

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION

August 5, 2020

**Addison TreeHouse
14681 Midway Rd., Suite 200, Addison, TX 75001
5:00 p.m. Special Meeting and Work Session**

The Addison City Council, using electronic medium, conducted its Special Budget Workshop Meeting on Wednesday, August 5, 2020. A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. In order to advance the public health goal of limiting face-to-face meetings to slow the spread of the Coronavirus there was limited public access to members of the public; detailed instructions were provided, and the meeting was live streamed on Addison's website at www.addisontexas.net.

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

Call Meeting to Order: Mayor Chow called the meeting to order.

Present, Discuss, and Consider Action on the Proposed Annual Budget for the Town of Addison for Fiscal Year 2021 (Beginning October 1, 2020 and Ending September 30, 2021), including but not limited to the General Fund, Utility Fund, Stormwater Fund, Airport Fund, Hotel Fund, Economic Development Fund, Information Technology Fund, Capital Replacement Fund, Infrastructure Investment Fund, and Long-Term Planning.

City Manager Wesley Pierson and Chief Financial Officer Steven Glickman presented the proposed FY 2021 Budget. Highlights include:

Property Tax Rates: Proposed:

	FY 2019	FY 2020	FY 2021
No-New Revenue	\$0.527064/100	\$0.552371/100	\$0.601684/100
Voter-Approval	\$0.553323/100	\$0.591133/100	\$0.636414/100
Adopted/Proposed	\$0.550000/100	\$0.583500/100	\$0.610367/100

Property Tax Rates: Breakdown:

	FY 2019	FY 2020	FY 2021
Operations & Maintenance	\$0.407352/100	\$0.434117/100	\$0.442800/100
Interest & Sinking	\$0.142648/100	\$0.149383/100	\$0.167567/100
Total Tax Rate	\$0.550000/100	\$0.583500/100	\$0.610367/100

Staffing Summary:

Department	2017	2018	2019	2020	2021
General Fund	223.2	224.2	231.2	235.2	234.8
Hotel Fund	16.7	16.7	17.0	17.0	9.0
Economic Development Fund	4.0	4.0	4.0	4.0	4.0
Airport Fund	3.4	3.4	3.4	4.4	19.6
Utility Fund	19.2	19.2	22.2	25.2	27.4
Stormwater Fund	2.0	2.0	4.0	4.0	4.0
Capital Projects Fund	0.0	0.0	0.0	1.0	3.0
Total Staffing	268.5	269.5	281.8	290.8	301.8

General Fund Balance:

	FY2019 ACTUAL	FY2020 BUDGET	FY2020 ESTIMATED	FY2021 PROPOSED
BEGINNING FUND BALANCE	\$21.0M	\$18.1M	\$20.6M	18.1M
Total Operating Revenue	40.3M	39.1M	39.3M	38.7M
Total Operating Expense	36.2M	39.1M	38.2M	38.7M
TRANSFER				
Transfer to Self-Funded Projects Fund	2.8M	4.0M	36.6M	.5M
Transfer to Streets CPF	0.7M	-	-	-
Transfer to IIF	1.0M	0.0M	0.0M	-
ENDING FUND BALANCE	\$20.6M	\$14.0M	\$18.1M	\$17.7M
FUND BALANCE PERCENTAGE	56.9%	35.7%	47.4%	45.9%

Hotel Overview (excluding transfers):

	FY2020 Budget	FY2021 Proposed	Difference
Total Revenue	\$7.6M	\$5.3M	(\$2.3)M
Total Expense	\$7.9M	\$5.8M	(\$2.1)M
Revenue to Expense	(\$0.3)M	(\$0.5)M	(\$0.2)M

Economic Development Fund:

	FY2020 Budget	FY2021 Proposed	Difference
Total Revenue	\$1.9M	\$1.6M	(\$0.3)M
Total Expense	\$1.9M	\$2.0M	\$0.1M
Revenue to Expense	-	(\$0.4)M	(\$0.4)M

Airport Fund:

	FY2020 Budget	FY2021 Proposed	Difference
Total Revenue	\$6.4M	\$5.2M	(\$1.2)M
Total Expense	\$5.6M	\$5.0M	(\$0.6)M
Revenue to Expense	\$0.8M	\$0.2M	(\$0.6)M

Utility Fund Balance:

	FY2019 ACTUAL	FY2020 RE-ESTIMATE	FY2021 PROPOSED
BEGINNING WORKING CAPITAL	\$6.2M	\$6.3	\$4.9M
Total Operation Revenue	12.1M	13.2M	14.0M
Total Operating Expense	11.7M	13.0M	13.9M
TRANSFER			
Interfund Transfers			0.4M
CAPITAL PROJECTS (Cash Funded)			
Basin I Sanitary Sewer Re-route	0.3M	1.3M	-
Water System Improvements	-	-	0.1M
Chlorine Booster Station	-	0.2M	-
ENDING WORKING CAPITAL	\$6.3M	\$4.9M	\$4.5M
WORKING CAPITAL PERCENTAGE	53.4%	37.8%	32.6%

Stormwater Operating Fund (Excluding Transfers):

	FY2020 Budget	FY2021 Proposed	Difference
Total Revenue	\$2.4M	\$2.5M	\$0.1M
Total Expense	\$1.5M	\$1.3M	(\$0.2)M
Revenue to Expense	\$0.9M	\$1.2M	\$0.3M

Grant Funding: General Fund and Hotel Fund:

	FY2021 REQUESTED	FY2021 PROPOSED	FY2021 RECOMMENDED
GENERAL FUND			
Addison Arbor Foundation	\$50,000	\$50,000	\$50,000
Addison Arbor Foundation (matching funds)	\$15,000	\$15,000	\$15,000
Dallas Cat Lady	\$5,000	\$5,000	\$5,000
Dallas County MH&MR - Metrocare Services	\$20,000	\$5,000	\$5,000
Metrocrest Services	\$96,376	\$66,120	\$66,120
Woven Health Clinic	\$6,500	\$5,000	\$5,000
TOTAL GENERAL FUND	\$192,876	\$146,120	\$146,120
HOTEL FUND			
WaterTower Theatre*	\$400,000	\$226,589	\$226,589
WaterTower Theatre (matching funds)	-	\$100,000	\$100,000
Outcry Theatre	\$10,000	\$2,500	\$2,500
TOTAL HOTEL FUND	\$410,000	\$329,089	\$329,089
CHILD SAFETY FUND			
The Family Place	\$10,000	\$2,500	\$2,500
TOTAL CHILD SAFETY FUND	\$10,000	\$2,500	\$2,500
GRAND TOTAL	\$612,876	\$477,709	\$477,709

*In-kind funding of \$16,400 for office rent and \$32,011 for production rent for a total of \$375,000 net value of WaterTower Theatre grant funding.

The City Council requested Staff prepare data and information on the following topics to be discussed on Friday, August 6:

- Personnel: Compensation data, definition of a merit increase and cost of living adjustment and the difference of each. If an increase is proposed, how much would it cost, how does the Town compare to our comparable cities and how would it affect the tax rate or fund balance? Staff advised that a market study was scheduled but postponed. Compensation

and Classification Study was last accomplished in 2017; and

- Tax Rate: Increase or lower this year? Adopt a no-new revenue tax rate? Lower the interest and sinking portion of the tax rate and fund balance. Provide results of changes to tax rate and fund balance - show adjustments for discussion.

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary