



**REGULAR MEETING
OF THE CITY COUNCIL**

September 27, 2022

ADDISON TREEHOUSE

**14681 MIDWAY RD. SUITE 200, ADDISON, TX 75001
6:30 PM EXECUTIVE SESSION & WORK SESSION
7:30 PM REGULAR MEETING**

Notice is hereby given that the Addison City Council will conduct a Regular Meeting on Tuesday, September 27, 2022 at the Addison TreeHouse. A quorum of the governing body will be physically present at the foregoing location. Email comments may be sent to: iparker@addisontx.gov by 3:00 pm the day of the meeting. The meeting will be live streamed on Addison's website at: www.addisontexas.net.

Call Meeting to Order

Pledge of Allegiance

EXECUTIVE SESSION

Closed (Executive) Session of the Addison City Council pursuant to:

Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to:

- *G J Seeding, LLC v. FNH Construction, LLC and Hudson Insurance*

Company, Cause No. DC-20-11409, 134th Judicial District, Dallas County, Texas.

Reconvene in to 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.

WORK SESSION

1. Present and Discuss Maintenance of Residential Screening Walls in Addison.

REGULAR MEETING

Announcements and Acknowledgments Regarding Town and Council Events and Activities

- Present the 2022 Addison Foodservice Safety and Sanitation Awards

Discussion of Meetings / Events

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.

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.

2. Consider Action on the **Minutes from the September 13, 2022 City Council Meeting.**
3. Consider Action on a **Resolution Approving an Economic Development Program Grant Agreement with Firehawk Aerospace, Inc. and Authorizing the City Manager to Execute the Agreement.**
4. Consider Action on a **Resolution Approving the Creation of a Trust Under Internal Revenue Code Section 115 For the Purpose of Pre-Funding Other Post Employment Benefits (OPEB) Related to the City's Post Employment Health Plan For Retirees; Appointing The City Manager As Trustee; And Providing An Effective Date.**

Regular Items

5. Present, Discuss, and Consider Action on an **Ordinance to Amend the Town's Annual Budget for the Fiscal Year Ending September 30, 2022.**

Adjourn Meeting

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.

THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-7017 AT LEAST 48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.

POSTED BY: _____

Irma G. Parker, City Secretary

DATE POSTED: September 22, 2022

TIME POSTED: 5:00 PM

DATE REMOVED FROM BULLETIN BOARD: _____

REMOVED BY: _____

Council Meeting

1.

Meeting Date: 09/27/2022

Department: Parks & Recreation

Pillars: Excellence in Asset Management

Milestones: Promote and protect the Addison Way
Define and promote Addison Identity

AGENDA CAPTION:

Present and Discuss **Maintenance of Residential Screening Walls in Addison.**

BACKGROUND:

The Parks Department maintains some, but not all of the masonry residential screening walls in Addison. Typically, the walls that the Parks Department maintains are identified on plats or surveys by easements for wall maintenance.

Over the last few months, several single-family residential neighborhoods have reached out to staff requesting that repairs be made to their perimeter screening walls. The requested repairs are associated with walls that have not been historically maintained by the Parks Department, nor is there a record of a wall maintenance easement on the plat and the walls are located on private property. The neighborhoods that have reached out indicated that previous Town staff committed to maintaining all single-family residential perimeter screening walls to provide a different level of service to Addison residents. In one instance, the Home Owner's Association (HOA) for a neighborhood provided recent e-mail correspondence with a former Town employee that did substantiate this. However, staff cannot find a legal record or documentation of this direction and is requesting Council's direction regarding the maintenance of single-family residential masonry perimeter screening walls.

To facilitate the conversation, staff will make a presentation that identifies single-family residential masonry perimeter screening walls in Town and the respective, known maintenance responsibilities.

RECOMMENDATION:

Staff seeks Council direction.

Attachments

Presentation - Wall Maintenance

Maintenance of Masonry Single Family Residential Perimeter Screening Walls

September 27, 2022

The logo for ADDISON is a white circle containing the word "ADDISON" in blue, uppercase, sans-serif font. The circle is set against a blue background that features a white diagonal line running from the top-left to the bottom-right, creating a triangular shape in the top-left corner.

The Town Maintains Masonry Perimeter Screening Walls for Single-Family Residential that Meet the Following Criteria.

- Walls that are on private property but have a wall maintenance easement identified on the plat.
- Walls that are on Town property.
- Walls that have been historically maintained by the Town but does not fit the above criteria.

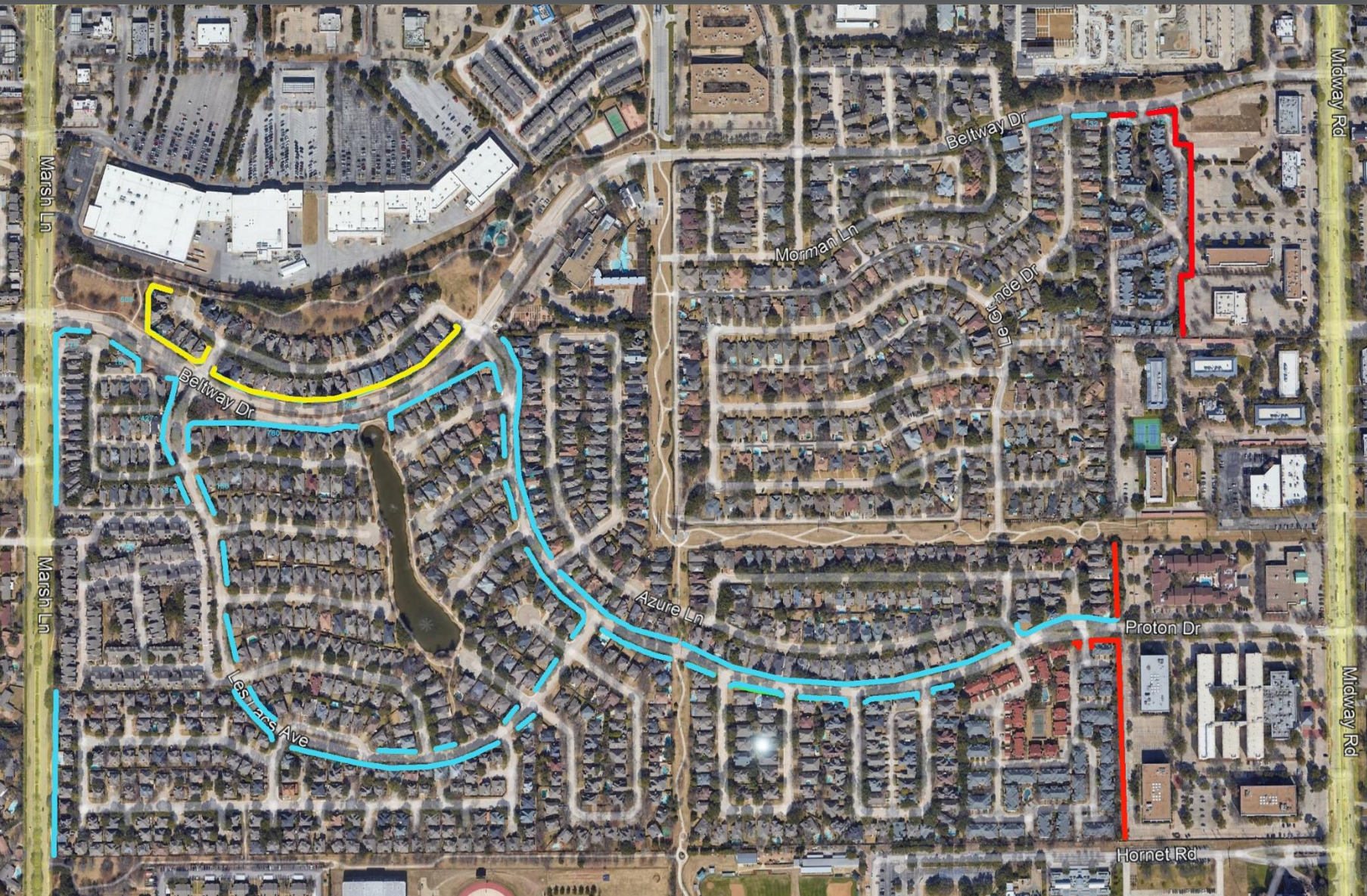
Recently Representatives From Several Single-Family Residential Neighborhoods Have Requested the Town Maintain the Perimeter Screening Walls Associated with Their Neighborhood. Neighborhood Representatives Have Indicated Previous Town Leadership Committed to the Maintenance.

The Parks Department Budget:

- Annual operating budget for wall maintenance is \$20,000. This not only includes maintenance of perimeter screening walls but also entrance signage and walls.
- To make minor repairs to an 8' – 10' long section of screening wall (6' – 8' tall) the cost is \$2,500 - \$2,750.
- To repair entry way signage that is damaged by automobiles the department has recently spent \$10,000 - \$25,000 on repairs. In most cases this can be recouped by insurance, but not always.

West Addison

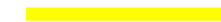
ADDISON



Legend



Perimeter Screening Wall
on Private Property With A
Wall Maintenance Easement or
On Town Property



Perimeter Screening Wall
On Private Property With
Historical Evidence of
Town Maintenance






Perimeter Screening Wall
On Private Property With No
Wall Maintenance Easement

East Addison

ADDISON



Legend




-  Perimeter Screening Wall on Private Property With A Wall Maintenance Easement or On Town Property
-  Perimeter Screening Wall On Private Property With Historical Evidence of Town Maintenance
-  Perimeter Screening Wall On Private Property With No Wall Maintenance Easement

North Addison

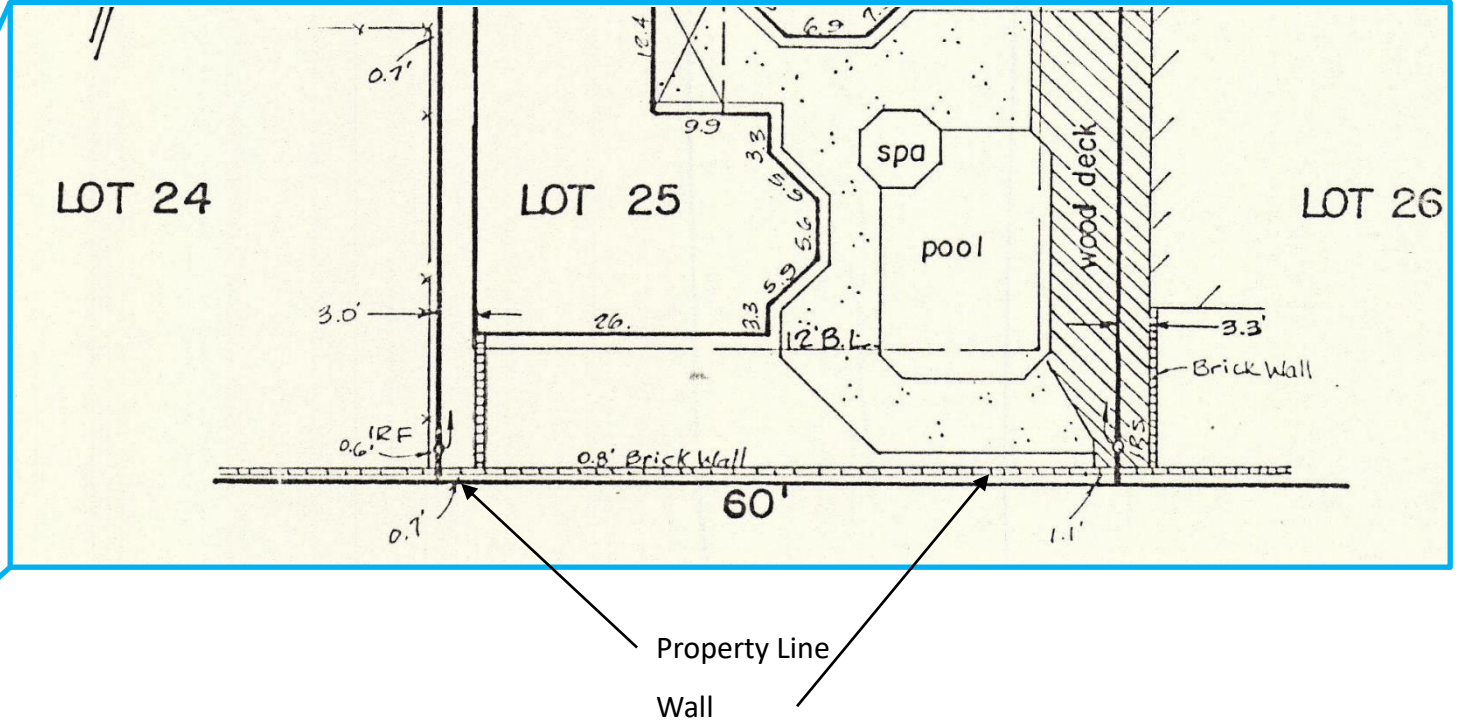
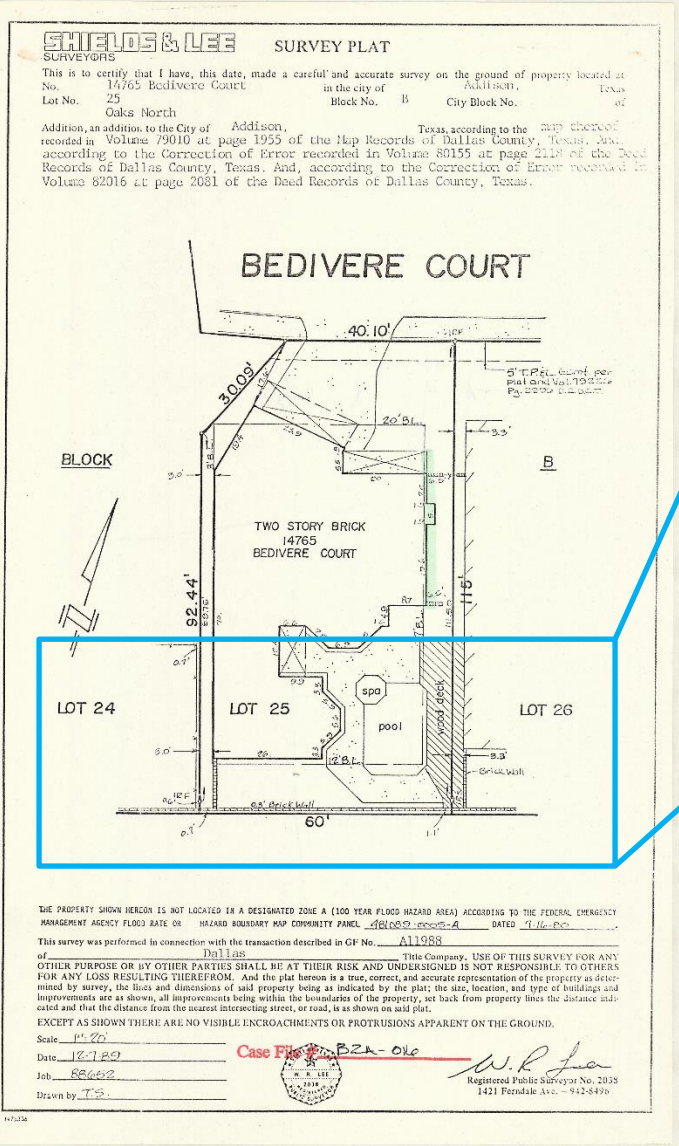
ADDISON



Legend

-  Perimeter Screening Wall on Private Property With A Wall Maintenance Easement or On Town Property
-  Perimeter Screening Wall On Private Property With Historical Evidence of Town Maintenance
-  Perimeter Screening Wall On Private Property With No Wall Maintenance Easement

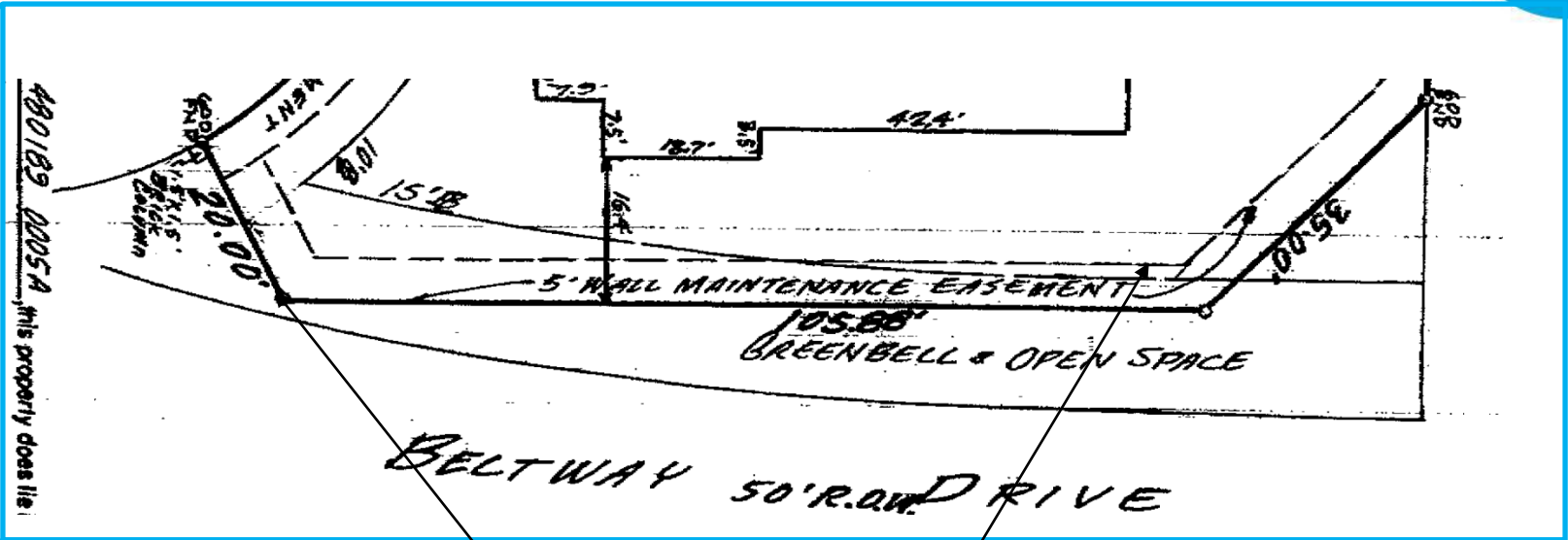
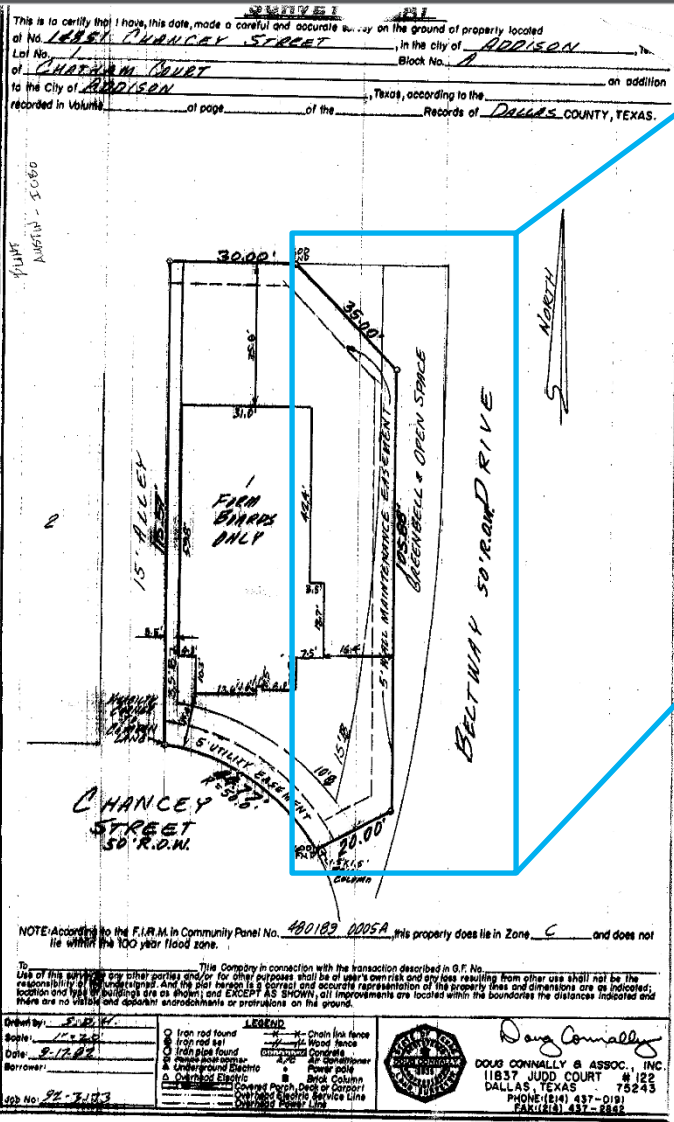
Survey and Plat Examples – Oaks North



Also to be noted for this neighborhood:

- There are records of the Town approving permits for homeowners to modify the wall on their property at their expense.
- There are multiple examples of individual homeowners making modifications to the walls without Town approval. Some of which has impacted the integrity of the wall.

Survey and Plat Examples – Chatham Court



Property Line
 Wall Maintenance Easement

Anticipated Costs

One - Time Costs (ROM)	Amount
Survey / Easements	\$45,000
Repair Walls Along One Lot*	\$70,000+
Initial Wall & Column Repairs	\$25,000
Total	\$140,000

* It appears property owner has made grade changes so that the screening wall is retaining soil. The wall was not designed to function as a retaining wall, but a retaining wall will need to be installed to resolve the issue.

Reoccurring Costs	Amount
Additional Annual Wall Repairs	\$25,000

Is it Council's Preference for the Town to Maintain all Single-Family Residential Perimeter Screening Walls?

If the Answer is Yes:

Staff will get a proposal to add Wall Maintenance Easements to the neighborhoods without these easements.

Staff will identify the costs to:

- Create the Easements
- Address Initial Wall Maintenance Concerns.
- Increase FY2024 Wall Maintenance Budget to Cover Additional Scope.

If the Answer is No:

No further action is needed.

Questions?

Council Meeting

2.

Meeting Date: 09/27/2022

Department: City Secretary

AGENDA CAPTION:

Consider Action on the Minutes from the September 13, 2022 City Council Meeting.

BACKGROUND:

The minutes for the September 13, 2022 City Council Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - September 13, 2022

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

September 13, 2022

**Addison Treehouse,
14681 Midway Rd., Suite 200, Addison, TX
7:00 p.m. Work Session
7:30 p.m. Regular Session**

A Regular Meeting was held by the City Council of the Town of Addison, Texas on September 13, 2022, with the Work Session beginning at 7:00 p.m. followed by the Regular Session at 7:30 p.m. in the Addison Treehouse, 14681 Midway Road, Suite 200, Addison, Texas. The following members were present to-wit:

Present: Mayor Joe Chow; Mayor Pro-Tempore Kathryn Wheeler; Deputy Mayor Pro-Tempore Lori Ward; Council Member Tom Braun; Council Member Darren Gardner; Council Member Guillermo Quintanilla; Council Member Eileen Resnik

Call Meeting to Order: Mayor Chow called the meeting to order at 7:00 pm.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance to the Flag.

WORK SESSION – 7:00 PM

1. Present and Discuss the **Format for the Town Meeting on October 20, 2022.**
[Mary Rosenbleeth, Director of Marketing/Communications]

Town Meetings are held twice a year in the spring and fall. This year, the fall meeting is scheduled for October 20, 2022 at 7:00 pm at the Renaissance Hotel. The purpose of this item is to discuss the format and topics for the Council Member's presentations.

Each member selected topics they would prefer to discuss. Topics are shown below.

MEMBER	TOPIC
Mayor Joe Chow	Welcome; City Manager Search, Budget Update
Mayor Pro-Tem Kathryn Wheeler	Upcoming Fall and Winter Events
Deputy Mayor Pro-Tem Lori Ward	Economic Development and Airport Updates
Council Member Tom Braun	AMLI Project; Midway South Area Study
Council Member Darren Gardner	Athletic Club Update
Council Member Guillermo Quintanilla	Public Works Construction and Midway Road Updates
Council Member Eileen Resnik	Silver Line Update/Transit Orientated Development

***** RECESS *****

REGULAR MEETING – 7:30 PM

Announcements and Acknowledgments Regarding Town and Council Events and Activities

- **Present the 2022 Addison Foodservice Safety and Sanitation Awards** – Postponed to a future meeting.
- **Addison is recognized by the ETC Institute for its "Leading the Way" Award**

ETC Institute’s “Leading the Way Award” was created to recognize local governments for outstanding achievement in the delivery of services to residents. Recipients of the award rank in the top 10% of all cities and counties in the United States regarding their composite performance in three core areas that are assessed on the DirectionFinder® Survey:

1. satisfaction with the overall quality of services
2. satisfaction with customer service provided by employees, and
3. satisfaction with the value residents think they receive for local taxes and fees.

The Town of Addison was selected to receive this award from the 200 communities that participated in ETC Institute’s DirectionFinder® survey between December 2021 and May 2022.

Discussion of Meetings / Events

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.*

NONE

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.*

2. **Consider Action on the Minutes from the August 23, 2022 City Council Meeting.**

3. **Consider Action on the Minutes from the September 6, 2022 City Council Special Meeting.**

MOTION: Council Member Braun moved to approve Consent Agenda Items as presented. Mayor Pro-Tem Wheeler seconded the motion. Motion carried unanimously.

Regular Items

4. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Approving a Special Use Permit (SUP) for Property Located at 4580 Belt Line Road that is Currently Zoned Local Retail (LR) to Allow a Restaurant with the Sale of Alcoholic Beverages for On-Premises Consumption. Case 1853-SUP/4580 Belt Line Road (Toasted Yolk Cafe).** *[Ken Schmidt, Development Services Director]*

The Addison Planning and Zoning Commission, meeting in regular session on August 16, 2022, voted to recommend approval of an ordinance changing the zoning on property located at 4580 Belt Line Road, which property is currently zoned Local Retail (LR), by approving a Special Use Permit (SUP) to allow the building to be used as a restaurant with the sale of alcoholic beverages for on-premises consumption, subject to the following conditions:

1. The applicants shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage.
2. Upon approval of a Certificate of Occupancy (CO) for Toasted Yolk, SUP Ordinance No. O20-02 (Remington's) shall be repealed.
3. If any change in occupancy occurs at the retail space (FedEx) prior to the adoption of the Unified Development Code (UDC), a use that requires less parking would be required for the Town to approve re-occupancy of that space.

Following the Planning and Zoning Commission meeting, the applicant requested to add a dumpster for recycling, immediately adjacent to their previously proposed solid waste dumpster. This recycling dumpster would be screened by proposed solid waste dumpster. This recycling dumpster would be screened by an enclosure consistent in character with the principal building and it would result in the loss of one additional parking space. Staff is supportive of this request, as the sustainability benefits gained from recycling far exceeds the value of a single parking space.

Public Hearing: Franchisee Rex Heckelman was available to answer any questions. No citizens addressed the City Council at this Public Hearing.

MOTION: Council Member Resnik moved to approve as submitted. Council Member Quintanilla seconded the motion. Motion carried unanimously.

Ordinance No. O22-26: Case 1853-SUP/4580 Belt Line Road (Toasted Yolk Café)

5. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Rezoning a 2.034 Acre Property Located at 3820 Belt Line Road from the Planned**

Development District (PD) with Modified Belt Line District (BL) Standards to a New Planned Development District (PD) with Modified Local Retail District (LR) Standards and a Special Use Permit (SUP) to Allow the Development of a Drive-Thru Only Restaurant. Case 1850-Z/3820 Belt Line Road (Salad & Go). *[Ken Schmidt, Development Services Director]*

The Addison Planning and Zoning Commission, meeting in regular session on August 16, 2022, voted to recommend approval of an ordinance changing the zoning on property located at 3820 Belt Line Road, which property is currently zoned Planned Development (PD) with modified Belt Line District (BL) standards, to a new Planned Development District (PD) with modified Local Retail District (LR) standards and approval of a Special Use Permit (SUP) for a new drive-thru only restaurant. The 2.034-acre subject property shall be developed in accordance with the LR district standards with the following exceptions:

1. Minimum Building Height = 20 feet.
2. Minimum Landscape Buffer = 19 feet, due to the existing setback from Belt Line Road.
3. The previously approved retail building shall be developed in accordance with standards established by Ordinance O21-37.
4. No additional driveway connections to Belt Line Road from the 2.034-acre subject property are permitted.
5. If the 2.034-acre subject property was to be subdivided in the future, an easement or private agreement shall be established to allow for cross-access through the subject property to existing and future points of access on Business Avenue and Commercial Drive.
6. SUP Ordinance No. 2005-036 (Humperdink's) and all preceding restaurant SUPs shall be repealed upon approval of this ordinance.

Public Hearing: Representative Nicholas Wilson was available to answer questions. No citizens requested to address the City Council.

MOTION: Deputy Mayor Pro-Tem Ward moved to approve as submitted. Mayor Pro-Tem Wheeler seconded the motion. Motion carried unanimously.

Ordinance No. O22-27: Case 1850-SUP/3820 Belt Line Road (Salad & Go)

6. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Approving a Special Use Permit (SUP) for Property Located at 3855 Belt Line Road that is Currently Zoned Planned Development (PD), through Ordinance Nos. 092-037 and 094-066, to Allow a Restaurant. Case 1854-SUP/3855 Belt Line Road (La Pasha).**
[Ken Schmidt, Development Services Director]

The Addison Planning and Zoning Commission, meeting in regular session on August 16, 2022, voted to recommend approval of an ordinance changing the zoning on property located at 3855 Belt Line Road, which property is currently zoned Planned Development (PD), Ordinance No. 092-037 and 094-066, by approving a Special Use Permit (SUP) to allow the building to be used as a restaurant, subject to the following conditions:

1. Operating hours shall result in venue closure no later than 12 am, Sunday –Wednesday, and 2 am, Thursday – Saturday.

2. The use of speakers/sound systems and live music on the patio any time after 10 pm shall be prohibited.
3. Bring-Your-Own-Bottle (BYOB) services shall be prohibited.
4. Upon approval of a Certificate of Occupancy (CO) for La Pasha, SUP Ordinance No. 094-044 shall be repealed.

Public Hearing: Co-Owners/Operators Imad Lakhany and Saad Jawad were available to answer any questions via Zoom. No citizens requested to address the City Council.

MOTION: Council Member Resnik moved to approve as submitted. Deputy Mayor Pro-Tem Ward seconded the motion. Motion carried unanimously.

Ordinance No. O22-28: Case 1854-SUP/3855 Belt Line Road (La Pasha)

7. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance of the Town of Addison, Texas Approving and Adopting the Annual Budget for the Fiscal Year Beginning October 1, 2022 and Ending September 30, 2023, and Making Appropriations for Each Office, Department, Agency and Project of the Town, Providing that Expenditures for Said Fiscal Year Shall be Made in Accordance with the Adopted Budget, Unless Otherwise Authorized by an Ordinance Adopted by the City Council; Providing for Emergency Expenditures and Expenditures as Otherwise Allowed by Law.** *[Steven Glickman, Chief Financial Officer]*

This is the second public hearing regarding the Town of Addison's Annual Budget for Fiscal Year (FY) 2023. The proposed FY2023 budget requests an appropriation of \$100,614,260 consisting of \$91,377,822 for operating expenditures, \$6,899,033 for capital improvements, \$1,677,405 for transfers, and \$660,000 for one-time decision packages. Listed below is a breakdown of funds:

FUND EXPENDITURE	AMOUNT
General	\$44,166,648
Hotel	\$6,906,049
Debt Service Combined	\$9,861,154
Economic Development	\$2,176,459
Infrastructure Investment	\$1,400,000
Airport	\$8,655,225
Utility	\$15,735,470
Stormwater	\$4,914,228
Combined Replacement	\$4,228,500
Combined Grants	\$13,700
Combined Special Revenues	\$2,556,827
Total	\$100,614,260

Significant items in the proposed operating budget include:

- Revenues for all funds total \$89,782,283 an increase of \$4.79M compared to the FY 2022 budget. Primary revenues sources are property tax (\$32.96 million), sales tax (\$14.40 million), hotel occupancy tax (\$4.80 million) and utility service fees (\$15.27 million);
- Staffing level of 306.0 Full-time Equivalent (FTE) positions. This is an increase of 5.2 FTEs over FY 2022; and
- Employee compensation allocation of approximately \$1.29 million in all funds for merit/market increases. This provides a pool equivalent to a 5.32 percent merit/market increase.

Significant decision packages include:

- \$500,000 funding for the creation of an Other Post-Employment Benefits (OPEB) trust;
- \$347,000 for Fire facility maintenance;
- \$82,000 for facility lightning protection;
- \$300,000 to utilize available Texas Ambulance Services Supplemental Payment Program (TASSPP) funds;
- \$110,000 for the painting of Wheeler Bridge;
- \$223,000 for Beltway Trail and Greenspace construction documents;
- \$55,280 for Beckert Park light bollard replacement and electrical improvements;
- \$260,000 to purchase chipper equipment for the Parks department;
- \$132,500 for a Park Land Dedication & Development fee study;
- \$192,459 for Addison Athletic Club fitness wing wall treatments; and
- The FY 2023 proposed five-year capital improvements budget totals \$43.53 million.

Significant projects include:

- Midway Road Reconstruction (\$10.38 million);
- Vitruvian West Streetscape and Bella Lane Extension (\$2.25 million);
- Improvements to Existing Buildings (\$2.58 million);
- Keller Springs Reconstruction (\$10.20 million);
- Les Lacs Pond Improvements (\$1.27 million);
- Vitruvian Park Phase 9, Block 701 Improvements (\$0.84 million);
- Quorum Drive Reconstructions (\$0.75 million);
- Traffic Signal and ADA Improvements (\$1.4 million);
- Lake Forest Drive Utility Improvements (\$0.87 million);
- Rawhide Creek Basin Improvements - Les Lacs Area (\$2.01 million);
- Bravo/Golf Taxiway Improvements (\$5.84 million); and
- Reconstruction of Jimmy Doolittle Drive (\$1.55 million).

Texas Local Government Code (LGC) Sec. 102.006 requires the governing body of a municipality to hold a public hearing on the proposed budget and provide for public notice of the date, time, and location of the hearing. This notice was published in the *Dallas Morning News* on Friday, August 26, 2022. The Fiscal Year 2023 proposed budget was also available on the Town's website: <https://addisontexas.net/finance/budget>

Public Hearing: No citizens requested to address the City Council on this item.

MOTION: Council Member Quintanilla moved to approve as submitted. Council Member Braun seconded the motion. Roll Call Vote conducted by City Secretary Parker.

Member	Yes	No	Abstain	Absent
Mayor Joe Chow	X			
Mayor Pro-Tem Kathryn Wheeler	X			
Deputy Mayor Pro-Tem Lori Ward	X			
Council Member Tom Braun	X			
Council Member Darren Gardner	X			
Council Member Guillermo Quintanilla	X			
Council Member Eileen Resnik	X			

Motion carried unanimously.

Ordinance No. O22-29: Adopt Fiscal Year 2022-2023 Annual Budget

8. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance to Levy Taxes for the Town of Addison, Texas, and to Fix and Adopt the Tax Rate of \$0.609822 for the Town on All Taxable Property for the Fiscal Year Beginning October 1, 2022 and Ending September 30, 2023.** *[Steven Glickman, Chief Financial Officer]*

This is the second public hearing regarding the proposed tax rate for the Town of Addison. The proposed property tax rate for the Fiscal Year 2023 is \$0.609822 per \$100 of valuation. The proposed rate is made of the following components:

Tax Rate Component	Amount (Per \$100 of valuation)
Maintenance & Operations: General Fund	\$0.415165
Maintenance & Operations: Economic Development	\$0.023716
Maintenance & Operations: Instructure Investment	\$0.006201
Interest & Sinking (Debt)	\$0.164740
Total Proposed Rate for the FY 2023	\$0.609822

The State's Truth-in-Taxation law also requires calculation and publication of each taxing entity's no-new revenue tax rate, voter-approval tax rate, and de minimus rate:

Tax Rate	Definition	Amount (Per \$100 of valuation)
No-New Revenue Tax Rate	The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for Town of Addison from the same properties in both the 2021 tax year and the 2022 tax year.	\$0.563865
Voter-Approval Tax Rate	The voter-approval tax rate is the highest tax rate that Town of Addison may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for Town of Addison exceeds the voter-approval tax rate for Town of Addison.	\$0.689157
De Minimis Rate	The de minimis rate is the rate equal to the sum of the	\$0.590593

	no-new-revenue maintenance and operations rate for Town of Addison, the rate that will raise \$500,000, and the current debt rate for Town of Addison.	
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A copy of the Public Hearing Notice was published in the *Dallas Morning News* on August 26, 2022 and included in the agenda packet.

The proposed budget recommends a property tax rate of \$0.609822 per \$100 valuation, which exceeds the no-new revenue tax rate. This proposed rate is lower than last year’s adopted rate of \$0.614660 per \$100 of valuation.

The average taxable home value for the Town of Addison is \$382,732, which generates a tax bill of \$2,333.98. Last year, the average taxable home value was \$347,576 which generated a tax bill of \$2,136.41. The average taxpayer would pay about \$197.57 more in property taxes than last year. Individual taxes may increase or decrease depending on the change in the taxable value of each property.

Of the total tax rate, \$0.445082 is dedicated to maintenance and operations, which is a slight increase from the Fiscal Year 2022 tax rate for maintenance and operations, and \$0.164740 is dedicated to debt service payments. The debt service portion of the tax rate is decreasing despite the issuance of General Obligation Bonds that were approved by voters in the 2012 and 2019 Bond Elections as well as Certificates of Obligation.

Public Hearing: No citizens requested to address the City Council at the Public Hearing.

MOTION: Council Member Quintanilla moved that the property tax rate be increased by the adoption of a tax rate of \$0.609822 per \$100 valuation, which is effectively an 8.15 percent increase in the tax rate. Council Member Resnik seconded the motion. City Secretary Parker conducted the Roll Call vote as shown below:

Member	Yes	No	Abstain	Absent
Mayor Joe Chow	X			
Mayor Pro-Tem Kathryn Wheeler	X			
Deputy Mayor Pro-Tem Lori Ward	X			
Council Member Tom Braun	X			
Council Member Darren Gardner	X			
Council Member Guillermo Quintanilla	X			
Council Member Eileen Resnik	X			

Motion carried unanimously.

Ordinance No. O22-30: Fix and Adopt the Tax Rate of \$0.609822 for the Town on All Taxable Property for the Fiscal Year Beginning October 1, 2022 and Ending September 30, 2023.

9. **Present, Discuss, and Consider Action on the Fiscal Year 2022-23 Property Tax Revenue Ratification Ordinance.** [Steven Glickman, Chief Financial Officer]

As required by Local Government Code 102.007, adoption of a Budget that raises more property tax revenue than was generated the previous year requires three votes by the City Council:

- (a) one vote to adopt the Budget,
- (b) one vote to adopt the tax rate, and
- (c) a separate vote to "ratify" the property tax revenue increase reflected in the Budget.

This Ordinance ratifies the property tax revenue increase as reflected in the Fiscal Year 2022-23 Budget by adding the following statement:

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$3,032,231 OR 10.07%, AND OF THAT AMOUNT \$267,989 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

MOTION: Council Member Quintanilla moved to ratify the property tax revenue increase reflected in the budget. Council Member Resnik seconded the motion. Motion carried unanimously.

10. **Present, Discuss, and Consider Action on an Ordinance Amending Chapter 82 (Utilities), Section 82-76 and Section 82-77 of the Code of Ordinances of the Town by Amending Sewer Rates and Water Rates for All Customer Classifications; Providing that the Changes to the Sewer Rates and Water Rates Made Herein Shall be Applied to Monthly Customer Bills Beginning with the November 2022 Billing Cycle.** *[Steven Glickman, Chief Financial Officer]*

On January 23, 2018, Council approved a resolution to approve a policy to adopt utility rates as set forth in the financial plan and utility rate model created by Raftelis Financial Consultants, Inc. (RFC) which was presented at the January 9, 2018, Council meeting.

Council gave staff direction to move forward with a policy to adopt utility rates to fully fund the short-term staffing plan and provide a mix of cash and bond funding for capital improvement projects by utilizing cost of service adjustments. The new adjustments, which will be effective October 1, 2022, consist of the following proposed increases to water and sewer rates over a five-year period:

Fiscal Year 2019: 8%
Fiscal Year 2020: 6.5%
Fiscal Year 2021: 6%
Fiscal Year 2022: 2.5%
Fiscal Year 2023: 5%

An update to the utility rate model for fiscal years 2024-2028 was adopted by Council on July 12, 2022. Staff reviews this utility rate model on an annual basis to ensure the rate adjustments are appropriate.

The Town purchases water and sewage treatment from Dallas Water Utility (DWU) as well as sewage treatment services from the Trinity River Authority (TRA). Charges from both entities are included in the financial plan and rate model created by RFC. Code of Ordinances Sec. 82-78 provides that the pass-through of wholesale cost increases for water purchases and sewer treatment services be included in water and sewer rates, which shall reflect changes in the costs of water purchases, sewer treatment, and transportation services, which are paid by the Town to other governmental entities. This means that the cost increases from these two entities are directly passed to the Town of Addison customers.

Below are examples of the increase in a water and sewer bill for a single-family:

CONSUMPTION	EXISTING	NEW RATE (10/1/2022)	PERCENT INCREASE
5,000 gallons	\$61.19	\$64.25	5.0 %
8,000 gallons	\$89.98	\$94.48	5.0 %
10,000 gallons	\$109.17	\$114.63	5.0 %

The specific rates for each customer class were provided in the proposed ordinance.

MOTION: Deputy Mayor Pro-Tem Ward moved to approve as presented. Council Member Gardner seconded the motion. Motion carried unanimously.

Ordinance No. O22-31: Amend Sewer and Water Rates in Chapter 82, Sections 82-76 and 82-77 Beginning with the November 2022 Billing Cycle.

11. **Present, Discuss, and Consider Action on an Ordinance Electing for the Town of Addison to Make Current Service and Prior Service Contributions to the Town's Account in the Benefit Accumulation Fund of the Texas Municipal Retirement System at the Actuarially Determined Rate of Total Employee Compensation.** [*Passion Hayes, Director of Human Resources*]

During the August 3, 2022 Special Council Meeting and the August 23, 2022 Council Meeting, a representative from the Texas Municipal Retirement System (TMRS) and Town Staff presented information relative to the Texas Municipal Retirement System's Cost of Living Adjustment (COLA) which included various COLA options for Council consideration.

Based on Council direction, Staff is bringing forward two Ordinances, as separate agenda items this evening, to implement a 30% annually repeating COLA through TMRS.

The adoption of a 30% annually repeating COLA for current and future retirees and beneficiaries of deceased retirees of the Town of Addison through TMRS will cause Addison to exceed its statutory maximum contribution rate limit to TMRS. Therefore, Council must first adopt an Ordinance removing this limit. The Ordinance proposed in this agenda item would remove the statutory maximum contribution rate limit and allow Council to adopt the 30% annually repeating benefit by a separate Ordinance in the next agenda item.

Addison's full contribution rate for 2023 will be 16.39%. Based on Council's direction, this rate is included in the Fiscal Year 2023 Budget and once the 30% annually repeating COLA is adopted, it will go into effect January 1, 2023.

MOTION: Council Member Resnik moved to approve as presented. Mayor Pro-Tem Wheeler seconded the motion. Motion carried unanimously.

Ordinance No. O22-32: Amend TMRS Current and Prior Service Contributions.

12. **Present, Discuss, and Consider Action on an Ordinance Providing for Increased Prior and Current Service Annuities Under the Act Governing the Texas Municipal Retirement System for Retirees and Beneficiaries of Deceased Retirees of the Town of Addison and Establishing an Effective Date.** *[Passion Hayes, Director of Human Resources]*

During the August 3, 2022 Special Council Meeting and the August 23, 2022 Council Meeting, a representative from the Texas Municipal Retirement System (TMRS) and Town Staff presented information relative to TMRS's Cost of Living Adjustment (COLA) which included various COLA options for Council consideration.

Based on Council direction, Staff is bringing forward two Ordinances (as separate agenda items this evening) to implement a 30% annually repeating COLA through TMRS. The first, proposed in an earlier agenda item this evening, removes the statutory maximum contribution rate limit. The first proposed Ordinance is a prerequisite to this proposed Ordinance and agenda item. This agenda item proposes the Ordinance providing for the 30% annually repeating COLA adjustment to current and future retirees and beneficiaries of deceased retirees of the Town of Addison through TMRS.

The Town will not have to adopt an Ordinance each year to re-authorize calculation of these benefits; and the cost-of-living adjustments will remain in effect for future years until such time as it is discontinued by an Ordinance adopted by the City Council. After adoption, this benefit will go into effect January 1, 2023, and is included in the Fiscal Year 2023 Budget.

MOTION: Council Member Braun moved to approve. Deputy Mayor Pro-Tem Ward seconded the motion. Motion carried unanimously.

Ordinance No. O22-33: Increase TMRS Current and Prior Service Annuities for Retirees and Beneficiaries of Deceased Retirees.

Adjourn Meeting

There being no further business to come before the City Council the meeting was adjourned at 9:12 pm.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary

Council Meeting

3.

Meeting Date: 09/27/2022

Department: Economic Development

Pillars: Innovative in Entrepreneurship & Business

Milestones: Economic development focus on attracting and retaining entrepreneurship, high-tech conferences, and Transit Oriented Development

AGENDA CAPTION:

Consider Action on a **Resolution Approving an Economic Development Program Grant Agreement with Firehawk Aerospace, Inc. and Authorizing the City Manager to Execute the Agreement.**

BACKGROUND:

On June 14, 2022, the City Council directed the City Manager to negotiate an incentive grant agreement with Firehawk Aerospace, Inc., for the company's headquarter and research and development relocation to Addison. The incentive package includes a grant not to exceed \$75,000, a construction permit credit of \$6,069, and an annual business personal property tax reimbursement of 50% on the Town's portion of the tax rate.

As part of the agreement, Firehawk Aerospace will lease a space of approximately 40,000 square feet at 4550 Excel Parkway, Suite 200 in Addison. The company will make an estimated \$1.3 million investment in tenant improvements and other office space expenditures. The company will employ at least 55 full time positions with an average annual wage of at least \$105,000.

The grant provided by the Town is performance based and will be paid in three installments pending milestones related to space occupancy, capital investment, number of jobs created, and average wages that must be met by the company as highlighted in the attached agreement. On June 14, 2022, Council provided direction on the incentive package but did not authorize the City Manager to execute the agreement. Authorization is now being requested in the attached resolution to have the City Manager execute the agreement. The funds for the grant have been encumbered in the Economic Development Fund, and the attached agreement has been reviewed and approved by the City Attorney.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - FireHawk 380 Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH FIREHAWK AEROSPACE, INC. PURSUANT TO SECTION 380.001 OF THE TEXAS LOCAL GOVERNMENT CODE; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison (“City”) is authorized pursuant to Chapter 380 of the Texas Local Government Code (the “LGC”) to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the City, to promote state or local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has established an economic development grant program in conformance with Section 380.001 of the LGC to promote and stimulate economic development within the City (the “Program”); and

WHEREAS, the City Council has determined that approving the Program grant described herein will benefit the City and its citizens by promoting and stimulating economic development within the City.

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

SECTION 1. The City Council hereby approves an agreement between the Town of Addison and Firehawk Aerospace, Inc. providing for a Program grant package, including (i) a grant not to exceed \$75,000, (ii) a construction permit credit up to \$6,069.00, and (iii) an annual business personal property tax reimbursement equal to 50% of the City’s local tax share, a copy of which is attached hereto as **Exhibit A**. The City Manager is hereby authorized to execute said agreement.

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

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **27th** day of **SEPTEMBER** 2022.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

Town of Addison, Texas
Resolution No. _____

EXHIBIT A

ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT

This Economic Development Program Grant Agreement ("Agreement") is made and entered into by and between FIREHAWK AEROSPACE, Inc. ("Company") and the Town of Addison, Texas ("Addison" or "City") for the purposes and consideration stated below (Company and the City are sometimes referred to herein together as the "Parties" and individually as a "Party").

WHEREAS, Company is a company that manufactures custom rocket engines and 3D rocket fuel for the defense and commercial space industries; and

WHEREAS, Company desires to relocate its administrative headquarters and research and development to Addison and lease approximately 40,000 square feet of space at 4550 Excel Parkway, Suite 200 (the "Premises"); and

WHEREAS, Company intends to spend an estimated at least \$1.3 million in tenant improvements and other office space expenditures within the Premises (the "Improvements"); and

WHEREAS, during the Term of this Agreement and as set forth herein, Company intends to and will use the Premises as its administrative headquarters and research and development location ("Headquarters"); and

WHEREAS, Company anticipates that, from and after the date of occupation of the Premises, and throughout the Term of this Agreement, it will employ at least 55 full time equivalent employment positions with an average annual wage of \$105,000.00 by the end of 2024 whose home base for work is the Premises; and

WHEREAS, in connection with its lease and occupancy of the Premises, Company has asked the City to provide an economic development grant that will help it defray a portion of the costs it will incur in commencing the improvement and occupancy of Premises; and

WHEREAS, the City is authorized by Section 380.001, Tex. Loc. Gov. Code, to establish and provide for the administration of programs for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the City, and this Agreement constitutes such a program for promoting and retaining economic development within the City; and

WHEREAS, the City has determined that making an economic development grant to Company in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants, and will promote local economic development and stimulate business and commercial activity within the City.

NOW, THEREFORE, for and in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the City and Company do hereby agree as follows:

Section 1. Findings.

The findings set forth above are incorporated as if fully set forth herein.

Section 2. Term.

This Agreement shall be effective as of the last date of execution hereof as evidenced by the date next to each signature to this Agreement (the "Effective Date") and will continue in effect from the Effective Date through the date that represents the fifth (5th) anniversary of the date Company obtains a final certificate of occupancy for the Premises; subject to the earlier termination of this Agreement in accordance with the terms hereof (the "Term").

Section 3. Program Grant.

Subject to Company's satisfaction of and compliance with all of the terms and conditions of this Agreement, including the conditions set forth in Section 4 below, the City agrees to provide Company the following economic development program incentives (collectively, the "Program Grant"):

- (a) a reimbursement grant (to be paid in installments) for development of the Improvement in a maximum amount not-to-exceed \$75,000.00;
- (b) a tax reimbursement incentive in an amount equal to fifty percent (50%) of City's portion of the business personal property taxes generated from the Premises and paid by Company during the Term of this Agreement; and
- (c) a credit toward the City's initial building permit fees for the Improvements in an amount not-to-exceed \$6,069.00.

The Grant payments made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any Grant unless the City appropriates funds to make such payment during the budget year in which the Grant is payable; provided that during the Term of this Agreement the City agrees that it will take such steps as are within its power to appropriate funds each year estimated to equal the amount of Grants to be paid the Company for the ensuing fiscal year. Further, the City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Company. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

Section 4. Conditions of the Program Grant.

The City's obligation to make the Program Grant incentives shall be conditioned upon Company's compliance with and satisfaction of all of the terms and conditions of this Agreement, including without limitation, each of the conditions set forth below:

(a) First Grant Payment: The first installment payment of Twenty-Five Thousand and NO/100 Dollars (\$25,000.00) shall be paid by the City to Company within thirty (30) days after the submission of a request for payment and the delivery to the City of all of the following to the reasonable satisfaction of the City:

1. an executed copy of the lease by Company for at least Forty Thousand (40,000) square feet of space at the Premises;
2. a copy of a certificate of occupancy issued by the Town of Addison for the Premises;
3. an executed affidavit in a form reasonably approved by the City attesting that the Company has occupied the Premises twelve (12) consecutive months and has made a capital investment in the Premises (including furniture, fixtures, and equipment) of a minimum of Two Million, Five Hundred Thousand and NO/100 Dollars (\$2,500,000.00); and
4. a copy of an official employee report submitted to the Texas Workforce Commission demonstrating that the Company currently employs 30 employees with an average annual wage of \$105,000 whose primary place of employment is the Premises.

(b) Second Grant Payment: The second installment payment of Twenty-Five Thousand and NO/100 Dollars (\$25,000.00) shall be paid by the City to Company within thirty (30) days after the submission of a request for payment and the delivery to the City of all of the following to the reasonable satisfaction of the City:

1. an executive affidavit in a form reasonably approved by the City attesting that the Company has occupied the Premises for at least twenty-four (24) consecutive months as Company's headquarters and research and development facility; and
2. a copy of an official employee report submitted to the Texas Workforce Commission demonstrating that the Company currently employs at least 45 employees with an average annual wage of \$105,000 whose primary place of employment is the Premises.

(c) Third Grant Payment: The third installment payment of Twenty-Five Thousand and NO/100 Dollars (\$25,000.00) shall be paid by the City to Company within thirty (30) days after the submission of a request for payment and the delivery to the City of all of the following to the reasonable satisfaction of the City:

1. An executive affidavit in a form reasonably approved by the City attesting that the Company has occupied the Premises for at least thirty-six (36) consecutive months; and
2. A copy of an official employee report submitted to the Texas Workforce Commission demonstrating that the Company currently employs 55 employees with an average annual wage of \$105,000 whose primary place of employment is the Premises.

(d) **Tax Reimbursement Incentive:** The City agrees to reimburse Company an amount equal to fifty percent (50%) of City's portion of the business personal property taxes generated from the Premises incurred by Company during the Term of this Agreement. The Tax Grant payment shall be due upon the submission of a request for payment and the completion of all the following to the satisfaction of the City:

1. An executive affidavit in a form approved by the City attesting that the Company has occupied the Premises for the twelve (12) previous consecutive months; and
2. A copy of an official employee report submitted to the Texas Workforces Commission demonstrating that the Company currently employs not less than 45 employees with a mean annual wage of \$105,000, and
3. A copy of an official Dallas Central Appraisal District business personal property tax bill is provided with demonstrated proof to the City's satisfaction that the taxes have been paid.

(e) **Building Permit Credit Incentive:** Upon (i) Company's submission of a completed application for a building permit for the Improvements, and (ii) approval of permit application by the City's Building Official, City will grant Company a one-time building permit fee credit in an amount not-to-exceed \$6,069.00 (the "Permit Fee Credit"), which will be applied to the building permit fees owed by Company for the Improvements. The Permit Fee Credit shall apply solely as a credit to the permit fees actually incurred by Company for the Improvements and in no event shall Company be entitled to a refund and/or any other form of monetary payment for any portion of the Permit Fee Credit.

Notwithstanding anything contained herein to the contrary or any other provision of this Agreement, the Program Grant (and/or any portions thereof) shall not be due and payable, and this Agreement may be terminated by the City (that is, without any opportunity for cure by Company), if Company fails to timely comply with and satisfy to the City's reasonable satisfaction any of the conditions to each component of the Program Grant (and/or any portions thereof) as set forth in this Section 4, above. The City's fiscal year begins October 1st and ends September 30th. Therefore, the Company shall submit written requests for economic development grant payments accrued during that time not later than August 31st of each year. In any year, if the Company fails to timely request the Program Grant payments as set forth above, the City shall have no obligation

to make such payment to the Company and the Company will have forever forfeited the right to receive such payment.

Section 5. Default.

If either party commits a material breach of any provision hereof, or materially fails to perform or delays in performing any obligation hereunder, such breach or failure or delay shall constitute a default under this Agreement and the other party shall be entitled to demand the defaulting party cure such default in conformance with Section 6(c) of this Agreement.

Section 6. Termination; Reimbursement.

This Agreement shall terminate without notice or demand upon the occurrence of any one of the following:

- (a) upon mutual written agreement of the parties terminating this Agreement; or
- (b) the expiration of the Term; or
- (c) at the option of either party (provided the party is not in default of this Agreement) in the event the other party is in default of this Agreement and such default is not cured or remedied to the reasonable satisfaction of the other party within sixty (60) days after written notice of such default; provided, that if, though no fault of the defaulting party, such default cannot reasonably be cured in 60 days, then the non-defaulting party may, at its sole option and upon written request by the defaulting party, grant the defaulting party up to an additional thirty (30) days to cure such default so long as it has commenced to cure within the initial 60 days and continues to use commercially reasonable efforts to diligently cure the default;
- (d) if Company suffers an event of Bankruptcy or Insolvency which is not dismissed within 90 days. As used herein, "Bankruptcy or Insolvency" shall mean the dissolution or termination of Company's existence, insolvency, employment of receiver for any part of Company's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Company and such proceedings are not dismissed within ninety (90) days after the filing thereof; or
- (e) at the City's option, if any taxes or fees, owed by Company to the City or the State of Texas shall become delinquent after all notice and cure periods provided above (provided, however, that Company retains the right to timely and properly protest and contest any such taxes or fees, and the City's right to terminate this Agreement shall be suspended during such protest and contest period).

In the event the Agreement is terminated by City pursuant to Section 6(c), (d), or (e) above, Company shall immediately repay to the City an amount equal to the total amount of the Program

Grant previously paid by City to Company, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank reasonably selected by City) as its prime or base commercial lending rate, which shall accrue from the date that the initial payment of the Program Grant, or any portion thereof, was paid to Company. In the event this Agreement is terminated by Company pursuant to Section 6(c), Company acknowledges that its sole and exclusive remedy shall be to seek specific performance of this Agreement.

City may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City from the Company, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due the City has been reduced to judgment by a court.

Section 7. Representations by the City.

The City represents that the City is a home rule Texas municipal corporation and it has the power to enter into this Agreement and to carry out its obligations hereunder. However, notwithstanding any other provision of this Agreement, it is understood and expressly agreed by Company that the City does not warrant or guarantee that the Program Grant (and any part thereof) as described herein will be upheld as valid, lawful, enforceable or constitutional in the event the statutory or other authority for the same or the City's use thereof is challenged by court action or other action or proceeding (including any action or proceeding involving the Texas Attorney General). In the event such court or other action or proceeding related to the legality of this Agreement and the providing of the Program Grant (or any part thereof) is instituted, the Parties shall defend or respond to such action or proceeding at their respective expense. Should such litigation, action or other proceeding result in a determination that this Agreement or the payment of the Program Grant (or any part thereof) was or is prohibited under federal, state or local law (including any constitutional or charter provision), rule or regulation, and so result in the loss of the Program Grant as provided herein, Company shall have no recourse against the City or any of its officials, officers, employees, agents, or volunteers, past or present, and Company shall promptly repay to the City the Program Grant payment previously made to Company by the City without interest.

Section 8. Representations and Warranties by Company

Company represents and warrants that, as of the Effective Date:

- (a) Company is a corporation organized and validly existing under the laws of the State of Delaware and is qualified to do business in the State of Texas, has the legal capacity and the authority to enter into and perform its obligations under this Agreement, and the same shall be true and accurate at all times in connection with this Agreement;

(b) The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to make this Agreement, and this Agreement is not in contravention of Company's articles of formation or regulations, or any agreement or instrument to which Company is a party or by which it may be bound as of the date hereof;

(c) Company has the necessary legal ability to perform its obligations under this Agreement;

(d) No litigation or governmental proceeding is pending, against Company which may result in a material adverse change in Company's business, properties or operations sufficient to jeopardize Company as a going concern; and

(e) This Agreement constitutes a valid and binding obligation of Company, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

Section 9. Entire Agreement; Changes and Amendments.

This Agreement represents the entire agreement between the City and Company with regard to the matters set forth herein and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by authorized representatives of each of the City and Company.

Section 10. Successors and Assigns; No Third Party Beneficiaries.

Company shall not, and has no authority to, assign, sell, pledge, transfer, encumber, or otherwise convey (any of the foregoing, and the occurrence of any of the foregoing, a "Conveyance") in any manner or form whatsoever (including by operation of law, by merger, or otherwise) all or part of its rights and obligations hereunder without the prior written approval of the City, which may be withheld in the City's sole discretion. Any Conveyance of any kind or by any method without the City's prior written consent shall be null and void. Notwithstanding anything to the contrary, a merger or sale of substantially all of Company's assets to an entity who continues to operate at the Headquarters in compliance with this Agreement is permitted and shall not require the City's consent; however, Company shall give prompt notice of any such occurrence.

Any Conveyance approved by the City shall be expressly subject to all of the terms, conditions and provisions of this Agreement. In the event of any such Conveyance approved by the City, Company shall obtain a written agreement (the "Assumption Agreement") from each such assignee, transferee, buyer, pledgee, or other person or entity to whom this Agreement is otherwise conveyed whereby each such assignee, transferee, buyer, pledgee, or other person or entity to whom this Agreement is otherwise conveyed agrees to be bound by the terms and provisions of this Agreement.

This Agreement shall be binding on and inure to the benefit of the Parties, their respective permitted successors and permitted assigns. This Agreement and all of its provisions are solely for the benefit of the Parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Section 11. Notice.

Any notice, statement and/or report required or permitted to be given or delivered shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the third business day following the date of mailing. Addresses for any such notice, statement and/or report hereunder are as follows:

To the City:

Town of Addison, Texas
Attn: City Manager
5300 Belt Line Road
Dallas, Texas 75254

To Company:

Company
Attn: Will Edwards, Chief Executive Officer
4550 Excel Parkway, Suite 200
Addison, Texas 75001

Section 12. Applicable Law; Venue.

This Agreement is subject to the provisions of the Charter and ordinances of the City, as amended or modified. This Agreement shall be construed under, governed by and is subject to the laws (including the constitution) of the State of Texas, without regard to choice of law rules, and all obligations of Company and the City created by this Agreement are performable in Dallas County, Texas. Venue for any suit, action or proceeding under this Agreement shall lie exclusively in Dallas County, Texas. Each party hereby submits to the exclusive jurisdiction of the courts in Dallas County, Texas for purposes of any such suit, action, or proceeding hereunder. Each party waives any claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that proceeding is improper.

Section 13. Legal Construction/Partial Invalidity of Agreement.

The terms, conditions and provisions of this Agreement are severable, and in case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

Section 14. Miscellaneous.

(a) The Recitals to this Agreement are incorporated into this Agreement and made a part hereof for all purposes.

(b) Pursuant to Texas Government Code, Chapter 2264 (entitled "Restrictions on Use of Certain Public Subsidies"), Company certifies that neither Company, nor any branch, division, or department of Company, knowingly employs, or will knowingly employ, an undocumented worker (as the term "undocumented worker" is defined in Section 2264.001 of the said Chapter 2264, Tex. Gov. Code) in connection with the Premises, the Services provided by Company at the Premises, or this Agreement. Company agrees that if, during the term of this agreement and after it receives any payment or funds from the City pursuant to this Agreement, Company, or a branch, division, or department of Company, is convicted of a violation under 8 U.S.C. Section 1324a(f), Company shall repay the amount of all Grant funds paid by the City to Company not later than the 120th day after the date the City notifies Company of the violation.

(c) Notwithstanding any other provision of this Agreement, nothing in this Agreement shall or may be deemed to be, or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or tort limitation to which the City, its officials, officers, employees, representatives, and agents are or may be entitled, including, without limitation, any waiver of immunity to suit.

(d) Except as set forth in or otherwise limited by this Agreement, the remedies and rights set forth in this Agreement: (a) are and shall be in addition to any and all other remedies and rights either party may have at law, in equity, or otherwise, (b) shall be cumulative, and (c) may be pursued successively or concurrently as either party may elect. The exercise of any remedy or right by either party shall not be deemed an election of remedies or rights or preclude that party from exercising any other remedies or rights in the future. All waivers must be in writing and signed by the waiving party, and the City's waiver of any right, or of Company's breach, on one or more occasions will not be deemed a waiver on any other occasion. The City's failure to enforce or pursue any of its rights under or any provision of this Agreement shall not be or constitute a waiver of its rights or provision and shall not prevent the City from enforcing or pursuing that right or provision or any other right under or provision of this Agreement in the future. No custom or practice arising during the administration of this Agreement will waive, or diminish, the City's rights hereunder or to diminish the City's right to insist upon strict compliance by Company with this Agreement.

(e) This Agreement is not confidential information and may be disclosed to the public.

(f) Any of the representations, covenants, and obligations of the Parties hereto, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination or expiration of this Agreement shall survive termination or expiration.

(g) It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership, joint venture, joint enterprise, or other relationship between or among the Parties.

(h) The undersigned officers and/or agents of the Parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

(i) The City agrees that with respect to this Agreement, no liability shall arise in favor of the City against any officer, director, member, agent or employee of Company, but the City shall look solely to the assets of Company for satisfaction of Company's duties, obligations and liabilities arising under or in connection with the Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

EXECUTED this ____ day of _____, 2022.

TOWN OF ADDISON

Hamid Khaleghipour, Interim City Manager

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Whitt L. Wyatt, City Attorney

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____ 2022, by Wesley S. Pierson, City Manager of the Town of Addison, Texas, on behalf of the Town.

Notary Public, State of Texas

[SEAL]

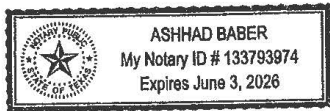
EXECUTED this 23 day of August, 2022.

Company

By: Benjamin Allen
Name: Ben Allen
Title: CFO
Date: 8/23/2022

STATE OF TEXAS §
 §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 23rd day of August, 2022, by Ben Allen, CFO of Company on behalf of the corporation.



Ashhad Baber
Notary Public, State of Texas

[SEAL]

**EXHIBIT A
AFFIDAVIT OF COMPANY OFFICER**

EMPLOYEE CERTIFICATION

The undersigned, _____, first being duly sworn by a person authorized by law to administer oaths, deposes and states as follows (capitalized terms used but not defined herein have the same meaning as set forth in the Agreement):

I am an officer of and authorized by Company to submit this Affidavit to the Town of Addison (the "City") on behalf of the Company with respect to the Economic Development Program Grant Agreement (the "Agreement") dated as of _____, 2022 by and among the City and the Company.

As such, I here do certify that as of and on _____, 202__ Company has in its employ at the Premises at least _____ full time equivalent employees (and specifically excluding independent contract labor) whose home base for work is the Premises with an average annual wage equal to or exceeding \$105,000.00.

I hereby certify under oath that the above statements are true and correct.

Company

By: _____

Name: _____

Title: _____

Date: _____

STATE OF TEXAS §

§

COUNTY OF DALLAS §

§

SWORN TO AND SUBSCRIBED before me, the undersigned authority, on this the _____ day of _____, 202__.

[SEAL]

Notary Public, State of Texas

Print Name: _____

My commission expires: _____

**EXHIBIT B
AFFIDAVIT OF COMPANY OFFICER
CONCERNING PERSONAL PROPERTY**

The undersigned, _____, first being duly sworn by a person authorized by law to administer oaths, deposes and states as follows (capitalized terms used but not defined herein have the same meaning as set forth in the Agreement):

I am an officer of and authorized by Company to submit this Affidavit to the Town of Addison (the "City") on behalf of the Company with respect to the Economic Development Program Grant Agreement (the "Agreement") dated as of _____, 2022 by and among the City and the Company.

As such, I do certify that I have either prepared the attached schedule, or reviewed the attached schedule which has been prepared under my supervision, that lists all of the tangible personal property to equip and outfit the Premises for the purpose of operating Company's administrative headquarters and research and development facility at the Premises as of _____ [insert the applicable year of payment request]. Further, Company has made a capital investment of at least \$2,500,000.00 for business personal property and improvements to the Premises.

I hereby certify under oath that the above statement, and the attached schedule, are true and correct in all respects.

Company

By: _____
Name: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

SWORN TO AND SUBSCRIBED before me, the undersigned authority, on this the _____ day of _____, 202__.

[SEAL]

Notary Public, State of Texas

Print Name: _____

My commission expires: _____

Council Meeting

4.

Meeting Date: 09/27/2022

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Consider Action on a **Resolution Approving the Creation of a Trust Under Internal Revenue Code Section 115 For the Purpose of Pre-Funding Other Post Employment Benefits (OPEB) Related to the City's Post Employment Health Plan For Retirees; Appointing The City Manager As Trustee; And Providing An Effective Date.**

BACKGROUND:

The Town offers retirees health care benefits should they retire from the Town. These benefits include two subsidies from the Town, an explicit subsidy - direct payments from the Town to the retirees, and an implicit subsidy - the retirees premium is at the Town's blended insurance rates. The adopted fiscal year 2023 budget includes appropriations to pre-fund these benefits through an irrevocable section 115 trust (like pension benefits with TMRS) with an initial deposit of \$500,000 and annual deposits of up to 0.25% of payroll payable from each fund that has salaries expenditures.

Pre-funding other post-employment benefit (OPEB) obligations is a Government Finance Officer's Association (GFOA) best practice and is viewed favorably by bond ratings agencies compared to the Town's current pay as you go arrangement. Creating a trust and a plan to pre-fund OPEB will immediately reduce the Town's OPEB liability by approximately \$1 million due to the expected investment return of a trust arrangement of 5.25% compared to 2.0% in a pay as you go arrangement. The Town's current OPEB liability for retiree health care is \$3.6 million, but anticipated to increase to over \$10 million over the next thirty years under the pay as you go arrangement. This pre-funding plan would eliminate the entirety of that potential \$10 million liability with contributions totaling approximately \$2.5 million over the next thirty years creating a net savings of approximately \$7.5 million.

There are three GFOA best practices associated with OPEB arrangements and this would help the Town achieve all three. They are: Establishing and Administering an OPEB Trust, Ensuring OPEB Sustainability, and Sustainable Funding Practices for OPEB.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - OPEB Trust

RESOLUTION NO. 22-___

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING THE CREATION OF A TRUST UNDER INTERNAL REVENUE CODE SECTION 115 FOR THE PURPOSE OF PRE-FUNDING OTHER POST EMPLOYMENT BENEFITS (OPEB) RELATED TO THE CITY'S POST EMPLOYMENT HEALTH PLAN FOR RETIREES; APPOINTING THE CITY MANAGER AS TRUSTEE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds that it is in the best interest of the Town to establish the OPEB Trust in conformance with Internal Revenue Code Section 115 for the purpose of pre-funding the Town's post-employment health plan benefits for retirees (the "OPEB Trust"), and further that the Town is eligible to establish the OPEB Trust in the manner set forth herein; and

WHEREAS, the City Council therefore desires to establish the OPEB Trust and appoint to City Manager, their successor and/or designee, as Trustee.

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

SECTION 1. The City Council hereby approves the creation of the OPEB Trust in conformance with Internal Revenue Code Section 115 for the purpose of pre-funding the Town's post-employment health plan benefits for retirees, which shall be effective October 1, 2022.

SECTION 2. The City Council hereby appoints the City Manager, their successor and/or designee, to serve as Trustee for the OPEB Trust and to perform all such duties and responsibilities as may be necessary to administer the OPEB Trust, including execution of all administrative and legal documents necessary to establish and administer the same.

SECTION 3. The City Council authorizes funding for the OPEB Trust as follows:

- (a) An initial deposit of \$500,000, appropriated in the fiscal year 2023 budget; and
- (b) Additional deposits of up to 0.25% of annual salaries expenditures beginning in fiscal year 2023, as appropriated.

SECTION 4. This Resolution shall take effect from and after its date of adoption; provided that the OPEB Trust shall have an effective date of October 1, 2022.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 27th day of SEPTEMBER 2022.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma Parker, City Secretary

Council Meeting

5.

Meeting Date: 09/27/2022

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of Long Term Financial Plan

AGENDA CAPTION:

Present, Discuss, and Consider Action on an **Ordinance to Amend the Town's Annual Budget for the Fiscal Year Ending September 30, 2022.**

BACKGROUND:

The Fiscal Year (FY) 2022 budget was adopted by Council on September 14, 2021. This is the second amendment for the FY2022 Town of Addison annual budget.

Each year, the Finance Department reviews the budget to determine which items should be recognized with formal budget amendments. When budget variances occur that are outside of the authority of the City Manager, these adjustments are presented to the Council in the form of a budget amendment.

Major items include:

General Fund

- An amendment is needed for the Council Special Projects, City Manager's Office, General Services, Fire, Parks, and Emergency Communications Departments in the General Fund. On June 22, 2021 the Council approved additional funding of up to \$72,000 to Metrocrest Services to respond to the COVID-19 pandemic, but not all was spent in Fiscal Year 2021. This amendment appropriates the remaining \$10,000 in the Council Special Projects Department. Additionally, this budget amendment appropriates funding for Holiday in the Park (\$55,000), advertising (\$15,000), and miscellaneous expenditures (\$20,000) in the Council Special Projects Department. An additional appropriation of \$30,000 is needed in the City Manager's Office to provide funding for the payout of accrued vacation to the prior City Manager. An additional appropriation of \$14,000 is needed in Emergency Communications due to communications expenditures slightly exceeding the original budget. An additional appropriation of \$535,000 is needed in the General Services Department to provide funding to the Facility Maintenance Fund (\$500,000) that was created in Fiscal Year 2021 as well as for temporary employment services (\$35,000). This amendment

appropriates \$100,000 in the Fire Department to provide funding for retirement vacation payouts and overfill positions. This amendment appropriates \$190,000 in the Parks Department for additional water usage due to the hot and dry spring and summer experienced in 2022 as well as \$40,000 to replace a bus shelter that was damaged by a motorist. These additional appropriations are offset by increased Sales Tax Revenue of \$969,000 resulting in a net impact of \$0 to the General Fund.

- Additionally, this budget amendment authorizes the City Manager to transfer unexpended appropriations and excess revenue from the Fiscal Year 2021-2022 budget to the Self-Funded Special Projects Fund. The amount of this transfer (if applicable) will be known in late November 2022 after the Town has recorded all revenues and expenditures for Fiscal Year 2021-2022. The Fiscal Year 2021-2022 estimate included in the Fiscal Year 2022-2023 budget included an estimated transfer amount of \$1,400,000.

Streets Self-Funded Projects Fund

- An additional appropriation of \$900,000 is needed in the Streets Self-Funded Projects Fund to appropriate funding authorized in Change Order #3 with Jim Bowman Construction Company, LP that was approved by Council on June 14th, 2022. This amendment also recognizes \$900,000 in reimbursement revenue making the net impact to the Streets Self-Funded Projects Fund \$0.

Self-Funded Special Projects Fund

- An amendment is needed in the Self-Funded Projects Fund of \$253,000 for the relocation of a transformer at the Police Department in the amount of \$135,000 and unanticipated facility repairs in the amount of \$118,000.

Utility Fund

- An additional appropriation of \$400,000 is needed in the Utility Fund to provide funding for higher than anticipated wholesale water purchases (\$250,000) due to a hotter and dryer spring and summer than anticipated as well as (\$150,000) for water main repairs. These additional appropriations are offset by corresponding increased water sales revenue of \$400,000 due to a hotter and dryer spring and summer than anticipated resulting in a net impact to the Utility Fund of \$0.

Fund	Impact on Budgeted Expenditures	Impact on Budgeted	Impact on Fund Balance
------	---------------------------------	--------------------	------------------------

		Revenues	
General Fund	\$969,000	\$969,000	\$0
Streets Self-Funded Projects Fund	\$900,000	\$900,000	\$0
Utility Fund	\$400,000	\$400,000	\$0
Self-Funded Special Projects Fund	\$253,000	\$0	(\$253,000)
Total	\$2,522,000	\$2,269,000	(\$253,000)

The attachments reflect the proposed budget changes by fund in the ordinance and budget amendment summary.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Budget Amendment #2 FY 22

Presentation - Fiscal Year 2022 Year-End Budget Amendment

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022 TO PROVIDE FUNDING FOR THE FACILITY MAINTENANCE FUND; METROCREST SERVICES; HOLIDAY IN THE PARK; ADVERTISING; MISCELLANEOUS EXPENDITURES; PERSONNEL COSTS IN THE CITY MANAGER’S OFFICE AND FIRE DEPARTMENT; CONTRACTUAL SERVICES FOR EMERGENCY COMMUNICATIONS; TEMPORARY EMPLOYMENT SERVICES; WATER PURCHASES; FIXTURES; STREET REPAIRS, WATER MAINS, AND SPECIAL SERVICES; PROVIDING THAT EXPENDITURES SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 14, 2021, the City Council of the Town of Addison, Texas (the “City”) adopted a budget for the City for the fiscal year beginning October 1, 2021 and ending September 30, 2022 as set forth in City Ordinance No. 021-30; and

WHEREAS, Section 5.08 of the City Charter provides that the budget may be amended or changed, under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, to provide for any additional expense in which the general welfare of the citizenry is involved, that such amendments shall be by Ordinance, and that they shall become an attachment to the original budget; and

WHEREAS, Section 102.010 of the Texas Local Government Code authorizes the City Council to make changes in the adopted budget for municipal purposes, and the changes to the budget made herein are for municipal purposes; and

WHEREAS, the amendments to the City’s 2021-2022 budget made herein are as a result of conditions that have arisen and could not reasonably have been foreseen in the normal process of planning the budget, provide for additional expenses in which the general welfare of the citizenry is involved, and the City Council finds that the amendments provided for herein are of a serious public necessity and an urgent need for the City.

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

SECTION 1. The above and foregoing recitals are true and correct and are incorporated herein and made a part of this Ordinance.

SECTION 2. In accordance with Section 5.08 of the City Charter, City Ordinance No. 021-30 adopting the 2021-22 annual budget, is hereby amended as set forth in this Section 2 below and as detailed on **EXHIBIT A**, attached hereto and incorporated herein:

- (a) allocate \$969,000, offset by an equal increase in Sales Tax, from the General Fund for the following:
 - i. \$535,000 in the General Services Department to transfer to the Facility

Maintenance Fund (\$500,000) and Special Services (\$35,000) for temporary employment services;

- ii. \$30,000 in the City Manager’s Office for personnel costs;
- iii. \$100,000 in Council Special Projects for Holiday in the Park (\$55,000) Metrocrest Services (\$10,000), Advertising (\$15,000), and Miscellaneous Expenditures (\$20,000);
- iv. \$14,000 in Emergency Communications for contractual services;
- v. \$100,000 in the Fire Department for personnel costs; and
- vi. \$190,000 in the Parks Department for Water Utilities (\$150,000) and (\$40,000) to replace a damaged bus shelter;

- (b) allocate \$900,000 from the Streets Self-Funded Projects Fund for street repairs offset by increased reimbursement revenue of \$900,000;
- (c) allocate \$253,000 from the Self-Funded Special Projects Fund for Oncor transformer relocations at the Police Department (\$135,000) and unanticipated facility repairs (\$118,000); and
- (d) allocate \$400,000 from the Utility Fund for water purchases (\$250,000) and water mains (\$150,000) offset by increased water sales revenue of \$400,000.

SECTION 3. Specific authority is given to the City Manager to authorize transfers from the General Fund to the Self-Funded Special Projects Fund of unexpended appropriations and excess revenue for the Fiscal Year 2021-2022.

SECTION 4. This Ordinance shall take effect upon its passage and approval.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas on this 27th day of **SEPTEMBER** 2022.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Whitt Wyatt, City Attorney

EXHIBIT A

**TOWN OF ADDISON
GENERAL FUND BY CATEGORY
FY2021-22**

	Current Budget	Amendment	Revised Budget
	<u> </u>	<u> </u>	<u> </u>
BEGINNING BALANCES	\$ 20,243,675	\$ -	\$ 20,243,675
REVENUES:			
Ad valorem Taxes	\$ 20,037,826	\$ -	\$ 20,037,826
Non-Property Taxes	14,941,875	969,000	15,910,875
Franchise Fees	2,105,000	-	2,105,000
Licenses and Permits	1,090,000	-	1,090,000
Service Fees	2,018,070	-	2,018,070
Fines and Penalties	245,000	-	245,000
Rental Income	8,000	-	8,000
Interest and Other Income	356,000	-	356,000
TOTAL OPERATIONAL REVENUE	<u>\$ 40,801,771</u>	<u>\$ 969,000</u>	<u>\$ 41,770,771</u>
TOTAL REVENUES	<u>\$ 40,801,771</u>	<u>\$ 969,000</u>	<u>\$ 41,770,771</u>
TOTAL AVAILABLE RESOURCES	<u>\$ 61,045,446</u>	<u>\$ 969,000</u>	<u>\$ 62,014,446</u>
EXPENDITURES:			
Personnel Services	\$ 26,469,624	\$ 130,000	\$ 26,599,624
Supplies	1,437,825	-	1,437,825
Maintenance	3,576,374	54,000	3,630,374
Contractual Services	7,839,299	285,000	8,124,299
Capital Replacement / Lease	1,301,511	500,000	1,801,511
Capital Outlay	107,363	-	107,363
TOTAL OPERATIONAL EXPENDITURES	<u>\$ 40,731,996</u>	<u>\$ 969,000</u>	<u>\$ 41,700,996</u>
Transfer to Self-Funded Projects Fund	41,875	-	41,875
Transfer to Streets Capital Projects Fund	-	-	-
Transfer to Infrastructure Investment Fund	-	-	-
TOTAL EXPENDITURES	<u>\$ 40,773,871</u>	<u>\$ 969,000</u>	<u>\$ 41,742,871</u>
ENDING FUND BALANCES	<u>\$ 20,271,575</u>	<u>\$ -</u>	<u>\$ 20,271,575</u>
Fund Balance Percentage	49.8%		48.6%

**TOWN OF ADDISON
STREETS SELF-FUNDED PROJECTS FUND
FY2021-22**

	Current Budget	Amendment	Revised Budget
BEGINNING BALANCES	\$ 2,827,966	\$ -	\$ 2,827,966
REVENUES:			
Interest and Other Income	\$ -	\$ 900,000	\$ 900,000
TOTAL OPERATIONAL REVENUE	\$ -	\$ 900,000	\$ 900,000
TOTAL AVAILABLE RESOURCES	\$ 2,827,966	\$ 900,000	\$ 3,727,966
EXPENDITURES:			
Maintenance	\$ 1,980,000	\$ 900,000	\$ 2,880,000
TOTAL EXPENDITURES	\$ 1,980,000	\$ 900,000	\$ 2,880,000
ENDING FUND BALANCES	\$ 847,966	\$ -	\$ 847,966

**TOWN OF ADDISON
SELF-FUNDED SPECIAL PROJECTS FUND
FY2021-22**

	Current Budget	Amendment	Revised Budget
BEGINNING BALANCES	\$ 4,901,390	\$ -	4,901,390
Transfers from other funds	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL AVAILABLE RESOURCES	<u>\$ 4,901,390</u>	<u>\$ -</u>	<u>\$ 4,901,390</u>
EXPENDITURES:			
Supplies	\$ 56,800	\$ -	\$ 56,800
Maintenance	76,000	-	76,000
Contractual Services	988,000	253,000	1,241,000
Capital Outlay	271,715	-	271,715
TOTAL OPERATIONAL EXPENDITURES	<u>\$ 1,392,515</u>	<u>\$ 253,000</u>	<u>\$ 1,645,515</u>
TOTAL EXPENDITURES	<u>\$ 1,392,515</u>	<u>\$ 253,000</u>	<u>\$ 1,645,515</u>
ENDING FUND BALANCES	<u>\$ 3,508,875</u>	<u>\$ (253,000)</u>	<u>\$ 3,255,875</u>

**TOWN OF ADDISON
UTILITY FUND
FY2021-22**

	Current Budget	Amendment	Revised Budget
BEGINNING WORKING CAPITAL	\$ 5,956,407	\$ 537,432	\$ 6,493,839
REVENUES:			
Water Sales	\$ 7,738,852	\$ 400,000	\$ 8,138,852
Sewer Charges	6,500,903	-	6,500,903
Tap Fees & Other	17,500	-	17,500
Penalties	75,000	-	75,000
Interest and Other Income	108,500	-	108,500
TOTAL OPERATIONAL REVENUE	<u>\$ 14,440,755</u>	<u>\$ 400,000</u>	<u>\$ 14,840,755</u>
TOTAL REVENUES	<u>\$ 14,440,755</u>	<u>\$ 400,000</u>	<u>\$ 14,840,755</u>
TOTAL AVAILABLE RESOURCES	<u>\$ 20,397,162</u>	<u>\$ 937,432</u>	<u>\$ 21,334,594</u>
EXPENSES:			
Personnel Services	\$ 2,549,211	\$ -	\$ 2,549,211
Supplies	202,232	-	202,232
Maintenance	892,356	150,000	1,042,356
Contractual Services			
Water Purchases	4,224,277	250,000	4,474,277
Wastewater Treatment	3,727,622	-	3,727,622
Other Services	1,077,191	-	1,077,191
Capital Replacement / Lease	231,584	-	231,584
Debt Service	1,526,782	-	1,526,782
Capital Outlay	-	-	-
TOTAL OPERATIONAL EXPENSES	<u>\$ 14,431,255</u>	<u>\$ 400,000</u>	<u>\$ 14,831,255</u>
One-Time Decision Packages	245,000	-	245,000
Capital Projects (Cash Funded)			
Lake Forest Drive Utility Improvements	59,000	-	59,000
Pipe Bursting - Julian Street to Addison Circle	42,000	-	42,000
TOTAL EXPENSES	<u>\$ 14,777,255</u>	<u>\$ 400,000</u>	<u>\$ 15,177,255</u>
ENDING WORKING CAPITAL	<u>\$ 5,619,907</u>	<u>\$ 537,432</u>	<u>\$ 6,157,339</u>
Working Capital Percentage	38.9%		41.5%

FY2022 End of Year Budget Amendment

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes diagonal lines and a grey triangle in the top right corner.

ADDISON

Regular amendments are an accepted practice

- Represents active monitoring and management of fiscal affairs
- Mitigates impact of changes in circumstances
- Transparency

Town's budget amendment policy:

- Transfers between accounts in a department with approval of Chief Financial Officer (CFO)
- Transfers between departments of less than 5% change with approval of City Manager
- Transfers between funds or more than 5% change must be approved by City Council

Revenues

- Sales Tax Revenue = \$969,000

Expenses

- Council Special Projects Department
 - Metrocrest Services = \$10,000
 - Holiday In the Park = \$55,000
 - Advertising = \$15,000
 - Miscellaneous = \$20,000
- City Manager's Department personnel = \$30,000
- Fire Department personnel = \$100,000
- Parks Department
 - Water Utilities = \$150,000
 - Fixtures = \$40,000
- Emergency Communications services = \$14,000
- General Services Department
 - Facility Maintenance Fund = \$500,000
 - Temporary Personnel = \$35,000

- This budget amendment also authorizes the City Manager to transfer unexpended appropriations and excess revenue from the Fiscal Year 2021-2022 budget to the Self-Funded Special Projects Fund.
- The amount of this transfer (is applicable) will be known in late November 2022 after the Town has recorded all revenues and expenditures for Fiscal Year 2021-2022.
- Utilizing this method to provide funding to the Self-Funded Special Projects Fund was discussed during the Fiscal Year 2021-2022 budget process to eliminate budgeted transfers and the appearance of deficit budgeting. The Fiscal Year 2021-2022 estimate included in the Fiscal Year 2022-2023 budget included an anticipated additional transfer amount of \$1,400,000.



Revenues

- Reimbursements= \$900,000

Expenses

- Streets = \$900,000



Revenues

Expenses

- Special Services = \$253,000

Revenues

- Water Sales = \$400,000

Expenses

- Water Purchases = \$250,000
- Water Mains = \$150,000

FY2022 Amendment: Grand Totals

Fund	Impact on Budgeted Expenditures	Impact on Budgeted Revenues	Impact on Fund Balances
General Fund	\$969,000	\$969,000	\$-
Streets Self-Funded Projects Fund	\$900,000	\$900,000	\$-
Self-Funded Special Projects Fund	\$253,000	\$-	(\$253,000)
Utility Fund	\$400,000	\$400,000	\$-
Total	\$2,522,000	\$2,269,000	(\$253,000)

Questions?