102.

6) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is capital developer donations of \$457,426 for Utilities, donations of \$35,000 in public artwork, and a capital grant of \$95,000 for public safety equipment. Operating grants included \$100,904 of funding for public safety, \$19,241 for non-capital developer donations for the Airport, and a \$50,000 grant for Airport operations.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

7) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and other postemployment benefit (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in pension and OPEB assumptions - These changes are deferred and recognized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected versus actual experience - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference between projected and actual investment earnings on pension plan - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions the pension plan (active and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items that qualify for reporting in this category. The difference due to changes in OPEB assumptions is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The difference in expected and actual pension and OPEB experience is deferred and recognized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. In the governmental funds, unavailable resources are revenues that are earned and measurable but not yet available, and are reported as deferred inflows of resources. In the full accrual government-wide statements, the unavailable resources are recognized as revenue and not deferred.

8) Fund Equity

The Town reports governmental fund balances per GASB 54 definitions as follows:

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or prepaid amounts or that are legally or contractually required to remain intact.

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees, and court building security fees or that are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts whose use is constrained by specific limitations that the Town imposes itself, as determined through an ordinance passed by the Town Council. Once adopted, the limitation imposed by the ordinance remains in place until another ordinance removes or revises the limitation.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned – Amounts intended to be used for specific purposes. Intent may be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the CFO or his designee as the official authorized to assign fund balance for a specific purpose as approved by the fund balance policy.

Unassigned – Amounts not contained in other classifications that can be used for any purpose. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by Town management based on Council direction.

The Town will utilize funds for expenditures from the most restrictive fund balance first when more than one fund balance classification is available, with most restrictive being restricted, then committed, then assigned, and lastly unassigned.

9) Minimum Fund Balance Policy

It is the desire of the Town to maintain adequate fund balances to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 30 percent of budgeted expenditures, and a minimum fund balance of 25 percent of budgeted expenditures for all other operating funds.

10) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary Information

Budget Policy – The City Council follows these procedures in establishing the budget reflected in the financial statements:

- 1) Prior to August 1 each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means to finance them.
- 2) Public hearings are conducted where all interested persons' comments concerning the budget are heard.
- 3) The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

- 4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

- 5) Budgets for the General, Special Revenue, and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). However, the Reimbursement Grant Fund does not have an adopted budget due to the uncertainty of revenues and expenditures, so no comparison of budget to actual is presented in the financial statements. Budgets for the Capital Project funds are normally established pursuant to the terms of the related bond indentures, that is, project basis. Accordingly, no comparison of budget to actual is presented in the financial statements.

**Budget Data** – The budget amounts presented in the statements reflect original and amended budget amounts. The FY2019 budget was amended two times, and the amendments were approved by City Council on April 25, 2019 and September 24, 2019. The April 25th amendment was to allocate additional funds to the Addison Athletic Club Air Conditioning and Heating System project and to the Addison Circle Park Fountains project, as well as roll over remaining FY18 unused allocations in the Capital Replacement fund to FY19. The September 24th budget amendment appropriated funds for the storm cleanup and sales tax audit fees, and to reflect the receipt of insurance proceeds for a claim at the Addison Theatre Centre.

**Excess of Expenditures over Appropriations** – For the year ended September 30, 2019, City Manager's department expenditures in the General Fund exceeded appropriations by \$37,141, mainly due to hiring a new Deputy City Manager. Also in the General Fund, the Fire department expenditures exceeded appropriations by \$17,649, mainly due to hiring a new Deputy Fire Chief. The excess of appropriations for expenditures in other departments in the General Fund were more than enough to cover these overages, so fund balance was not impacted.

Encumbrance accounting is employed in governmental funds, but all encumbrances are liquidated at year-end. No encumbrances roll forward to the next fiscal year or affect following year budgets.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town has six bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, Benefits Account, and the Addison Airport Account. The Controlled Disbursements and Payroll accounts are zero-balance accounts. The ACH/Wire Account is used for all receipts and expenditures made by ACH or wire transfer. The Town uses the Operating Account as an operating pool available for all funds. Each fund type's portion of this pool is reported as "Cash and Investments." The other demand accounts are reported in the same manner. The Addison Airport account is a checking account used by the management companies at the Airport to cover operational expenses.

The investment policies of the Town are governed by state statutes and an Investment Policy Ordinance adopted by the City Council. Major provisions of the Town's investment policy include: responsibility for investments, authorized investments, bank and security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives, and investment reporting procedures.

**Cash**

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2019. Included in Cash and Investments is \$5,250 of petty cash. At year-end, the carrying amount of the Town's deposits, including certificates of deposit, was a debit balance of \$12,659,176. The respective bank balance totaled \$13,783,392. In addition, collateral with a market value of \$21,503,520 and unused letters of credit in the amount of \$10,369,360 were held by the pledging financial institution's account at the Federal Reserve Bank in the Town's name.

In order to maximize interest earnings, the Town utilizes a controlled disbursement account that allows the Town to deposit only as much money needed to fund checks presented for payment each day. The amount required is withdrawn from the operating pool.

**External Investment Pools**

The Town's pool investments as of September 30, 2019 were invested in TexPool and TexSTAR (Texas Short Term Asset Reserve program).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Fleming Asset Management, Inc. (JPMFAM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMFAM provides investment management, fund accounting, transfer agency and services. The assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR and FSAM provides administrative, marketing and participant services.

TexPool and TexSTAR are not registered with the Securities and Exchange Commission (SEC) as investment companies. TexPool and TexSTAR are investment pools that have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The government investment pool, TexPool, is carried at amortized cost. TexSTAR is carried at net asset value.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

Investments

As of September 30, 2019, the Town held the following investments:

	<u>Carrying Value</u>	<u>Average Maturity (Days)</u>
Certificates of Deposit	\$ 10,246,941	128
Commercial Paper	14,928,666	83
Agency Securities	48,586,437	173
<i>Total Investment in Securities</i>	<u>73,762,044</u>	<u>145</u>
TexStar	8,786,502	1
TexPool	4,839,136	1
<i>Total Investment in Pools</i>	<u>13,625,638</u>	<u>1</u>
<i>Total Investments</i>	<u>\$ 87,387,682</u>	<u>135</u>

In accordance with GASB Statement No. 72, "*Fair Value Measurement and Application*," the Town records investments at fair value. However, for participating interest-earning investment contracts with maturities of one year or less at time of purchase, the Town reports these investments at amortized cost. Investments in debt securities are carried at fair value. Fair value for debt securities is determined using a multi-dimensional relational model using standard inputs including TRACE reported trades. Investments in nonnegotiable certificates of deposits are carried at cost.

*Interest Rate Risk* – In accordance with its investment policy, the Town manages its exposure to declines in fair market values by limiting the weighted average days to maturity of its investment portfolio to 18 months (540 days). This means investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools.

*Credit Risk* – The reported investments meet the criteria specified in the Town's investment policy related to the specific types of instruments presented.

1. Debt obligations with a maturity not to exceed five years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). The Town's investments in bonds of U.S. Agencies were rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMO) and real estate mortgage investment conduits (REMICs) are expressly prohibited.
2. Time Certificates of Deposit with a maturity not to exceed three years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch in the state of Texas which have been approved by the Town in accordance with its Investment Policy. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of the Town.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

3. Prime commercial paper with an original maturity of one hundred eighty (180) days or less which, at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moodys or F1 by Fitch.
  - At the time of the purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit rating.
  - If more than two of the above rated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.
  - If the commercial paper issuer has senior debt\* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least: A-1 by Moodys, A+ by Standard and Poor's, and A+ by Fitch. (\*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year)
  - If the commercial paper issuer is given a "plus (+) rating," the maximum maturity of two hundred seventy (270) days or less will be allowed.
4. State and Local Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. TexPool and TexSTAR are both currently rated AAA by Standard and Poor's.

*Concentration of Credit Risk* – It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's investments as of September 30, 2019, are Instrumentality Securities (70%) of which the Town's portfolio is currently at 56%, Certificates of Deposit (50%) of which the Town's portfolio is currently at 12%, Commercial Paper (30%) of which the Town's portfolio is currently at 17%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 16%.

**Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- |                |   |
|----------------|---|
| <b>Level 1</b> | Quoted prices in active markets for identical assets or liabilities   |
| <b>Level 2</b> | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities |
| <b>Level 3</b> | Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities  |

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

*Recurring Measurements*

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2019:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
<b>Investments by fair value level</b>				
Commercial Paper	\$ 14,928,666	\$ -	\$ 14,928,666	\$ -
U.S. Agency Securities	48,586,437	-	48,586,437	-
<i>Total Investment by fair value level</i>	63,515,103	\$ -	\$ 63,515,103	\$ -
<b>Investments measured at net asset value - TexSTAR</b>	8,786,502			
<b>Investments measured at amortized cost - TexPool</b>	4,839,136			
<b>Non-negotiable certificates of deposit</b>	10,246,941			
<i>Total Investments</i>	<u>\$ 87,387,682</u>			

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for all related external investment pool balances.

*Investments*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2019, no investments are held by the Town meeting the Level 3 hierarchy classification.

*Investment in State Investment Pools*

During the year, the Town invested in multiple public fund investment pools, including TexSTAR and TexPool. The fair value of the position of TexSTAR is measured at net asset value, and the fair value of the position of TexPool is measured at amortized cost. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

**B. Ad Valorem (Property) Taxes**

Property taxes attach as an enforceable lien on property as of January 1. The Town's property tax is levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established by Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2018, upon which the fiscal year 2019 levy is based, was \$4,725,759,169.



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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ended September 30, 2019 was \$.5500 per \$100, of which \$.4074 was allocated for general government and \$.1426 was allocated for the payment of principal and interest on general obligation and certificates of obligation long-term debt.

Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. Current tax collections for the year ended September 30, 2019, were 96.50% of the original tax levy. In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this arrangement, the Town continues to set tax rates on Town property.

However, if the effective tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. This legislation also provides that, if approved by the qualified voters in the Town, both the appraisal and collection functions may be placed with the appraisal district.

In the governmental funds financial statements, taxes are recognized as revenue beginning on the date of levy when they become available. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within thirty (30) days of the fiscal year ending are recorded as deferred inflows of resources and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as unearned revenues and recognized as revenue of the period to which they apply.

An allowance for uncollectible taxes is provided based on an analysis of historical trends. The allowance for uncollectible taxes at September 30, 2019, was \$422,040.

**C. Receivables**

As of September 30, 2019, receivables for the Town's individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Hotel	Debt Service	Hotel Debt Service	Capital Projects	Non-Major Funds	Internal Service Funds	Total
Taxes:								
Ad Valorem	\$ 403,267	\$ -	\$ 196,965	\$ -	\$ 6,039	\$ 25,297	\$ -	\$ 631,568
Non-Property	2,815,218	442,227	-	-	-	-	-	3,257,445
Franchise Fees	304,561	-	-	-	-	-	-	304,561
Service Fees	972,101	-	-	-	-	-	-	972,101
Ambulance	740,614	-	-	-	-	-	-	740,614
Interest	62,702	10,421	-	-	36,849	7,205	20,405	137,582
Other	85,486	307,557	-	-	-	5,692	-	398,735
Gross Receivables	\$ 5,383,949	\$ 760,205	\$ 196,965	\$ -	\$ 42,888	\$ 38,194	\$ 20,405	\$ 6,442,606
Less: Allowance for Uncollectibles	1,582,681	-	140,105	-	3,732	16,364	-	1,742,882
Net Receivables	<u>\$ 3,801,268</u>	<u>\$ 760,205</u>	<u>\$ 56,860</u>	<u>\$ -</u>	<u>\$ 39,156</u>	<u>\$ 21,830</u>	<u>\$ 20,405</u>	<u>\$ 4,699,724</u>

The above allowance for uncollectible accounts represents reserves for ambulance (\$499,196), court warrants (\$775,109), sales tax (\$46,537), and property taxes (\$422,040).

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

In the proprietary funds at September 30, 2019 the Airport fund has \$200,475 rent receivable and \$50,000 grant receivable with no associated allowance accounts. The Utility fund has \$2,247,930 in water and sewer sales receivable, net of an allowance of \$100,870. The stormwater fund has stormwater fees receivable of \$308,991 net of an allowance of \$6,907.

**D. Capital Assets**

Capital Asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 66,249,935	\$ -	\$ -	\$ -	\$ 66,249,935
Intangible Assets	554,471	-	-	117,605	672,076
Construction in Progress	27,501,381	7,199,418	-	(20,801,409)	13,899,390
<i>Total Capital Assets, not Depreciable</i>	<i>94,305,787</i>	<i>7,199,418</i>	<i>-</i>	<i>(20,683,804)</i>	<i>80,821,401</i>
Capital Assets, Depreciable:					
Buildings	22,084,774	19,359	-	1,193,555	23,297,688
Improvements other than Buildings	176,497,474	64,941	-	18,001,256	194,563,671
Machinery and Equipment	21,928,202	1,433,447	(1,139,684)	1,203,005	23,424,970
<i>Total Capital Assets, Depreciable</i>	<i>220,510,450</i>	<i>1,517,747</i>	<i>(1,139,684)</i>	<i>20,397,816</i>	<i>241,286,329</i>
Less Accumulated Depreciation for:					
Buildings	(13,758,490)	(588,419)	-	-	(14,346,909)
Improvements other than Buildings	(111,454,208)	(6,412,811)	-	4,985	(117,862,034)
Machinery and Equipment	(12,853,628)	(1,675,543)	1,139,684	(4,985)	(13,394,472)
<i>Total Accumulated Depreciation</i>	<i>(138,066,326)</i>	<i>(8,676,773)</i>	<i>1,139,684</i>	<i>-</i>	<i>(145,603,415)</i>
<i>Total Capital Assets, Depreciable, net</i>	<i>82,444,124</i>	<i>(7,159,026)</i>	<i>-</i>	<i>20,397,816</i>	<i>95,682,914</i>
<i>Governmental Activities Capital Assets, net</i>	<i>\$ 176,749,911</i>	<i>\$ 40,392</i>	<i>\$ -</i>	<i>\$ (285,988)</i>	<i>\$ 176,504,315</i>
<b>Business-type Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 16,945,437	\$ 100,970	\$ -	\$ -	\$ 17,046,407
Construction in Progress	5,735,583	2,763,071	-	(791,902)	7,706,752
<i>Total Capital Assets, not Depreciable</i>	<i>22,681,020</i>	<i>2,864,041</i>	<i>-</i>	<i>(791,902)</i>	<i>24,753,159</i>
Capital Assets, Depreciable:					
Buildings	9,524,090	-	-	-	9,524,090
Improvements other than Buildings	104,168,312	457,427	-	791,902	105,417,641
Machinery and Equipment	4,192,105	219,378	(102,275)	285,988	4,595,196
<i>Total Capital Assets, Depreciable</i>	<i>117,884,507</i>	<i>676,805</i>	<i>(102,275)</i>	<i>1,077,890</i>	<i>119,536,927</i>
Less Accumulated Depreciation for:					
Buildings	(2,748,890)	(190,487)	-	-	(2,939,377)
Improvements other than Buildings	(53,594,316)	(3,323,295)	-	-	(56,917,611)
Machinery and Equipment	(2,625,777)	(256,538)	102,275	-	(2,780,040)
<i>Total Accumulated Depreciation</i>	<i>(58,968,983)</i>	<i>(3,770,320)</i>	<i>102,275</i>	<i>-</i>	<i>(62,637,028)</i>
<i>Total Capital Assets, Depreciable, net</i>	<i>58,915,524</i>	<i>(3,093,515)</i>	<i>-</i>	<i>1,077,890</i>	<i>56,899,899</i>
<i>Business-type Activities Capital Assets, net</i>	<i>\$ 81,596,544</i>	<i>\$ (229,474)</i>	<i>\$ -</i>	<i>\$ 285,988</i>	<i>\$ 81,653,058</i>

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

Depreciation expense was charged to departments of the Town as follows:

	Governmental Activities	Business-type Activities
General Government	\$ 338,613	\$ -
Public Safety	466,622	-
Development Services	2,495	-
Streets	5,397,366	-
Parks and Recreation	880,318	-
Visitor Services	565,228	-
IT Replacement	341,298	-
Capital Replacement	684,833	-
Airport Fund	-	2,342,091
Utility Fund	-	1,362,770
Stormwater Fund	-	65,459
	<u>\$ 8,676,773</u>	<u>\$ 3,770,320</u>

The following tabulation presents the estimated significant commitments under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2019:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
<b>Governmental Activities</b>			
Vitruvian Public Infrastructure	\$ 10,021,107	\$ 9,138,063	\$ 883,044
Midway Road Rehabilitation	3,000,000	2,835,177	164,823
	<u>\$ 13,021,107</u>	<u>\$ 11,973,240</u>	<u>\$ 1,047,867</u>
<b>Business-type Activities</b>			
Sherlock Basin Improvements	\$ 1,868,191	\$ 1,567,437	\$ 300,754
Customs Facility Construction	7,283,257	905,700	6,377,557
Airport Facility Improvements	1,290,287	213,828	1,076,459
Water Line Replacement	1,181,798	1,029,518	152,280
Basin I Sanitary Sewer Reroute	2,301,000	399,846	1,901,154
Kellway Lift Station Rehab & Repair	1,510,000	419,537	1,090,463
	<u>\$ 15,434,533</u>	<u>\$ 4,535,866</u>	<u>\$ 10,898,667</u>

**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Interlocal Sanitary Sewer Interceptor Agreement**

The Town is party to an interlocal agreement, which established a non-profit water supply corporation (North Dallas County Water Supply Corporation) for the purpose of constructing, maintaining, and operating a joint sanitary sewer interceptor with the City of Farmers Branch. The non-profit water supply corporation is governed by a six-member board composed of three appointees from each entity. The Town was obligated for construction costs of the project in proportion to its percentage of allocated flows for each specific portion of the project as set forth in the agreement. The Town is also obligated to pay 55% of all general overhead costs. Operating and maintenance costs since the project became operational shall be paid in accordance with respective percentages of allocated flows as set forth in the agreement.

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of \$6,474,399, net of related debt, is included in Unrestricted Net Position. This joint venture provides audited financial statements bi-annually. The most recent audit report available is for the year ended September 30, 2019. Complete financial statements for the North Dallas County Water Supply Corporation can be obtained from Charles Cox, Secretary/Treasurer, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

**F. Long-Term Debt**

The long-term debt of the Town consisted of the following as of September 30, 2019:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>Combination Tax and Revenue Certificates of Obligation Series of 2012</b>		
A series of 2,967 bonds at \$5,000 each dated August 15, 2012. The bonds were issued for the purpose of (i) acquiring and installing radio and telecommunication equipment for Town public safety operations, (ii) designing, acquiring, improving, constructing, and renovating water, wastewater and street infrastructure improvements, including drainage infrastructure, within the Vitruvian Park area of the Town; and (iii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2032 with interest rates ranging from 1.5% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2022 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed \$1,000) of surplus net revenues of the Town's Utility Fund. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ 11,685,000	\$ -

**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>General Obligation Refunding and Improvement Bonds Series of 2012</b>		
<p>A series of 4,518 bonds at \$5,000 each dated August 15, 2012. The bonds were issued to fund various public improvement projects up to \$19,830,000 to include construction, engineering, and other professional services; refund the Town's outstanding General Obligation Bonds, Series 2004, and General Obligation Refunding and Improvement Bonds, Series 2005; and pay the costs of issuance associated with the sale of the bonds. The bonds mature serially through 2032 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2022 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"; AMBAC Insured</p>	\$ 14,160,000	\$ -
<b>General Obligation Bonds, Tax-Exempt Series of 2013</b>		
<p>A series of 933 bonds at \$5,000 each dated July 15, 2013. The bonds were issued to provide funds to (i) engineer, construct, improve, repair, develop, extend and expand streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefore; (ii) acquire and improve land and interest in land to provide improvements, additions and access to the Addison Municipal Airport, and (iii) pay the costs of issuing the Tax-Exempt Bonds. The bonds mature serially through 2033 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	\$ 3,675,000	\$ -
<b>General Obligation Bonds Series 2013A (AMT)</b>		
<p>A series of 375 bonds at \$5,000 each dated July 15, 2013. The bonds were issued to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the AMT bonds. The bonds mature serially through 2018 with interest rates ranging from 2% to 2.25%. The bonds are not callable.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	\$ 1,460,000	\$ -

**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>General Obligation Bonds</b>		
<b>Taxable Series of 2013B</b>		
A series of 250 bonds at \$5,000 each dated July 15, 2013. The bonds, used together with other available Town funds, were issued to provide funds to: (i) acquire and improve land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the Taxable Bonds. The bonds mature serially through 2033 with interest rates ranging from 3.75% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of \$5,000.	\$ 980,000	\$ -
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series of 2013</b>		
A series of 2,037 bonds at \$5,000 each dated July 15, 2013. The Certificates were issued for (i) (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, (b) designing, acquiring, improving, constructing, and renovating City drainage and stormwater infrastructure and facilities ((a) and (b) together, the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. The bonds mature serially through 2033 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2023 in whole or in part in principal amounts of \$5,000.	\$ -	\$ 7,925,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
<b>General Obligation Bonds, Tax-Exempt</b>		
<b>Series 2014</b>		
A series of 2,400 bonds at \$5,000 each dated February 15, 2014. The bonds were issued to provide funds for: (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; relocating utilities currently located in or adjacent to the Belt Line Road right-of-way and acquiring, constructing, and developing Belt Line Road roadway and streetscape improvements and the acquisition of land therefor; and (iii) for the payment of the costs of issuing the Tax-Exempt Bonds. The bonds mature serially through 2032 with interest rates ranging from 3% to 3.625%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000.	\$ 10,295,000	\$ -
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		

**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>Certificates of Obligation Series 2014</b>		
A series of 1,513 bonds at \$5,000 each dated February 15, 2014. The Certificates were issued for (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. The bonds mature serially through 2034 with interest rates ranging from 1% to 4%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000.	\$	-
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		\$ 6,320,000
<b>General Obligation Refunding Bonds Series 2014 (AMT)</b>		
A series of 429 bonds at \$5,000 each dated February 15, 2014. The bonds were issued to: (i) refund a portion of the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 2004 for debt service savings, and (ii) to pay the costs of issuing the AMT Bonds. The bonds mature serially through 2020 with interest rates ranging from 1% to 2%. The bonds are not callable.	\$	-
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		\$ 380,000
<b>General Obligation Refunding Bonds Series 2016</b>		
A series of 4,712 bonds at \$5,000 each dated May 13, 2016. The bonds were issued to refund a portion of the Town's outstanding debt for debt service savings and to pay the costs associated with the issuance of the bonds. The bonds mature serially through 2033 with interest rates ranging from 3% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2026 in whole or in part in principal amounts of \$5,000.	\$ 17,035,000	\$ 5,275,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		

**NOTES TO FINANCIAL STATEMENTS**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>Combination Tax and Revenue Certificates of Obligation Series 2018</b>		
<p>A series of 2,623 bonds at \$5,000 each dated December 11, 2018. The bonds were issued for the purpose of (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (ii) designing, acquiring, improving, constructing, and renovating facilities and infrastructure at the Addison Municipal Airport related to constructing and equipping a new customs and airport administration facility, and (iii) to pay for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2039 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed \$1,000) of surplus net revenues of the Town's Utility Fund.</p> <p>Ratings: Moody's "Aaa"; Standard &amp; Poor's "AAA"</p>	\$ -	\$ 13,115,000
<b>TOTAL LONG-TERM DEBT OUTSTANDING</b>	<u><u>\$ 59,290,000</u></u>	<u><u>\$ 33,015,000</u></u>



**Town of Addison, Texas**  
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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2019 was as follows (in thousands of dollars):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 51,175	\$ -	\$ (3,570)	\$ 47,605	\$ 2,705
Premium on General Obligation Bonds	4,954	-	(631)	4,323	-
Discount on General Obligation Bonds	(43)	-	3	(40)	-
Certificates of Obligation	12,395	-	(710)	11,685	720
Discount on Certificates of Obligation	(85)	-	5	(80)	-
Net Pension Liability	-	14,108	(3,202)	10,906	-
Compensated Absences	865	204	(151)	918	116
Total OPEB Liability	3,745	100	(129)	3,716	-
Long-Term Liabilities – Governmental Activities	<u>\$ 73,006</u>	<u>\$ 14,412</u>	<u>\$ (8,385)</u>	<u>\$ 79,033</u>	<u>\$ 3,541</u>
Business-type Activities:					
General Obligation Refunding Bonds	\$ 6,320	\$ -	\$ (665)	\$ 5,655	\$ 690
(Payable from airport and utility system revenues)					
Premium on General Obligation Refunding Bonds	867	-	(112)	755	-
Combination Tax and Revenue Certificates of Obligation	2,380	6,800	(115)	9,065	120
(Payable from airport revenues)					
Premium on Combination Tax and Revenue C.O.	85	259	(21)	323	-
Combination Tax and Revenue Certificates of Obligation	6,620	6,315	(300)	12,635	530
(Payable from utility system revenues)					
Premium on Combination Tax and Revenue C.O.	26	235	(13)	248	-
Combination Tax and Revenue Certificates of Obligation	5,950	-	(290)	5,660	295
(Payable from storm water system revenues)					
Premium on Combination Tax and Revenue C.O.	214	-	(26)	188	-
Note Payable	182	-	(63)	119	62
Net Pension Liability	-	1,095	(248)	847	-
Compensated Absences	95	15	(16)	94	11
Total OPEB Liability	325	9	(11)	323	-
Long-Term Liabilities – Business-type Activities	<u>\$ 23,064</u>	<u>\$ 14,728</u>	<u>\$ (1,880)</u>	<u>\$ 35,912</u>	<u>\$ 1,708</u>

The Town intends to retire all of its general obligation bonds (other than those recorded in the enterprise funds), plus interest, from future Ad Valorem tax levies, interest income, and transfers from other funds. The Town is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. There is \$17,993 available in the General Obligation Debt Service Fund to service the general obligation bonds.

Proprietary fund-type debt is to be repaid from net revenues of the enterprise funds and is, accordingly, recorded as enterprise fund debt. The Note Payable referenced above in the Business-type Activities was created in July 2015 as part of a ground lease early termination agreement at the Addison Airport. The Town of Addison will pay \$375,000 in 72 equal payments of \$5,208 each month, accruing no interest, beginning August 1, 2015. This creates a remaining annual principal only payment of \$62,500 for years 2019 and 2020, and an annual payment of \$54,000 in 2021.

Bonded debt is direct obligations and pledge the full faith and credit of the government for both governmental and business-type activities. There are a number of limitations and restrictions contained in the various general obligations, certificates of obligation, and revenue bond indentures. The Town is in compliance with all significant limitations and restrictions at September 30, 2019.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund.

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Obligation Bonds:				
2020	\$ 2,705,000	\$ 1,986,748	\$ 690,000	\$ 240,650
2021	2,820,000	1,880,507	320,000	224,250
2022	2,865,000	1,767,492	340,000	211,050
2023	2,995,000	1,646,526	355,000	197,150
2024	3,120,000	1,518,133	365,000	182,750
2025-2029	17,630,000	5,332,758	1,990,000	644,600
2030-2034	15,470,000	1,326,095	1,595,000	164,375
	<u>\$ 47,605,000</u>	<u>\$ 15,458,259</u>	<u>\$ 5,655,000</u>	<u>\$ 1,864,825</u>
Certificates of Obligation:				
2020	\$ 720,000	\$ 354,713	\$ 945,000	\$ 1,036,458
2021	735,000	340,162	1,230,000	1,002,182
2022	755,000	321,488	1,280,000	957,683
2023	780,000	294,562	1,335,000	909,057
2024	815,000	262,663	1,385,000	858,658
2025-2029	3,535,000	932,037	7,880,000	3,397,745
2030-2034	2,580,000	508,578	8,975,000	1,597,844
2035-2039	1,765,000	90,703	4,330,000	389,681
	<u>\$ 11,685,000</u>	<u>\$ 3,104,906</u>	<u>\$ 27,360,000</u>	<u>\$ 10,149,308</u>

At September 30, 2019, the Town had \$26,000,000 authorized but unissued general obligation bonds.

**G. Interfund Transfers**

Transfers between funds during the year ended September 30, 2019 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
General Fund	\$ -	\$ 1,000,000	For capital projects
General Fund	-	700,000	For capital projects
General Fund	-	2,771,504	For capital projects
Stormwater Fund	-	500,000	For capital projects
Capital Project Fund	1,000,000	-	For capital projects
Capital Project Fund	700,000	-	For capital projects
Capital Project Fund	2,771,504	-	For capital projects
Capital Project Fund	500,000	-	For capital projects
Hotel Fund	-	715,000	For economic development
Economic Development Fund	715,000	-	For economic development
Internal Service Fund	-	27,864	For purchase of assets in Internal Svc Fund
Internal Service Fund	-	46,608	For purchase of assets in Internal Svc Fund
Internal Service Fund	-	334,910	For purchase of assets in Internal Svc Fund
Airport Fund	27,864	-	For purchase of assets in Internal Svc Fund
Utility Fund	46,608	-	For purchase of assets in Internal Svc Fund
Utility Fund	334,910	-	For purchase of assets in Internal Svc Fund
Total Transfers	<u>\$ 6,095,886</u>	<u>\$ 6,095,886</u>	

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is \$5,000,000 and \$10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage in each of the past five years.

Prior to the 2001 fiscal year, the Town participated in a retained-risk program with TMLIRP under which the Town assumed the risk of paying for all individual claims with a specific stop-loss of \$175,000 and an annual aggregate stop-loss of \$525,000. Outstanding claims associated with the risk retention program are accounted for in the General Fund and are recorded as Accounts Payable.

For the period of October 2018 to September 2019, the Town offered health benefits through one of two plans operated by Blue Cross Blue Shield. Employees were able to choose either an HSA (health savings account) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental and a vision plan through Blue Cross Blue Shield of Texas Vision. The HSA, PPO, and dental plans are funded by joint contributions from the employees and the Town and are accounted for in the respective operating funds. The vision plan is solely from employee contributions.

Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental were based upon fixed employee and dependent rates that are established each year.

**B. Employee's Retirement System**

**1) Pension Plan**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's net pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

**Plan Description**

The Town provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 887 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: <http://www.tmr.com/publications.php>.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Benefits depend upon the sum of the employee's contributions to the plan and the Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for services rendered before the plan began based on an amount equal to two times what would have been contributed by the employee plus interest. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions. Beginning in 1994, the Town adopted an annually repeating type of monetary credit referred to as an updated service credit which when added to the employee's accumulated contributions and the monetary credits for service since the plan began would be the total monetary credits and employee contributions accumulated with interest, if the current employee contribution rate and Town matching percent had always been in existence. The calculation included a three-year exponential average of the actual salaries paid during the prior fiscal years.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. Also, in 1994, the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Members can retire at certain ages, based on the years of service with the Town. The service retirement eligibilities for the Town are: 5 years/age 60, 20 years/any age. Plan provisions for the Town are as follows:

Deposit Rate:	7%
Matching Ratio (Town to Employee):	2 to 1
A member is vested after:	5 years

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	208
Inactive employees entitled to but not yet receiving benefits	227
Active employees	<u>263</u>
Total	<u>698</u>

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for the Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the Town needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar year 2018 of 10.68%. Accordingly, contributions to TMRS for the year ended September 30, 2019 were \$2,172,375 and were equal to the required contribution.

Net Pension Liability/(Asset)

The Town's Net Pension Liability/(Asset) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% including inflation
Investment rate of return	6.75%, net of pension plan investment expense including inflation.

Salary increases were based on service-related tables. Mortality rates for active members and retirees were multiplied by 109% for males and by 103% for females. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Location</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	<u>100.0%</u>	

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%. A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2018. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the Town's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the Town. The projection of cash flows used to determine the single discount rate for the Town assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the Town will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e. the employer normal cost).

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 10/1/2018	\$ 126,145,081	\$ 126,349,361	\$ (204,280)
Changes for the year:			
Service cost	3,028,227	-	3,028,227
Interest	8,365,372	-	8,365,372
Changes of benefit terms	-	-	-
Difference between expected and actual experience	154,569	-	154,569
Changes of assumptions	-	-	-
Contributions - employer	-	2,066,662	(2,066,662)
Contributions - employee	-	1,382,710	(1,382,710)
Net investment income	-	(3,781,614)	3,781,614
Benefit payments, including refunds of employee contributions	(7,455,524)	(7,455,524)	-
Administrative expense	-	(73,147)	73,147
Other	-	(3,821)	3,821
Net changes	4,092,644	(7,864,734)	11,957,378
Balance at 9/30/2019	\$ 130,237,725	\$ 118,484,627	\$ 11,753,098

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Town, calculated using the discount rate of 6.75% as well as what the Town's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability(asset)	\$ 28,659,453	\$ 11,753,098	\$ (2,223,893)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the Town recognized pension expense of \$4,156,642. At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 538,567	\$ (90,433)
Contributions subsequent to the measurement date	1,709,081	-
Change of assumptions	29,533	-
Difference between projected and actual investment earnings	6,538,442	-
Total	<u>\$ 8,815,623</u>	<u>\$ (90,433)</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of \$1,709,081 will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2020	\$ 2,559,440
2021	1,086,833
2022	904,029
2023	2,465,807
Total	<u>\$ 7,016,109</u>

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll.

2) Other Postemployment Benefits

A summary of OPEB related items as of and for the year ended September 30, 2019, is presented below (in thousands).

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	\$ 2,907,608	\$ 206,444	\$ (118,265)	\$ 259,648
Business-Type Activities	252,550	17,925	(10,282)	22,578
Supplemental Death Benefits				
Governmental Activities	808,223	52,203	(69,131)	50,002
Business-Type Activities	70,200	4,534	(6,010)	4,348
Total	<u>\$ 4,038,581</u>	<u>\$ 281,106</u>	<u>\$ (203,688)</u>	<u>\$ 336,576</u>



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

Retiree Health Care Plan Description

In addition to the pension benefits described above, as required by state law and defined by Town Policy, the Town makes available health care benefits to all employees who retire from the Town and who are receiving benefits from a Town-sponsored retirement program (Texas Municipal Retirement System and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses and dependents through the Town's group health insurance plan, which covers both active and retired members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Current retirees in the health plan and active employees with 20 years or more of service or at age 60 or more with five years or more of service at retirement are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report. Benefit provisions for retirees are not mandated by any form of employment agreement. The continued provision of these benefits is based entirely on the discretion of the Town of Addison City Council.

A measurement date of December 31, 2018 was used for the September 30, 2019 liability and expense. The information that follows was determined as of a valuation date of December 31, 2018.

Employees covered by benefit terms

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	44
Active Members	<u>262</u>
Total	<u>306</u>

Contributions

Before age 65, the Town will pay a \$150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the \$150 stipend before age 65, the Town will pay a \$75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the \$150 stipend provided by the Town. The Town contribution to the health plan consists of total premiums in excess of retiree contributions.

Retirees receiving medical benefits during fiscal year 2019 contribute \$499 to \$1,600 per month depending on coverage levels selected. In fiscal year 2019, total retiree contributions were \$150,654.

Total OPEB Liability for Retiree Health Care Plan

The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The Town's total OPEB liability for healthcare benefits of \$3,160,158 was measured as of December 31, 2018.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

Actuarial assumptions

The Town's total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation.....	2.5% per year
Overall payroll growth.....	3.5% to 10.50%, including inflation
Discount rate.....	3.71 percent (3.31% in prior year)
Healthcare cost trend rates.....	7.2 percent for 2020 decreasing to 4.25 after 15 years
Participation rates.....	50 percent of employees who retire before age 65 and 100 percent of employees who retire at age 65 or older

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 3.71 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes in the Total OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability
Balance as of 10/1/18	\$ 3,152,539
Changes for the year:	
Service cost	176,485
Interest on OPEB Liability	105,055
Effect of difference in expected & actual experience	(45,102)
Effect of assumptions (change in discount rate)	(94,984)
Benefit payments	(133,836)
Change in total OPEB Liability	7,618
Balance as of 9/30/19	\$ 3,160,157

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 3.71% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease 2.71%	Current Discount Rate 3.71%	1% Increase 4.71%
Total OPEB liability	\$ 3,501,594	\$ 3,160,157	\$ 2,863,196

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the plan's total OPEB liability of the Town, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current rates:

	Current Health Care		
	1% Decrease	Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,910,449	\$ 3,160,157	\$ 3,459,049

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the Town recognized OPEB expense of \$282,226. At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ -	\$ 43,778
Change of assumptions	120,581	84,769
Benefit payments made subsequent to measurement date	103,788	-
Total	<u>\$ 224,369</u>	<u>\$ 128,547</u>

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of \$103,788 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2020	\$ 686
2021	686
2022	686
2023	686
2024	686
Thereafter	(11,396)
Total	<u>\$ (7,966)</u>

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

Supplemental Death Benefits Fund Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

A measurement date of December 31, 2018 was used for the September 30, 2019 liability and expense. The information that follows was determined as of a valuation date of December 31, 2018.

Employees covered by benefit terms

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	153
Inactive employees entitled to but not yet receiving benefits	59
Active employees	<u>263</u>
Total	<u>475</u>

Contributions

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contribution for retirees. The Town's Supplemental Death Benefit Plan contributions for 2019 were \$5,918.

Total OPEB Liability for Supplemental Death Benefits

The Town's total OPEB liability for supplemental death benefits of \$878,423 was measured as of December 31, 2018.

Actuarial assumptions

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation.....	2.5% per year
Overall payroll growth.....	3.5% to 10.50%, including inflation
Discount rate.....	3.71 percent (3.31% in prior year)

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**IV. OTHER INFORMATION (CONTINUED)**

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 3.71 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Changes in the Total OPEB Liability for supplemental death benefits

	Total OPEB Liability
Balances as of 10/1/18	\$ 918,237
Changes for the year:	
Service cost	25,646
Interest on OPEB Liability	30,719
Effect of difference in expected & actual experience	(21,647)
Effect of assumptions (change in discount rate)	(68,614)
Benefit payments	(5,918)
Change in OPEB Liability	(39,814)
Balances as of 9/30/19	\$ 878,423

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 3.71% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease (2.71)%	Current Discount Rate (3.71)%	1% Increase (4.71)%
Total OPEB liability	\$ 1,064,548	\$ 878,424	\$ 735,521

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the Town recognized OPEB expense of \$54,350. At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,021
Change of assumptions	52,016	57,120
Benefit payments made subsequent to measurement date	4,721	-
Total	\$ 56,737	\$ 75,141

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of \$4,721 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2020	\$ (2,016)
2021	(2,016)
2022	(2,016)
2023	(2,412)
2024	(14,665)
Total	<u>\$ (23,125)</u>

**C. Contingencies**

The Town is party to various legal actions arising in the ordinary course of business, none of which is believed by the Town's management to have a material impact on the financial condition of the Town. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

**D. Tax Incentive Rebates**

The Town of Addison has two active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting businesses that generate incremental tax revenues. In addition to GASB 77, the agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreements, the Town agrees to rebate a portion of the ad valorem or sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreements in a particular year, the businesses forego the rebates in that year.

The agreement with one entity, executed March 4, 2016, provides a rebate for 50% of business personal property (ad valorem) tax for ten years and a total amount of \$50,000 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2019, and the amount forgone was \$34,041. Over the life of the contract, the entity has forgone \$102,123.

The agreement with the other entity provides a rebate for 75% of sales tax over a threshold amount, of which the calculation is outlined in the contract. The Town paid \$338,976 during the fiscal year ended September 30, 2019, and has paid \$972,744 over the life of the contract. Also, the contract allows for the Town of Addison to commission an independent traffic study regarding an area specified in the contract, and if warranted, the Town will pay for capital expenses related to potential signalization or other needed improvements in the specified area.

No traffic study has been warranted or commissioned as of September 30, 2019. Also, the contract requires a tree mitigation amount of \$424,385 to be paid in five installments starting the 10th anniversary of the contract execution date, which was in August 2012.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**IV. OTHER INFORMATION (CONTINUED)**

**E. New Accounting Pronouncements**

The Town has adopted and implemented the following statements during the fiscal year 2019.

Statement No. 85, *Omnibus 2017* – This statement aims to improve consistency in accounting and financial reporting by addressing practice issues related to blending component units, goodwill, fair value measurement, and postemployment benefits. This statement had no impact on the Town's net position.

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* – This statement aims to improve the information that is disclosed in notes to government financial statements related to debt. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement had no impact on the Town's net position.

The GASB has issued the following statements which will become effective in a future year.

Statement No. 84, *Fiduciary Activities* – This statement improves guidance regarding the identification of fiduciary activities for financial and accounting reporting purposes and how these activities should be reported. This statement will be effective for the Town in fiscal year 2020. The Town will evaluate the potential impact on the Town's net position.

Statement No. 87, *Leases* – This statement establishes a single approach to accounting for and reporting leases by state and local governments. This statement will be effective for the Town in fiscal year 2021. The Town will evaluate the potential impact on the Town's net position.

Statement No. 90, *Majority Equity Interests* – This statement aims to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement will become effective for the Town in fiscal year 2020. The Town will evaluate the potential impact on the Town's net position.

**F. Subsequent Events**

On October 7, 2019, the Town issued \$16,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2019, to provide funding for improvements to the Town's roadways, sidewalks, bridges, streetscapes, and storm drainage system as well as improvements to a groundwater well to supply water to the Town's Vitruvian Park.

## Required Supplementary Information





**Town of Addison, Texas**  
**Required Supplementary Information**

**REQUIRED SUPPLEMENTARY INFORMATION**  
Texas Municipal Retirement System  
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios (Unaudited)  
Last Five Measurement Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	\$ 2,819,937	\$ 3,120,695	\$ 2,740,122	\$ 2,862,674	\$ 3,028,227
Interest (on the Total Pension Liability)	8,660,470	9,031,058	7,721,380	8,023,052	8,365,372
Changes in benefit terms including substantively automatic status	-	-	(20,027,692)	-	-
Difference between expected and actual experience	(987,858)	(1,253,581)	(37,547)	827,177	154,569
Change in assumptions	-	467,077	-	-	-
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Net change in total pension liability	5,299,104	5,861,074	(15,642,716)	5,719,862	4,092,644
Total pension liability - beginning	124,907,757	130,206,861	136,067,935	120,425,219	126,145,081
Total pension liability - ending (a)	130,206,861	136,067,935	120,425,219	126,145,081	130,237,725
Plan fiduciary net position:					
Contributions - employer	1,789,255	1,824,122	1,743,443	1,942,088	2,066,662
Contributions - employee	1,224,976	1,257,382	1,266,899	1,323,808	1,382,710
Net investment income	6,157,338	164,587	7,376,667	15,717,180	(3,781,614)
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Administrative expense	(64,289)	(100,255)	(83,336)	(81,484)	(73,147)
Other	(5,286)	(4,952)	(4,490)	(4,130)	(3,822)
Net change in plan fiduciary net position	3,908,549	(2,363,291)	4,260,204	12,904,421	(7,864,734)
Plan fiduciary net position - beginning	107,639,477	111,548,026	109,184,735	113,444,939	126,349,361
Plan fiduciary net position - ending (b)	111,548,026	109,184,735	113,444,939	126,349,360	118,484,627
Net pension liability/(asset) - ending (a) - (b)	\$ 18,658,835	\$ 26,883,200	\$ 6,980,280	\$ (204,279)	\$ 11,753,098
Plan fiduciary net position as a percentage of total pension liability	85.67%	80.24%	94.20%	100.16%	90.98%
Covered payroll	\$ 17,479,153	\$ 17,945,341	\$ 18,098,559	\$ 18,895,541	\$ 19,727,861
Net pension liability/(asset) as a percentage of covered payroll	106.75%	149.81%	38.57%	-1.08%	59.58%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

**Town of Addison, Texas**  
**Required Supplementary Information**

**REQUIRED SUPPLEMENTARY INFORMATION**

Texas Municipal Retirement System  
Schedule of Town Contributions (Unaudited)  
September 30, 2019

	(1)	(2)	(3) = (2) - (1)	(4)	(5) = (1) / (4)	(6) = (2) / (4)
Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Actuarially determined contributions as a percentage of covered payroll	Contributions as a percentage of covered payroll
2015	1,874,383	1,874,383	-	18,804,927	9.97%	9.97%
2016	1,786,827	1,786,827	-	18,465,892	9.68%	9.68%
2017	1,893,931	1,893,931	-	18,796,558	10.08%	10.08%
2018	2,136,195	2,136,195	-	19,933,808	10.72%	10.72%
2019	2,172,375	2,172,375	-	21,064,448	10.31%	10.31%

**Notes to Schedule:**

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2019:

Actuarial Cost Method                      Entry Age Normal  
Amortization Method                      Level Percentage of Payroll, Closed  
Remaining Amortization Period           27 years  
Asset Valuation Method                    10 year smoothed market; 15% soft corridor  
Inflation                                        2.5%  
Salary Increases                              3.5% to 10.5% including inflation  
Investment Rate of Return                6.75%  
Retirement Age                            Experience-based table of rates that are specific to the City's plan of

Mortality

benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014  
RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

There were no benefit changes during the year.

The information in this schedule has been determined as of the Town's fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

**REQUIRED SUPPLEMENTARY INFORMATION**

Retiree Healthcare Plan

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)  
 Last Two Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018
Total OPEB liability:		
Total OPEB liability - beginning	\$ 2,881,200	\$ 3,152,539
Service cost	135,826	176,485
Interest on the total OPEB liability	110,017	105,055
Difference between expected and actual experience of the total OPEB liability	(4,477)	(45,102)
Changes of assumptions	153,032	(94,984)
Benefit payments	(123,059)	(133,836)
Net change in total OPEB liability	271,339	7,618
Total OPEB liability - ending	<u>\$ 3,152,539</u>	<u>\$ 3,160,157</u>
Covered-employee payroll	\$ 18,897,760	\$ 20,042,555
Total OPEB liability as a percentage of covered-employee payroll	16.68%	15.77%

Changes of assumptions reflect a change in the discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

**Town of Addison, Texas**  
**Required Supplementary Information**

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**REQUIRED SUPPLEMENTARY INFORMATION**  
 TMRS Supplemental Death Benefits Fund (SDBF)  
 Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)  
 Last Two Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018
Total OPEB liability:		
Total OPEB liability - beginning	\$ 794,578	\$ 918,237
Service cost	20,785	25,646
Interest on the total OPEB liability	30,321	30,720
Differences between expected and actual experience	-	(21,647)
Changes of assumptions	78,222	(68,614)
Benefit payments	(5,669)	(5,918)
Net change in total OPEB liability	123,659	(39,813)
Total OPEB liability - ending	<u>\$ 918,237</u>	<u>\$ 878,424</u>
 Covered-employee payroll	 \$ 18,895,541	 \$ 19,727,861
 Total OPEB liability as a percentage of covered-employee payroll	 4.86%	 4.45%

Changes of assumptions reflect a change in the discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

## DEBT SERVICE FUND

The **General Obligation Debt Service Fund** accounts for the accumulation of resources to be used for payment of principal and interest on the general obligation bonded debt of the Town.

**Town of Addison, Texas**  
**Major Governmental Funds - General Obligation Debt Service**

**General Obligation Debt Service**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended September 30, 2019

	2019			Variance With
	Budget		Actual GAAP	Final Budget
	Original	Final	Basis	Positive
				(Negative)
<b>REVENUES:</b>				
Current Property Taxes	\$ 6,751,908	\$ 6,751,908	\$ 6,606,889	\$ (145,019)
Delinquent Property Taxes	-	-	(38,217)	(38,217)
Penalties and Interest	18,000	18,000	16,755	(1,245)
Earnings on Investments	13,600	13,600	23,219	9,619
Total Revenues	<u>6,783,508</u>	<u>6,783,508</u>	<u>6,608,646</u>	<u>(174,862)</u>
<b>EXPENDITURES:</b>				
Contractual Services	2,000	2,000	3,909	(1,909)
Principal Retirement	4,280,000	4,280,000	4,280,000	-
Interest and Fiscal Charges	2,480,208	2,480,208	2,475,279	4,929
Total Expenditures	<u>6,762,208</u>	<u>6,762,208</u>	<u>6,759,188</u>	<u>3,020</u>
Net Change in Fund Balance	21,300	21,300	(150,542)	(171,842)
Fund Balances at Beginning of Year	<u>168,535</u>	<u>168,535</u>	<u>168,535</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 189,835</u>	<u>\$ 189,835</u>	<u>\$ 17,993</u>	<u>\$ (171,842)</u>





## NON-MAJOR GOVERNMENTAL FUNDS

The **Municipal Court Fund** accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court.

The **Public Safety Fund** accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

The **Advanced Funding Grant Fund** was created during fiscal year 2010. The fund accounts for grant monies that are received prior to the related expenditure, and therefore, the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

The **Economic Development Fund** accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

The **Reimbursement Grant Fund** accounts for expenditures for which the Town expects to be reimbursed.

The **PEG Fees Fund** accounts for state restricted fees collected and the expenditures using these monies.

Town of Addison, Texas  
Non-Major Governmental Funds

Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2019

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Economic Development Fund	Reimbursement Grant Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>							
Pooled Cash and Investments	\$ 240,807	\$ 54,492	\$ 34,821	\$ 1,868,420	\$ 2,611	\$ 302,279	\$ 2,503,430
Receivables:							
Ad Valorem Taxes, Including Interest and Penalties, Net	-	-	-	8,933	-	-	8,933
Interest	679	133	96	5,429	-	868	7,205
Intergovernmental	-	4,510	-	-	1,182	-	5,692
Total Assets	<u>\$ 241,486</u>	<u>\$ 59,135</u>	<u>\$ 34,917</u>	<u>\$ 1,882,782</u>	<u>\$ 3,793</u>	<u>\$ 303,147</u>	<u>\$ 2,525,260</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 61,613	\$ 2,248	\$ -	\$ 76,830	\$ 125	\$ -	\$ 140,816
Total Liabilities	<u>61,613</u>	<u>2,248</u>	<u>-</u>	<u>76,830</u>	<u>125</u>	<u>-</u>	<u>140,816</u>
Deferred Inflows of Resources:							
Unavailable Resources	-	-	-	8,933	153	-	9,086
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,933</u>	<u>153</u>	<u>-</u>	<u>9,086</u>
Fund Balances:							
Nonspendable							
Restricted							
Child Safety	90,718	-	-	-	-	-	90,718
Justice Administration	23,829	-	-	-	-	-	23,829
Court Technology	27,831	-	-	-	-	-	27,831
Court Security	37,495	-	-	-	-	-	37,495
Public Safety	-	56,887	34,917	-	3,515	-	95,319
Governmental Public Education	-	-	-	-	-	303,147	303,147
Committed:							
Economic Development	-	-	-	1,797,019	-	-	1,797,019
Total Fund Balance	<u>179,873</u>	<u>56,887</u>	<u>34,917</u>	<u>1,797,019</u>	<u>3,515</u>	<u>303,147</u>	<u>2,375,358</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 241,486</u>	<u>\$ 59,135</u>	<u>\$ 34,917</u>	<u>\$ 1,882,782</u>	<u>\$ 3,793</u>	<u>\$ 303,147</u>	<u>\$ 2,525,260</u>

Town of Addison, Texas  
Non-Major Governmental Funds

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2019

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Economic Development Fund	Reimbursement Grant Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>							
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,086,365	\$ -	\$ -	\$ 1,086,365
Franchise Fees	-	-	-	-	-	54,160	54,160
Intergovernmental	-	7,154	5,064	-	109,723	-	121,941
Service Fees	-	-	-	64,026	-	-	64,026
Fines and Forfeitures	39,359	-	-	-	-	-	39,359
Earnings on Investments	5,890	1,209	876	48,416	570	6,945	63,906
Other	-	-	7,500	-	1,654	-	9,154
Total Revenues	<u>45,249</u>	<u>8,363</u>	<u>13,440</u>	<u>1,198,807</u>	<u>111,947</u>	<u>61,105</u>	<u>1,438,911</u>
<b>EXPENDITURES:</b>							
General Government	-	-	-	-	1,654	-	1,654
Public Safety	-	-	9,592	-	109,876	-	119,468
Municipal Court	53,096	-	-	-	-	-	53,096
Economic Development	-	-	-	1,553,813	-	-	1,553,813
Total Expenditures	<u>53,096</u>	<u>-</u>	<u>9,592</u>	<u>1,553,813</u>	<u>111,530</u>	<u>-</u>	<u>1,728,031</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(7,847)</u>	<u>8,363</u>	<u>3,848</u>	<u>(355,006)</u>	<u>417</u>	<u>61,105</u>	<u>(289,120)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers In	-	-	-	715,000	-	-	715,000
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,000</u>	<u>-</u>	<u>-</u>	<u>715,000</u>
Net Change in Fund Balance	<u>(7,847)</u>	<u>8,363</u>	<u>3,848</u>	<u>359,994</u>	<u>417</u>	<u>61,105</u>	<u>425,880</u>
Fund Balances at Beginning of Year	<u>187,720</u>	<u>48,524</u>	<u>31,069</u>	<u>1,437,025</u>	<u>3,098</u>	<u>242,042</u>	<u>1,949,478</u>
Fund Balances at End of Year	<u>\$ 179,873</u>	<u>\$ 56,887</u>	<u>\$ 34,917</u>	<u>\$ 1,797,019</u>	<u>\$ 3,515</u>	<u>\$ 303,147</u>	<u>\$ 2,375,358</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Municipal Court Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
<b>REVENUES:</b>				
Fines and Forfeitures	\$ 19,800	\$ 19,800	\$ 39,359	\$ 19,559
Earnings on Investments	2,100	2,100	5,890	3,790
Total Revenues	21,900	21,900	45,249	23,349
<b>EXPENDITURES:</b>				
Salaries and Fringe Benefits	23,163	23,163	20,331	2,832
Supplies	49,000	49,000	30,200	18,800
Maintenance and Materials	1,000	1,000	1,506	(506)
Contractual Services	-	-	1,059	(1,059)
Total Expenditures	73,163	73,163	53,096	20,067
Net Change in Fund Balance	(51,263)	(51,263)	(7,847)	43,416
Fund Balance at Beginning of Year	187,720	187,720	187,720	-
Fund Balance at End of Year	\$ 136,457	\$ 136,457	\$ 179,873	\$ 43,416

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Public Safety Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 7,154	\$ 7,154
Earnings on Investments	200	200	1,209	1,009
Total Revenues	200	200	8,363	8,163
<b>EXPENDITURES:</b>				
General Government				
Public Safety				
Supplies	25,000	25,000	-	25,000
Total Expenditures	25,000	25,000	-	25,000
Net Change in Fund Balance	(24,800)	(24,800)	8,363	33,163
Fund Balance at Beginning of Year	48,524	48,524	48,524	-
Fund Balance at End of Year	<u>\$ 23,724</u>	<u>\$ 23,724</u>	<u>\$ 56,887</u>	<u>\$ 33,163</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Advanced Funding Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 14,000	\$ 14,000	\$ 5,064	\$ (8,936)
Earnings on Investments	200	200	876	676
Other	-	-	7,500	7,500
Total Revenues	14,200	14,200	13,440	(760)
<b>EXPENDITURES:</b>				
Supplies	-	-	5,114	(5,114)
Contractual Services	13,700	13,700	4,478	9,222
Total Expenditures	13,700	13,700	9,592	4,108
Net Change in Fund Balance	500	500	3,848	3,348
Fund Balance at Beginning of Year	31,069	31,069	31,069	-
Fund Balance at End of Year	\$ 31,569	\$ 31,569	\$ 34,917	\$ 3,348

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Economic Development Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 1,080,834	\$ 1,080,834	\$ 1,086,365	\$ 5,531
Service Fees	60,500	60,500	64,026	3,526
Earnings on Investments	7,000	7,000	48,416	41,416
Total Revenues	1,148,334	1,148,334	1,198,807	50,473
<b>EXPENDITURES:</b>				
Salaries and Fringe Benefits	463,125	463,125	453,009	10,116
Supplies	23,604	23,604	18,457	5,147
Maintenance and Materials	22,866	22,866	17,806	5,060
Contractual Services	1,329,252	1,329,252	1,042,520	286,732
Capital Replacement	22,021	22,021	22,021	-
Total Expenditures	1,860,868	1,860,868	1,553,813	307,055
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(712,534)	(712,534)	(355,006)	357,528
<b>Other financing sources (uses)</b>				
Transfers In	715,000	715,000	715,000	-
Total other financing sources (uses)	715,000	715,000	715,000	-
Net Change in Fund Balance	2,466	2,466	359,994	357,528
Fund Balance at Beginning of Year	1,437,025	1,437,025	1,437,025	-
Fund Balance at End of Year	\$ 1,439,491	\$ 1,439,491	\$ 1,797,019	\$ 357,528

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**PEG Fees Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2019**

	2019			
	Budget		Actual GAAP	Variance With
	Original	Final	Basis	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Franchise Fees	\$ 60,000	\$ 60,000	\$ 54,160	\$ (5,840)
Earnings on Investments	1,000	1,000	6,945	5,945
Total Revenues	61,000	61,000	61,105	105
Net Change in Fund Balance	61,000	61,000	61,105	105
Fund Balance at Beginning of Year	242,042	242,042	242,042	-
Fund Balance at End of Year	\$ 303,042	\$ 303,042	\$ 303,147	\$ 105



## PROPRIETARY FUNDS

### Internal Service Funds:

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

The **Capital Replacement Fund** is used to account for financial resources set aside annually to replace equipment as its useful life is consumed.

The **Information Technology Replacement Fund** is used to account for financial resources set aside annually to replace technology as its useful life is consumed.

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2019**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Pooled Cash and Investments	\$ 3,545,096	\$ 3,678,703	\$ 7,223,799
Interest Receivable	10,136	10,269	20,405
Total Current Assets	<u>3,555,232</u>	<u>3,688,972</u>	<u>7,244,204</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	8,599,522	6,737,932	15,337,454
Accumulated Depreciation	<u>(4,605,565)</u>	<u>(5,030,757)</u>	<u>(9,636,322)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>3,993,957</u>	<u>1,707,175</u>	<u>5,701,132</u>
Total Assets	<u>7,549,189</u>	<u>5,396,147</u>	<u>12,945,336</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	<u>117,663</u>	<u>127,365</u>	<u>245,028</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	3,993,957	1,707,175	5,701,132
Unrestricted	<u>3,437,569</u>	<u>3,561,607</u>	<u>6,999,176</u>
Total Net Position	<u>\$ 7,431,526</u>	<u>\$ 5,268,782</u>	<u>\$ 12,700,308</u>

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2019**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Other Income	\$ 4,700	\$ -	\$ 4,700
Department Contributions	1,288,000	853,524	2,141,524
Total Operating Revenues	<u>1,292,700</u>	<u>853,524</u>	<u>2,146,224</u>
<b>OPERATING EXPENSES:</b>			
Supplies	-	21,179	21,179
Maintenance and Materials	-	8,999	8,999
Contractual Services	4,189	28,958	33,147
Total Operating Expenses (Excluding Depreciation)	<u>4,189</u>	<u>59,136</u>	<u>63,325</u>
Depreciation	684,833	341,298	1,026,131
Total Operating Expenses	<u>689,022</u>	<u>400,434</u>	<u>1,089,456</u>
<b>OPERATING INCOME</b>	<u>603,678</u>	<u>453,090</u>	<u>1,056,768</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>			
Investment Income	66,078	4,949	71,027
Gain/(Loss) on Disposal of Assets	50,398	-	50,398
Total Non-Operating Revenues/(Expenses)	<u>116,476</u>	<u>4,949</u>	<u>121,425</u>
<b>NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS</b>	720,154	458,039	1,178,193
Transfers Out	<u>(74,472)</u>	<u>(334,910)</u>	<u>(409,382)</u>
<b>CHANGE IN NET POSITION</b>	645,682	123,129	768,811
Net Position at Beginning of Year	<u>6,785,844</u>	<u>5,145,653</u>	<u>11,931,497</u>
Net Position at End of Year	<u><u>\$ 7,431,526</u></u>	<u><u>\$ 5,268,782</u></u>	<u><u>\$ 12,700,308</u></u>

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2019**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Department Contributions	\$ 1,292,700	\$ 853,524	\$ 2,146,224
Payments to Suppliers	(4,140)	(152,602)	(156,742)
<i>Net Cash Provided/(Used) by Operating Activities</i>	1,288,560	700,922	1,989,482
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(961,414)	(194,262)	(1,155,676)
Proceeds from Sale of Capital Assets	72,436	-	72,436
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(888,978)	(194,262)	(1,083,240)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Cash and Investments	62,092	1,045	63,137
<i>Net Cash Provided/(Used) by Investing Activities</i>	62,092	1,045	63,137
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	461,674	507,705	969,379
Cash and Cash Equivalents, October 1	3,083,422	3,170,998	6,254,420
Cash and Cash Equivalents, September 30	<u>\$ 3,545,096</u>	<u>\$ 3,678,703</u>	<u>\$ 7,223,799</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 603,678	\$ 453,090	\$ 1,056,768
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	684,833	341,298	1,026,131
Change in Assets and Liabilities:			
(Increase)/Decrease in Prepaid Items	-	9,000	9,000
Increase/(Decrease) in Accounts Payable	49	(102,466)	(102,417)
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>\$ 1,288,560</u>	<u>\$ 700,922</u>	<u>\$ 1,989,482</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital Assets in Accounts Payable	\$ 116,613	\$ 126,597	\$ 243,210
Transfers of Capital Assets	(74,472)	(334,910)	(409,382)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>42,141</u>	<u>\$ (208,313)</u>	<u>\$ (166,172)</u>

## STATISTICAL SECTION

### (Unaudited)

The Statistical Section presents detailed information to assist in understanding the information in the financial statements, note disclosures, and required supplementary information. It includes five categories of information:

**Financial Trends (tables 1-6)** – contain trend information to help the reader understand how the government's financial position has changed over time.

**Revenue Capacity (tables 7-10)** – contain information to help the reader assess the government's ability to generate its own revenues.

**Debt Capacity (tables 11-15)** – present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic Information (tables 16-18)** – offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the government's financial activities take place.

**Operating Information (tables 19-21)** – contain employee and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 123,041,354	\$ 129,261,976	\$ 129,471,095	\$ 135,260,723	\$ 120,034,622	\$ 121,444,364	\$ 122,079,968	\$ 124,922,785	\$ 125,983,819	\$ 125,521,642
Restricted for:										
Debt Service	-	1,007,330	1,698,555	904,422	606,471	555,279	660,955	500,094	310,619	83,524
Promotion of Tourism and Hotel Industry	-	-	1,993,040	1,942,378	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095
Child Safety	-	-	30,635	30,635	101,664	190,635	98,540	86,906	84,284	90,718
Justice Administration	-	-	93,472	93,472	31,898	63,638	30,952	21,851	23,222	52,722
Court Technology	-	-	77,179	74,895	79,591	91,942	86,147	74,667	33,370	27,831
Building Security	-	-	66,716	64,742	65,782	176,512	63,655	53,584	-	-
Court Security	-	-	-	-	19,185	19,190	28,125	46,900	46,844	37,495
Public Safety	-	-	-	-	-	-	-	33,238	84,870	101,240
Other purposes	-	-	32,449	22,235	-	25,484	33,694	191,575	242,042	303,147
Unrestricted	23,381,754	21,729,168	20,945,903	13,969,454	25,658,883	7,051,958	7,031,223	29,561,964	31,164,711	33,180,155
<b>Total Net Position - Governmental Activities</b>	<b>\$ 146,423,108</b>	<b>\$ 151,998,474</b>	<b>\$ 154,409,044</b>	<b>\$ 152,362,956</b>	<b>\$ 148,280,261</b>	<b>\$ 132,148,273</b>	<b>\$ 133,982,840</b>	<b>\$ 159,827,601</b>	<b>\$ 162,141,330</b>	<b>\$ 162,847,569</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 36,299,788	\$ 51,113,892	\$ 49,639,925	\$ 57,425,620	\$ 69,948,582	\$ 63,308,088	\$ 62,547,252	\$ 65,363,662	\$ 64,971,096	\$ 63,424,919
Unrestricted	12,740,025	9,834,613	14,194,945	17,372,627	16,460,850	23,121,874	24,910,364	22,218,951	22,483,060	25,438,188
	<u>\$ 49,039,813</u>	<u>\$ 60,948,505</u>	<u>\$ 63,834,870</u>	<u>\$ 74,798,247</u>	<u>\$ 86,409,432</u>	<u>\$ 86,429,962</u>	<u>\$ 87,457,616</u>	<u>\$ 87,582,613</u>	<u>\$ 87,454,156</u>	<u>\$ 88,863,107</u>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 159,341,142	\$ 180,375,868	\$ 179,111,020	\$ 192,686,343	\$ 189,983,204	\$ 184,752,452	\$ 184,627,220	\$ 190,286,447	\$ 190,954,915	\$ 188,946,561
Restricted for:										
Debt Service	-	1,007,330	1,698,555	904,422	606,471	555,279	660,955	500,094	310,619	83,524
Promotion of Tourism and Hotel Industry	-	-	1,993,040	1,942,378	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095
Child Safety	-	-	30,635	30,635	101,664	190,635	98,540	86,906	84,284	90,718
Justice Administration	-	-	93,472	93,472	31,898	63,638	30,952	21,851	23,222	52,722
Court Technology	-	-	77,179	74,895	79,591	91,942	86,147	74,667	33,370	27,831
Building Security	-	-	66,716	64,742	65,782	176,512	63,655	53,584	-	-
Court Security	-	-	-	-	19,185	19,190	28,125	46,900	46,844	37,495
Public Safety	-	-	-	-	-	-	-	33,238	84,870	101,240
Other Purposes	-	-	32,449	22,235	-	25,484	33,694	191,575	242,042	303,147
Unrestricted	36,121,779	31,563,781	35,140,848	31,342,081	42,119,733	30,173,832	31,941,587	51,780,915	53,647,771	58,618,343
<b>Total Net Position - Primary Government</b>	<b>\$ 195,462,921</b>	<b>\$ 212,946,979</b>	<b>\$ 218,243,914</b>	<b>\$ 227,161,203</b>	<b>\$ 234,689,693</b>	<b>\$ 218,578,235</b>	<b>\$ 221,440,456</b>	<b>\$ 247,410,214</b>	<b>\$ 249,595,486</b>	<b>\$ 251,710,676</b>

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports

**Note:** 2015 and prior Public Safety included in Other Purposes. Starting in 2017, Public Safety is separate from Other Purposes.

**Town of Addison, Texas**  
**Statistical Section**

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 6,876,385	\$ 6,709,095	\$ 6,485,716	\$ 7,021,312
Public Safety	14,550,333	14,914,759	15,130,157	15,229,474
Development Services	938,059	866,023	879,253	925,830
Streets	5,277,938	4,913,524	5,028,071	8,387,857
Parks and Recreation	4,502,295	4,742,946	4,963,327	5,062,784
Visitor Services	6,027,442	6,431,136	6,852,198	7,239,033
Interest on Long-Term Debt	2,423,732	2,261,571	2,548,945	3,054,940
Total Governmental Activities	40,596,184	40,839,054	41,887,667	46,921,230
Business-type Activities:				
Airport	4,181,256	4,387,384	4,526,398	5,188,321
Utilities	8,529,681	8,633,217	9,178,844	9,459,791
Storm Water	-	-	-	234,257
Total Business-type Activities	12,710,937	13,020,601	13,705,242	14,882,369
Total Expenses - Primary Government	\$ 53,307,121	\$ 53,859,655	\$ 55,592,909	\$ 61,803,599
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 266,954	\$ 143,529	\$ 208,734	\$ 225,731
Public Safety	2,094,280	1,899,711	2,225,165	1,611,320
Development Services	835,808	1,213,741	956,089	888,908
Streets	332,330	2,299,731	378,982	384,303
Parks and Recreation	108,113	107,387	114,164	114,866
Visitor Services	2,183,247	2,007,821	2,429,686	2,379,812
Operating Grants and Contributions	230,290	223,792	164,749	73,578
Capital Grants and Contributions	1,348,141	3,429,804	568,285	-
Total Governmental Activities	7,399,163	11,325,516	7,045,854	5,678,518
Business-type Activities:				
Charges for Services:				
Airport	4,289,225	4,526,593	4,255,547	4,505,430
Utilities	8,806,069	10,740,568	11,128,700	10,802,692
Storm Water	-	-	-	1,307,573
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,102,850	9,668,165	1,258,798	9,331,840
Total Business-type Activities	14,198,144	24,935,326	16,643,045	25,947,535
Total Program Revenues - Primary Government	\$ 21,597,307	\$ 36,260,842	\$ 23,688,899	\$ 31,626,053
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (33,197,021)	\$ (29,513,538)	\$ (34,841,813)	\$ (41,242,712)
Business-Type Activities	1,487,207	11,914,725	2,937,803	11,065,166
Total Net Expense - Primary Government	\$ (31,709,814)	\$ (17,598,813)	\$ (31,904,010)	\$ (30,177,546)
<b>General Revenues</b>				
Taxes:				
Property Taxes, Levied for General Purposes	\$ 15,900,631	\$ 15,772,858	\$ 17,400,696	\$ 17,975,149
Sales Taxes	9,987,439	10,604,803	11,988,116	13,029,712
Franchise Taxes	2,578,154	2,792,601	2,699,520	3,021,899
Hotel/Motel Taxes	3,666,781	4,000,786	4,295,149	4,575,083
Interest on Investments	339,986	148,966	99,065	133,140
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Miscellaneous	2,474,485	772,276	769,837	461,641
Transfers	-	-	-	-
Total General Revenues and Transfers	34,947,476	34,092,290	37,252,383	39,196,624
Business-type Activities				
Interest on Investments	11,065	(16,178)	(51,843)	(71,264)
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Miscellaneous	18,732	10,145	405	(30,525)
Transfers	-	-	-	-
Total Business-type Activities	29,797	(6,033)	(51,438)	(101,789)
<b>Change in Net Position</b>				
Governmental Activities	1,750,455	4,578,752	2,410,570	(2,046,088)
Business-type Activities	1,517,004	11,908,692	2,886,365	10,963,377
Total Change in Net Position - Primary Government	\$ 3,267,459	\$ 16,487,444	\$ 5,296,935	\$ 8,917,289

SOURCE: Town of Addison Comprehensive Annual Financial Reports

Table 2

2014	2015	2016	2017	2018	2019
\$ 7,938,875	\$ 8,730,944	\$ 10,015,214	\$ 7,184,325	\$ 10,218,620	\$ 10,149,540
15,765,099	16,820,899	17,528,619	7,021,636	17,814,777	19,855,190
932,247	1,032,105	1,278,232	100,924	1,379,071	3,137,715
6,450,628	8,105,373	6,567,732	6,660,591	7,249,140	7,677,651
5,597,254	5,517,049	5,796,136	4,259,992	6,068,682	6,840,345
7,358,141	6,106,103	7,537,477	6,839,484	7,118,492	6,884,597
3,037,574	3,018,672	2,417,435	1,713,819	2,038,203	1,938,010
47,079,818	49,331,145	51,140,845	33,780,771	51,886,985	56,483,048
6,027,300	5,893,611	6,454,693	6,509,127	6,996,377	6,574,351
10,317,160	10,748,886	10,821,202	10,081,401	12,708,842	12,329,112
768,016	848,354	2,092,187	1,408,133	820,337	1,427,551
17,112,476	17,490,851	19,368,082	17,998,661	20,525,556	20,331,014
\$ 64,192,294	\$ 66,821,996	\$ 70,508,927	\$ 51,779,432	\$ 72,412,541	\$ 76,814,062
\$ 235,233	\$ 688,005	\$ 753,062	\$ 961,336	\$ 407,531	\$ 763,244
1,506,770	945,217	1,070,517	947,071	848,523	916,430
904,895	1,015,053	774,364	1,242,223	1,414,425	1,379,721
390,453	400,561	375,564	391,126	414,493	403,676
102,288	82,681	74,719	86,595	82,122	64,453
2,195,803	1,890,522	3,532,634	3,249,506	2,206,293	1,834,700
19,093	25,806	27,472	51,063	106,322	100,904
-	158,253	148,518	-	121,578	130,000
5,354,535	5,206,098	6,756,850	6,928,920	5,601,287	5,593,128
4,857,759	5,138,479	5,387,660	5,479,786	6,197,849	6,725,125
9,953,099	9,877,262	10,576,707	10,983,136	12,178,231	11,847,562
1,640,615	1,726,526	1,883,841	2,034,484	2,140,112	2,237,953
-	-	129,093	50,000	121,226	69,241
7,660,647	1,025,835	2,130,601	148,158	395,372	457,426
24,112,120	17,768,102	20,107,902	18,695,564	21,032,790	21,337,307
\$ 29,466,655	\$ 22,974,200	\$ 26,864,752	\$ 25,624,484	\$ 26,634,077	\$ 26,930,435
\$ (41,725,283)	\$ (44,125,047)	\$ (44,383,995)	\$ (26,851,851)	\$ (46,285,698)	\$ (50,889,920)
6,999,644	277,251	739,820	696,903	507,234	1,006,293
\$ (34,725,639)	\$ (43,847,796)	\$ (43,644,175)	\$ (26,154,948)	\$ (45,778,464)	\$ (49,883,627)
\$ 19,484,538	\$ 20,385,225	\$ 22,593,188	\$ 23,572,225	\$ 23,600,531	\$ 25,180,507
14,222,194	14,104,584	13,847,507	15,126,354	17,734,689	16,258,669
2,806,656	2,828,420	3,074,519	2,664,422	2,624,458	2,513,414
5,011,671	5,510,406	6,132,432	5,996,924	5,507,072	5,436,211
130,419	181,811	316,288	472,896	831,714	1,365,659
-	-	-	-	27,311	12,935
613,432	590,619	581,628	3,736,791	292,272	328,764
(4,626,322)	-	-	800,000	500,000	500,000
37,642,588	43,601,065	46,545,562	52,369,612	51,118,047	51,596,159
(22,013)	100,928	151,937	185,046	335,367	833,703
-	-	-	-	(242,744)	-
7,232	512,888	135,897	43,048	22,102	68,955
4,626,322	-	-	(800,000)	(500,000)	(500,000)
4,611,541	613,816	287,834	(571,906)	(385,275)	402,658
(4,082,695)	(523,982)	2,161,567	25,517,761	4,832,349	706,239
11,611,185	891,067	1,027,654	124,997	121,959	1,408,951
\$ 7,528,490	\$ 367,085	\$ 3,189,221	\$ 25,642,758	\$ 4,954,308	\$ 2,115,190



**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 188,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:										
Inventories	-	87,835	114,733	44,486	66,933	63,176	41,001	39,550	54,843	34,155
Prepaid Items	-	67,135	57,054	291,424	272,713	267,357	84,681	449,442	442,875	470,103
Assigned for Other Purposes	-	61,193	23,061	-	-	-	-	-	-	-
Unassigned	10,668,716	10,150,531	12,178,216	13,643,488	15,166,365	11,271,328	12,765,117	15,879,046	20,465,238	20,083,986
Total General Fund	10,856,751	10,366,694	12,373,064	13,979,398	15,506,011	11,601,861	12,890,799	16,368,038	20,962,956	20,588,244
All Other Governmental Funds										
Reserved	1,302,623	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	51,469	-	-	-	-	-	-	-	-	-
Capital Project Funds	20,334,339	-	-	-	-	-	-	-	-	-
Debt Service Funds	863,925	-	-	-	-	-	-	-	-	-
Hotel Fund	4,423,339	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid Items	-	-	36,974	-	-	-	50,836	38,669	-	-
Restricted for:										
Debt Service	-	1,945,104	1,840,901	1,234,727	1,020,159	831,366	541,074	370,527	168,535	17,993
Promotion of Tourism & Hotel Industry	-	-	1,993,040	1,942,378	1,682,165	2,529,271	3,861,008	4,331,245	4,122,537	3,449,095
Capital Projects	-	9,851,762	39,654,624	41,716,425	45,239,484	40,901,630	33,162,293	21,834,283	13,687,452	11,067,329
Child Safety	-	-	-	93,472	101,664	88,479	98,540	86,906	84,284	90,718
Justice Administration	-	-	-	30,635	31,898	28,893	30,952	21,851	23,222	23,829
Court Technology	-	83,827	201,286	74,895	79,591	77,831	86,147	74,667	33,370	27,831
Building Security	-	72,462	66,716	64,742	65,782	63,789	63,655	53,584	-	-
Court Security	-	-	-	-	19,185	19,190	28,125	46,900	46,844	37,495
Public Safety	-	-	-	-	-	-	30,521	31,059	82,691	95,319
Other Purposes	-	45,500	36,793	22,235	-	25,484	327,000	191,575	242,042	303,147
Committed for:										
Capital Projects	-	-	-	-	-	-	-	7,688,169	8,120,427	8,951,963
Economic Development	-	358,676	516,823	664,401	477,233	752,819	968,178	1,257,093	1,437,025	1,797,019
Assigned for:										
Other Purposes	-	27,603	-	-	-	-	-	-	-	-
Unassigned	-	115,223	(3,883)	(6,364)	3,115	-	-	-	-	-
Total All Other Governmental Funds	26,975,695	12,500,157	44,343,274	45,837,546	48,720,276	45,318,752	39,248,329	36,026,528	28,048,429	25,861,738
Total Governmental Funds	\$ 37,832,446	\$ 22,866,851	\$ 56,716,338	\$ 59,816,944	\$ 64,226,287	\$ 56,920,613	\$ 52,139,128	\$ 52,394,566	\$ 49,011,385	\$ 46,449,982

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports

**Notes:** The Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

2015 and prior Public Safety included in Other Purposes. Starting in 2016, Public Safety is separate from Other Purposes.

**Town of Addison, Texas**  
**Statistical Section**

**Changes in Fund Balances,  
Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

	2010	2011	2012	2013
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 15,900,747	\$ 15,803,400	\$ 17,471,642	\$ 18,047,998
Non-Property Taxes	13,744,620	14,564,185	16,183,779	17,604,795
Franchise Fees	2,578,154	2,760,188	2,727,370	2,695,073
Licenses and Permits	833,178	1,210,058	953,709	886,423
Intergovernmental	1,323,831	3,543,357	2,676,792	73,578
Service Fees	3,135,434	2,840,317	3,104,592	2,939,606
Fines and Forfeitures	1,215,414	1,104,477	1,208,773	1,082,115
Earnings on Investments	298,634	122,128	75,972	122,169
Rental Charges	700,207	733,957	931,619	1,119,737
Recycling Proceeds	21,126	22,608	26,414	25,539
Other	2,277,342	531,149	483,009	105,803
<b>Total Revenues</b>	<b>42,028,687</b>	<b>43,235,824</b>	<b>45,843,671</b>	<b>44,702,836</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	6,323,891	6,353,784	6,135,191	6,371,055
Public Safety	13,812,617	14,857,023	15,075,757	14,945,841
Development Services	887,132	885,218	886,705	927,684
Streets	1,672,375	1,612,011	1,612,699	1,750,500
Parks and Recreation	3,698,831	4,061,666	4,269,381	4,316,689
Visitor Services	5,445,391	7,655,939	6,171,479	7,116,334
Municipal Court	-	-	54,370	53,112
Economic Development	-	342,200	469,679	624,014
Debt Service:				
Principal Retirement	4,369,520	3,873,610	4,738,040	4,701,161
Interest and Fiscal Charges	2,444,875	2,284,774	1,918,640	2,747,654
Debt Issuance Costs	-	-	141,666	-
Capital Projects:				
Salaries and Fringe Benefits	-	-	-	-
Supplies	937	-	17,635	80,660
Maintenance and Materials	231,367	9,870	-	3,946
Other	-	-	-	138,236
Engineering and Contractual Services	2,585,480	1,846,919	796,958	2,165,061
Construction and Equipment	9,431,214	14,375,210	3,038,501	3,742,776
<b>Total Expenditures</b>	<b>50,903,630</b>	<b>58,158,224</b>	<b>45,326,701</b>	<b>49,684,723</b>
Excess/(Deficiency) of Revenues over Expenditures	(8,874,943)	(14,922,400)	516,970	(4,981,887)
<b>OTHER FINANCING SOURCES/(USES):</b>				
Proceeds from Refunding Bonds Issued	-	-	46,315,000	-
Payment to Refunded Bond Escrow Agent	-	-	(14,834,842)	-
Issuance of Debt	-	-	-	7,790,000
Discount on issuance of bonds	-	-	(632,482)	-
Bond Issuance Costs	-	-	-	-
Premium on Issuance of Bonds	-	-	4,133,956	292,493
Transfers In	2,133,827	1,384,156	1,258,263	578,501
Transfers Out	(2,133,827)	(1,384,156)	(3,074,679)	(578,501)
Proceeds on Asset Sales	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>33,165,216</b>	<b>8,082,493</b>
<b>Net Change in Fund Balance</b>	<b>\$ (8,874,943)</b>	<b>\$ (14,922,400)</b>	<b>\$ 33,682,186</b>	<b>\$ 3,100,606</b>
Debt Service as a Percentage of Non-Capital Expenditures	17.63%	15.40%	16.32%	17.27%

SOURCE: Town of Addison Comprehensive Annual Financial Reports

Table 4

2014	2015	2016	2017	2018	2019
\$ 19,274,720	\$ 20,560,124	\$ 22,559,004	\$ 23,521,642	\$ 23,783,670	\$ 25,196,771
19,444,668	19,728,511	20,181,697	21,217,028	23,148,710	21,595,724
2,818,869	2,828,420	3,074,519	2,664,422	2,624,458	2,513,414
901,645	1,011,223	768,964	1,225,373	1,404,035	1,366,941
19,093	180,612	160,619	15,565	16,228	193,904
2,758,458	2,543,707	4,463,789	4,520,358	3,620,748	2,997,653
988,574	764,144	603,282	468,734	358,737	415,721
143,299	277,680	372,088	472,896	831,714	1,365,659
1,119,551	1,201,389	949,956	704,701	635,165	566,257
13,295	10,403	2,426	3,258	11,407	616
206,157	199,880	377,608	391,883	324,961	254,100
47,688,329	49,306,093	53,513,952	55,205,860	56,759,833	56,466,760
6,646,587	7,657,465	7,598,584	8,057,632	8,381,216	8,923,060
15,876,424	16,699,726	16,301,539	16,945,126	17,919,259	18,708,501
962,584	1,090,973	1,207,871	1,158,967	1,374,246	1,350,598
1,727,403	1,803,139	1,791,257	1,942,584	1,895,171	1,777,128
4,874,394	4,755,341	4,912,455	5,020,975	5,054,566	5,520,903
6,730,501	5,454,910	7,077,371	7,595,136	6,780,909	7,313,226
30,878	60,426	17,610	66,616	75,904	53,096
1,029,585	1,281,649	1,349,920	1,747,750	1,475,201	1,553,813
5,086,153	5,473,152	5,800,151	5,618,331	4,909,148	4,280,000
3,110,704	3,417,820	3,089,643	2,810,607	2,631,422	2,475,279
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,459	-	-	-	-	-
-	-	-	-	-	-
422,982	5,076,254	62,647	416,179	758,687	1,469,752
8,241,546	3,840,912	9,086,389	7,583,129	9,414,596	6,115,742
54,752,200	56,611,767	58,295,437	58,963,032	60,670,325	59,541,098
(7,063,871)	(7,305,674)	(4,781,485)	(3,757,172)	(3,910,492)	(3,074,338)
-	-	-	-	-	-
-	-	-	-	-	-
12,000,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,299	-	-	-	-	-
570,000	5,226,082	2,349,124	7,624,205	3,618,152	5,686,504
(570,000)	(5,226,082)	(2,349,124)	(6,824,205)	(3,118,152)	(5,186,504)
-	-	-	3,212,610	27,311	12,935
12,097,299	-	-	4,012,610	527,311	512,935
\$ 5,033,428	\$ (7,305,674)	\$ (4,781,485)	\$ 255,438	\$ (3,383,181)	\$ (2,561,403)
16.11%	18.38%	18.07%	16.41%	14.71%	12.98%

**GENERAL GOVERNMENTAL REVENUES  
BY SELECTED SOURCES**  
Last Ten Fiscal Years

Fiscal Year	Taxes	Franchise Fees	Licenses and Permits	Inter-governmental	Service Fees	Fines and Forfeitures	Interest	Rental Charges	Other (1)	Total
2010	29,645,367	2,578,154	833,178	1,323,831	3,135,434	1,215,414	298,634	700,207	21,126	39,751,345
2011	30,367,585	2,760,188	1,210,058	3,543,357	2,840,317	1,104,477	122,128	733,957	22,608	42,704,675
2012	33,655,421	2,727,370	953,709	2,676,792	3,104,592	1,208,773	75,972	931,619	26,414	45,360,662
2013	35,652,793	2,695,073	886,423	73,578	2,939,606	1,082,115	122,169	1,119,737	25,539	44,597,033
2014	38,719,388	2,818,869	901,645	19,093	2,758,458	988,574	143,299	1,119,551	13,295	47,482,172
2015	40,288,635	2,828,420	1,011,223	180,612	2,543,707	764,144	277,680	1,201,389	10,403	49,106,213
2016	42,740,701	3,074,519	768,964	160,619	4,463,789	603,282	372,088	949,956	2,426	53,136,344
2017	44,738,670	2,664,422	1,225,373	15,565	4,520,358	468,734	472,896	704,701	3,258	54,813,977
2018	46,932,380	2,624,458	1,404,035	16,228	3,620,748	358,737	831,714	635,165	336,368	56,759,833
2019	46,792,495	2,513,414	1,366,941	193,904	2,997,653	415,721	1,365,659	566,257	254,716	56,466,760

Table includes General, Special Revenue, Capital Project, and Debt Service Funds

Notes: (1) Includes recycling fees and contributions.

**GENERAL GOVERNMENTAL EXPENDITURES  
BY FUNCTION**  
Last Ten Fiscal Years

Fiscal Year	General Government <sup>3</sup>	Public Safety	Development Services	Streets	Parks and Recreation <sup>1</sup>	Visitor Services <sup>2</sup>	Economic Development	Debt Service	Total
2010	6,323,891	13,812,617	887,132	1,672,375	3,698,831	5,445,391	-	6,814,395	38,654,632
2011	6,353,784	14,857,023	885,218	1,612,011	4,061,666	7,655,939	342,200	6,158,384	41,926,225
2012	6,135,191	15,130,127	886,705	1,612,699	4,269,381	6,171,479	469,679	6,798,346	41,473,607
2013	6,371,055	14,998,953	927,684	1,750,500	4,316,689	7,116,334	624,014	7,448,815	43,554,044
2014	6,646,587	15,907,302	962,584	1,727,403	4,874,394	6,730,501	1,029,585	8,196,857	46,075,213
2015	7,657,465	16,760,152	1,090,973	1,803,139	4,755,341	5,454,910	1,281,649	8,890,972	47,694,601
2016	7,598,584	16,319,149	1,207,871	1,791,257	4,912,455	7,077,371	1,349,920	8,889,794	49,146,401
2017	8,057,632	17,011,742	1,158,967	1,942,584	5,020,975	7,595,136	1,747,750	8,428,938	50,963,724
2018	8,457,120	17,919,259	1,374,246	1,895,171	5,054,566	6,780,909	1,475,201	6,755,279	49,711,751
2019	8,976,156	18,708,501	1,350,598	1,777,128	5,520,903	7,313,226	1,553,813	6,755,279	51,955,604

Table includes General, Special Revenue, and Debt Service funds.

Notes:

- (1) The Arbor Fund was created in fiscal year 1996 to account for the activities of the Addison Parks Foundation, a Texas non-profit corporation, and is included in the Parks and Recreation category through fiscal year 2009. As of October 1, 2009, the bylaws of the foundation were amended to remove the direct involvement of the Town in the foundation's affairs.
- (2) Hotel Fund.
- (3) Includes Municipal Court

**SUMMARY OF TAX REVENUES AND FRANCHISE FEES**  
Last Ten Fiscal Years

Fiscal Year	Property Taxes <sup>1</sup>	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2010	15,900,747	9,155,849	921,990	2,578,154	3,666,781	32,223,521
2011	15,803,400	9,632,640	930,759	2,760,188	4,000,786	33,127,773
2012	17,471,642	11,089,866	798,764	2,727,370	4,295,149	36,382,791
2013	18,047,998	12,217,439	812,273	2,695,073	4,575,083	38,347,866
2014	19,274,720	13,440,938	994,609	2,818,869	5,009,121	41,538,257
2015	20,560,124	13,038,912	1,176,643	2,828,420	5,512,956	43,117,055
2016	22,559,004	12,831,723	1,211,761	3,074,519	6,138,213	45,815,220
2017	23,521,642	14,032,616	1,229,708	2,664,422	5,954,703	47,403,091
2018	23,783,670	16,449,993	1,146,633	2,624,458	5,552,084	49,556,838
2019	25,196,771	15,017,082	1,151,057	2,513,414	5,427,585	49,305,909

Table includes General, Special Revenue, Capital Project, and Debt Service funds.

Notes:

(1) Includes penalty and interest.

**ASSESSED AND ESTIMATED  
MARKET VALUE OF TAXABLE PROPERTY**  
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Real Property Assessed Value <sup>1</sup>	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate <sup>2</sup>
2010	2009	3,095,240,320	633,330,780	(417,521,300)	3,311,049,800	0.4960
2011	2010	2,872,659,100	601,788,640	(415,674,023)	3,058,773,717	0.5300
2012	2011	2,864,186,430	586,674,080	(422,817,942)	3,028,042,568	0.5800
2013	2012	2,955,211,640	580,038,950	(400,355,712)	3,134,894,878	0.5800
2014	2013	3,270,235,970	621,418,790	(401,647,062)	3,490,007,698	0.5718
2015	2014	3,538,702,310	685,963,840	(419,085,309)	3,805,580,841	0.5618
2016	2015	3,742,314,940	722,808,570	(428,399,743)	4,036,723,767	0.5792
2017	2016	3,996,508,870	757,661,770	(453,899,085)	4,300,271,555	0.5605
2018	2017	4,179,274,260	730,791,690	(459,532,446)	4,450,533,504	0.5500
2019	2018	4,477,513,780	729,708,210	(481,462,821)	4,725,759,169	0.5500

**SOURCE:** Dallas Central Appraisal District

**Notes:**

- (1) Assessed value is 100% of estimated market value.  
(2) Per \$100 of valuation.

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**(PER \$100 OF ASSESSED VALUE)**  
 Last Ten Fiscal Years

Fiscal Year	City Direct Rates <sup>1</sup>			Overlapping Rates <sup>2</sup>					
	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2010	0.3360	0.1600	0.4960	0.2333	0.0949	1.2713	1.3422	0.2740	2.3696
2011	0.3479	0.1821	0.5300	0.2531	0.0992	1.2378	1.3469	0.2710	2.3911
2012	0.3819	0.1981	0.5800	0.2531	0.0997	1.2903	1.3568	0.2710	2.4941
2013	0.3593	0.2207	0.5800	0.2530	0.1194	1.2903	1.3306	0.2710	2.5138
2014	0.3588	0.2130	0.5718	0.2531	0.1247	1.2820	1.3235	0.2760	2.5076
2015	0.3437	0.2181	0.5618	0.2531	0.1248	1.2820	1.3033	0.2860	2.5077
2016	0.3767	0.2024	0.5792	0.2531	0.1237	1.2821	1.2817	0.2860	2.5240
2017	0.3812	0.1793	0.5605	0.2524	0.1229	1.2821	1.3917	0.2794	2.4973
2018	0.3970	0.1530	0.5500	0.2531	0.1242	1.2821	1.3810	0.2794	2.4888
2019	0.4073	0.1427	0.5500	0.2531	0.1240	1.4120	1.3700	0.2794	2.6185

**SOURCE:** Dallas County Tax Office

**Notes:**

- (1) The Town's operating tax rate may be increased only by a majority vote of the City Council up to the limit prescribed by State law, after which the Town's residents may petition for a vote. Rates for debt service are set based on each year's requirements.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the Town of Addison. The Carrollton/Farmers Branch ISD tax rate is excluded from the total Ad Valorem rate because most of the property owners in Addison are within the Dallas ISD geographic boundaries.



**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2010	2009	16,475,365	15,867,761	96.3%	3,531	15,871,292	96.3%
2011	2010	16,249,988	15,678,212	96.5%	52,882	15,731,094	96.8%
2012	2011	17,612,952	17,280,758	98.1%	119,185	17,399,943	98.8%
2013	2012	18,227,706	17,940,483	98.4%	32,002	17,972,485	98.6%
2014	2013	20,000,565	19,246,998	96.2%	(11,276)	19,235,722	96.2%
2015	2014	21,430,622	20,641,789	96.3%	(125,202)	20,516,587	95.7%
2016	2015	23,445,994	22,584,093	96.3%	(77,086)	22,507,007	96.0%
2017	2016	24,175,503	23,458,172	97.0%	(6,535)	23,451,637	97.0%
2018	2017	24,531,963	23,833,997	97.2%	(115,949)	23,718,048	96.7%
2019	2018	26,050,652	25,281,036	97.0%	(152,247)	25,128,789	96.5%

**SOURCE:** Dallas County Tax Office

Notes:

(1) Negative amounts represent refunds of taxes to property owners who appealed their values for the current year (or previous years) to the Dallas Central Appraisal District and received lower valuations as a result of the appeal.

**RATIO OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (%)	Per Capita
	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation			
2010	22,775,000	33,117,380	7,740,152	9,467,620	73,100,152	13.09	5,599
2011	19,575,000	32,443,770	5,245,003	9,176,230	66,440,003	11.14	5,087
2012	40,587,307	40,779,773	2,656,792	10,580,639	94,604,511	15.50	6,916
2013	44,865,727	39,564,153	-	20,668,963	105,098,843	16.11	7,594
2014	52,868,244	38,578,326	2,145,000	25,322,281	118,913,851	15.71	7,834
2015	48,157,452	37,513,716	1,805,000	24,545,293	112,021,461	14.93	7,213
2016	65,165,138	15,642,986	8,122,465	17,312,599	106,243,188	14.10	6,810
2017	59,974,766	14,009,287	7,663,243	16,305,591	97,952,887	12.89	6,227
2018	56,085,819	12,309,771	7,186,019	15,274,984	90,856,593	10.65	5,765
2019	51,888,184	11,604,403	6,410,005	28,118,950	98,021,542	11.31	6,123

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports.  
See Table 16 for personal income and population data.

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds <sup>1</sup>	Certificates of Obligation <sup>1</sup>	Less: Amounts Available in Debt Service Fund <sup>2</sup>	Total Outstanding Debt	Percentage of Actual Taxable Value (%)	Per Capita
2010	30,515,152	42,585,000	1,126,069	71,974,083	2.17	5,512.72
2011	24,820,003	41,620,000	1,127,831	65,312,172	2.14	5,000.93
2012	43,244,099	51,360,412	1,079,254	93,525,257	3.09	6,836.64
2013	44,865,727	60,233,116	1,234,727	103,864,116	3.31	7,504.63
2014	55,013,244	63,900,607	1,020,159	117,893,692	3.38	7,766.38
2015	49,962,452	62,059,009	831,367	111,190,094	2.92	7,159.70
2016	73,287,603	32,955,585	541,075	105,702,113	2.62	6,775.78
2017	67,638,009	30,314,878	370,527	97,582,360	2.27	6,203.58
2018	63,271,838	27,584,755	168,535	90,688,058	2.04	5,754.32
2019	57,654,198	39,023,647	17,993	96,659,852	2.05	6,121.59

NOTES:

(1) The schedule of general bonded debt includes general obligation debt of both governmental activities and business-type activities.

(2) This is the amount restricted for debt service principal payments at the fund level.

**SOURCE:**

Town of Addison Comprehensive Annual Financial Reports  
See Table 8 for taxable values and Table 16 for population data.

**DIRECT AND OVERLAPPING DEBT**  
Year Ended September 30, 2019

Taxing Jurisdiction	Bonded Debt	Percent Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 230,980,000	1.42%	\$ 3,279,916
Dallas County	151,495,000	1.69%	2,560,266
Dallas County Community College District	182,800,000	1.69%	3,089,320
Dallas County Hospital District	671,290,000	1.69%	11,344,801
Dallas County Schools	36,801,240	2.08%	765,466
Dallas ISD	2,676,385,000	3.38%	90,461,813
Total Overlapping Debt			111,501,582
Town of Addison (Direct Debt)	\$ 59,290,000 <sup>(2)</sup>	100%	59,290,000
Total Direct and Overlapping Debt			<u>\$ 170,791,582</u>
Ratio of Overlapping Bonded Debt to 2017 Taxable Assessed Valuation			3.61%
Per Capita Overlapping Bonded Debt			\$ 10,816

**SOURCE:** Municipal Advisory Council of Texas  
See Table 8 for taxable values and Table 16 for population data.

Notes:

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the assessed valuation of taxable property within both the overlapping taxing body and the Town's boundaries and dividing that shared value by the total taxable assessed value within the overlapping taxing body.

(2) Total bonded debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds. It includes all bonded debt that is secured by ad valorem taxes.

**SCHEDULE OF REVENUE BOND COVERAGE**  
**WATER AND SEWER FUND**  
Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements <sup>2</sup>			Revenue Bond Coverage <sup>3</sup>
	Gross Revenue	Expense <sup>1</sup>	Net Revenue	Principal	Interest	Total	
2010	8,803,804	6,811,662	1,992,142	-	-	-	N/A
2011	10,726,977	7,024,544	3,702,433	-	-	-	N/A
2012	11,068,924	7,529,490	3,539,434	-	-	-	N/A
2013	10,743,714	8,052,963	2,690,751	-	-	-	N/A
2014	9,894,247	8,449,185	1,445,062	-	-	-	N/A
2015	10,241,191	9,017,932	1,223,259	-	-	-	N/A
2016	10,688,878	9,116,360	1,572,518	-	-	-	N/A
2017	11,087,788	8,988,724	2,099,064	-	-	-	N/A
2018	12,211,566	11,121,149	1,090,417	-	-	-	N/A
2019	11,939,132	10,729,825	1,209,307	-	-	-	N/A

Notes:

- (1) Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".
- (2) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.
- (3) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund revenues.

**SCHEDULE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION COVERAGE**  
**HOTEL FUND**  
Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service		Debt Service Requirements				Bond Coverage <sup>2</sup>
	Gross Revenue	Expenditure <sup>1</sup>	Net Revenue	Principal	Interest	Total	
2010	5,900,022	963,908	4,936,114	535,000	181,037	716,037	6.9
2011	6,026,377	1,007,162	5,019,215	555,000	164,988	719,988	7.0
2012	6,740,112	1,080,980	5,659,132	620,000	108,143	728,143	7.8
2013	6,970,189	1,626,644	5,343,545	600,000	104,623	704,623	7.6
2014	7,181,306	1,063,116	6,118,190	625,000	86,650	711,650	8.6
2015	7,512,047	959,140	6,552,907	640,000	70,800	710,800	9.2
2016	9,680,180	1,156,760	8,523,420	660,001	52,050	712,051	12.0
2017	9,307,410	1,211,193	8,096,217	680,000	31,200	711,200	11.4
2018	7,889,706	1,027,977	6,861,729	700,000	10,500	710,500	9.7
2019	7,354,784	956,507	6,398,277	-	-	-	N/A

Notes:

(1) Combination Tax and Revenue Certificates of Obligation bond covenants require only Conference Centre expenditures be considered when calculating bond coverage.

(2) Bond coverage is equal to net revenue available for debt service divided by total principal and interest.

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
AS OF SEPTEMBER 30**  
Last Ten Fiscal Years

Fiscal Year	Estimated Population <sup>1</sup>	Assessed Valuations <sup>2</sup>	Personal Income (Thousands)	Per Capita Personal Income <sup>3</sup>	Labor Force <sup>4</sup>	Unemployment Rate <sup>5</sup>
2010	13,056	3,311,049,800	558,248	42,758	3,300,761	7.9%
2011	13,060	3,058,773,717	596,254	45,655	3,374,414	7.6%
2012	13,680	3,028,042,568	610,333	44,615	3,420,186	6.4%
2013	13,840	3,134,894,878	652,418	47,140	3,474,226	5.9%
2014	15,180	3,490,007,698	756,981	49,867	3,539,326	4.8%
2015	15,530	3,805,580,841	750,379	48,318	3,585,279	3.9%
2016	15,600	4,036,723,767	753,761	48,318	3,703,339	3.9%
2017	15,730	4,300,271,555	760,042	48,318	3,810,780	3.3%
2018	15,760	4,450,533,504	852,821	54,113	3,900,458	3.4%
2019	15,790	4,819,907,442	854,444	54,113	4,014,600	3.2%

**SOURCES:**

(1) North Central Texas Council of Governments estimates

(2) Dallas Central Appraisal District

(3) United States Census American Community Survey; figures are based on the most current data available.

(4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the Dallas, Plano, Irving Metro Area.

(5) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the City of Farmer's Branch, a neighboring city.

**PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2019			2010		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
FPG Colonnade LP	Land, Office Buildings	\$ 225,004,500	1	4.76%			
Post Apartment Homes	Mixed Development	185,000,000	2	3.91%			
SAYOYE2 LLC	Apartments	121,841,700	3	2.58%			
5100 Belt Line Investors LLC	Insurance	99,250,000	4	2.10%			
Mary Kay INC	Office Buildings	92,730,890	5	1.96%			
COP Spectrum Center LLC	Office Buildings	86,000,000	6	1.82%			
Gaedeke Holdings IX LLC	Office Buildings	78,015,630	7	1.65%			
Fiori LLC	Land, Hotel	78,000,000	8	1.65%			
DCO Realty Inc	Land, Office Buildings	77,877,520	9	1.65%			
GS Addison Circle LLC	Office Buildings	74,221,380	10	1.57%			
Colonnade Realty Holdings	Land, Office Buildings				\$ 117,997,180	1	3.86%
Post Addison Circle	Mixed Development				115,000,000	2	3.76%
Richmont Properties Ltd	Land, Office Buildings				63,318,740	3	2.07%
G&I V VOP LP	Land, Office Buildings				50,000,000	4	1.63%
DCO Savoye LLC	Apartments				48,690,430	5	1.59%
MBNA Texas Properties	Land, Office Buildings				44,318,610	6	1.45%
Spectrum Center Partners	Office Buildings				43,431,250	7	1.42%
KBS Millennium LLC	Office Buildings				40,298,490	8	1.32%
Fairfield Addison Circle	Apartments				33,800,000	9	1.11%
FSP Addison Circle LP	Land, Office Buildings				31,566,000	10	1.03%
		<u>\$ 1,117,941,620</u>		<u>23.66%</u>	<u>\$ 588,420,700</u>		<u>19.24%</u>

**SOURCE:** Dallas County Tax Office (2019); Town of Addison CAFR (2010)



**MAJOR EMPLOYERS**  
Current Year and Nine Years Ago

Company	Type of Business	2019		2010	
		Estimated Number of Employees	Percent of Total Employees	Estimated Number of Employees	Percent of Total Employees
Mary Kay Cosmetics	Cosmetics	1,200	1.80%	1,183	2.59%
Bank of America	Finance	1,200	1.80%	837	1.83%
Homeward Residential Inc	Finance	750	1.13%	N/A	N/A
Regus Texas	Real Estate	590	0.89%	250	0.55%
Barrett Daffin Frappier Turner	Attorney Firm	550	0.83%	N/A	N/A
Expense Reduction Analysts	Consulting Service	501	0.75%	N/A	N/A
Maxim Integrated Products	Manufacturing	500	0.75%	N/A	N/A
Intercontinental Hotel Dallas	Hospitality	450	0.68%	N/A	N/A
National Bankruptcy Services	Bankruptcy Service	450	0.68%	N/A	N/A
Zurich American Insurance Co.	Insurance	400	0.60%	N/A	N/A
Greenhill School	Elementary & High School	370	0.56%	258	0.57%
Pizza Hut Corporate Office	Food Specialties	N/A		620	1.36%
Concentra Health Services	Medical	N/A		432	0.95%
Glazers Wholesale	Beer, Wine and Spirits	N/A		300	0.66%
United Surgical Partners	Medical	N/A		275	0.60%
National Business Research	Surveying and Research	N/A		267	0.58%
Palm Harbor Homes LP	Manufactured Homes	N/A		240	0.53%

**SOURCE:** North Central Texas Council of Governments (2019); Town of Addison CAFR (2010)

**BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY  
FUNCTION/PROGRAM  
Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Manager's Office	8.5	8.0	7.5	6.0	7.0	8.0	7.5	6.5	6.5	7.5
Financial and Strategic Services	9.0	8.0	8.0	8.0	7.5	9.7	13.0	13.0	13.0	13.0
Municipal Court	5.7	5.4	5.4	5.4	5.7	5.7	5.8	5.8	5.8	5.0
General Services	10.0	9.0	8.0	5.0	5.0	5.0	5.0	4.8	4.8	5.5
Human Resources	5.2	4.2	5.2	4.2	4.2	3.5	4.0	4.0	4.0	4.0
Information Technology	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total General Government	44.4	40.6	40.1	35.6	36.4	38.9	42.3	41.1	41.1	42.0
Public Safety										
Police	73.3	72.3	73.8	73.8	75.3	79.8	79.8	71.0	71.0	72.0
Emergency Communications	13.5	13.5	13.5	13.5	13.5	13.5	14.5	-	-	-
Fire	54.0	53.0	52.0	52.0	55.3	55.3	55.3	56.0	57.0	57.0
Total Public Safety	140.8	138.8	139.3	139.3	144.1	148.6	149.6	127.0	128.0	129.0
Development Services	7.0	7.0	7.2	7.2	7.2	7.2	7.2	11.0	11.0	12.0
Economic Development	-	-	1.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Streets	7.0	7.0	5.0	5.0	5.0	5.4	5.4	6.4	6.4	7.4
Stormwater					1.4	1.7	1.7	2.0	2.0	4.0
Utilities	17.0	17.0	16.0	18.0	18.3	16.6	17.6	19.2	19.2	22.2
Total Public Works	24.0	24.0	21.0	23.0	24.7	23.7	24.7	27.6	27.6	33.6
Parks and Recreation										
Parks	20.0	20.0	20.0	21.0	21.0	21.0	22.0	22.0	22.0	21.0
Recreation	15.6	15.6	14.6	14.6	14.6	15.1	15.1	15.7	15.7	15.7
Total Parks and Recreation	35.6	35.6	34.6	35.6	35.6	36.1	37.1	37.7	37.7	36.7
Visitor Services										
Visitor Services	2.5	3.0	3.0	3.0	3.0	-	-	-	-	-
Conference Centre	7.5	7.5	8.0	7.0	8.7	8.5	9.5	9.5	9.5	9.5
Special Events	4.0	3.0	3.0	3.5	4.0	4.3	4.3	4.2	4.2	4.5
Marketing	-	-	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
General Hotel Operations	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Performing Arts	-	-	-	-	-	-	-	-	-	-
Total Visitor Services	14.0	13.5	15.0	14.5	16.7	14.8	15.8	16.7	16.7	17.0
Airport Fund	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.4	3.4	4.4
<b>TOTAL</b>	<b>267.8</b>	<b>261.5</b>	<b>261.2</b>	<b>260.2</b>	<b>270.7</b>	<b>276.3</b>	<b>283.7</b>	<b>268.5</b>	<b>269.5</b>	<b>278.7</b>

**SOURCE:** Town of Addison Finance Department

**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Crimes Against Property	968	1,056	933	942	768	728	835	804	866	846
Crimes Against Persons	381	388	435	393	358	55	97	106	61	91
Arrests	2,775	2,876	2,924	2,548	2,006	1,712	1,679	1,702	1,706	1,567
Calls for Service	15,453	17,989	17,390	16,463	16,624	17,181	20,700	17,163	17,092	17,298
<b>Fire</b>										
Number of Fires	44	51	45	61	63	51	39	42	60	45
Dollar Loss	\$ 2,212,000	\$ 3,027,173	\$ 2,484,545	\$ 1,166,345	\$ 1,268,010	\$ 608,900	\$ 686,920	\$ 1,394,390	\$ 3,324,215	\$ 3,422,870
Calls for Service - Fire	834	866	837	896	989	996	865	652	823	802
Calls for Service - EMS	1,518	1,463	1,676	1,696	1,598	1,730	1,765	1,683	1,608	1,726
<b>Streets</b>										
Tons of Recycling Collected	328	330	334	360	387	323	390	419	463	418
<b>Parks</b>										
Acres Maintained	139	163	163	163	163	163	163	163	163	163
<b>Recreation</b>										
Recreation Event Participants	14,947	14,874	22,496	22,632	21,392	21,392	22,462	26,401	24,640	26,561
Number of Users	125,339	123,794	131,730	128,722	122,656	122,656	122,111	126,287	123,961	126,228
Active Athletic Club Members	3,300	3,428	3,637	3,669	3,942	3,942	3,665	3,815	3,949	4,135
<b>Utilities</b>										
Water Usage - Peak <sup>1</sup>	8,895	9,402	8,871	8,979	10,042	11,093	8,846	7,652	8,803	8,073
Water Usage - Average <sup>1</sup>	4,334	5,014	5,021	4,829	4,577	4,682	4,628	4,672	4,895	4,478
Service Line Breaks	11	7	10	11	16	8	4	10	12	6
Water Main Breaks	1	1	2	5	7	4	2	7	4	4

**SOURCE:** Town of Addison Department Data

Notes:

<sup>(1)</sup> In thousands of gallons

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Public Safety</u>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Streets - Paved (miles)	41	41	41	41	41	41	43	43	43	43
Lane Miles	164	164	164	164	164	164	167	167	167	167
Traffic Signals	36	36	36	36	36	36	36	36	37	37
<u>Parks and Recreation</u>										
Acres Maintained	139	163	163	163	163	163	163	163	163	163
Parks	13	15	15	15	15	15	14	14	14	14
Playgrounds	3	5	5	5	5	5	3	3	3	3
Soccer/Football Fields	-	1	1	1	1	1	-	-	-	-
Community Centers	1	1	1	1	1	1	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	96	80	80	80	80	80	80	96	96	96
Fire Hydrants	1,013	1,052	1,052	1,038	1,038	1,038	1,052	1,052	1,052	1,076
<u>Wastewater</u>										
Miles of Sanitary Sewers	82	66	66	66	66	66	66	75	75	72
Miles of Storm Sewers	22	57	57	60	60	60	76	76	76	76

**SOURCE:** Town of Addison Department Data