



Addison City Council Meeting

**September 10, 2024
Addison Conference Centre
15650 Addison Road
Addison, Texas 75001**

AMENDED 9/10 at 5:32 PM - Addition of Council Q&A Document to WS Item #3a and Addition of Updated Ordinance and Sale Book Document to IC Item #6c

Email comments may be submitted using the Public Comment Form located on Addison's website by 3:00 PM on the meeting day. The meeting will be live-streamed at www.addisontexas.net.

WORK SESSION

The Addison City Council will convene in the Acacia Room beginning at 6:00 PM.

1. **Call Meeting to Order and Announce that a Quorum is Present.**
2. **Citizen Comments on the Consent Agenda Items.** This item allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. 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 beginning of this item.
3. **Council Member Clarification Requests Regarding Consent Agenda Items.**
 - a. Council Questions and Answers
4. **Work Session Reports**

- a. Present and discuss the format for the Town Meeting on October 29, 2024.
- b. Present and discuss a preview of Addison Oktoberfest 2024.

COUNCIL MEETING

The Addison City Council will convene for a Council Meeting beginning at 7:00 PM in the Council Chambers.

1. **Pledge of Allegiance.** United States and Texas Flags
2. **Proclamations / Presentations**
 - a. City Manager's Announcements
 - b. Employee Recognition
3. **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.
4. **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.
 - a. Consider action on the Minutes from the August 27, 2024 City Council Meeting.

- b. Consider action on a Resolution approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division, regarding its 2024 Rate Review Mechanism Filing.
- c. Consider action on a Resolution to approve a change order to the agreement between the Town of Addison and Sgt. Poopers, LLC. for pet waste removal services providing for an increase of \$8,970 to the contract price and a revised total contract price of \$61,000; authorizing the City Manager to execute the change order and provide an effective date.
- d. Consider action on a Resolution authorizing and ratifying emergency storm debris cleanup expenditures arising out of the May 28, 2024 severe storm event that produced hurricane-force winds, rain and hail throughout the Town in an amount not to exceed \$150,000; and authorizing the City Manager to administer the emergency storm debris cleanup and provide an effective date.

5. **Public Hearings.**

- a. Hold a public hearing, present, discuss, and consider action on a request for a Special Use Permit (SUP) for an existing private school, Greenhill School, located at 4141 Spring Valley Road, currently zoned R-1 Single Family Dwelling and Planned Development (PD), through Ordinance 084-092, to allow a new private school building. Case 1916-SUP/Greenhill Athletic Performance Center. **(POSTPONED)**
- b. 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, 2024 and ending September 30, 2025 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, and providing for emergency expenditures and expenditures as otherwise allowed by law.

- c. 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, 2024 and ending September 30, 2025.

6. Items for Individual Consideration.

- a. Present, discuss, and consider action on the Fiscal Year 2024-25 Property Tax Revenue Ratification Ordinance.
- b. Present, discuss, and consider action on an Ordinance amending Chapter 82 (Utilities), Section 82-76, Section 82-77, and Section 82-79.2 of the Code of Ordinances of the Town by amending sewer rates, water rates, and form of security deposits for all customer classifications and providing that the changes to the sewer rates and water rates made herein shall be applied to monthly customer bills beginning with the November 2024 billing cycle.
- c. Present, discuss, and consider action on an Ordinance providing for the issuance of Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024; levying a tax in payment thereof; prescribing the form of said certificates; approving and awarding the sale of the certificates; authorizing the execution and delivery of a paying agent/registrar agreement; approving the official statement; and enacting provisions incident and relating to the subject and purposes of this Ordinance.
- d. Present, discuss, and consider action on a request granting a Meritorious Exception to Chapter 62 of the Code of Ordinances for Austin's Bar B Que, located at 16101 Addison Road, in order to allow three murals on portions of the east and south facades and to allow multiple signs per facade on the east and south facades. (Case MR2024-06/16101 Addison Road - Austin's Bar B Que).
- e. Present, discuss, and consider action on an Ordinance of the Town of Addison approving a Developer Participation Agreement with RR Investment, Inc. for the construction of certain public improvements within Addison Airport to include a portion of the airport vehicle service road and aircraft apron; providing for the City's participation in the costs to be in conformance with Chapter 212 of the Texas Local Government Code in an amount not to exceed \$1,175,000.00;

authorizing the City Manager to execute the agreement; and providing an Effective Date.

7. **Items of Community Interest.** The City Council will have this opportunity to address items of community interest, including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition; a reminder about an upcoming event organized or sponsored by the Town of Addison; information regarding a social, ceremonial, or community event that was or will be attended by an Addison City Council member or an official; and, announcements involving an eminent threat to public health and safety in Addison that has arisen since posting this agenda.

8. **Adjourn Meeting.**

NOTE: The City Council reserves the right to meet in a Closed Meeting at any time during this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551. Any decision held on such matters will be conducted in an Open Meeting following the conclusion of the Closed Meeting.

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: _____

Date posted: 9/5/2024 Time posted: 4:30 PM

Date removed from bulletin board: _____

Removed by: _____

City Council (FY24)

3. a.

Meeting Date: 09/10/2024

Department: City Secretary

AGENDA CAPTION:

Council Questions and Answers

BACKGROUND:

The Council Questions and Answer document, along with any handout(s) provided during the meeting, will be attached below. Due to the requirement to post the agenda prior to these attachments being created, the Council Questions and Answers document will be uploaded just prior to the meeting. Any handouts presented during the meeting will be added on the next business day.

RECOMMENDATION:

Information only.

Attachments

Answers to Council Questions



Answers to Council Questions – September 10, 2024

Individual Consideration

Item #6e. Present, discuss, and consider action on an Ordinance of the Town of Addison approving a Developer Participation Agreement with RR Investment, Inc. for the construction of certain public improvements within Addison Airport to include a portion of the airport vehicle service road and aircraft apron; providing for the City's participation in the costs to be in conformance with Chapter 212 of the Texas Local Government Code in an amount not to exceed \$1,175,000.00; authorizing the City Manager to execute the agreement; and providing an Effective Date.

Question 1: "On May 23, 2024, the Town and RRI entered into and made effective a 4.05-acre ground lease at 4550 Jimmy Doolittle Drive", should this be May 23, 2023?

Response: Yes, the correct date for this item is May 23, 2023.

Question 2: Was this part of the original plan with this ground lease(s)? Was this item brought up to council?

Response: No, this was not part of the original lease agreement, which contemplated construction of 112,000 square feet of heavy aircraft apron and (as an option to extend the lease term an additional 15 years) construction of an international arrivals terminal facility. However, as Million Air began work on plans for the ramp reconstruction, Airport staff approached Million Air with a proposal to include reconstruction of the segment of the airport's east vehicle service road (VSR) from Taxilane Sierra north to the Customs ramp connector to Taxiway Alpha in the project. Reconstruction of the east VSR was included in the plans and terms of the proposed developer participation agreement (DPA) were subsequently agreed. This DPA is what is now before Council for consideration.

City Council (FY24)

4. a.

Meeting Date: 09/10/2024

Department: Communications & Marketing

Key Focus Areas: Community Engagement

AGENDA CAPTION:

Present and discuss the format for the Town Meeting on October 29, 2024.

BACKGROUND:

Town Meetings are held twice a year in the spring and fall. This year, the fall meeting is scheduled for October 29, 2024, at 7:00 pm at the Addison Conference Centre. The purpose of this item is to discuss the format and topics for the presentation.

RECOMMENDATION:

Staff requests Council direction.

Attachments

Presentation - Fall Town Meeting Format

Fall Town Meeting Presentations

September 10, 2024

Mary Rosenbleeth, Director of Marketing & Tourism



Fall 2024 Town Meeting Date

ADDISON

Tuesday, October 29

7pm

Addison Conference

Centre



Select Topics



Work with Staff
to Develop Script
+ Presentation



Rehearse
Presentation



Town Hall
Meeting

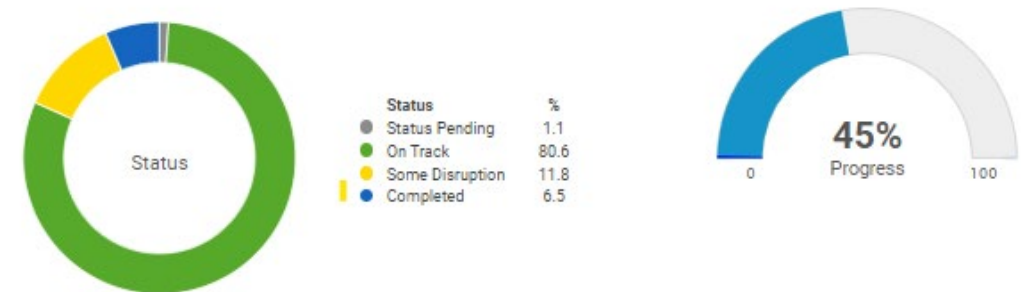
Strategic Plan Key Focus Areas

- **Community Engagement** – Mayor Arfsten
- **Vibrant Active Community** – Mayor Pro Tempore Resnik
- **Infrastructure Development and Maintenance** – Deputy Mayor Pro Tempore Quintanilla
- **Public Safety** – Council Member Willesen
- **Mobility and Connectivity** – Council Member Liscio
- **Economic Development and Revitalization** – Council Member Gardner
- **Financial Health and Organizational Excellence** – Council Member Craig

Recommendation

ADDISON

- **Budget Review – Mayor**
- **Dashboard – Mayor**
- **Strategic Plan Key Focus Areas – Council Members**



Public Safety



Economic Development and Revitalization

Questions?

City Council (FY24)

4. b.

Meeting Date: 09/10/2024

Department: Special Events

Key Focus Areas: Vibrant and Active Community

AGENDA CAPTION:

Present and discuss a preview of Addison Oktoberfest 2024.

BACKGROUND:

For more than 36 years, people have donned dirndls and lederhosen (or have just come as they are) for four days of revelry in German culture, food, music and bier. Experience the sound of polka bands and other traditional entertainers on multiple stages in Addison Circle Park, and participate in special games for bier lovers, kids of all ages, dachshunds and more. Raise your favorite German stein and say, ***"Prost! Y'all!"***

RECOMMENDATION:

Information only. No action required.

Attachments

Presentation - 2024 Oktoberfest Preview

Addison Oktoberfest Preview

September 10, 2024

Abby Morales, Director of Special Events & Theatre



ADDISON



GERMAN FARE WITH A SIDE OF TEXAS FLAIR

SEPTEMBER 19-22



**WHY DO YOU HOST AN OKTOBERFEST IN
SEPTEMBER... DOESN'T THAT MAKE IT
SEPTEMBERFEST?**

Munich Oktoberfest - the festival of the City of Munich. In 2024, the 189th Oktoberfest will take place from September 21 to October 6, 2024. The event has more than 6 million international and national visitors annually.



**By law --only beer from Munich breweries
may be served at Oktoberfest**



THIS YEAR...

ADDISON



Hacker
Pschorr

THE TICKETS

ADDISON

**GENERAL
ADMISSION**

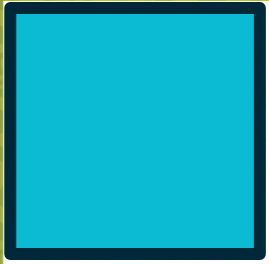


VALID FOR ADMISSION

FRI, SEPT. 20

✦ THRU ✦

SUN, SEPT. 22



DOGS ARE ONLY ALLOWED ON SUNDAY

DATE	HOURS	ADMISSION
THURS, SEPT. 19	5:00p – 11:00p	FREE!
FRI, SEPT. 20	5:00p – 12:00a	\$15 Adults (13+) \$5 Youth (6 -12) Free (5 & under)
SAT, SEPT. 21	12:00p – 12:00a	\$15 Adults (13+) \$5 Youth (6 -12) Free (5 & under)
SUN, SEPT. 22	12:00p – 6:00p	\$10 Adults (13+) Free – All Youth & DOGS

**SUNDAY
HUND DAY!**

THE PAKETS

ADDISON

HOTELPAKET

Book an Addison Oktoberfest hotel package and enjoy special rates on quality accommodations,

Includes:

- 2 single-day admission tickets
- 2 commemorative lapel pins
- 2 commemorative .5L steins
(while supplies last).



ADDISON OKTOBERFEST PAKET

\$25 (online purchase only)

- Commemorative Stein
- Commemorative Lapel Pin
- One (1) Paulaner Bier

DOES NOT INCLUDE ADMISSION

THE STEINS & PINS

ADDISON



THE BUTTONS

ADDISON



WHAT'S NEW!

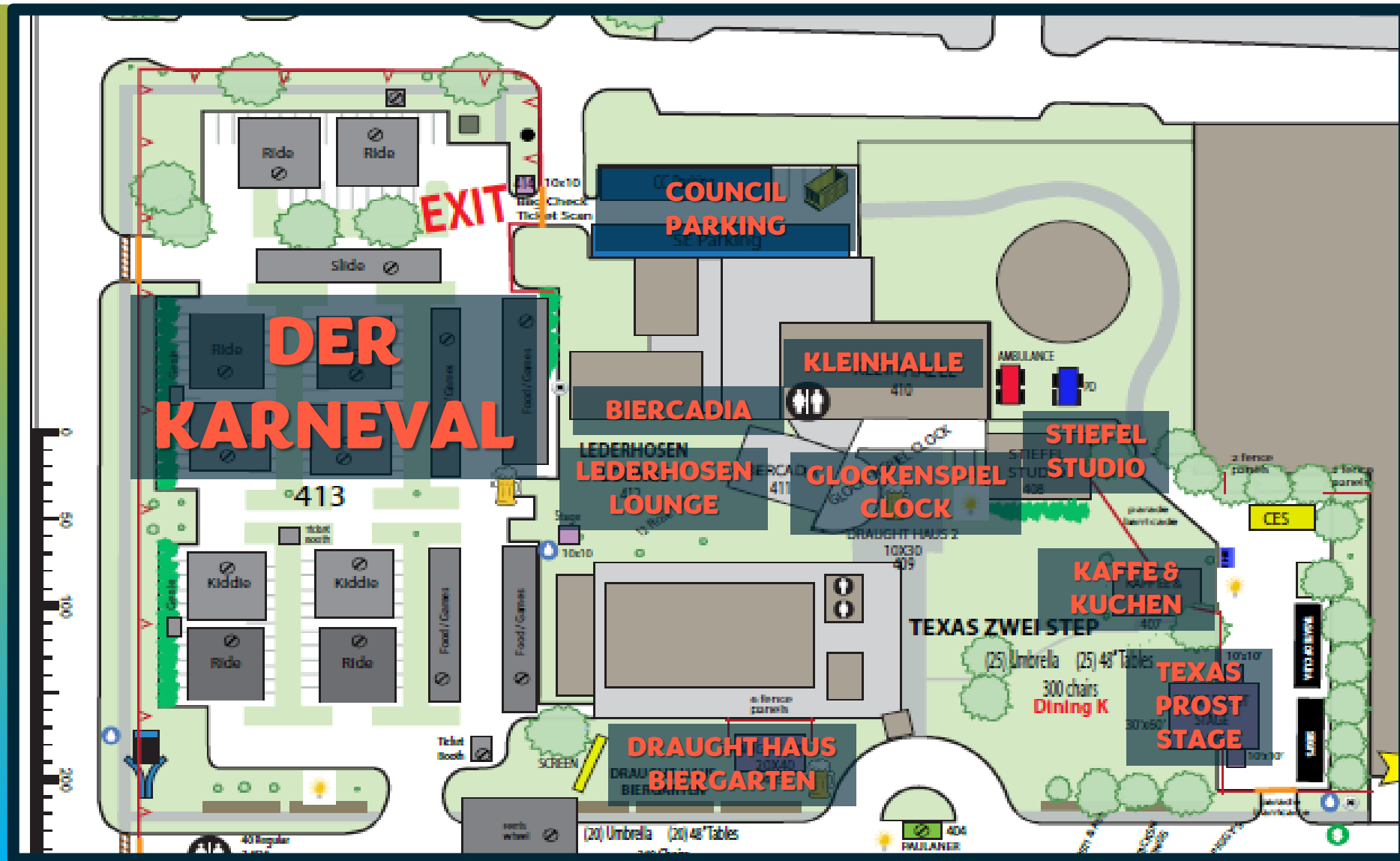
ADDISON



This year --- more
TEXAS FLAIR

TEXAS ZWEI-STEP

ADDISON

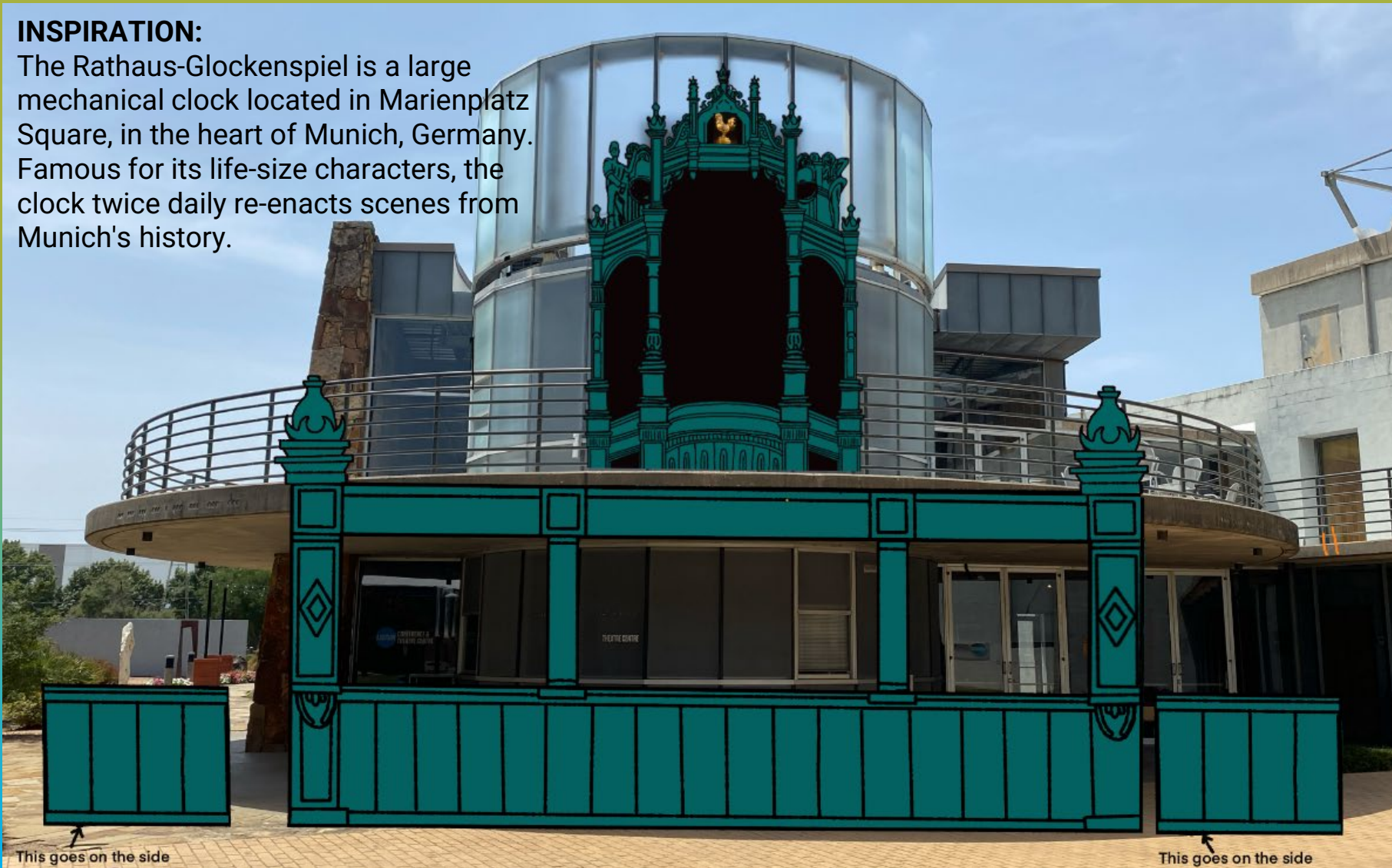


GLOCKENSPIEL Y'ALL



INSPIRATION:

The Rathaus-Glockenspiel is a large mechanical clock located in Marienplatz Square, in the heart of Munich, Germany. Famous for its life-size characters, the clock twice daily re-enacts scenes from Munich's history.



SHOWS

THURSDAY

6:00 | 8:00

FRIDAY

6:00 | 8:00 | 10:00

SATURDAY

2:00 | 4:00 | 6:00
8:00 | 10:00

SUNDAY

2:00 | 4:00

THE BIRS

Saint Arnold's Oktoberfest

Karbach Oktoberfest

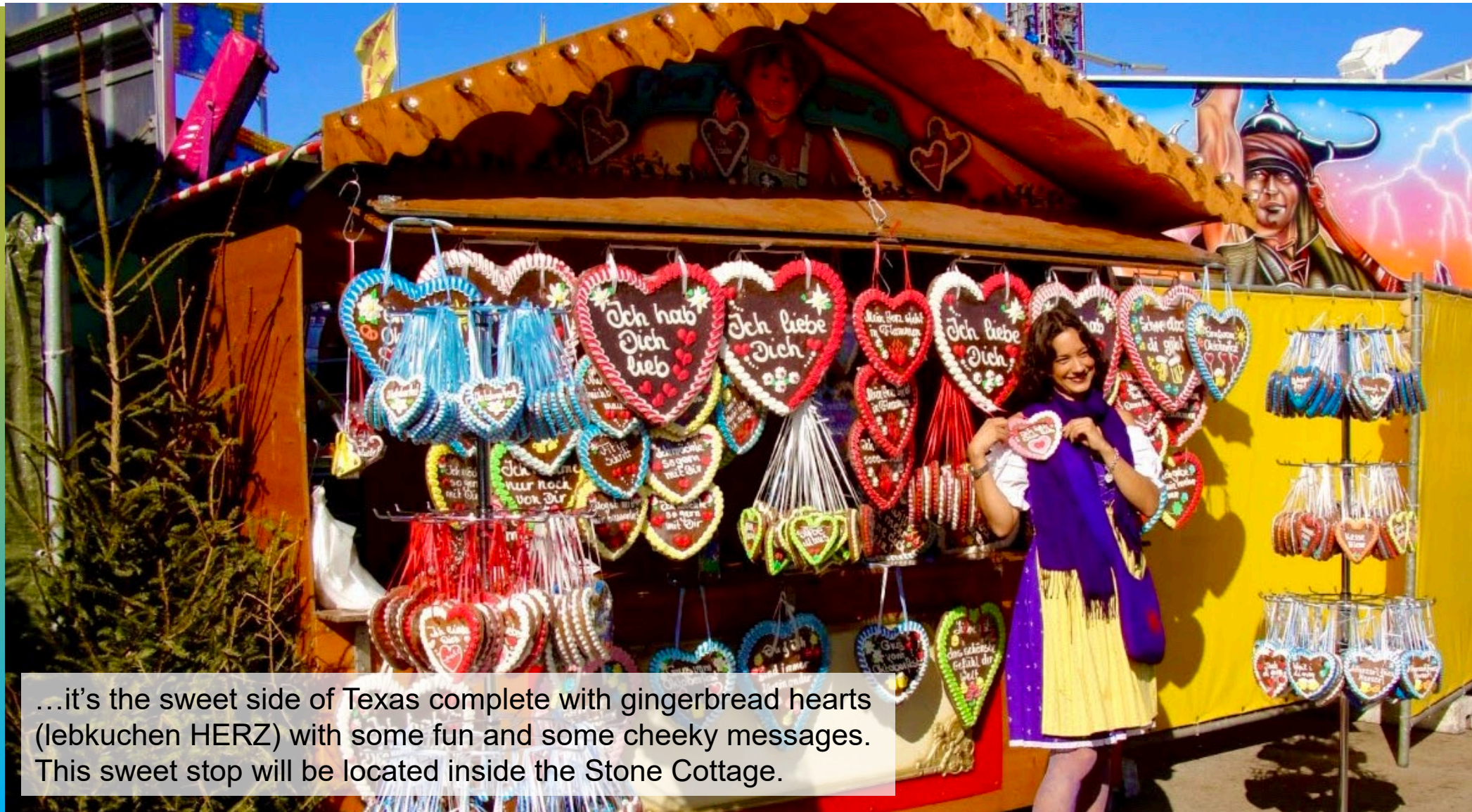
Roar Oktoberfest

Manhattan Oktoberfest

Shiner Oktoberfest

Revolver Oktoberfest

Altstadt Oktoberfest



...it's the sweet side of Texas complete with gingerbread hearts (lebkuchen HERZ) with some fun and some cheeky messages. This sweet stop will be located inside the Stone Cottage.

BIERCADIA & STIEFEL STUDIO

ADDISON

BIERCADIA:

Come out test your skills at this retroarcade located inside the lobby of The Addison Theatre.

ARCADE GAMES:

- Pacman
- Mortal Kombat
- Galaga
- Space Invaders
- Frogger
- Centipede
- Guitar Hero
- Donkey Kong

FREE!

STIEFEL STUDIO...it's sure to be a boot-scootin' good time... in silence! The beats will be going through the headsets of this silent disco area located inside the Studio of The Addison Theatre. Live DJ will be onsite keeping the party going! Headsets rentals are free.

TEXAS PROST STAGE & LEDERHOSEN LOUNGE

ADDISON



TEXAS PROST STAGE:

located in the heart of the north lawn, this stage pays tribute to the Bavarian celebration with a tiny hint of Texas!

LEDERHOSEN LOUNGE:

grab some food and something to drink and kick your heels up to the sounds of ... not polka!

The area is tucked away behind the Glockenspiel Clock and will feature a few yard games along with some singer songwriters that have more of a Texas flair.

THE AREAS

ADDISON

NEW!

**PARTY
ZELT!**

NEW!

**HOF
PLAY**



KARUSSELL

**KIDSGARTEN -
ROOT BIERGARTEN**

KARUSELL, HOF PLAY & ROOT BIERGARTEN

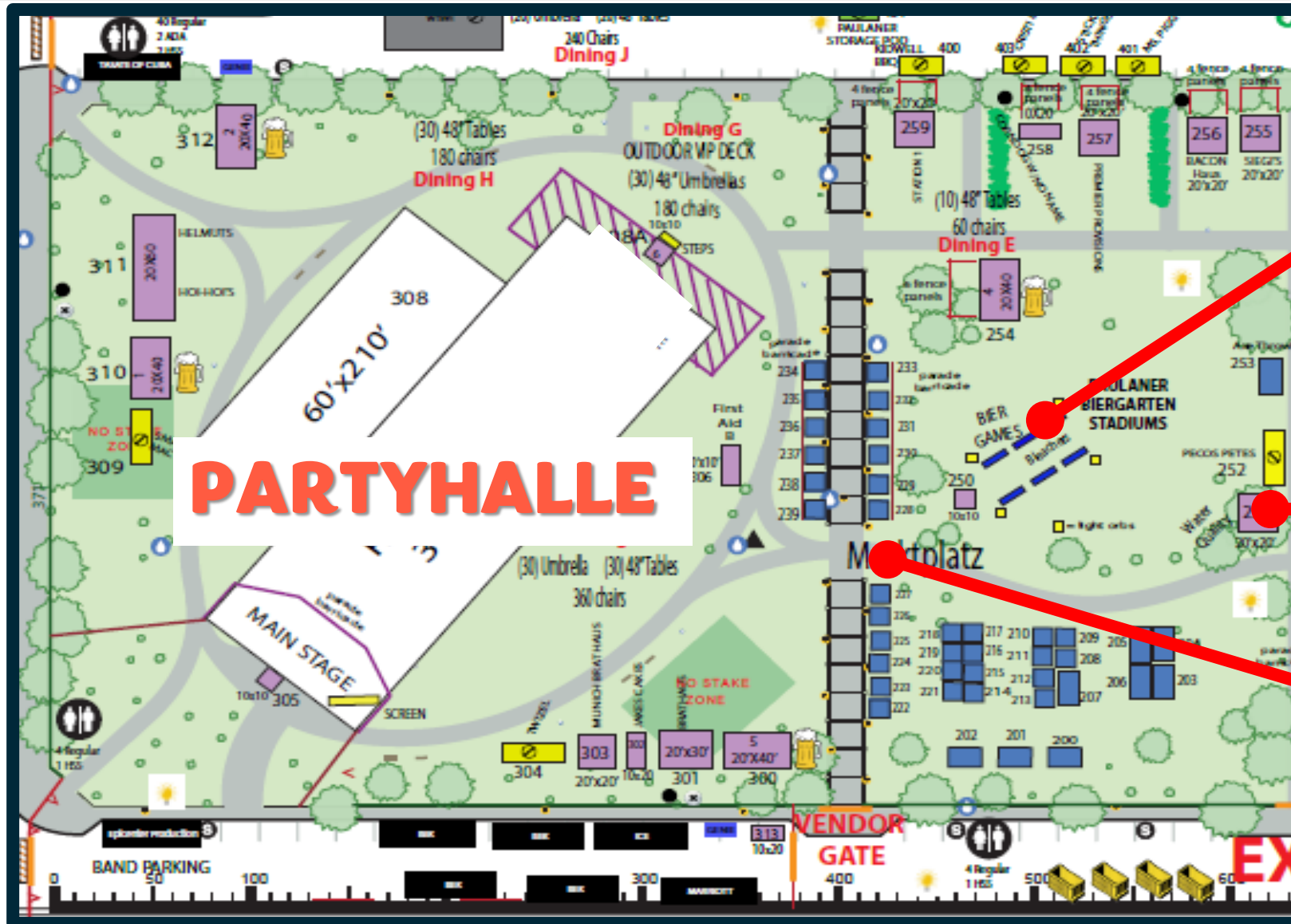
ADDISON





MORE AREAS

ADDISON



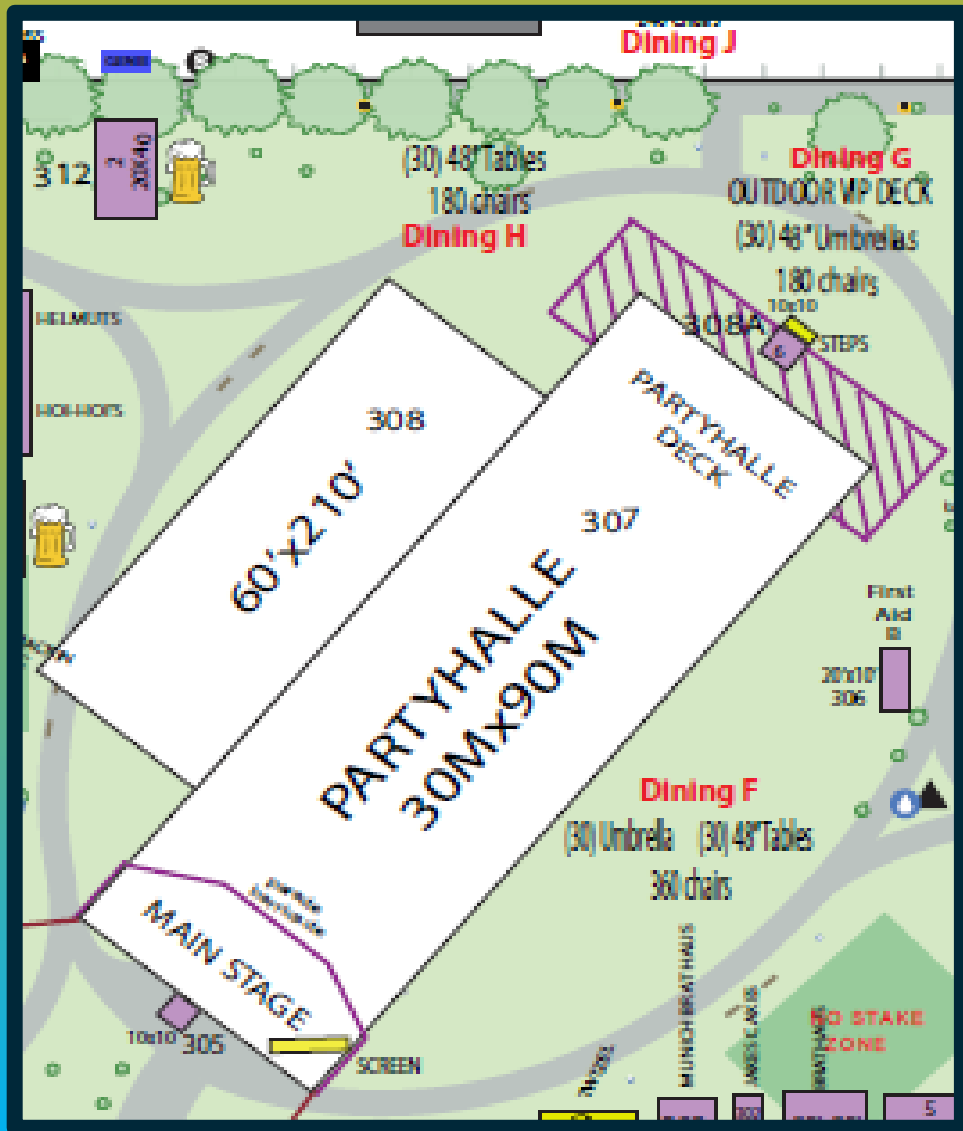
**PAULANER
BIERGARTEN
DAS STADIUM**

FREE WATER

MARKETPLATZ

THE PARTYHALLE

ADDISON



- **Expanded deck**
- **Outdoor patio**
- **Masskrug**
- **Thursday evening -- PRIVATE EVENT!**
- **Dachshund Dash -- SUNDAY**

THURSDAY NIGHT!

ADDISON

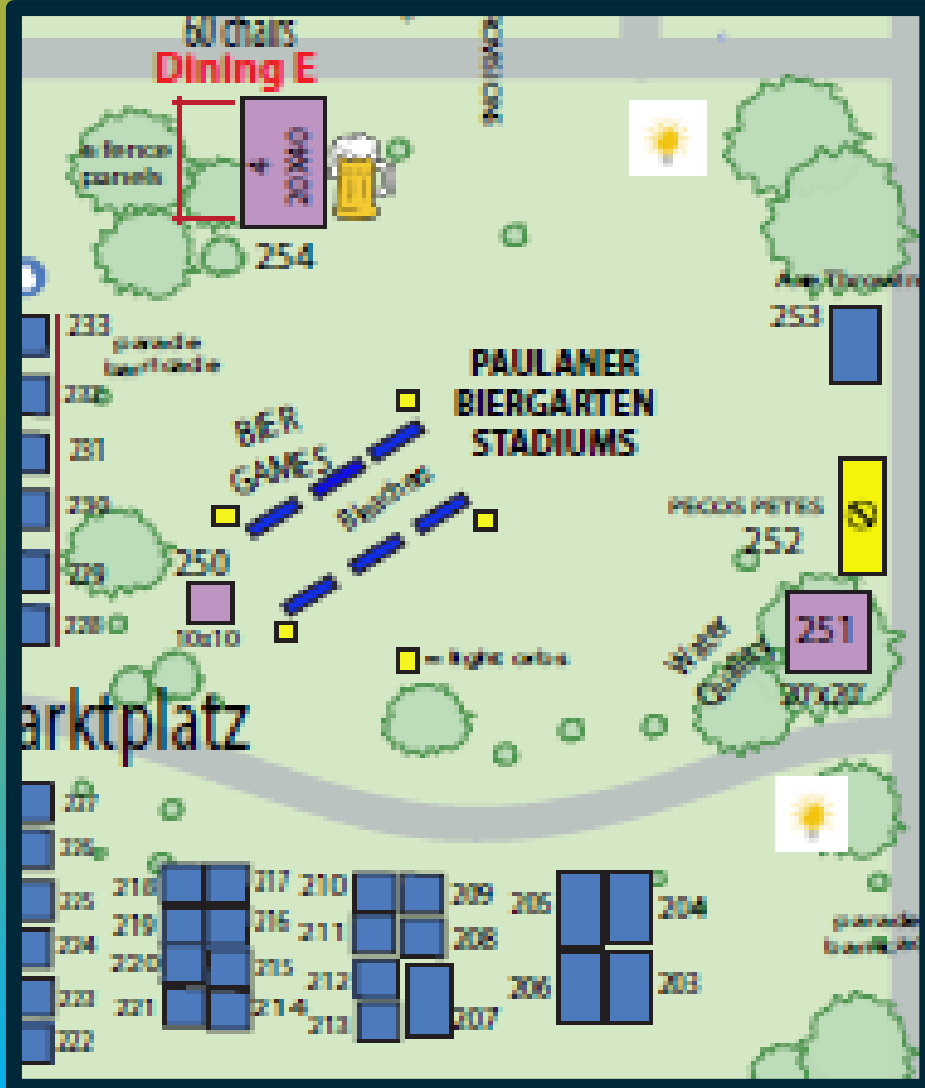


HOST & PROST

CORPORATE NIGHT

THURS, SEPT 19
PARTYHALLE





- **Paulaner Biergarten**
- **Bleacher seating**
- **Bier Maiden Stein Carrying**
- **Bier Barrel Rolling**
- **Biergarten Bingo**
- **Masskrug --- at the stages**

THE ENTERTAINMENT

ADDISON



THE ENTERTAINMENT

ADDISON



THE FOOD

ADDISON



- **Authentic German foods & desserts**
- **Traditional festival foods**
- **Free Hydration Station**



PROST
Y'ALL!



GERMAN FARE WITH A SIDE OF TEXAS FLAIR
SEPTEMBER 19-22

City Council (FY24)

2. a.

Meeting Date: 09/10/2024

Department: City Secretary

AGENDA CAPTION:

City Manager's Announcements

BACKGROUND:

The City Manager will make announcements of interest to the Town.

RECOMMENDATION:

Information only.

City Council (FY24)

2. b.

Meeting Date: 09/10/2024

Department: City Secretary

AGENDA CAPTION:

Employee Recognition

BACKGROUND:

The City Manager will recognize an employee for his/her service to the Town.

RECOMMENDATION:

Information only.

City Council (FY24)

4. a.

Meeting Date: 09/10/2024

Department: City Secretary

AGENDA CAPTION:

Consider action on the Minutes from the August 27, 2024 City Council Meeting.

BACKGROUND:

The minutes for the August 27, 2024 City Council Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - August 27, 2024 City Council Meeting

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

August 27, 2024

Addison Conference Centre
15650 Addison Road, Addison, TX 75001
5:00 PM Work Session -Acacia Room
7:00 PM Regular Meeting – Buckthorn & Sycamore Rooms

Present: Mayor Bruce Arfsten; Mayor Pro-Tempore Darren Gardner; Deputy Mayor Pro-Tempore Nancy Craig; Council Member Chris DeFrancisco; Council Member Howard Freed; Council Member Dan Liscio; Council Member Marlin Willesen

WORK SESSION

The Addison City Council will convene the Work Session in the Acacia Room at 5:00 PM

1. **Call Meeting to Order and Announce that a Quorum is Present.**

Mayor Arfsten called the meeting to order in the Acacia Room at 5:01 PM.

2. **Citizen Comments on the Consent Agenda Items.** *This item allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. 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 beginning of this item.*

No citizens requested to address the City Council on an item included in the Consent Agenda.

3. **Council Member Clarification Requests Regarding Consent Agenda Items.**

a. **Council Questions and Answers**

Mayor Arfsten closed the Open Meeting to convene the City Council into Closed Meeting at 5:02 PM.

4. **Closed Meeting.** The Addison City Council will enter a Closed Meeting pursuant to Texas Government Code Sections 551-071 through 090 to discuss the following items:

a. Section 551.071(2) Consultation with Attorney to seek advice 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 of the Texas Government Code.

- Ordinance Adopting a Rental Registration Program.

5. **Open Meeting.** In accordance with Texas Government Code Chapter 551, the Addison City Council will reconvene in an Open Meeting to consider action, if any, on matters discussed in the Closed Meeting.

Mayor Arfsten convened the City Council into Open Meeting at 5:31 PM. No action was taken as a result of the Closed Meeting.

6. **Work Session Reports**

a. **Present and discuss progress on the Rental & Lodging Registration and Inspection Program.**

[Director of Development & Neighborhood Services, Lesley Nyp and Assistant Director of Neighborhood Services, Kevin Martin]

Director of Development & Neighborhood Services Lesley Nyp and Assistant Director of Development & Neighborhood Services Kevin Martin presented an update on the Rental & Lodging Registration and Inspection Program. The FY2024 budget allocated funds for new personnel and resources for the creation of the Neighborhood Services Division, which allows for expanded service offerings to residents, visitors, and property owners. This new team significantly expanded code compliance, allows for the transition of animal control to the Development & Neighborhood Services Department, and the establishment of a rental and lodging registration and inspections program.

The intent of the rental and lodging registration and inspection program is to ensure and promote healthy and safe conditions for all rental properties and hotel/motel establishments and provide an opportunity to engage with the rental community. This registration program is proposed to apply to all rental properties, including single-family, townhomes, duplexes, condominiums, apartments, as well as hotel/motel establishments.

The Neighborhood Services staff has developed a rental and lodging registration and inspection program and proposed fees. Staff seeks feedback from City Council on the program.

This program will support several City Council initiatives, including:

- Develop education and outreach programs for residents, property owners, and businesses.
- Develop and implement a rental housing and lodging registration and inspection program to improve safety.
- Conduct semi-annual engagement and coordination meetings for multifamily property managers.

b. Discuss the Fiscal Year 2025 Budget.

[Chief Financial Officer, Steven Glickman]

Chief Financial Officer Steven Glickman facilitated a discussion regarding the Town's Proposed Fiscal Year 2025 Budget. Mr. Glickman provided updates to pending items and questions from the Fiscal Year 2025 Budget Workshops held in early August 2024. Additionally, the Council was asked to provide their feedback and suggestions on the Proposed Fiscal Year 2025 Budget.

c. Present and discuss Comparison Cities and consider adjustments.

[Director of Human Resources, Ashley Wake]

Director of Human Resources Ashley Wake presented an update on the Town's comparison cities and potential adjustments for consideration. The following 13 cities are utilized as the Town's comparison cities:

- Allen
- Carrollton
- Coppell
- Farmers Branch
- Frisco
- Grapevine
- Flower Mound
- Irving
- Lewisville
- McKinney
- Plano
- Richardson
- University Park

In order to attract and retain employees, it is important that we be competitive with comparable cities that share the same applicant pool. Town staff have gathered data for comparison cities and the following additional cities to review.

- The Colony
- Garland
- Grand Prairie

Comparison city selection is typically based on a hybrid of two factors:

- Proximity (border cities)
- Similarity

Addison follows this hybrid model, as we include all our border cities in our comparison cities list, except for Dallas.

d. Present and discuss an update on the Town's Emergency Management Program.

[Emergency Management Coordinator, Julie Winkler]

Emergency Management Coordinator Julie Winkler provided an update on the Town's Emergency Management Program. One of the key focus areas in the City Council Strategic Plan is to strengthen the emergency management program and leverage outside agencies as resources. In this presentation, Ms. Winkler updated the Council on recent initiatives and progress in the emergency management program, including development of emergency plans, support for weather and special events, and participation in regional committees and exercises.

The presentation also included individual preparedness information, in anticipation of National Preparedness Month in September.

e. **Present and discuss the Town of Addison FY 2024 Third Quarter Financial Report.**

[Chief Financial Officer, Steven Glickman]

Mayor Arfsten closed the Work Session at 7:12 PM with the decision to cancel Work Session Item #6e.

COUNCIL MEETING

Mayor Arfsten convened the City Council Meeting at 7:24 PM in the Addison Conference Centre Council Chambers - Buckthorn/Sycamore Rooms.

1. **Pledge of Allegiance.** United States and Texas Flags

Mayor Arfsten led the Pledge of Allegiance to the United States and Texas Flags.

2. **Proclamations / Presentations**

a. **City Manager's Announcements.**

b. **Employee Recognition**

- Addison Airport: Addison Airport Director, Joel Jenkinson introduced Airport Maintenance Technician II – Stefan Vitale.

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

No citizens requested to address the City Council during the Public Comment period.

4. **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.*
 - a. **Consider action on the Minutes from the August 6, 2024 Special City Council Meeting.**
 - b. **Consider action on the Minutes from the August 7, 2024 Special City Council Meeting.**
 - c. **Consider action on the Minutes from the August 13, 2024 City Council Meeting.**

MOTION: Deputy Mayor Pro-Tempore Craig moved to approve §4 - CONSENT AGENDA (a-c) as presented. Council Member Willesen seconded the motion. Motion carried unanimously.

5. Individual Consideration

- a. **Ordinance No. 024-038: Present, discuss, and consider action on a request granting a Meritorious Exception to Chapter 62 of the Code of Ordinances for UDR, located at 3800 Spring Valley Road, in order to allow a 391 square-foot mural on the west facade. (Case MR2024-05/3800 Spring Valley Rd - UDR).**
[Director of Development & Neighborhood Services, Lesley Nyp]

The applicant, UDR, Inc., has requested a Meritorious Exception to the Town's Sign Ordinance in order to complete a mural on the western facade of an existing apartment building at Addison Apartments at the Park - Oakwood, which is visible from Spring Valley Road.

The proposed mural is defined as an attached sign by the Town's sign ordinance. With this mural encompassing 391 square-feet in effective area (17 feet tall and 23 feet wide), this sign is well in excess of the area requirements prescribed for attached signs. The applicant is pursuing a Meritorious Exception to the sign ordinance based on the below code provision:

- Town of Addison Code of Ordinances, Chapter 62 (Signs)
 - Section 62-33. – Meritorious exceptions.
 - (d)(3) The council may consider appeals on the basis that such regulations and/or standards will, by reason of exceptional circumstances or surroundings, constitute a practical difficulty or unnecessary hardship or on the basis that the proposed improvement although falling under the definition of a "sign," constitutes art that makes a positive contribution to the visual environment.

The applicant's mural is not commercial in nature, and instead highlights elements of Addison, including the Ponte Avenue Bridge and Vitruvian Park. The proposed mural would be located on the west facade of the existing two-story apartment building at Addison Apartments at the Park, facing towards Brookhaven Shopping Center. The placement of the mural would provide visibility from Spring Valley Road.

Staff believes that the proposed mural constitutes art that makes a positive contribution to the visual environment of the surrounding area, meeting the Meritorious Exception approval criteria.

MOTION: Council Member Liscio moved to approve Ordinance No. O24-038 approving the request for a Meritorious Exception for UDR. Mayor Pro-Tempore Gardner seconded the motion. Motion carried unanimously.

- b. Resolution No. R24-066: Present, discuss, and consider action on a Resolution approving a Letter of Intent to execute a Purchase Order with Metro Fire to purchase a Fire apparatus (Tiller) in an amount not to exceed \$2,776,000.00.
[Addison Fire Chief, David Jones]

The scheduled replacement of Fire apparatuses in Fiscal Year 2027-2028 includes a critical investment in a 100' Tractor Drawn Aerial and related equipment from Metro Fire Apparatus Specialist, Inc. This purchase is in an amount not to exceed \$2,776,000.00.

The Tractor Drawn Aerial, also known as a Tiller, is a valuable piece of equipment that has a more adaptable fit than other apparatuses, with the added benefit of carrying all the same equipment that would be on a regular truck. Due to the Town's vertical development and growth, it is crucial for fire and rescue responses to have the capability to reach higher elevations, conduct rescues from elevated positions, and provide elevated streams for firefighting, all while being able to maneuver through narrow roadways. This investment reflects a commitment to maintaining resources to protect lives and property, meeting community expectations.

MOTION: Council Member DeFrancisco moved to approve Resolution No. R24-066 approving a Letter of Intent with Metro Fire Apparatus Specialist Inc. for the purchase of a Tractor Drawn Aerial. Council Member Freed seconded the motion. Motion carried unanimously.

- c. Resolution No. R24-067: Present, discuss, and consider action on a Resolution approving a construction services agreement with Ratliff Hardscapes, Ltd. for the Redding Trail Dog Park and Extension to Midway Road Project in an amount not to exceed \$611,693.00.
[Landscape Architect, Chandler Nyp]

The City-Wide Trails Master Plan (CWTMP) was adopted by Council on May 25, 2021. Pages 40-41 of the plan identify the Phase 1 projects that are recommended to complete within 0-5 years of the date of adoption. The development of a trail connection between the current Redding Trail terminus immediately west of the Dog Park and the new sidewalk along the west side of Midway Road, serves to complete a loop which allows continuous access from Fire Station #2 on Beltway Drive all the way to Midway Road. This will create a 1.6 mile loop illustrated on page 84 of the CWTMP. The loop begins at the Redding Trail Dog Park and extends to Midway Road, continues north along Midway to connect to the Beltway Trail, and then heads west to reconnect to the Redding Trail that heads to the south before making a final turn to the east to return to the Redding Trail Dog Park. This important connection will allow for better connectivity and usability for the surrounding community.

The Redding Trail Dog Park and Extension to Midway Road project will consist of a concrete trail segment that will connect the existing Redding Trail and the new Midway Road trail, retaining walls that respond to grading constraints, and a new non-conductive fence for the dog park. The current location of the existing metal chain link fence impedes the trail connection, and therefore must be removed to allow the trail to connect. Since the initial construction of the existing metal chain link fence, Oncor has updated their design guidelines for allowed materials within their easements, and they now prohibit the use of metal fencing. In order to be in compliance with current Oncor standards, a non-conductive, recycled plastic dimensional lumber material will be used rather than a metal chain link material. During construction, a temporary dog park will be established in the park at the corner of Marsh Lane and Beltway Drive to give residents a place to take their dogs. Parking for the temporary dog park will be at Les Lacs Park.

On August 9, 2022, Council approved the donation of \$100,000.00 from AMLI Residential to be used specifically for the enhancements to the dog park as part of their Memorandum of Understanding (MOU) for the AMLI Tree House project. As part of the FY2024 budget, Council approved \$550,000, which includes the \$100,000 donation from AMLI, for the Redding Trail Dog Park and Extension to Midway Road. In addition to the FY2024 budget approved by Council, there is \$85,000 from the Prop C 2019 Bond Program available for use, creating a total project budget of \$635,000.00.

In June 2024, staff issued a Request for Proposals (RFP) on BidSync, as Bid #24-98 for the Redding Trail Dog Park and Extension to Midway Road project. Bids were opened on July 18, 2024 and 5 general contractors submitted proposals. Selection criteria for the evaluation of proposals were included in the specifications and are as follows:

- Proposed Contract Price - 50 Points
- Similar Project References - 25 points
- Overview of Construction Schedule and Sequencing - 10 points
- Construction Time - 15 points

The evaluation committee met on July 29, 2024 and scored the 5 received proposals using the information supplied by the contractors.

The evaluation committee deemed the offer from Ratliff Hardscape, Ltd. to represent the best value to the Town. Staff requests Council consider approval of the contract with Ratliff Hardscape, Ltd. for construction, establishing a total project budget of \$611,693.00, including an Owner's Allowance of \$30,060.00.

MOTION: Council Member Liscio moved to approve Resolution No. R24-067 approving a construction services agreement with Ratliff Hardscapes, Ltd. for the Redding Trail Dog Park and Extension to Midway Road project. Mayor Pro-Tempore Gardner seconded the motion. Motion carried unanimously.

- d. **Resolution No. R24-068: Present, discuss, and consider action on a Resolution approving a construction services agreement with Texas Standard Construction, Ltd. for Les Lacs Pond Improvements Phase 1, and authorizing the City Manager to execute the agreement in an amount not to exceed**

\$5,231,847.68.

[Assistant Director of Parks, Joe Pack]

Council approved a professional services agreement with Westra Consultants, LLC on June 14, 2022, to prepare engineering construction documents for the Les Lacs Pond Improvements Project. At that time, staff presented a proposed project to the Council for development of a base bid project which included an HDPE (high-density polyethylene) pond liner and deepening portions of the pond. Following this direction, construction documents were developed to capture construction costs and construction days for an HDPE liner, a clay liner, deepening portions of the pond with a clay-lined bottom and associated landscape.

The final construction documents soliciting Competitive Sealed Proposals (CSPs) were released with a final closing date of November 2, 2023. Unfortunately, no contractors turned in a proposal despite there being good attendance at the pre-bid meeting. As a result, staff took several important steps to raise contractor interest and participation in a second round of CSPs by reaching out to a large network of Park Planning and Development professionals. Staff wanted to identify contractors who specialize in pond renovation and reached out to contractors who previously performed similar projects. A second round of CSPs was released with a final close date of February 15, 2024. The reissued CSP received only one proposal, which was from Texas Standard Construction (TSC) using a professional pond specialist as their subcontractor. The cost was significantly higher than the Opinion of Probable Construction Cost despite competitive attendance at the second pre-bid meeting. Before moving forward with project negotiations, Town staff deemed Texas Standard Construction to be the best value to the Town of Addison based on the published evaluation criteria in the proposal.

The Parks and Recreation Department hosted a "Project Negotiation" meeting on March 1, 2024, with Texas Standard Construction, Westra Consultants and their sub-consultants on March 1, 2024. Texas Standard Construction informed Town staff of the high cost of doing the work including the extended time frame (1 year) to perform the entire project, the need to revise retaining wall details to a simpler installation methodology, and the availability of less complicated projects in the north Texas region with higher profit margins. As a result of this discussion, Texas Standard Construction suggested creating a project that would involve much less time on site and requested the current project to be separated into two contracts (Phases) for the pond work to be cost negotiated by them, and the landscape and irrigation work (Phase 2) to be bid (Competitive Sealed Proposals) by others.

As a result, Town staff gathered support for Westra Consultants and their sub-consultant to develop two sets of plans for two separate projects based on drawings included in the original bid set, which was anticipated to take eight weeks for them to prepare. Council approved a supplemental agreement for Westra to perform the work which was approved by Council on April 23, 2024. Phase 1 was "Project Negotiated" based on Texas Standard Construction's proposal, including construction items such as dewatering, silt removal, earthwork, two clay liner options, pond edge walls, ADA sidewalks, new fountains, aerators and new drainage flumes. Phase 2 will be bid as a new project, with a landscape contractor to include all items in the landscape scope including landscape, irrigation and final grading. Westra Consultants released the finalized Phase 1 plans and specifications in the third week of July 2024 to obtain a negotiated contract proposal from Texas Standard Construction and their subcontractor. Texas Standard Construction, who is self-performing the work, submitted a Base Proposal for all aspects of the project including "pond unclassified excavation to 2' below

existing pond bottom for installation of a 2' deep clay liner" for an amount of \$4,728,593.93 plus a staff addition of \$200,000 for an Owner's Allowance resulting in a base cost of \$4,928,593.93. Also submitted by Texas Standard construction was an Alternate Proposal for all aspects of the project, including an option for "pond excavation to achieve a range of deepening between 4' and 8' with a 2' clay liner resulting in an alternate cost of \$5,031,847.68 plus a staff addition of \$200,000 for an Owner's Allowance resulting in an alternate 1 cost of \$5,231,847.68. The Town has available bond funds of \$2,447,400, interest from bonds of \$430,000 and storm water funds of \$2,500,000 for the Phase 1 project, including the base proposal or Alternate 1 proposal. Council is being asked to select either the base option (2' clay liner) or the alternate option to deepen portions of the pond to a maximum of 8' and a minimum of 4' with 2' clay liner by Resolution by Council.

MOTION: Council Member Liscio moved to approve Resolution No. R24-068 approving a construction services agreement with Texas Standard Construction for the Les Lacs Pond Phase 1 Improvements. Council Member Willesen seconded the motion. Motion carried unanimously.

6. Items of Community Interest. *The City Council will have this opportunity to address items of community interest, including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition; a reminder about an upcoming event organized or sponsored by the Town of Addison; information regarding a social, ceremonial, or community event that was or will be attended by an Addison City Council member or an official; and, announcements involving an eminent threat to public health and safety in Addison that has arisen since posting this agenda.*

7. Adjourn Meeting.

There being no further business to come before the City Council, Mayor Arfsten adjourned the meeting at 8:55 PM.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, City Secretary

City Council (FY24)

4. b.

Meeting Date: 09/10/2024

Department: City Secretary

Key Focus Areas: Financial Health and Organizational Excellence

AGENDA CAPTION:

Consider action on a Resolution approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division, regarding its 2024 Rate Review Mechanism Filing.

BACKGROUND:

The Town, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff.

The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2024, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2023, entitled it to additional system-wide revenues of \$196.8 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$182.5 million, \$132.6 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$149.6 million instead of the claimed \$182.5 million.

After several settlement meetings, the parties have agreed to settle the case for \$164.7 million. This is a reduction of \$32.1 million to the Company's initial request. This includes payment of ACSC's expenses. The effective date for new rates is October 1, 2024. ACSC members should take action approving the Resolution/Ordinance before September 30, 2024. The impact of the settlement on average residential rates is an increase of \$5.52 on a monthly basis, or 6.84%. The increase for average commercial usage will be \$13.39 or 3.44%.

Atmos provided bill impact comparisons containing these figures.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - 2024 Atmos Rate Filing

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2024 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the Town of Addison, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2024, Atmos Mid-Tex filed its 2024 RRM rate request with ACSC Cities based on a test year ending December 31, 2023; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2024 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$164.7 million on a system-wide basis with an Effective Date of October 1, 2024; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$164.7 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2024 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$164.7 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2024 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2024.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF
ADDISON, TEXAS, ON THIS THE 10th DAY OF September, 2024.

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, City Secretary

City Council (FY24)

4. c.

Meeting Date: 09/10/2024

Department: Parks & Recreation

Key Focus Areas: Public Safety
Vibrant and Active Community

AGENDA CAPTION:

Consider action on a Resolution to approve a change order to the agreement between the Town of Addison and Sgt. Poopers, LLC. for pet waste removal services providing for an increase of \$8,970 to the contract price and a revised total contract price of \$61,000; authorizing the City Manager to execute the change order and provide an effective date.

BACKGROUND:

In the FY 2022/ 2023 Budget, reoccurring funds were allocated within the Stormwater Fund for weekly pet waste clean-up of high-use parks in Addison. In May 2023, the proposal from Sgt. Poopers for bid #23-121 was approved, resulting in a contract services agreement for \$41,624. The agreement is a one-year agreement with four additional renewable one-year periods.

In early 2024, the parks located within the Addison Grove development were completed and turned over to the Town's maintenance responsibility. It quickly became clear that these additional areas were categorized as high-use parks with pet waste removal needs. Staff received a high volume of calls and Fix-it App requests related to the pet waste in the parks.

The Town's purchasing policy allows expenditure authority to issue a change order of 25% of the original contract amount, if the change order amount does not exceed \$50,000. Using this authority, staff issued a change order to increase the contract amount to \$52,030 to temporarily address the clean-up needs of the Addison Grove Parks while bids for dedicated services were solicited.

However, the process of identifying vendors and receiving bids took longer than anticipated. As a result, the 25% change order is insufficient to cover the ongoing clean-up needs for the remainder of FY2023 / 2024. According to our policy, any increase beyond 25% of the original contract amount requires Council approval.

Staff is requesting Council approve a Resolution to increase the contract amount with Sgt. Poopers for bid #23-121 to \$61,000 for FY 2023 / 2024 to ensure

continued service coverage.

For the remainder of the fiscal year and next fiscal year, Sgt. Poopers will continue to address the high-use parks in their original contract. A new vendor, Super Scoopers, is beginning to conduct pet waste clean-up services for the Addison Grove Parks.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Pet Waste Removal Services

Contract - Sgt. Poopers

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING CHANGE ORDER TO THE AGREEMENT BETWEEN THE TOWN AND SGT. POOPERS, LLC FOR PET WASTE REMOVAL SERVICES PROVING FOR AN INCREASE OF \$8,970.00 TO THE CONTRACT PRICE AND A REVISED TOTAL CONTRACT PRICE OF \$61,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CHANGE ORDER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize execution of a change order in the amount of \$8,970.00 to the Contract Services Agreement between the Town of Addison and SGT. Poopers, LLC, providing for a revised contract amount of \$61,000.00, which represents an increase greater than 25% to the original contract amount; and

WHEREAS, the City Council finds that approval of the change order is necessary to preserve the public health and safety of the general public by preventing the accumulation of animal waste within Town parks and other public places.

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

SECTION 1. The City Council hereby approves and authorizes the City Manager, or his designee, to execute a change order in the amount of \$8,970.00 to the Contract Services Agreement between the Town of Addison and SGT. Poopers, LLC for pet waste removal services.

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

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 10th day of SEPTEMBER, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, City Secretary

CONTRACT SERVICES AGREEMENT

Town of Addison Dog Waste Services

Request for Proposals # 23-121

This Contract Services Agreement ("Agreement") is made by and between the **Town of Addison, Texas** ("City"), and **SGT. Poopers, LLC** ("Contractor") (each a "party" and collectively the "parties"), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Contractor to perform certain work and services, hereinafter referred to only as "services", as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Contractor has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

On an as-needed basis upon notice to proceed by City, Contractor agrees to provide the necessary services, labor, materials, equipment and supplies related to City Request for Proposals # 23-121 for dog waste services, such services in conformance with the Contract Documents (defined below). Contractor shall not be entitled to any claim for extra services, additional services, or changes in the services, except as expressly authorized in writing in advance by City.

Section 2. Term of Agreement

The term of this Agreement shall become effective on the last date of execution hereof (the "Effective Date") and shall remain in effect for a period of one (1) year (the "Initial Term"), unless sooner terminated as provided in this Agreement. The parties may, upon mutual written agreement, renew this Agreement for up to four additional one (1) year periods (each a "Renewal Term"). City may, in its sole discretion, extend the term hereof as necessary to allow Contractor to complete work on any uncompleted work authorized by City prior to the expiration of this Agreement. Notwithstanding the foregoing, this Agreement may be sooner terminated as provided herein.

Section 3. Contract Documents

This Agreement is a part of the "Contract Documents", which include:

- (1) This Agreement, including all exhibits and addenda hereto;
- (2) City's Request for Proposals # 23-121; Alternate Bidding package, 3 days a week pricing.
- (3) City's written notice(s) to proceed to the Contractor;
- (4) Properly authorized change orders;
- (5) Contractor's Bid Proposal ("Proposal" and/or "Response"); and
- (6) Any other materials distributed by the City that relate to the services.

In the event there exists a conflict between any term, provision and/or interpretation of the Contract Documents, the documents shall take precedent and control in the order listed above in this section. If discrepancies are found that may impact the services, it shall be the Contractor's obligation to seek clarification as to which requirements or provisions control before undertaking any work on that component of the services. Should the Contractor fail or refuse to seek a clarification of such conflicting or inconsistent requirements or provisions prior to any work on that component of the services, the Contractor shall be solely responsible for the costs and expenses - including additional time - necessary to cure, repair and/or correct that component of the services.

Section 4. Contractor's Obligations

(a) Performance of Services. Contractor shall furnish and pay for all labor, tools, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Contractor may engage the services of any agents, assistants, or other persons that Contractor may deem proper to assist in the performance of the services under this Agreement; provided, that Contractor shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Standard of Care. Contractor shall perform the services with the skill and care ordinarily provided by competent Contractors practicing in the same or similar locality and under the same or similar circumstances and Contractor licenses. Contractor shall be responsible for the Contractor quality, technical accuracy, and the coordination of all services under this Agreement. Contractor shall, without additional compensation, correct or revise any errors or deficiencies in the services. Contractor shall further make, without expense to City, such revisions to the services as may be required to meet the needs of City and which are within the Scope of Services.

(c) Additional Services. Should City require additional services not included under this Agreement, Contractor shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(d) No Waiver of City's Rights. Neither City's review, approval/acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Contractor shall be and remain liable to City in accordance with applicable law for all damages to City caused by Contractor's negligent performance of any of the services furnished under this Agreement.

(e) Independent Contractor. It is understood and agreed by and between the parties that Contractor, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Contractor's actions. All services to be performed by Contractor pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Contractor shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(f) Inspection of Records. Contractor grants City and its designees the right to audit, examine or inspect, at City's election, all of Contractor's Records relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination or inspection of Contractor's Records may be performed by a City designee, which may include its internal

auditors or an outside representative engaged by City. Contractor agrees to retain Contractor's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Contractor's Records" shall include any and all information, materials and data of every kind and character generated as a result of the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Contractor's Records only during regular business hours. Contractor agrees to allow City and its designees access to all of Contractor's Records, Contractor's facilities and the current or former employees of Contractor, deemed necessary by City or its designee(s), to perform such audit, inspection or examination.

(g) Confidential Information. Contractor agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Contractor to be confidential and the exclusive property of Contractor. Notwithstanding the foregoing, Contractor acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Contractor has not notified City of such designation in conformance with this section. Contractor agrees and covenants to protect any and all proprietary rights of City in any materials provided to Contractor. Additionally, any materials provided to Contractor by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement or if instructed to do so by City. In the event City delivers to Contractor information that it has expressly marked "Confidential" or has notified Contractor is confidential or is the proprietary information of a third-party, Contractor agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than in connection with Contractor's performance of the services under this Agreement. Contractor shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights.

(h) Certification of No Conflicts. Contractor hereby warrants to the City that Contractor has made full disclosure in writing of any existing or potential conflicts of interest related to Contractor's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Contractor hereby agrees immediately to make full disclosure to the City in writing.

Section 5. Performance Schedule

(a) Time for Performance. Contractor shall perform all services as provided for under this Agreement in a proper, efficient, timely, and Contractor manner in accordance with City's requirements. In the event Contractor's performance of this Agreement is delayed or interfered with by acts of the City or others, Contractor may request an extension of time in conformance with this Section 5 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(b) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Contractor, unless Contractor shall have made written request upon City for such extension within forty-

eight (48) hours after the cause for such extension occurred, and unless City and Contractor have agreed in writing upon the allowance of additional time to be made.

Section 6. Payment.

(a) Compensation; Payment Terms. City agrees to pay Contractor for all services authorized in writing and properly performed by Contractor in general conformance with the fee schedule(s) established in the Contract Documents, subject to changes in the Scope of Services or additional services agreed upon in writing. Contractor acknowledges that the City's total budget for the services has been established in an amount not to exceed \$41,624.00 per annual term. Contractor further acknowledges that City may select one or more additional contractors to provide the services under this Agreement and that Contractor shall not be entitled to a minimum amount of compensation during the term hereof. Unless otherwise agreed by the parties, all payments to Contractor by City shall be based on detailed monthly invoices submitted by Contractor for work performed and accepted by City, less any previous payments. Payment will be due within 30 days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Contractor when, in the opinion of City, Contractor has not made satisfactory progress on any component of the services described in the Scope of Services.

(b) Deductions. City may deduct from any amounts due or to become due to Contractor any sum or sums owing by Contractor to City. In the event of any breach by Contractor of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or City's premises, arising out of Contractor's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Contractor an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Contractor.

(c) Appropriation of Funding. All 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 amount due under this Agreement unless the City appropriates funds to make such payment during the budget year in which said amount is payable; provided that during the term of this Agreement the City will take such steps as necessary to appropriate funding for the Project each fiscal year in an amount sufficient to satisfy the reasonably anticipated payment(s) that will become due to Contractor during the ensuing fiscal year. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Contractor. 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 7. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within ten (10) days written notice of default by the other party. In the event the breaching party has notified the other party in writing that it is diligently working to cure the breach and has provided reasonable evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30th) day following the non-breaching party's notice of default.

(b) Default by Contractor. In addition to default under Section 6(a) above, Contractor shall be in default under this Agreement if Contractor fails to comply or becomes disabled and unable to comply

with the provisions of this Agreement related to Contractor's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Contractor regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

- (i) Terminate this Agreement and be relieved of the payment of any further consideration to Contractor except for all services determined by City to be satisfactorily completed prior to termination. Payment for services satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Contractor to and from meetings called by City at which Contractor is required to attend, but shall not include any loss of profit of Contractor. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or
- (ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Contractor.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through work strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the parties control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating (A) how and why their performance was so prevented, (B) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (C) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 7. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Contractor.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Contractor, and in the event City and Contractor fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Contractor's services hereunder at no additional cost other than the payment to Contractor, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Contractor prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Contractor's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Contractor shall have the right to terminate this Agreement if Contractor if (i) Contractor provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 8. Insurance

Contractor shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Contractor's obligation to provide acceptable certificates of insurance is a material condition of this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required under this Agreement are maintained by and accessible through the City's purchasing department.

Section 9. Indemnification; Notice.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF CONTRACTOR PURSUANT TO THIS AGREEMENT. CONTRACTOR HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. CONTRACTOR AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF CONTRACTOR, ITS OFFICERS, DIRECTORS, SERVANTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE CONTRACTOR SHALL INDEMNIFY THE CITY INDEMNITEE TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO CONTRACTOR, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Contractor shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Contractor's acts or omissions under this Agreement and shall see to the investigation and defense of such claims or demand at Contractor's sole cost and expense; provided, that City, at its option and at its own expense, may participate in such defense without relieving Contractor of any of its obligations hereunder. Contractor's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained by Contractor under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 10. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the notice has complied with the requirements of this section.

Section 11. Verifications by Contractor

Contractor's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Contractor agrees that the Agreement can be terminated if Contractor knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Contractor's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Contractor's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 12. Miscellaneous

(a) Contractor shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Contractor shall comply with all federal, state, county and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event 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 provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining

to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For City:

TOWN OF ADDISON, TEXAS

By: _____

David Gaines, City Manager

Date: _____

6/1/23

Notice Address:

Town of Addison
Attn: David Gaines, City Manager
P.O. Box 9010
Town of Addison, Texas 75001
E: dgaines@addisontx.gov

For Contractor:

SGT. Poopers, LLC

By: _____

Steve Hall, CEO

Date: _____

5-30-2023

Notice Address:

Sgt. Poopers
Attn: Steve Hall, CEO
534 Aqua Drive
Dallas, Texas 75218
E: steve@sgtpoopers.com

SGT, POOPERS, LLC

Town of Addison

Bid 23-121

5-10-23

**Bld No. 23-121 Town of Addison Dog Waste Services to Include Removal,
Mutt Mltt Replacement and Empty Attached Trash Canisters**

ITEM NO.	UNIT	SITE	PRICE PER VISIT	YEARLY Price
Dog use areas		Monday and Friday- 2 days a week / 52 weeks a year		K2 x52
1	Each	Spruill Dog Park 2-day visit and clean up	\$52.72	\$5,483
2	Each	Addison Circle Park 2-day visit and clean up	69.49	7,227
3	Each	Loos Dog Park 2-day visit and clean up	23.96	2,492
4	Each	Morris and Artist Way 2-day visit and clean up	19.17	1,994
5	Each	Beckert Park 2-day visit and clean up	67.09	6,978
6	Each	Redding Trail Dog Park 2-day visit and clean up	31.15	3,240
7	Each	Parkview Park 2-day visit and clean up	26.36	2,741
8	Each	Bosque Park 2-day visit and clean up	23.96	2,492
			\$313.91	
			SECTION TOTAL	\$32,646
Dog use areas		Alternates - Consist of adding Wednesday to the pick-up schedule or 3 days a week / 52 weeks a year	LESS 15%	K3 x52
9	each	Spruill Dog Park 3-day visit and clean up	\$44.81	\$6,990
10	each	Addison Circle Park 3-day visit and clean up	59.07	9,215
11	each	Loos Dog Run 3-day visit and clean up	20.37	3,177
12	each	Morris and Artist Way 3-day visit and clean up	16.29	2,542
13	each	Beckert Park 3-day visit and clean up	57.03	8,897
14	each	Redding Trail Dog Park 3-day visit and clean up	26.48	4,131
15	each	Parkview Park 3-day visit and clean up	22.40	3,495
16	each	Bosque Park 3-day visit and clean up	20.37	3,177
			\$267.67	
			SECTION TOTAL	\$41,624
			TOTAL	

Dog Waste Stations and Locations



Outlined area to maintain.



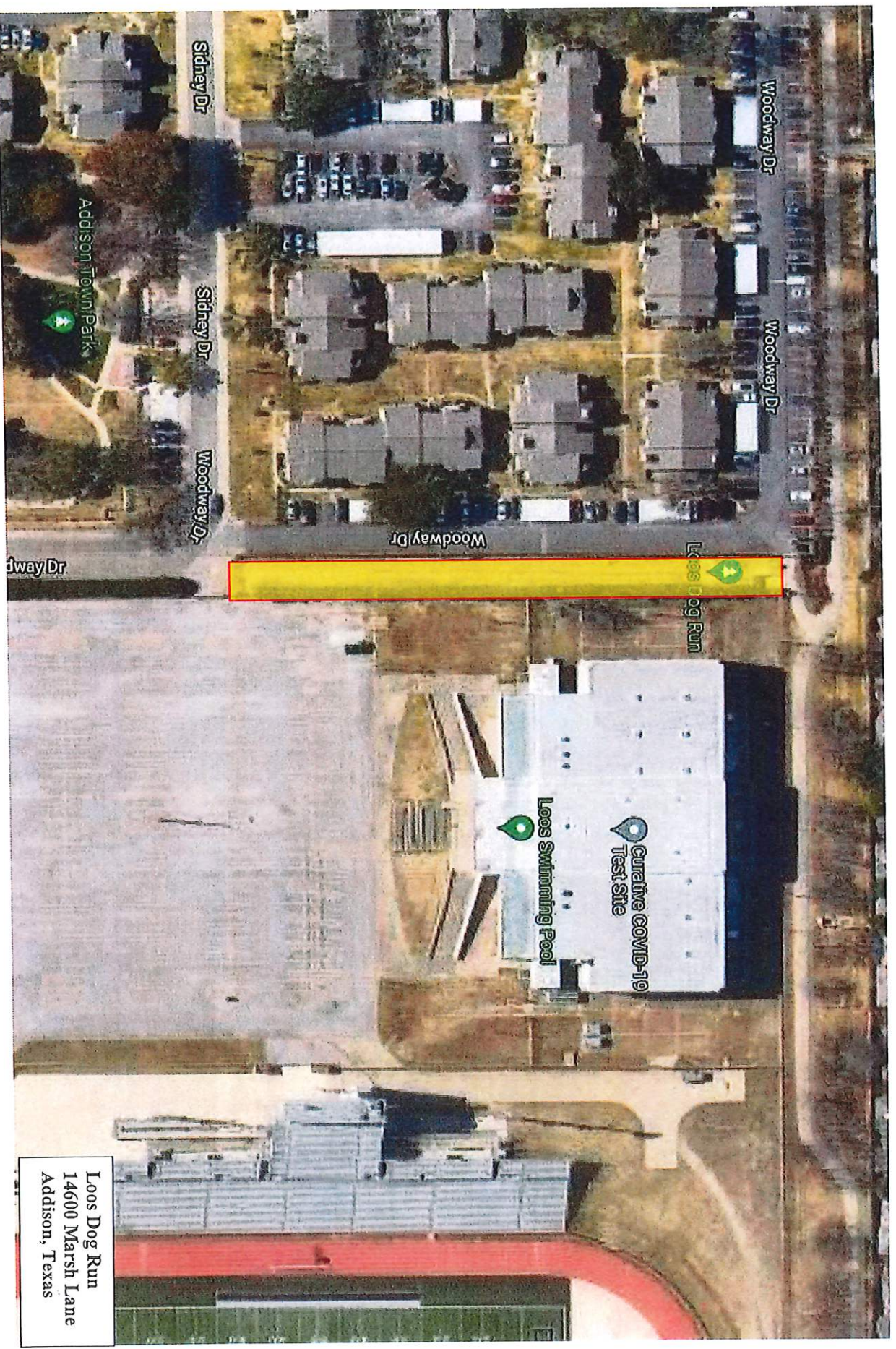
Dog Waste Stations and Locations



Outlined area to maintain.

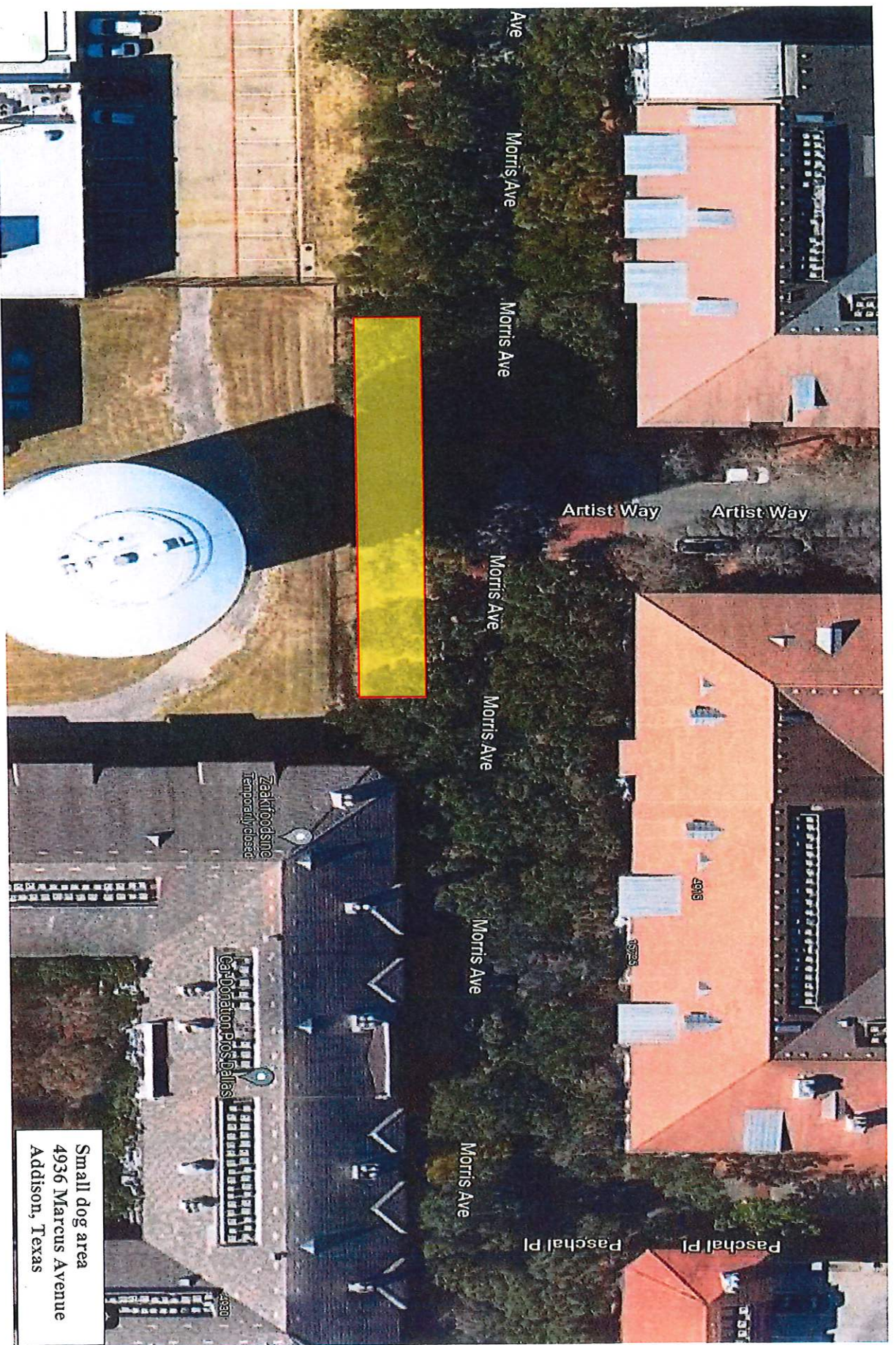


Dog Waste Stations and Locations



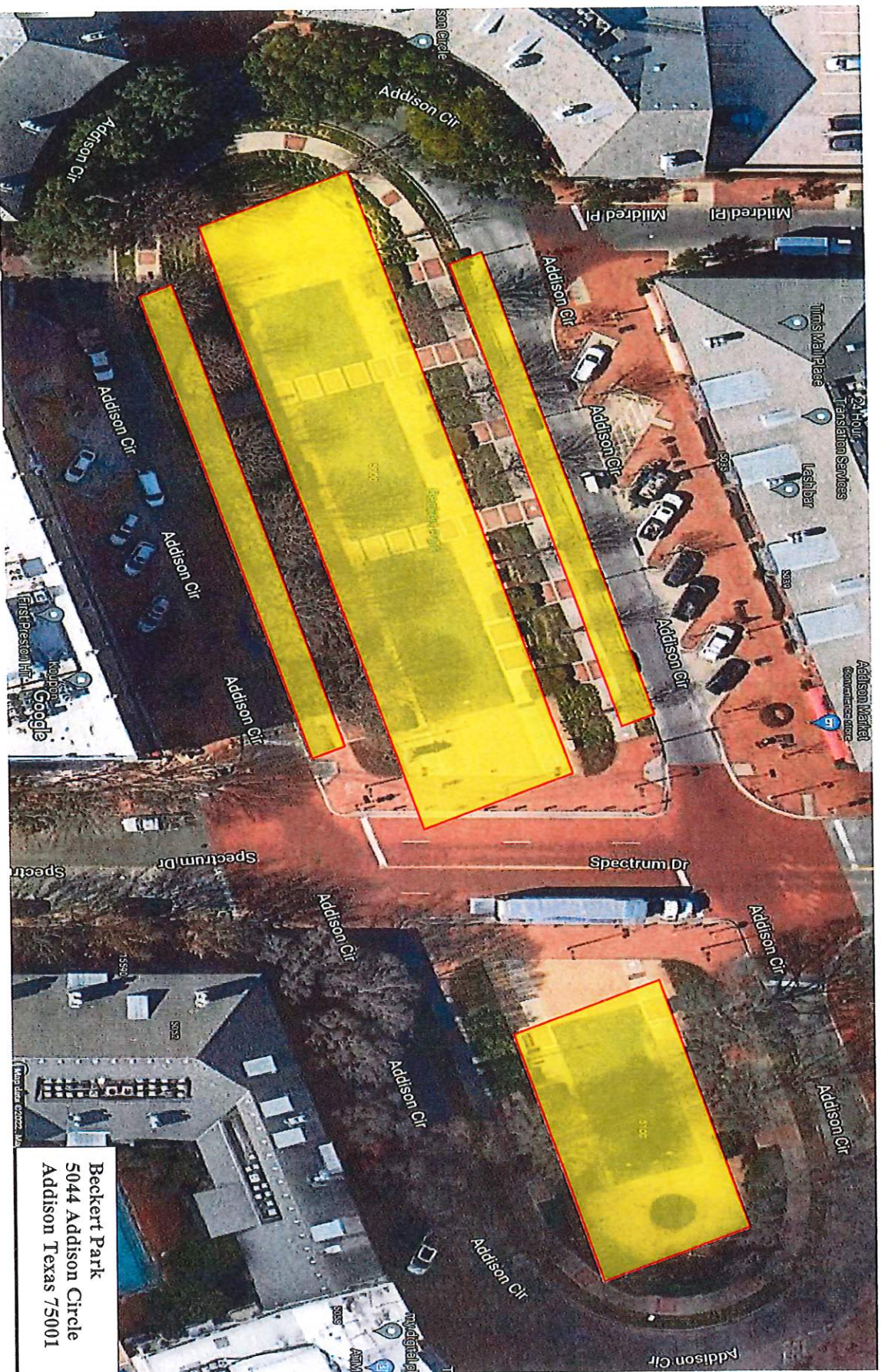
Outlined area to maintain.

Dog Waste Stations and Locations



Outlined area to maintain.

Dog Waste Stations and Locations



Outlined area to maintain.



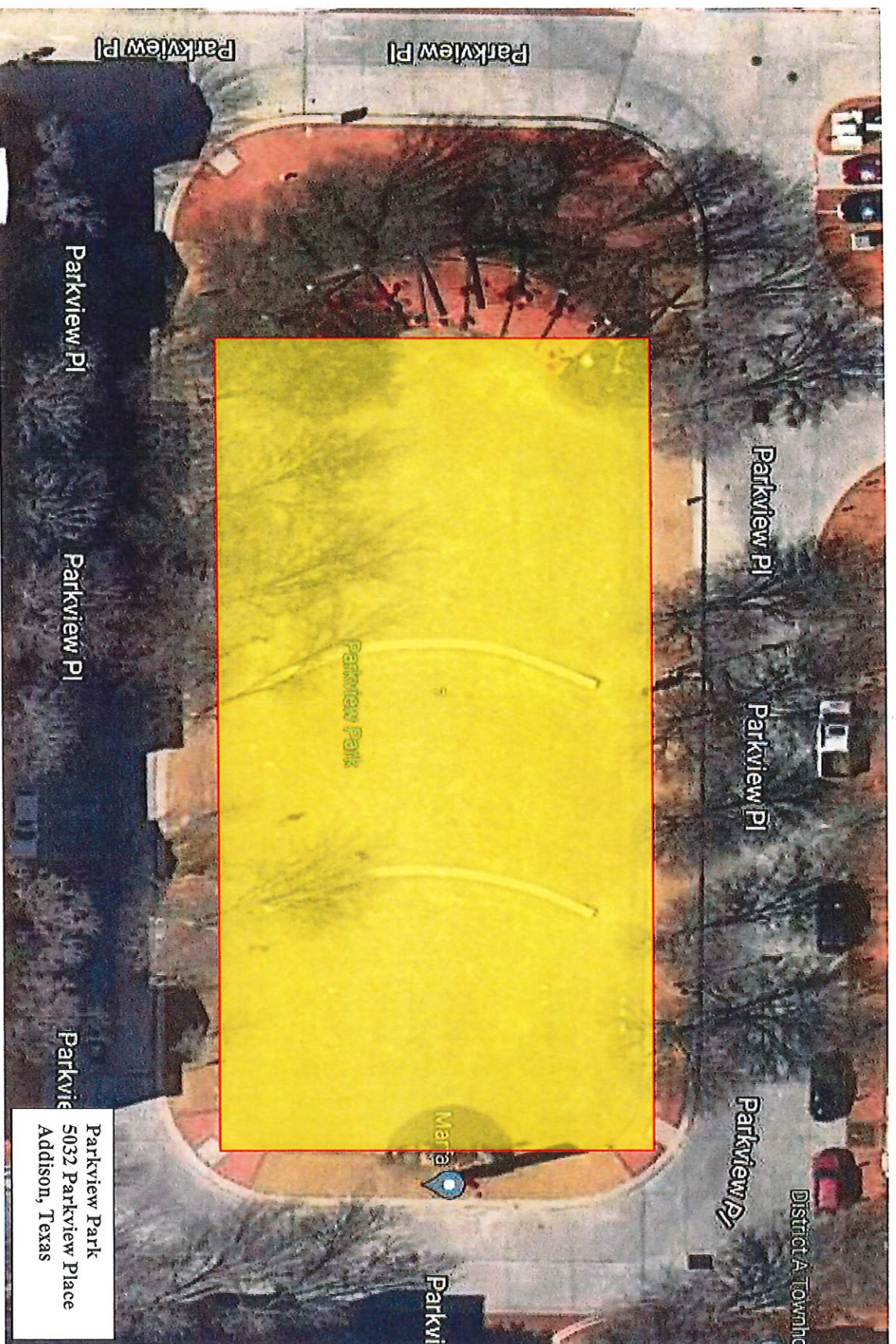
Dog Waste Stations and Locations



Outlined area to maintain.



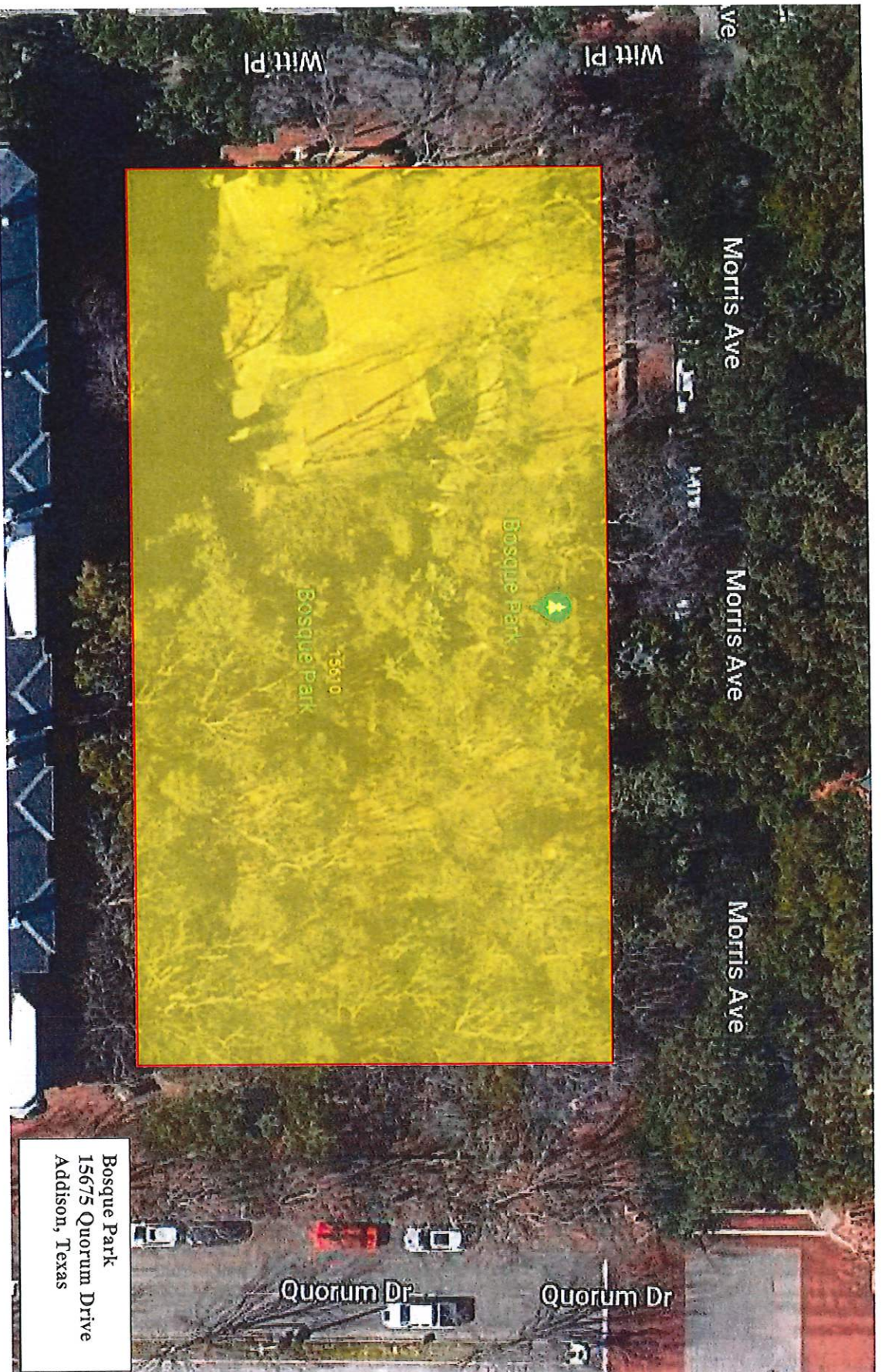
Dog Waste Stations and Locations



Outlined area to maintain.



Dog Waste Stations and Locations



Outlined area to maintain.



City Council (FY24)

4. d.

Meeting Date: 09/10/2024

Department: Parks & Recreation

Key Focus Areas: Public Safety
Infrastructure Development and Maintenance

AGENDA CAPTION:

Consider action on a Resolution authorizing and ratifying emergency storm debris cleanup expenditures arising out of the May 28, 2024 severe storm event that produced hurricane-force winds, rain and hail throughout the Town in an amount not to exceed \$150,000; and authorizing the City Manager to administer the emergency storm debris cleanup and provide an effective date.

BACKGROUND:

On the morning of May 28, 2024, severe storms with high winds and rain struck the Town of Addison, causing significant damage, extended power outages and damage to structures and trees. In response to the extensive damage caused to the urban forest in Addison, staff promptly contacted Elite Tree Service, LLC., a company with whom the town has an inter-local agreement in place for tree removal and pruning services. Given the scale of the damage, it was evident that clean-up efforts would surpass the current purchase award with Elite, necessitating a secondary agreement specifically for emergency storm clean-up.

Typically, the Town would follow a formal purchasing process and seek Council approval before authorizing additional contractor services in an amount over \$50,000. However, under the Texas Local Government Code Chapters 252.022, emergency expenditures are permissible in situations where:

- **A1** - To preserve public property.
- **A2** - To preserve, or protect, the public health or safety of municipal residents.

In this Case:

- **A1** - Immediate action was required to address fallen or split trees, hanging branches and debris to prevent further damage to trees, town buildings, site furnishings, turf and other municipal assets.
- **A2** - Urgent removal was necessary due to the safety threat posed by fallen / split trees, hanging branches and debris, which could potentially cause injury to the public. Additionally, these hazards increased the risk of flooding by clogging waterways and could also attract snakes, rodents and

other wildlife.

A resolution is presented for Council consideration to ratify actions taken to engage Elite Tree Services for emergency clean-up and securing the downed and damaged trees with a total expenditure not to exceed \$150,000.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - Emergency Storm Clean Up Expenditures

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING AND RATIFYING EMERGENCY STORM DEBRIS CLEANUP EXPENDITURES ARISING OUT OF THE MAY 28, 2024 SEVERE STORM EVENT THAT PRODUCED HURRICANE-FORCE WINDS, RAIN AND HAIL THROUGHTOUT THE TOWN IN AN AMOUNT NOT TO EXCEED \$150,000; AUTHORIZING THE CITY MANAGER TO ADMINISTER THE EMERGENCY STORM DEBRIS CLEANUP; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 28, 2024, the Town of Addison was impacted by a severe storm event (the “Storm Event”) that brought hurricane-force wind gusts, rain and hail causing downed trees and considerable damage to both public and private property throughout the Town; and

WHEREAS, immediately following the Storm Event, Town staff identified numerous unsafe conditions and hazards throughout the Town that constituted an immediate threat to the health, safety and welfare of the residents of the Town and the general public; and

WHEREAS, in response to the threat to public safety created by the Storm Event, the City Manager, by and through Town staff, engaged Elite Tree Services, LLC to provide emergency storm debris cleanup and tree removal services in conformance with Texas Local Government Code Chapter 252.022; and

WHEREAS, the City Council finds that foregoing emergency actions of the City Manager were necessary to protect and preserve the health, safety and welfare of the Town’s residents and the general public.

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

SECTION 1. The acts of the City Manager, including his designees, in engaging Elite Tree Services, LLC for emergency storm debris cleanup, including execution of all agreements related thereto in an amount not to exceed \$150,000, are hereby ratified and affirmed and shall be deemed acts which were authorized, to the extent such authorization was required, by the City Council. The City Manager is hereby authorized to take any additional actions necessary to continue to administer the same.

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

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 10th day of SEPTEMBER, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, City Secretary

City Council (FY24)

5. a.

Meeting Date: 09/10/2024

Department: Development Services

AGENDA CAPTION:

Hold a public hearing, present, discuss, and consider action on a request for a Special Use Permit (SUP) for an existing private school, Greenhill School, located at 4141 Spring Valley Road, currently zoned R-1 Single Family Dwelling and Planned Development (PD), through Ordinance 084-092, to allow a new private school building. Case 1916-SUP/Greenhill Athletic Performance Center.
(POSTPONED)

BACKGROUND:

Staff is requesting to postpone consideration of this request to the September 24, 2024 City Council Meeting.

RECOMMENDATION:

Administration recommends postponing consideration of this request to the September 24, 2024 City Council Meeting.

City Council (FY24)**5. b.****Meeting Date:** 09/10/2024**Department:** Finance**Pillars:** Gold Standard in Financial Health**Milestones:** Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

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, 2024 and ending September 30, 2025 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, and providing for emergency expenditures and expenditures as otherwise allowed by law.

BACKGROUND:

This is the second public hearing regarding the Town of Addison's Annual Budget for Fiscal Year (FY) 2025. The proposed FY 2025 budget requests an appropriation of \$114,733,281 consisting of \$102,924,148 for operating expenditures, \$10,447,675 for capital improvements, \$972,958 for transfers, and \$388,500 for one-time decision packages. Listed below is a breakdown of funds:

Fund	Expenditure Amount
General	\$50,269,389
Hotel	7,546,596
Debt Service Combined	11,818,279
Economic Development	1,477,263
Infrastructure Investment	1,500,000
Airport	11,222,071
Utility	18,721,537
Stormwater	3,308,001
Combined Replacement	3,280,600
Combined Grants	20,000
Combined Special Revenues	5,569,545
Total	\$114,733,281

Significant items in the proposed operating budget include:

- Revenues for all funds total \$108,417,636 an increase of \$0.51 million compared to the FY 2024 budget. Primary revenue sources are property tax (\$37.93 million), sales tax (\$16.17 million), hotel occupancy tax (\$5.35 million), interest and other income (\$5.66 million), rental income (\$5.90 million), and service fees (\$28.68 million).
- Staffing level of 322.6 Full-time Equivalent (FTE) positions. This is an increase of 3.3 FTE's over FY 2024.
- An employee compensation pool of 4% is included in the proposed budget as well as an increase of 5% for health insurance.

Significant decision packages include:

- \$50,000 for Day Porter Services for Town Facilities
- \$14,400 for Police Officer-in-Charge Pay
- \$10,000 for Police Field Training Officer Pay
- \$10,000 for Police Community Outreach
- \$76,236 for the addition of two City observed holidays
- (\$4,000) for Development Services Abatement Services
- \$2,700 for Recreation Programming
- \$27,986 to make the Volunteer Coordinator a full-time position – 0.3 Full Time Equivalent position
- \$108,247 for a Tourism Coordinator position funded by TPID Administrative Fees – 1.0 Full Time Equivalent position
- \$116,560 for a Senior Communications Specialist position offset by increased hotel taxes from the TPID creation - 1.0 Full Time Equivalent position
- \$138,409 for a Theatre Manager position as recommended by the Theatre vision study - 1.0 Full Time Equivalent position
- \$30,000 for major Theatre projects funding
- \$175,000 for Kellway Pump Station Maintenance
- \$25,000 for a contracted Flood Plain Administrator
- \$163,375 for a Construction Inspector – 1.0 Full Time Equivalent Position
- \$110,000 for Airport GIS Contractual Services
- \$37,000 for an Airport vehicle replacement
- \$15,000 for EMS training
- \$196,000 for Parks Planned Asset Replacement
- \$30,000 for mental health screenings for Fire Department
- \$100,000 for Neighborhood Vitality Grant Funding
- \$156,000 for Local Trail Connection and Park Schematic Design
- \$248,000 for Wayfinding Signage Master Plan

The FY 2025 proposed capital improvements budget totals \$51.02 million. Significant projects include:

- Vitruvian West Streetscape and Bella Lane Extension (\$0.90 million)
- Improvements to Existing Buildings (\$0.62 million)
- Keller Springs Reconstruction (\$8.00 million)
- Les Lacs Pond Improvements (\$4.38 million)
- Vitruvian Park Phase 6, Block 301, 302, and 303 Improvements (\$1.90 million)
- Quorum Drive Reconstruction (\$10.00 million)
- Monfort Drive Reconstruction (\$4.19 million)
- Beltway Drive Trail (\$1.70 million)
- Airport Road Reconstruction (\$3.40 million)
- North Texas Emergency Communications (NTECC) Facility (\$0.20 million)
- AAC Outdoor Pool Restrooms/Perimeter Fence Renovations (\$0.60 million)
- Westgrove & Quorum Bicycle Lanes and Airport Viewing Area (\$0.56 million)
- Police and Courts Facility (\$3.50 million)
- Severine Center Lobby Renovations (\$0.23 million)
- Arapaho Road/Surveyor Boulevard and Systemwide Traffic Signal Improvements (\$0.22 million)
- Conference Center Renovations (\$1.50 million)
- AMI Water Meter Modernization (\$3.15 million)
- Celestial Pump Station Bathroom Addition (\$0.05 million)
- Addison Circle Tower Driveway (\$0.23 million)
- Reconstruction of Jimmy Doolittle Drive (\$1.00 million),
- Eastside Airport Service Road Reconstruction (\$1.49 million),
- Airport Regulated Garbage Utility Building (\$0.28 million),
- Airport Fuel Storage Expansion (\$3.37 million)
- 4533 Glenn Curtiss (U2) Road Replacement (\$0.15 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 23, 2024.

The Fiscal Year 2025 budget can be found at the following link on the Town's website: <https://addisontexas.net/finance/budget>

RECOMMENDATION:

Administration recommends approval.

Attachments

Presentation - FY25 Budget 2nd Public Hearing

Ordinance - FY25 Budget 2nd Public Hearing

Notice of Public Hearing Advertisement



Building BLOCKS *of Tomorrow*

September 10, 2024

2nd Budget Public
Hearing

Steven Glickman, CFO

PROPOSED BUDGET

Changes



- **General Fund**

- Metrocrest Services increased \$23,068 for homelessness outreach
- Increased sales tax revenue \$15,000 to maintain a structurally sound budget

- **Economic Development Fund**

- Removed the Employee Meal Voucher Program - \$200,000

- **Airport Fund**

- Removed increases to fuel flowage fees - \$169,520

STAFFING

Summary



	2021	2022	2023	2024	2025
General Fund	232.8	231.2	234.7	243.0	240.5
Hotel Fund	9.0	9.0	10.5	11.5	14.8
Economic Dev. Fund	4.0	4.0	4.0	3.0	3.0
Airport Fund	19.6	20.4	20.4	20.6	22.1
Utility Fund	27.4	28.2	28.2	28.7	28.7
Stormwater Fund	4.0	5.0	5.0	8.5	9.5
Capital Proj. Fund	3.0	3.0	4.0	4.0	4.0
TOTAL	299.8	300.8	306.8	319.3	322.6

DECISION PACKAGES

General Fund



Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
Police	Officer-in-Charge (OIC) Pay	-	\$14,400	\$-	\$-	\$14,400
Police	Field Training Officer (FTO) Pay	-	\$10,000	\$-	\$-	\$10,000
Police	Community Outreach	-	\$10,000	\$-	\$-	\$10,000
Human Resources ⁽¹⁾	Add Two City Observed Holidays	-	\$76,236	\$-	\$-	\$76,236
Fire	Vehicle Mounted and Helmet Cameras (Recurring Cost)	-	\$2,000	\$-	\$-	\$2,000
Development Services	Abatement Services	-	\$36,000	\$-	(\$40,000)	(\$4,000)
Recreation	Recreation Programming	-	\$17,500	\$-	(\$14,800)	\$2,700
General Services	Day Porter Services	-	\$50,000	\$-	\$-	\$50,000
TOTAL		-	\$214,136	\$-	(\$54,800)	\$159,336

⁽¹⁾ Overtime budgeted in Police and Fire Department's FY2025 budget.

DECISION PACKAGES

Hotel Fund



ADDISON

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
Special Events	Part-Time to Full-Time Volunteer Coordinator	0.30	\$27,986	\$-	\$-	\$27,986
Tourism	Tourism Coordinator	1.00	\$108,247	\$-	(\$150,000)	(\$41,753)
Theatre Centre	Theatre Manager	1.00	\$138,409	\$250	\$-	\$138,659
Theatre Centre	Major Theatre Capital Funding	-	\$30,000	\$-	\$-	\$30,000
Marketing	Senior Communications Specialist	1.00	\$116,560	\$2,700	(\$105,000)	\$14,260
	TOTAL	3.30	\$421,202	\$2,950	(\$255,000)	\$169,152

DECISION PACKAGES

Self-Funded Special Projects Fund



Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
Fire	Mental Health Screening for AFD Members	-	\$30,000	-	-	\$30,000
Fire	Recurring Utilization of TASSPP Funds for EMS Training	-	\$15,000	-	-	\$15,000
Development Services	Neighborhood Vitality Grant Funding	-	\$-	\$100,000	\$-	\$100,000
Parks	Parks Planned Asset Replacement	-	\$-	\$196,000	\$-	\$196,000
Parks	Wayfinding Signage	-	\$-	248,900	\$-	\$248,900
Parks	Local Trail & Park Schematic Design– Montfort Dr.	-	\$-	\$156,000	\$-	\$156,000
	TOTAL	-	\$45,000	\$700,900	\$-	\$745,900

DECISION PACKAGES

Streets Self-Funded Projects Fund



Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
Streets	Belt Line and Addison Rd. Crack Seal	-	\$-	\$375,000	\$-	\$375,000
Streets	Master Transportation Plan Update	-	\$-	\$130,000	\$-	\$130,000
Streets	Town-Wide Traffic Counts	-	\$-	\$65,000	\$-	\$65,000
Streets	Streets Preventative Maintenance	-	\$-	\$125,000	\$-	\$125,000
	TOTAL	-	\$-	\$695,000	\$-	\$695,000

DECISION PACKAGES

Enterprise Funds



Fund	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
Airport Fund	Airport GIS Contract	-	\$-	\$110,000	\$-	\$110,000
Airport Fund	Airport Vehicle Replacement	-	\$-	\$37,000	\$-	\$37,000
Stormwater Fund	Construction Inspector	1.00	\$96,875	\$66,500	\$-	\$163,375
Stormwater Fund	Floodplain Administrator (Outsourced)	-	\$25,000	\$-	\$-	\$25,000
Utility Fund	Kellway Pump Station Maintenance Work	-	\$-	\$175,000	\$-	\$175,000
	TOTAL	1.00	\$121,875	\$388,500	\$-	\$510,375

DECISION PACKAGES

Internal Service Funds



Fund	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Net Total Cost
IT Replacement Fund (General Services)	Security Enhancements	-	\$-	\$150,000	\$-	\$150,000
IT Replacement Fund (Fire)	Vehicle and Helmet Mounted Cameras	-	\$-	\$25,000	\$-	\$25,000
IT Replacement Fund (Recreation)	Install Public Address and Music System	-	\$-	\$80,000	\$-	\$80,000
	TOTAL	-	\$-	\$255,000	\$-	\$255,000

CAPITAL IMPROVEMENT PROGRAM

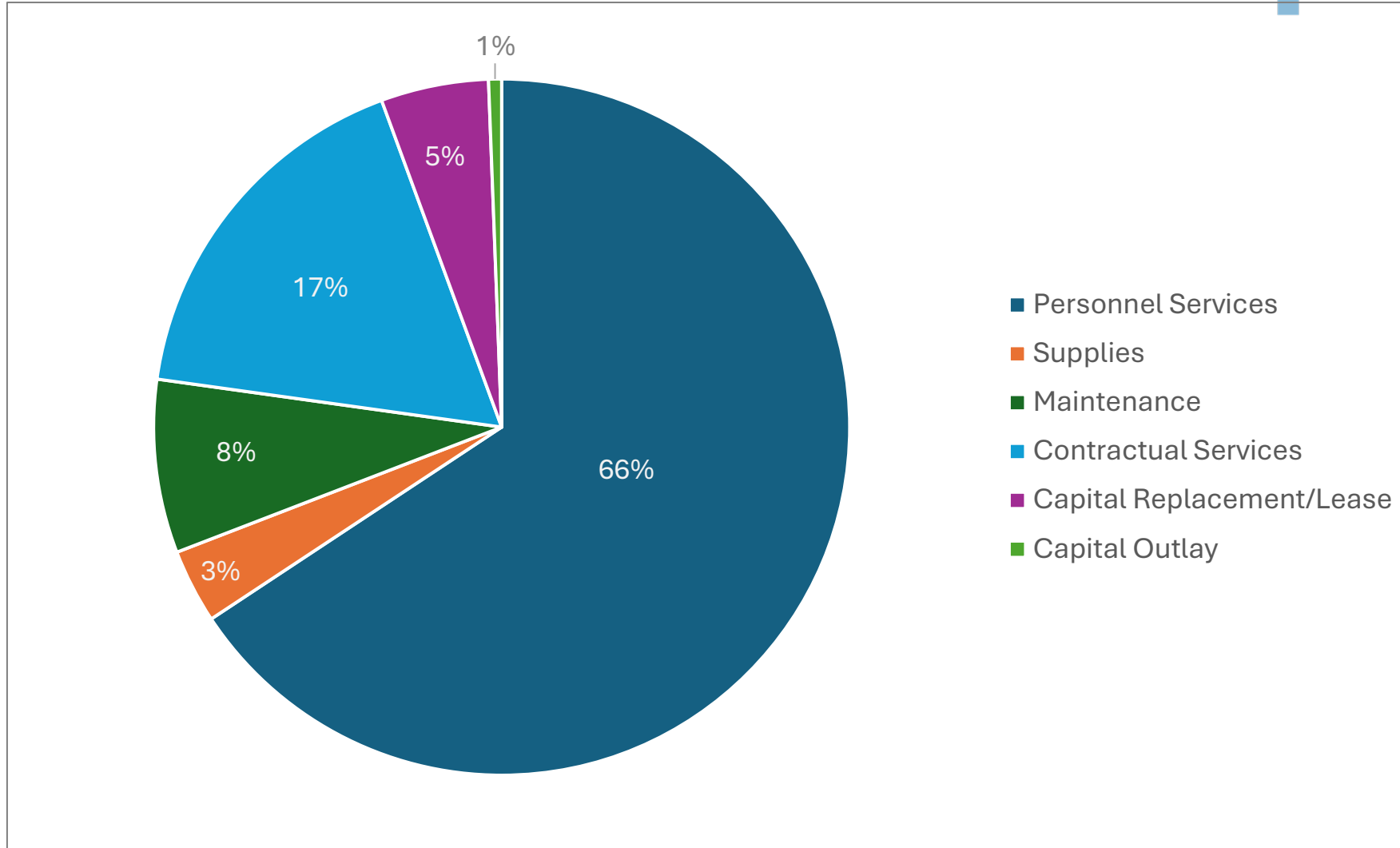
Requests



Department	Program Title	Proposed FY25	Proposed FY26	Proposed FY27	Project Total
Parks	Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	\$563,900	\$1,600,000	-	\$2,163,900
Recreation	AAC Outdoor Pool Restrooms/Perimeter Fence Renovations	\$60,000	\$216,300	-	\$276,300
Airport	4533 Glenn Curtiss (U2) Roof Replacement	\$150,000	-	-	\$150,000
Airport	Airport Fuel Storage Expansion	\$3,336,000	\$11,334,000	-	\$14,670,000
Utilities	AMI Water Meter Modernization	\$3,150,000	-	-	\$3,150,000
Utilities	Celestial Pump Station Bathroom Addition	\$45,000	-	-	\$45,000
Utilities	ACT Access Driveway	\$225,000	-	-	\$225,000
	TOTAL	\$7,529,900	\$13,150,300	-	\$20,680,200

GENERAL FUND EXPENDITURES

by Type



GENERAL FUND

Budget



	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
BEGINNING BALANCES	\$ 20,515,381	\$ 20,682,959	\$ 20,682,959	\$ 20,799,755
REVENUES:				
Ad valorem Taxes	\$ 22,739,622	\$ 24,841,151	\$ 24,841,151	\$ 25,465,206
Non-Property Taxes	18,022,335	16,500,000	17,800,000	17,465,000
Franchise Fees	2,125,941	2,060,000	2,092,659	2,055,000
Licenses and Permits	1,219,541	1,109,500	1,385,500	1,210,700
Service Fees	2,132,772	2,442,350	2,274,495	2,726,319
Fines and Penalties	391,711	330,000	330,000	335,000
Rental Income	8,340	8,600	8,600	8,600
Interest and Other Income	513,924	872,500	1,251,785	1,007,500
TOTAL OPERATIONAL REVENUE	\$ 47,154,186	\$ 48,164,101	\$ 49,984,190	\$ 50,273,325
Transfers from other funds	4,469	-	-	-
Other Financing Sources - Leases	113,522	-	-	-
TOTAL REVENUES	\$ 47,272,177	\$ 48,164,101	\$ 49,984,190	\$ 50,273,325
TOTAL AVAILABLE RESOURCES	\$ 67,787,558	\$ 68,847,060	\$ 70,667,149	\$ 71,073,080

GENERAL FUND

Budget



	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
EXPENDITURES:				
Personnel Services	\$ 28,162,382	\$ 31,772,445	\$ 31,505,889	\$ 33,016,516
Supplies	1,694,706	1,599,271	1,621,676	1,728,719
Maintenance	3,429,870	3,915,817	3,823,237	4,047,164
Contractual Services	8,564,114	8,601,805	8,441,723	8,660,210
Capital Replacement / Lease	1,798,774	2,136,863	2,118,511	2,513,511
Capital Outlay	415,821	129,663	356,358	303,269
Debt Service	38,932	-	-	-
TOTAL OPERATIONAL EXPENDITURES	\$ 44,104,599	\$ 48,155,864	\$ 47,867,394	\$ 50,269,389
Transfer to Self-Funded Projects Fund	3,000,000	-	2,000,000	-
TOTAL EXPENDITURES	\$ 47,104,599	\$ 48,155,864	\$ 49,867,394	\$ 50,269,389
NET INCREASE/(DECREASE)	\$ 167,578	\$ 8,237	\$ 116,796	\$ 3,936
ENDING FUND BALANCES	\$ 20,682,959	\$ 20,691,196	\$ 20,799,755	\$ 20,803,691
Fund Balance Percentage	46.9%	43.0%	43.5%	41.4%

HOTEL FUND

Budget



	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
BEGINNING BALANCES	\$ 4,641,300	\$ 4,106,831	\$ 5,330,207	\$ 5,294,485
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 5,683,639	\$ 5,250,000	\$ 5,250,000	\$ 5,355,000
Proceeds from Special Events	1,222,856	1,127,000	1,127,000	1,616,000
Rental Income	145,534	70,000	90,000	160,000
Interest Earnings and Other	41,714	75,100	150,100	275,000
TOTAL OPERATIONAL REVENUE	\$ 7,093,743	\$ 6,522,100	\$ 6,617,100	\$ 7,406,000
TOTAL REVENUES	\$ 7,093,743	\$ 6,522,100	\$ 6,617,100	\$ 7,406,000
TOTAL AVAILABLE RESOURCES	\$ 11,735,043	\$ 10,628,931	\$ 11,947,307	\$ 12,700,485
EXPENDITURES:				
Marketing and Tourism	\$ 999,701	\$ 1,715,393	\$ 1,712,378	\$ 1,989,451
Addison Theatre Centre	758,959	701,541	698,866	915,874
Major Special Events	2,529,784	2,715,937	2,715,937	2,720,572
Special Events Operations	798,549	954,888	931,453	1,135,478
Vitruvian Events	185,000	185,000	185,000	185,000
General Hotel Operations	364,843	463,302	409,188	600,221
TOTAL OPERATIONAL EXPENDITURES	\$ 5,636,836	\$ 6,736,061	\$ 6,652,822	\$ 7,546,596
Transfer to Economic Development Fund	768,000	-	-	-
TOTAL EXPENDITURES	\$ 6,404,836	\$ 6,736,061	\$ 6,652,822	\$ 7,546,596
ENDING FUND BALANCES	\$ 5,330,207	\$ 3,892,870	\$ 5,294,485	\$ 5,153,889
Fund Balance Percentage	94.6%	57.8%	79.6%	68.3%

AIRPORT

Fund



ADDISON

	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
BEGINNING WORKING CAPITAL	\$ 8,118,409	\$ 6,537,015	\$ 8,396,470	\$ 8,173,656
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 136,133	\$ 2,671,260
Service Fees	1,357,603	1,394,180	1,394,900	1,485,140
Rental Income	5,618,212	5,686,105	5,698,025	5,733,487
Interest and Other Income	262,033	125,000	476,214	220,700
TOTAL OPERATIONAL REVENUE	\$ 7,287,848	\$ 7,255,285	\$ 7,705,272	\$ 10,110,587
 TOTAL AVAILABLE RESOURCES	 \$ 15,406,257	 \$ 13,792,300	 \$ 16,101,742	 \$ 18,284,243
EXPENSES:				
Personnel Services	\$ 2,498,561	\$ 2,735,486	\$ 2,735,486	\$ 2,964,581
Supplies	41,994	36,587	31,217	55,873
Maintenance	688,500	750,462	714,890	693,126
Contractual Services	1,027,345	1,376,399	1,374,988	1,507,327
Capital Replacement / Lease	232,928	157,928	157,928	242,928
Debt Service	708,067	1,073,541	1,073,541	874,709
Capital Outlay	-	-	-	-
TOTAL OPERATIONAL EXPENSES	\$ 5,197,395	\$ 6,130,403	\$ 6,088,050	\$ 6,338,544
 Transfer to Debt Service Fund	 508,966	 469,344	 469,344	 528,527
One-Time Decision Packages	-	-	-	147,000

AIRPORT

Fund

ADDISON

	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Capital Projects (Cash Funded)				
Bravo/Golf Taxiway Improvements	1,067,528	-	-	-
Runway 15/33 Redesignation / Taxiway Alpha Rejuv.	-	-	85,250	-
Facility Repairs and Improvements	-	-	-	-
Airport Regulated Garbage Utility Building	-	275,000	-	275,000
West Perimeter Fencing Improvemnts	-	65,500	65,500	-
Wiley Post Building Improvements	-	120,000	120,000	-
Wiley Post Parking Lot Reconstruction	-	150,000	150,000	-
Metal Hangar Roof Replacements	-	-	170,170	-
Developer Participation Agreement - Sky Squared	-	-	315,000	-
Developer Participation Agreement - Atlantic Aviation	-	625,860	-	-
Developer Participation Agreement - Sky Harbour	-	75,000	250,000	-
Developer Participation Agreement - Tango Whiskey	-	250,000	-	250,000
Developer Participation Agreement - Million Air	-	-	-	250,000
Developer Participation Agreement - Westgrove Air Plaza	-	-	-	250,000
Airport Fuel Storage Expansion	89,460	-	198,800	2,000,000
License Plate Recognition and Optical Camera System Expansion	25,410	-	-	-
Jimmy Doolittle Drive Reconstruction	121,028	-	15,972	-
Eastside Airport Service Road Reconstruction	-	-	-	1,033,000
4533 Glenn Curtiss (U2) Roof Replacement	-	-	-	150,000
TOTAL EXPENSES	\$ 7,009,787	\$ 8,161,107	\$ 7,928,086	\$ 11,222,071
ENDING WORKING CAPITAL	\$ 8,396,470	\$ 5,631,193	\$ 8,173,656	\$ 7,062,172
Working Capital Percentage	161.6%	91.9%	134.3%	111.4%

STORMWATER

Fund

ADDISON

	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
BEGINNING WORKING CAPITAL	\$ 9,449,966	\$ 8,101,159	\$ 8,657,555	\$ 7,808,368
REVENUES:				
Licenses and Permits	\$ 2,550	\$ -	\$ -	\$ -
Drainage Fees	2,548,749	2,575,000	2,575,000	2,600,000
Interest and Other Income	262,282	150,000	250,000	200,000
TOTAL OPERATIONAL REVENUE	\$ 2,813,581	\$ 2,725,000	\$ 2,825,000	\$ 2,800,000
TOTAL AVAILABLE RESOURCES	\$ 12,263,547	\$ 10,826,159	\$ 11,482,555	\$ 10,608,368
EXPENSES:				
Personnel Services	\$ 431,595	\$ 741,366	\$ 741,366	\$ 942,468
Supplies	49,558	38,999	29,900	30,400
Maintenance	331,020	615,052	614,358	620,549
Contractual Services	333,979	214,846	214,846	257,200
Capital Replacement / Lease	10,000	25,000	25,000	50,000
Debt Service	493,199	489,590	489,590	896,453
Capital Outlay	58,866	-	-	-
TOTAL OPERATIONAL EXPENSES	\$ 1,708,217	\$ 2,124,853	\$ 2,115,060	\$ 2,797,070
Transfer to Debt Service Fund	400,439	406,196	406,196	444,431
One-Time Decision Packages	-	1,061,000	1,061,000	66,500
Capital Projects (Cash Funded)				
Rawhide Creek Basin Improvements - Les Lacs Area	1,327,427	-	91,931	-
Keller Springs Reconstruction	-	2,800,000	-	-
Winnwood Road Bridge Class Culvert Outlet Armoring	169,909	-	-	-
TOTAL EXPENSES	\$ 3,605,992	\$ 6,392,049	\$ 3,674,187	\$ 3,308,001
ENDING WORKING CAPITAL	\$ 8,657,555	\$ 4,434,110	\$ 7,808,368	\$ 7,300,367
Working Capital Percentage	506.8%	208.7%	369.2%	261.0%

UTILITY

Fund



ADDISON

	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
BEGINNING WORKING CAPITAL	\$ 7,056,949	\$ 7,164,062	\$ 8,430,079	\$ 8,906,359
REVENUES:				
Water Sales	\$ 9,437,297	\$ 8,832,590	\$ 8,930,630	\$ 9,440,658
Sewer Charges	6,647,135	7,011,910	7,100,399	7,505,903
Tap Fees & Other	119,263	10,324	50,000	50,000
Penalties	118,932	93,711	105,000	105,000
Interest and Other Income	256,270	157,422	257,422	232,422
TOTAL OPERATIONAL REVENUE	\$ 16,578,897	\$ 16,105,957	\$ 16,443,451	\$ 17,333,983
TOTAL AVAILABLE RESOURCES	\$ 23,635,846	\$ 23,270,019	\$ 24,873,530	\$ 26,240,342
EXPENSES:				
Personnel Services	\$ 2,637,852	\$ 3,048,220	\$ 2,870,560	\$ 3,202,074
Supplies	221,181	238,671	237,930	227,105
Maintenance	999,166	925,922	997,874	1,167,009
Contractual Services				
Water Purchases	4,424,647	4,620,482	4,620,482	4,976,098
Wastewater Treatment	3,909,952	3,950,773	3,950,773	4,310,865
Other Services	1,280,065	1,282,972	1,338,798	1,529,332
Capital Replacement / Lease	206,584	206,584	206,584	166,584
Debt Service	1,526,320	1,744,170	1,744,170	1,747,470
Capital Outlay	-	-	-	-
TOTAL OPERATIONAL EXPENSES	\$ 15,205,767	\$ 16,017,794	\$ 15,967,171	\$ 17,326,537
One-Time Decision Packages	-	175,000	-	175,000
Capital Projects (Cash Funded)				
Beltway Drive/Belt Line Road Water Main Replacement	-	79,000	-	-
AMI Water Meter Modernization	-	-	-	950,000
Celestial Pump Station Bathroom Addition	-	-	-	45,000
Addison Circle Tower Driveway	-	-	-	225,000
TOTAL EXPENSES	\$ 15,205,767	\$ 16,271,794	\$ 15,967,171	\$ 18,721,537
ENDING WORKING CAPITAL	\$ 8,430,079	\$ 6,998,225	\$ 8,906,359	\$ 7,518,805
Working Capital Percentage	55.4%	43.7%	55.8%	43.4%

CIP

Summary



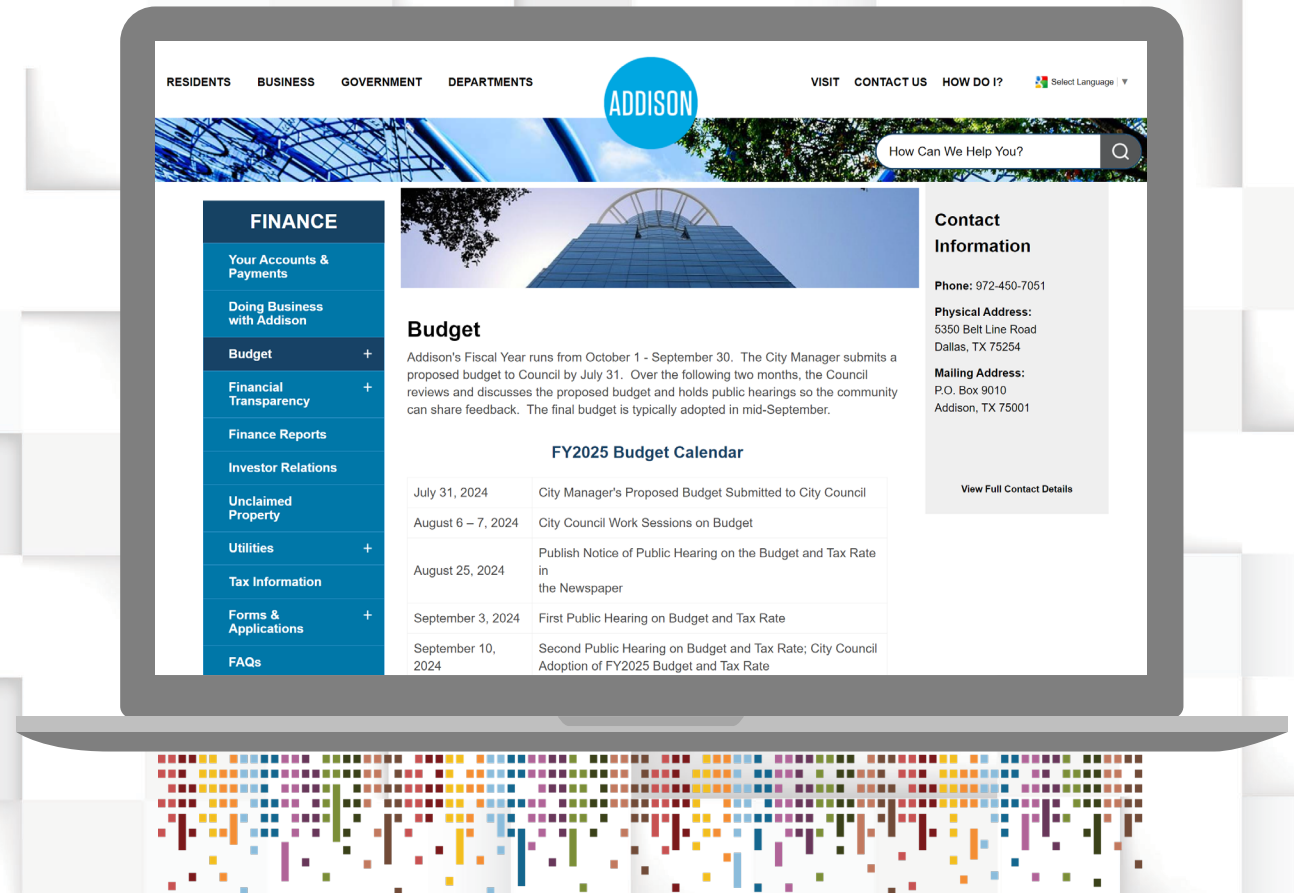
	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
FUNDS						
General Obligation & Cert. of Obligation	\$25,132,162	\$11,138,239	\$37,331,109	\$32,827,706	\$ 7,000,000	\$113,429,216
State Infrastructure Bank Loans	-	22,187,000	22,413,000	-	-	44,600,000
Self-Funded Special Projects Fund	184,210	507,200	393,800	-	-	1,085,210
Streets Self-Funded Fund	500,000	3,519,675	4,320,000	-	-	8,339,675
General Grant Funds	-	-	3,243,450	-	-	3,243,450
Infrastructure Investment Fund	2,441,073	1,500,000	-	-	-	3,941,073
Utility Certificates of Obligation	3,379,333	2,200,000	1,153,600	900,000	2,987,800	10,620,733
Utility Fund Cash Reserves	-	1,220,000	155,000	-	166,000	1,541,000
Stormwater Certificates of Obligation	40,369	2,500,000	2,800,000	-	-	5,340,369
Stormwater Fund Cash Reserves	91,931	-	-	-	-	91,931
Airport Fund Certificates of Obligation	1,050,000	2,786,000	10,039,000	-	-	13,875,000
Airport Fund Grant Funds	11,082,752	-	108,000	1,008,000	-	12,198,752
Airport Fund Cash Reserves	716,232	3,458,000	1,307,000	112,000	-	5,593,232
TOTAL	\$ 44,618,062	\$ 51,016,114	\$ 83,263,959	\$ 34,847,706	\$ 10,153,800	\$ 223,899,641

TOWN OF ADDISON

FY 2024-25 Budget

For more information visit the Town of
Addison Budget webpage.

<https://addisontexas.net/finance/budget>



QUESTIONS?

(this ordinance must be approved
by a roll call vote)

ORDINANCE NO. O-24-_____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS APPROVING AND ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025, 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; PROVIDING FOR A REPEAL CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the Charter and State law, the City Manager of the Town of Addison, Texas (“City”) has heretofore filed with the City Secretary a proposed budget for the City covering the fiscal year beginning October 1, 2024 and ending September 30, 2025; and

WHEREAS, the City, in accordance with applicable law, posted the proposed budget on its internet website and made the same available for inspection by any person, and held two public hearings regarding the proposed budget and provided notice of such public hearings, and during the public hearings on the budget, all interested persons were given the opportunity to be heard for or against any item contained in said budget, and all said persons were heard, after which the public hearings were closed; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be approved and adopted.

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 into this Ordinance and made a part hereof for all purposes.

SECTION 2. That the budget for the Town of Addison, Texas for the Fiscal Year beginning October 1, 2024 and ending September 30, 2025, a true and correct copy of which is attached to this Ordinance as **Exhibit A**, is hereby adopted and approved. As set forth in the said budget, the sum of \$114,733,281 is hereby appropriated for budget expenditures and expenditures during the fiscal year shall be made in accordance with the budget approved by this Ordinance unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 3. The budget as adopted hereby shall be deemed the official budget for the Town of Addison, Texas for the said fiscal year and a copy of the same attached hereto and marked as “**Exhibit A**” shall be filed and kept on file with the City Secretary, shall be posted on the City’s internet website, shall be filed with the Dallas County Clerk and the State Comptroller of Public Accounts at Austin in accordance with the Town Charter and state law, and shall be open to inspection by any interested persons. In addition, the record vote of each member of the City

Council by name voting on the adoption of the budget shall be posted on the City's internet website until the first anniversary of the date the budget is adopted.

SECTION 4. Pursuant to state law, no expenditure of the funds of the City shall hereafter be made except in compliance with the budget and applicable state law; provided, however, that in case of grave public necessity, emergency expenditures to meet unusual and unforeseen conditions, which could not by reasonable, diligent thought and attention have been included in the original budget, may from time to time be authorized by the City Council as amendments to the original budget. Pursuant to the City's Charter and state law, the Council may make emergency appropriations to address a public emergency affecting life, health, property or the public peace and other appropriations as authorized thereby.

SECTION 5. Funds for the capital improvements listed for FY2025 are hereby appropriated and the entire Capital Improvements Plan for fiscal year ending 2025 is hereby adopted. As set forth in the said budget, the sum of \$51,016,114 is hereby appropriated for capital improvements and expenditures during the fiscal year shall be made in accordance with the budget approved by this Ordinance unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 6. The cover page for the budget attached to this Ordinance, that includes the property tax rates for the current fiscal year, including (a) the property tax rate, (b), the no-new revenue tax rate, (c) the no-new revenue maintenance and operations tax rate, (d) the voter-approval tax rate, and (e) the debt service rate, shall be and is hereby filed with the City Secretary and shall be posted on the City's internet website.

SECTION 7. All ordinances of the City in conflict with the provisions of this Ordinance be, and the same are hereby repealed and all other ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 8. The sections, paragraphs, sentences, phrases, and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, or word in this Ordinance or application thereof to any person or circumstance is held invalid, void, unlawful or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, voidness, unlawfulness or unconstitutionality, which remaining portions shall remain in full force and effect.

SECTION 9. This Ordinance shall become effective from and after its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the **10th** day of **SEPTEMBER** 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

EXHIBIT A

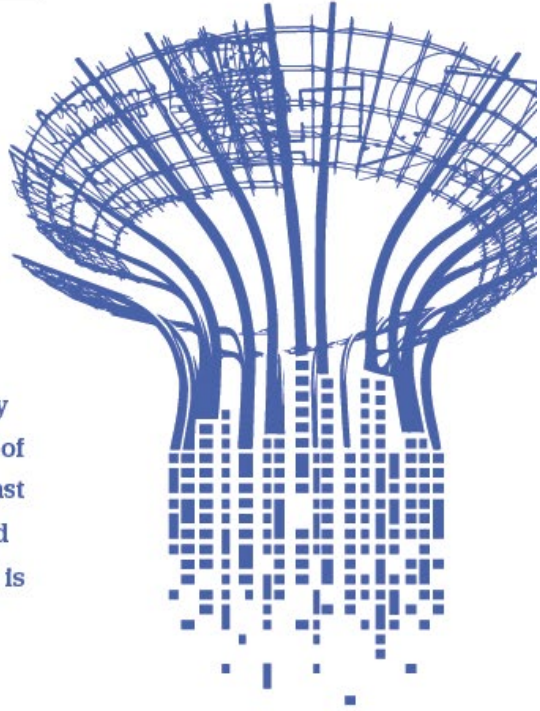


Town of Addison
FY2025
ADOPTED BUDGET

EXHIBIT A

TOWN OF ADDISON

Budget Cover Page



FISCAL YEAR 2024-2025

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,857,704 which is a 5.1 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$417,004.

The members of the governing body voted on the budget as follows:

For

Headline

None

Against

None

Present and Not Voting

None

Absent

None

EXHIBIT A



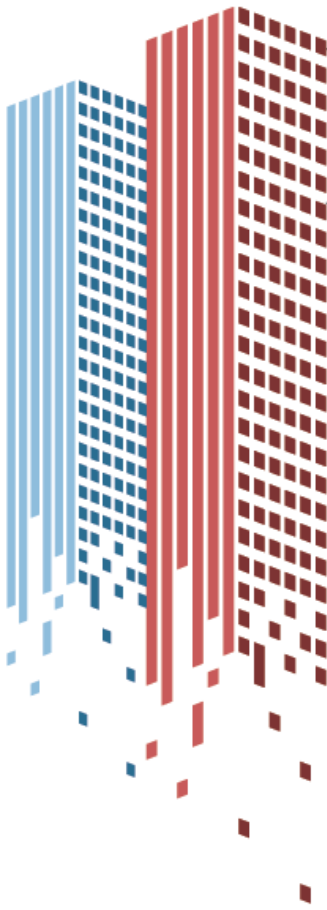
Property Tax Rate Comparison	2024-2025	2023-2024
Property Tax Rate	\$0.609822/100	\$0.609822/100
No New Revenue Tax Rate	\$0.589261/100	\$0.562728/100
No New Revenue Maintenance & Operations Tax Rate	\$0.436087/100	\$0.410887/100
Voter Approval Tax Rate	\$0.633851/100	\$0.636365/100
Debt Rate	\$0.170000/100	\$0.160180/100
Total debt obligation for Town of Addison secured by property taxes		\$99,885,000

The information below is in accordance with Section 140.0045 of the Local Government Code as amended by HB 1495 of the 86th Texas Legislature:

	Actual 2022-2023	Estimated Actual 2023-2024	Adopted Budget 2024-2025
Legislative Lobbying ⁽¹⁾	\$0	\$0	\$0
Required Legal Notice Publications	\$32,596	\$31,000	\$28,500

⁽¹⁾ Advocacy services are included in the Town's city membership with Texas Municipal League (TML) in which they coordinate and advocate for a legislative program set by their member cities at the state and federal level.

EXHIBIT A



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EXHIBIT A

LETTER TO

Mayor & Council



Honorable Mayor and Members of the City Council,

I am pleased to present the fiscal year 2025 adopted budget for the Town of Addison. It has been prepared in conformance with the requirements of the Town Charter, Town financial policies, and State law. This budget represents the expected revenues and planned expenditures for the Town's fiscal year from October 1, 2024, to September 30, 2025.

This budget allocates resources in alignment with the City Council's Key Focus Areas and Strategic Objectives for fiscal year 2024-2025. The adopted budget conforms with our practice of providing Town employees with the resources required to deliver the excellent municipal services expected by Addison residents and businesses. This budget continues to maintain the conservative fiscal approach that has allowed Addison to achieve our sound financial position and stellar bond ratings (AAA from Standard and Poor's (S&P) and Aaa from Moody's). The Town of Addison remains well-positioned for future prosperity.

This adopted budget creates a vision for Addison's future, executes and follows through on our commitments to the community, and supports our excellent employees to exhibit the Addison Way and follow our core values of Accountability, Responsiveness, Innovation, Dedication to Service, and Integrity.

This budget is the result of focus on the adopted 2024-2025 Strategic Plan and Key Focus Areas including the following highlights:

INFRASTRUCTURE PLANNING & MAINTENANCE

The fiscal year 2025 budget continues the progress the Town has made in using the comprehensive Asset Management Plan to make informed decisions about how to invest our resources to address our infrastructure needs now and in the future. In fiscal year 2020, Council adopted an Asset Management Policy for the Town, which established the scope and framework for the Asset Management Plan. Using this policy as a guide, the Town continues to provide funding to support critical maintenance and infrastructure needs. To remain proactive in addressing these needs, the Town continues to improve upon the Capital Improvement Program (CIP) Budget, which includes \$51.0M in infrastructure and improvement projects for fiscal year 2025. The fiscal year 2025 budget includes several bond-funded projects that were approved by voters as part of the November 2019 Bond Election. Information from the Asset Management System was used to inform the Community Bond Advisory Committee's recommendations related to the bond projects.

EXHIBIT A

Letter to Mayor and Council

FACILITY RESTRUCTURING AND CONSTRUCTION

In fiscal year 2025, the Town plans to undertake significant restructuring at the Addison Conference Centre to transition the facility and add offices and workspaces to move all staff currently at Town Hall to the updated facility. Once complete, Finance staff will relocate to the now vacant Town Hall facility and the property they occupy at 5350 Belt Line Road will be repurposed. Additionally, lobby renovations at the Service Center are planned to improve building access and security as well as to improve the customer experience and transition Utility Billing staff to the facility.

Finally, in fiscal year 2025 the process will begin to construct a new, approximately 45,000 square foot Police and Courts Facility at the existing location. This project is anticipated to cost \$35 million and will replace the current 29,000 square foot facility constructed in 1984 that continues to have significant and ongoing maintenance needs. It is anticipated that the new facility would be operational by 2027.

RESOURCE MAXIMIZATION

City Council adopted a strategic objective in the 2024-2025 approved Strategic Plan to maintain the Town's credit rating and a fiscally resilient budget process. One initiative to achieve this objective was to develop an internal Resource Maximization Committee to identify cost savings and efficiencies through the FY25 Budget process.

This committee was formed of employees from each department, nominated to serve by their department directors. The committee solicited ideas for cost savings and/or efficiencies from all employees and met throughout the budget process to discuss ideas and employee submissions.

The following cost savings and efficiencies have been incorporated into the fiscal year 2025 adopted budget through the dedicated work of staff and the internal Resource Maximization Committee:

- Eliminated the Assistant to the City Manager - savings of \$130,000
- Eliminated the Airport Operations Manager - savings of \$123,800
- Eliminated Brinks Cash pickup services - savings of \$10,000
- Created Capital Budget reporting and eliminated software - savings of \$11,500
- Eliminated unused data cards - savings of \$18,000
- Revamp Town Garage sale event - savings of \$20,000
- Eliminated Airport Billing software - savings of \$3,000
- Cancelled Roofing Contract - savings of \$19,000
- Excluded coverage on new HVAC units - savings of \$60,000
- Eliminated unused court software modules - savings of \$6,000
- Replaced virus/spam services/software with an integrated enhanced solution - savings of \$15,000

EXHIBIT A

Letter to Mayor and Council

- Began utilizing Addison Police Reporting Online to allow citizens to self-report certain crimes and obtain a report for insurance right away - savings of \$25,000
- Utilize in-house chemical application rather than contractors - savings of \$18,000
- Recreation facilities liaison to make building repairs and maintenance more efficient - savings of \$10,000
- Utilize volunteers and seasonal employees for Special Events - savings to be determined

COMPENSATION AND BENEFITS

High quality services are a community hallmark of Addison. To provide those services to our residents in the most efficient manner, it is essential we maintain a compensation and benefits package which attracts and maintains talented staff and follows the Town's compensation strategy.

This adopted budget includes the following compensation and benefit highlights:

- Funding for a Town-wide compensation pool of 4.0%.
- An anticipated 5.0% increase in the Town's group medical insurance premiums over prior year actuals.

PROPERTY VALUES

On an annual basis, the Dallas Central Appraisal District provides the Town with a certified tax roll of all properties inside Addison's city limits. The certified taxable value for fiscal year 2025 is \$6,475,713,538 which equates to an increase of approximately \$316 million, or 5.1% from the previous year. Included in the certified taxable values are \$70,725,860 in new properties added to the tax roll between January 1, 2023 and December 31, 2023.

The average taxable value for a single-family home in Addison is \$474,475, an increase of approximately \$47,977 or 11.2% from the previous year.

TAX RATE

The adopted fiscal year 2025 budget has no increase to the Town's tax rate of \$0.609822. The calculated voter-approval tax rate is \$0.633851, with a no-new revenue tax rate of \$0.589261. The adopted tax rate exceeds the no-new revenue rate by \$0.020561, or 3.5%, primarily as a result of taxable value increases of existing properties and an increase in debt service.

Of the total tax rate, \$0.439822 is dedicated to maintenance and operations, which is a decrease of \$0.010508 from fiscal year 2024 for maintenance and operations, and \$0.170000 is dedicated to debt service payments. The debt service portion of the tax rate is increasing as a result of the issuance of debt primarily related to the 2019 bond program approved by voters.

The adopted tax rate allows the Town to continue to provide the excellent services that residents and businesses expect.

EXHIBIT A

Letter to Mayor and Council

At a property tax rate of \$0.609822, the municipal tax paid on the average single-family home will be approximately \$2,893.45 on an annual basis, an increase of \$292.57 over the previous year.

GENERAL FUND

The General Fund accounts for all expenditures for traditional government services (Public Safety, Parks & Recreation, Administration, etc.). General Fund revenue is generated from ad valorem property taxes, a one-cent portion of the sales tax, and a variety of fees for services.

General Fund revenues total approximately \$50.3 million for fiscal year 2025, an increase of 4.3% from the previous year's original budget. We project property tax revenues of approximately \$25.5 million, an increase of approximately 2.5% over the previous year's original budgeted amount and sales and mixed beverage tax revenues of approximately \$17.5 million, 5.8% more than the fiscal year 2024 original budget.

General Fund operating expenditures are estimated at \$50.3 million, reflecting a 4.4% increase from the original fiscal year 2024 budget. The available ending fund balance for the General Fund is projected to be approximately \$20.8 million, leaving 41.4% of operating reserves, which exceeds both the Town's policy of 25% and the City Council's goal of 30%.

This budget proposes no additional personnel in the General Fund and includes an overall reduction of 2.50 Full Time Equivalent positions consisting of the following:

- Elimination of the Assistant to the City Manager - 1.00 Full Time Equivalent position
- Reallocation of 1.50 Full Time Equivalent positions to the Airport Fund to better align with duties

It is important to note that General Fund expected revenues exceed planned expenditures by \$3,936. The adopted property tax revenue equates to a 1.3% increase on existing properties over the prior fiscal year.

SIGNIFICANT CHANGES OTHER THAN PERSONNEL

- FY2025 Budget Decision Packages:
 - Day Porter Services for Town Facilities - \$50,000
 - Police Officer-in-Charge Pay - \$14,400
 - Police Field Training Officer Pay - \$10,000
 - Police Community Outreach - \$10,000
 - The addition of two City observed holidays - \$76,236
 - Development Services Abatement Services - (\$4,000)
 - Recreation Programming - \$2,700

EXHIBIT A

Letter to Mayor and Council

- FY2024 Mid-Year Changes:

- Due to a new landscaping and mowing contract approved in April of 2024, Parks created a hybrid approach that will include a mixture of staff and contracted services that will provide a higher level of service that included two Parks Groundskeeper positions - \$60,000.

HOTEL FUND

The Hotel Fund collects funds from a 7% tax on hotel rooms rented in the Town of Addison. These funds are used to support projects that enhance and promote tourism, the arts, and the convention/hotel industry in Addison.

Fund revenues for fiscal year 2025 are expected to total \$74 million, an increase of \$884 thousand, or 13.2% due to a projected increase in revenue from special events as well as administrative fee and hotel tax revenue generated by a newly created Tourism Public Improvement District (TPID). Budgeted operational expenditures of approximately \$75 million, an increase of \$810 thousand, or 12.0%, are primarily due to personnel related to new staff as a result of the TPID and recommendations from the Theatre vision study completed in FY2024. The available ending fund balance for the Hotel Fund is projected to be \$5.2 million, leaving 68.3% of operating reserves, which exceeds the Town's policy of 25%.

This budget proposes to fund the following in the Hotel Fund:

- \$27,986 to make the Volunteer Coordinator a full-time position - 0.3 Full Time Equivalent position
- \$108,247 for a Tourism Coordinator position funded by TPID Administrative Fees - 1.0 Full Time Equivalent position
- \$116,560 for a Senior Communications Specialist position offset by increased hotel taxes from the TPID creation - 1.0 Full Time Equivalent position
- \$138,409 for a Theatre Manager position as recommended by the Theatre vision study - 1.0 Full Time Equivalent position
- \$30,000 for major Theatre projects funding

The fiscal year 2025 budget indicates ongoing changes to Special Events and Theatre operations that affect the Hotel Fund. Increased revenues from new and enhanced revenue streams and new event offerings are reflected in the special events budgets, resulting in a reduced investment from the Hotel Fund. The theatre budget shows the first step in a multi-year plan to improve operations, based on the theatre operations study completed in 2024.

UTILITY FUND

The Utility Fund is supported by fees charged to water and sewer customers that pay for the services they receive from the Town. As a business-type fund, the revenues charged should at a minimum cover the fund's operating expenses and debt service, as well as any other policy-

EXHIBIT A

Letter to Mayor and Council

related goals defined by the City Council (i.e., funding for capital projects, capital replacement, conservation efforts, etc.).

In January 2018, the City Council approved a Utility Rate Policy to adopt utility rates that fully fund a short-term staffing plan and provide a mix of cash and bond funding for capital improvement projects. The Council gave direction at the June 14, 2022 Council meeting to continue the policy and adopt utility rates according to an updated utility rate model to provide a mix of cash and bond funding for capital improvement projects and maintain a minimum fund balance of 25% of operating expenses by utilizing cost of service adjustments. The adopted fiscal year 2025 utility rates, effective October 1, 2024, include an increase of 5.5% to water and sewer rates, which equates to \$3.70 per month for an average residential user of 5,000 gallons of water.

The utility rate model, which took effect beginning in fiscal year 2024 included the following adopted increases to water and sewer rates:

Fiscal Year 2024: 5.5% (actual adopted rate was 4.5%)

Fiscal Year 2025: 5.5%

Fiscal Year 2026: 5.5%

Fiscal Year 2027: 4.0%

Fiscal Year 2028: 3.5%

Staff continues to review the utility rate model on an annual basis to ensure the rate adjustments are in line with the needs identified in the utility rate model adopted by the City Council. Due to increases in wholesale water purchases and wastewater treatment of 7.7% and 9.1%, respectively, the full 5.5% increase identified in the adopted rate model is recommended. The total Utility Fund revenues for fiscal year 2025 are expected to be approximately \$17.3 million, with budgeted operational expenses of \$17.3 million. The available ending working capital for the Utility Fund is projected to be \$7.5 million. The projected end-of-year working capital will maintain 43.4% of operating reserves, which exceeds the Town's policy of 25%.

This budget proposes to fund the following in the Utility Fund:

- Kellway Pump Station Maintenance - \$175,000

A total of \$3.4 million in capital projects are in the Utility Fund for fiscal year 2025. These projects are funded through a combination of authorized bond funds (\$2.2 million) and cash (\$1.2 million) from the Utility Fund. A list of projects can be found in the Capital Improvements Program budget included in this document and submitted for City Council consideration.

EXHIBIT A

Letter to Mayor and Council

STORMWATER FUND

The Stormwater Fund is supported by drainage fees added to utility bills. The projected revenues for fiscal year 2025 are \$2.8 million, with budgeted expenses totaling \$3.3 million. The available ending working capital for the Stormwater Fund is projected to be \$7.3 million, leaving 260% of operating expenses, which exceeds the Town's policy of 25%.

Fees for the Stormwater Fund will not increase this year for any customer rate class. Staff estimates that current revenue is sufficient to operate the fund within the Town's financial policies over the next five years.

This budget proposes to fund the following in the Stormwater Fund:

- \$25,000 for a contracted Flood Plain Administrator
- \$163,375 for a Construction Inspector - 1.0 Full Time Equivalent Position

No capital projects are in the Stormwater Fund for fiscal year 2025. The focus of the Stormwater Fund is shifting to maintenance of existing stormwater infrastructure to ensure that the stormwater system operates at the highest efficiency and reduces our need to perform major capital projects.

ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is supported by a combination of the following revenue sources:

- An allocation of a portion of the property tax rate equal to \$0.023716 (\$1.5 million)
- Interest and other income (\$75,000)

Total expenditures for fiscal year 2025 are estimated at \$1.5 million.

AIRPORT FUND

The Airport Fund mainly receives revenues from rental income on Town-owned property and service fees to airport customers. Total projected revenues of approximately \$10.1 million in fiscal year 2025 will allow for budgeted expenses of approximately \$11.2 million which includes \$4.2 million in capital projects and developer participation agreements. The available ending working capital for the Airport Fund is projected to be \$7.1 million, leaving 111.4% of operating expenses, which exceeds the Town's policy of 25%.

This budget proposes to fund the following in the Airport Fund:

- \$110,000 for Airport GIS Contractual Services

EXHIBIT A

Letter to Mayor and Council

- \$37,000 for an Airport vehicle replacement

A total of \$6.2 million in capital projects are in the Airport Fund for fiscal year 2025. These projects are funded through a combination of authorized bond funds, grant funding, and cash from the Airport Fund. A list of projects can be found in the Capital Improvements Program budget included in this document and submitted for City Council consideration.

INFRASTRUCTURE INVESTMENT FUND (IIF)

The Infrastructure Investment Fund (IIF) was created in fiscal year 2015 through a \$4 million transfer from General Fund reserves. The intent of this fund is to cash finance infrastructure projects. Annually, a portion of the property tax rate equal to \$0.006201 is deposited into this fund. In fiscal year 2025, \$381,504 is scheduled to be generated by the IIF portion of the tax rate. One project is included in the adopted budget for Conference Centre Renovations in the amount of \$1.5 million.

CAPITAL IMPROVEMENT BUDGET

The Capital Improvement Program (CIP) budget for fiscal year 2025 is approximately \$51.0 million. Projects are funded by a combination of authorized bond funds, grant funding, and cash contributions. The CIP budget provides an all-funds view of the Town's planned capital improvement expenditures on public infrastructure and facilities over the next five years. For more information related to these capital projects, please reference the fiscal year 2025 CIP budget also submitted to the City Council for consideration.

SELF-FUNDED SPECIAL PROJECT FUND

The purpose of the Self-Funded Special Project Fund is to cash fund important one-time projects. The dollars for these one-time projects comes from positive budget variances in the General Fund transferred at year-end. The anticipated beginning fund balance for fiscal year 2025 is approximately \$5.2M and budgeted expenditures total \$1,256,100. Major expenditures in this fund in fiscal year 2025 include:

- \$3,000 for smoke detector battery replacement program
- \$15,000 for EMS training
- \$222,200 for HSIP Arapaho Road/Surveyor Blvd and Systemwide Improvements
- \$196,000 for Parks Planned Asset Replacement
- \$225,000 for Service Center Lobby Renovations
- \$30,000 for mental health screenings for Fire Department
- \$100,000 for Neighborhood Vitality Grant Funding
- \$156,000 for Local Trail Connection and Park Schematic Design
- \$248,000 for Wayfinding Signage Master Plan

EXHIBIT A

Letter to Mayor and Council

FY2024 MID-YEAR CHANGES

Significant mid-year changes that occurred in the Self-Funded Special Projects Fund include the following:


- Audio and video equipment improvements at Conference Centre (\$30,000)
- Comprehensive Plan (\$429,935)
- Unified Development Code (\$20,000)
- Theatre Centre operational study (\$60,000)
- Athletic Center fitness wall treatments (\$178,894)
- Transit-Oriented Development financial impact study (\$4,200)
- Professional services used to acquire funds from the Texas Ambulance Supplemental Payment program (\$33,500) utilizing those same funds as well as audit services (\$6,500) of the funds

CONCLUSION

This completes the highlights of the fiscal year 2025 budget. I believe this budget balances the desire to continue to deliver high-quality services with the need to address issues that are important to the future of Addison.

I would like to thank the department directors who have put much time and expertise into the development of the budget. The creation of this budget would not have been possible without the hard work of Chief Financial Officer Steven Glickman, Budget Manager Kristen Solares, Assistant Finance Director Amanda Turner, and the rest of our Finance Department. In addition, I would like to give a special thanks to all the Town employees who continue to work hard to provide quality services to our residents and businesses in the Addison Way.

Respectfully submitted,



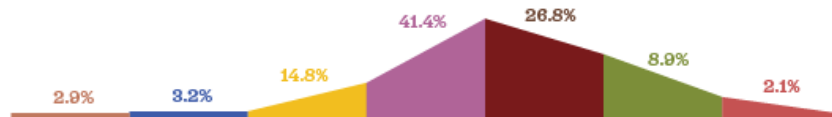
David Gaines
City Manager

EXHIBIT A

CITY COUNCIL FY2025 Budget Summary

The following is a summary of the Fiscal Year (FY) 2024 - 2025 annual budget of the Town of Addison.

- The total budget appropriates approximately \$103.3 million for operations. This adopted budget provides sufficient funding to tailor services to meet the needs and expectations of the community.



Budget Overview	%
Personnel Services	41.4%
Contractual Services	26.8%
Debt Service	14.8%
Maintenance	8.9%
Capital Outlay	2.9%
Capital Replacement/Lease	3.2%
Supplies	2.1%

- Additionally, this budget appropriates approximately \$51.0 million for capital project expenditures.
- The adopted property tax rate is \$0.609822. The City Manager is proposing a property tax rate of \$0.609822/ \$100, which is below the FY2025 voter-approval rate of \$0.633851/ \$100. The adopted rate is above the no-new revenue rate of \$0.589261/ \$100. (Numbers on chart have been rounded to nearest penny.)

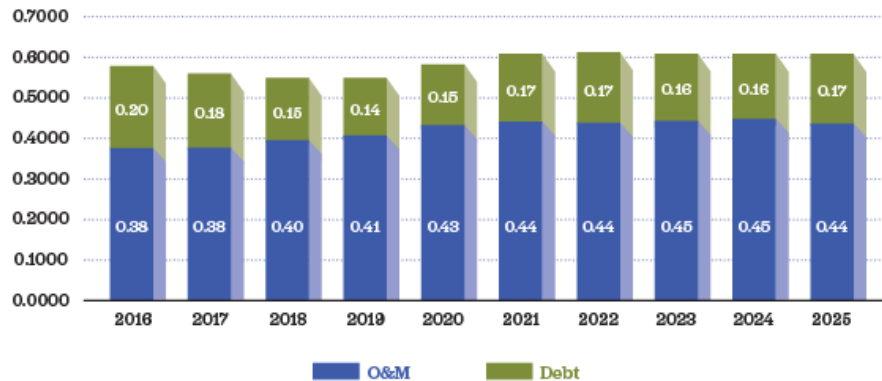
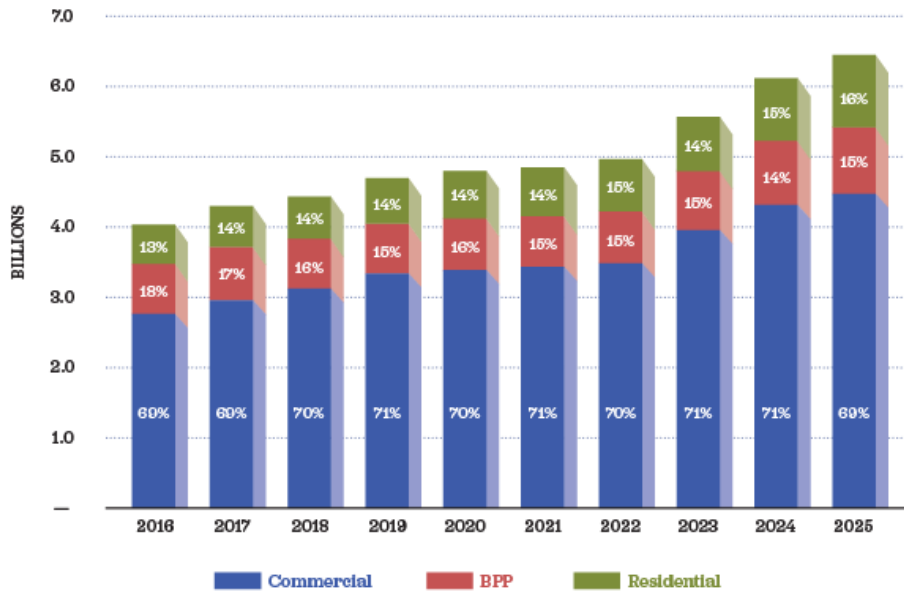


EXHIBIT A

FY2025 Budget Summary

- **The certified taxable property value increased by 5.1 percent.** The certified taxable value for all property is approximately \$6.5 billion. The adopted rate generates a total property tax levy of \$39,490,307.



- **Revenues excluding transfers total \$107.4 million, a net increase of \$409 thousand compared to the fiscal year 2024 budget.** Significant variations in revenue sources include:
 - Property tax revenue is projected to increase \$1.9 million due to the issuance of voter approved debt, \$70.7 million in new properties added to the tax roll, and a 4.0% increase in existing property values.
 - Non-property tax revenue is projected to increase \$1.1 million due to an estimated increase in sales tax and hotel occupancy taxes.
 - Utility revenue is increasing \$1.2 million based on 5.5% rate increases in accordance with the utility rate model adopted via resolution by the City Council in 2022.
 - Airport Fund revenue is projected to increase \$3.0 million due to increased rental income of \$47 thousand, increased service fees of \$90 thousand, and Bipartisan Infrastructure Law funding of \$2.57 million.
 - Streets Self-Funded Projects Fund revenue decreased to \$3.1 million due to removing FY2024 budgeted cost sharing agreements with Dallas County for reconstruction of Midway Road and Keller Springs Road, \$4.1 million from DART for use on transportation related projects, and \$350 thousand from the City of Farmers Branch for a cost sharing agreement for the construction for the Bella Lane/Alpha Road connector.

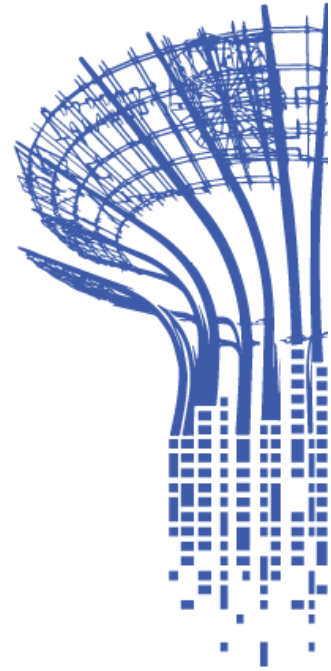
EXHIBIT A

FY2025 Budget Summary

- **The total staffing (all funds) is 322.6 FTEs** (full-time equivalent), which is an increase of 3.30 FTEs over last year. The following positions are being added and eliminated in FY2025:

- (1.00 FTE) Assistant to City Manager (Eliminated - General Fund)
- 1.00 FTE Senior Communications Specialist (Hotel Fund)
- 1.00 FTE Tourism Coordinator (Hotel Fund)
- 1.00 FTE Theatre Manager (Hotel Fund)
- 0.30 FTE Volunteer Coordinator (Part-Time to Full-Time - Hotel Fund)
- 1.00 FTE Construction Inspector (Stormwater Fund)

3.30 FTE Total



Full-Time Equivalent History

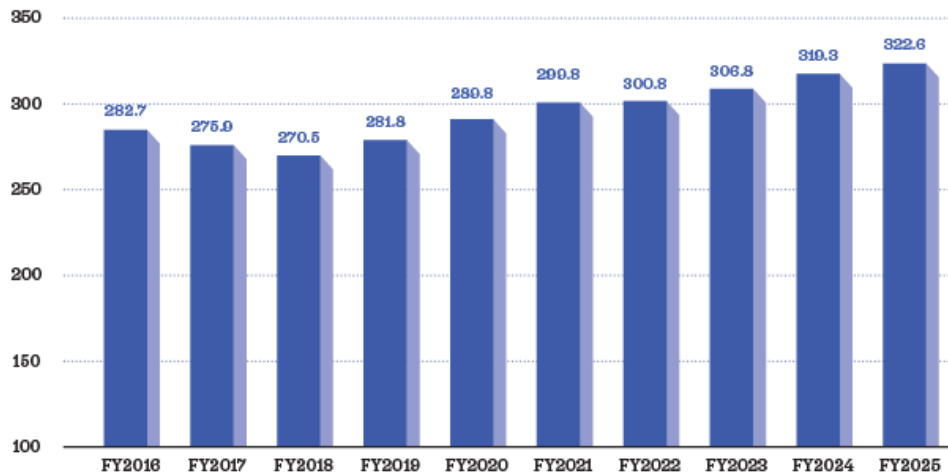
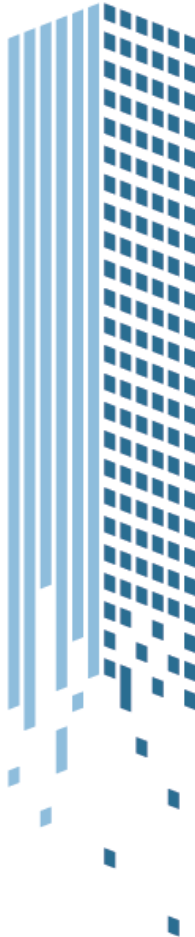


EXHIBIT A

FY2025 Budget Summary



- The budget includes \$51.0 million for capital improvement projects. Significant items include:

GENERAL CAPITAL PROJECTS

■ Vitruvian West Streetscape and Bella Lane Extension	\$896,741
■ Quorum Drive Reconstruction	\$10,000,000
■ Keller Springs Road Reconstruction	\$8,000,000
■ Airport Parkway Reconstruction	\$3,400,000
■ Improvements to Existing Buildings	\$616,490
■ Montfort Drive Reconstruction	\$4,187,000
■ Les Lacs Pond Improvements	\$1,879,208
■ Vitruvian Park Phase 6, Blocks 301,302, and 303	\$1,904,075
■ Beltway Drive Trail	\$1,697,500
■ North Texas Emergency Communications Facility	\$200,000
■ AAC Outdoor Pool Restrooms/Perimeter Fence Renovations	\$60,000
■ Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	\$563,900
■ Police and Courts Facility	\$3,500,000
■ Service Center Lobby Renovations	\$225,000
■ Arapaho/Surveyor and Systemwide Traffic Signal Improvements	\$222,200

INFRASTRUCTURE INVESTMENT CAPITAL PROJECTS:

■ Conference Centre Renovations	\$1,500,000
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UTILITY CAPITAL PROJECTS:

■ AMI Water Meter Modernization	\$3,150,000
■ Celestial Pumpstation Bathroom Addition	\$45,000
■ Addison Circle Tower Driveway	\$225,000

STORMWATER CAPITAL PROJECTS:

■ Les Lacs Pond Improvements	\$2,500,000
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AIRPORT CAPITAL PROJECTS:

■ Airport Fuel Storage Expansion	\$3,336,000
■ Jimmy Doolittle Drive Reconstruction	\$1,000,000
■ Eastside Airport Service Road Reconstruction	\$1,483,000
■ Airport Regulated Garbage Utility Building	\$275,000
■ 4533 Glenn Curtiss (U2) Roof Replacement	\$150,000

EXHIBIT A

ALL FUNDS

Summary

Combined Summary of Revenues, Expenditures and Changes in Fund Balance by Category

All Funds Subject to Appropriation
City Council FY2025 Adopted Annual Budget
With Comparisons to FY2024 Estimates and FY2023 Actual

	Special Revenue Funds					Combined	Capital
FY2024-25	General Fund	Hotel	Economic Development	Combined Grants	Combined Other	Debt Service Funds	Infrastructure Investment
Beginning Balances	20,799,755	5,294,485	2,486,348	51,118	12,105,155	789,270	4,129,548
Revenues							
Ad Valorem Tax	25,465,206	-	1,474,028	-	-	10,608,408	381,504
Non-Property Taxes	17,465,000	5,355,000	-	-	-	-	-
Franchise Fees	2,055,000	-	-	-	25,000	-	-
Licenses & Permits	1,210,700	-	-	-	-	-	-
Intergovernmental	-	-	-	8,750	-	-	-
Service Fees	2,726,319	1,616,000	-	-	-	-	-
Fines & Penalties	335,000	-	-	-	40,030	-	-
Rental Income	8,600	180,000	-	-	-	-	-
Interest & Other Income	1,007,500	275,000	75,000	1,200	3,208,000	50,000	150,000
Total Revenues	50,273,325	7,406,000	1,549,028	9,950	3,273,030	10,658,408	531,504
Transfers from other funds	-	-	-	-	-	972,958	-
Other Financing Sources - Leases	-	-	-	-	-	-	-
Total Available Resources	71,073,080	12,700,485	4,035,376	61,068	15,378,185	12,420,636	4,661,050

EXHIBIT A

All Funds Summary

Combined Summary of Revenues, Expenditures and Changes in Fund Balance by Category

All Funds Subject to Appropriation
City Council FY2025 Adopted Annual Budget
With Comparisons to FY2024 Estimates and FY2023 Actual

	Proprietary Funds			Internal Service	Total All Funds		
FY2024-25	Airport	Utility	Stormwater	Combined Replacement	2024-2025 Budget	2023-2024 Estimated	2022-2023 Actual
Beginning Balances	8,173,856	8,908,359	7,808,368	7,068,169	77,612,229	83,271,138	79,129,954
Revenues							
Ad Valorem Tax	-	-	-	-	37,929,146	36,077,442	33,397,217
Non-Property Taxes	-	-	-	-	22,820,000	23,050,000	23,705,974
Franchise Fees	-	-	-	-	2,080,000	2,118,659	2,157,698
Licenses & Permits	-	-	-	-	1,210,700	1,385,500	1,222,091
Intergovernmental	2,671,260	-	-	-	2,680,010	179,262	241,976
Service Fees	1,485,140	16,996,561	2,600,000	3,260,963	28,.....	29,143,387	25,887,743
Fines & Penalties	-	105,000	-	-	480,030	481,100	577,904
Rental Income	5,733,487	-	-	-	5,902,087	5,796,625	5,772,086
Interest & Other Income	220,700	232,422	200,000	237,900	5,657,722	8,156,610	3,207,582
Total Revenues	10,110,587	17,333,983	2,800,000	3,498,863	107,.....	103,388,585	96,170,271
Transfers from other funds	-	-	-	-	972,958	2,875,540	4,681,874
Other Financing Sources - Leases	-	-	-	-	-	-	236,472
Total Available Resources	18,284,243	26,240,342	10,608,368	10,567,032	186,.....	199,585,263	180,218,571

EXHIBIT A

All Funds Summary

Combined Summary of Revenues, Expenditures and Changes in Fund Balance by Category

All Funds Subject to Appropriation
City Council FY2025 Adopted Annual Budget
With Comparisons to FY2024 Estimates and FY2023 Actual

	Special Revenue Funds					Combined	Capital
FY2024-25	General Fund	Hotel	Economic Development	Combined Grants	Combined Other	Debt Service Funds	Infrastructure Investment
Expenditures							
Personnel Services	33,016,516	2,118,673	504,152	-	26,270	-	-
Supplies	1,728,719	61,392	14,308	-	17,000	-	-
Maintenance	4,047,164	461,824	44,728	-	697,000	-	-
Contractual Services	8,660,210	4,600,482	904,360	20,000	772,400	8,000	-
Capital Replacement/ Lease	2,513,511	284,225	9,715	-	-	-	-
Debt Service	-	-	-	-	-	11,810,279	-
Capital Outlay	303,269	30,000	-	-	537,200	-	-
Total Operational Expenditures	50,269,389	7,546,596	1,477,263	20,000	2,049,870	11,818,279	-
Transfers to other funds	-	-	-	-	-	-	-
One-Time Decision Package	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	3,519,675	-	1,500,000
Total Expenditures	50,269,389	7,546,596	1,477,263	20,000	5,569,545	11,818,279	1,500,000
Ending Fund Balances	20,803,691	5,153,889	2,558,113	41,068	9,808,640	602,357	3,161,050
Fund Balance Percentage	41.4%	68.3%	173.2%	205.3%	478.5%	5.1%	0.0%
Fund Balance Policy Requirement ⁽¹⁾	25.0%	25.0%	25.0%	N/A	N/A	N/A	N/A

(1) It is a goal of the City Council to maintain a General Fund ending fund balance of 30% per financial policy.

EXHIBIT A

All Funds Summary

Combined Summary of Revenues, Expenditures and Changes in Fund Balance by Category

**All Funds Subject to Appropriation
City Council FY2025 Adopted Annual Budget
With Comparisons to FY2024 Estimates and FY2023 Actual**

	Proprietary Funds			Internal	Total All Funds		
FY2024-25	Airport	Utility	Stormwater	Combined Replacement	2024-2025 Budget	2023-2024 Estimated	2022-2023 Actual
Expenditures							
Personnel Services	2,964,581	3,202,074	942,468	-	42,774,734	39,941,649	35,573,851
Supplies	55,873	227,105	30,400	-	2,134,797	2,041,302	2,407,592
Maintenance	693,126	1,167,009	620,549	1,274,000	8,995,400	8,378,994	6,687,397
Contractual Services	1,507,327	10,816,295	267,200	-	27,546,274	29,781,732	25,615,144
Capital Replacement/ Lease	242,928	166,584	50,000	-	3,266,963	2,651,963	2,512,059
Debt Service	874,709	1,747,470	896,453	-	15,328,911	13,657,736	12,622,066
Capital Outlay	-	-	-	2,006,600	2,877,069	6,954,422	4,084,396
Total Operational Expenditures	6,338,544	17,326,537	2,797,070	3,280,600	102,924,148	103,407,798	89,402,505
Transfers to other funds	528,527	-	444,431	-	972,958	2,875,540	4,681,874
One-Time Decision Package	147,000	175,000	66,500	-	388,500	1,236,000	-
Capital Improvements	4,208,000	1,220,000	-	-	10,447,675	4,403,696	2,863,054
Total Expenditures	11,222,071	18,721,537	3,308,001	3,280,600	114,733,281	111,923,034	96,947,433
Ending Fund Balances							
Fund Balance Percentage	111.4%	43.4%	261.0%	222.1%	69.3%	75.1%	93.1%
Fund Balance Policy Requirement ⁽¹⁾	25.0%	25.0%	25.0%	N/A	N/A	N/A	N/A

(1) It is a goal of the City Council to maintain a General Fund ending fund balance of 30% per financial policy.

Total Revenues	107,444,678
Decrease in Fund Balance	(4,520,530)
Total Appropriable Funds	102,924,148

EXHIBIT A

PERSONNEL

Summary

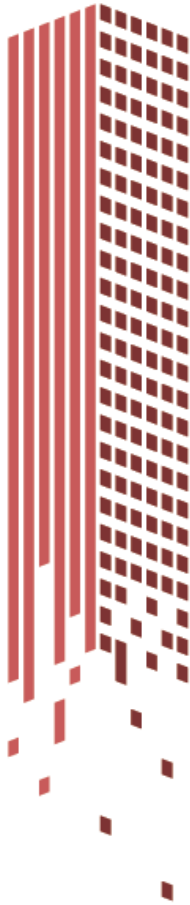
FY2024-2025



General Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
City Secretary					
City Secretary	1.00	1.00	1.00	1.00	-
	1.00	1.00	1.00	1.00	-
City Manager's Office					
City Manager	1.00	1.00	1.00	0.75	(0.25)
Deputy City Manager	1.00	1.00	1.00	1.00	-
Chief of Staff	-	-	0.70	0.70	-
Assistant to City Manager	1.00	1.00	1.00	-	(1.00)
Executive Assistant	1.00	1.00	1.00	1.00	-
Volunteer Coordinator	0.50	0.50	0.70	0.70	-
	4.50	4.50	5.40	4.15	(1.25)
Finance Department					
Chief Financial Officer	1.00	1.00	1.00	0.75	(0.25)
Assistant Director of Finance	0.50	0.50	0.25	0.25	-
Controller	0.50	0.50	0.75	0.75	-
Accounting Manager	0.50	0.50	0.50	0.50	-
Purchasing Manager	1.00	1.00	1.00	1.00	-
Budget Manager	1.00	1.00	1.00	1.00	-
Risk Management and Payroll Manager	-	-	1.00	1.00	-
Senior Accountant II	1.00	1.00	-	-	-
Senior Budget Analyst	1.00	1.00	1.00	0.75	(0.25)
Senior Treasury Analyst	1.00	1.00	1.00	1.00	-
Accountant	0.50	0.50	0.50	0.50	-
Management Analyst	1.00	1.00	1.00	1.00	-
Senior Accounting Specialist	1.00	1.00	1.00	0.75	(0.25)
Accounting Specialist	1.00	1.00	1.00	0.75	(0.25)
	11.00	11.00	11.00	10.00	(1.00)

EXHIBIT A

Personnel Summary



General Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
General Services					
Director of General Services	1.00	1.00	1.00	1.00	-
Asset Management and Fleet Manager	1.00	1.00	1.00	1.00	-
Assistant Director of General Services	1.00	1.00	1.00	1.00	-
Facilities Supervisor	1.00	1.00	-	-	-
Management Assistant	1.00	1.00	1.00	1.00	-
Facilities Specialist	1.00	1.00	3.00	3.00	-
Facilities Assistant	1.00	1.50	0.50	0.50	-
	7.00	7.50	7.50	7.50	-
Municipal Court					
Municipal Court Administrator	1.00	1.00	1.00	1.00	-
Lead Deputy Court Clerk	1.00	1.00	1.00	1.00	-
Deputy Court Clerk	2.00	2.00	2.00	2.00	-
Municipal Judge	1.00	1.00	1.00	1.00	-
	5.00	5.00	5.00	5.00	-
Human Resources					
Director of Human Resources	1.00	1.00	1.00	1.00	-
Senior HR Business Partner	1.00	1.00	1.00	1.00	-
HR Learning & Development Coordinator	1.00	1.00	1.00	1.00	-
	3.00	3.00	3.00	3.00	-
Information Technology					
Ex. Director of Internal Services	1.00	1.00	1.00	1.00	-
Assistant Director of IT	1.00	1.00	1.00	1.00	-
Network Specialist	5.00	5.00	4.00	4.00	-
Senior ERP Specialist	-	-	1.00	1.00	-
	7.00	7.00	7.00	7.00	-

EXHIBIT A

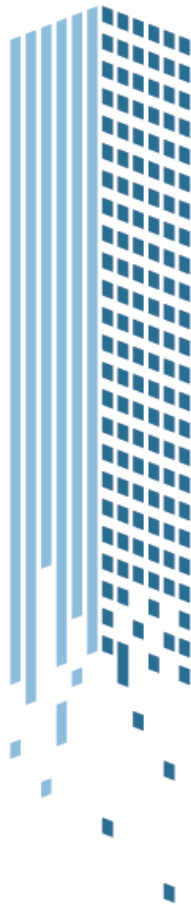
Personnel Summary

General Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Police					
Police Chief	1.00	1.00	1.00	1.00	-
Assistant Police Chief	1.00	1.00	1.00	1.00	-
Captain	1.00	1.00	1.00	1.00	-
Lieutenant	5.00	5.00	5.00	5.00	-
Sergeant	8.00	8.00	8.00	8.00	-
Police Records Supervisor	1.00	1.00	1.00	1.00	-
Animal Control Supervisor	1.00	1.00	1.00	1.00	-
Police Officer	47.00	47.00	47.00	47.00	-
Animal Control Officer	2.00	2.00	2.00	2.00	-
Management Assistant	1.00	1.00	1.00	1.00	-
Department Assistant	2.00	2.00	2.00	2.00	-
Police Records Clerk	3.00	3.00	3.00	3.00	-
Crime Analyst	1.00	1.00	1.00	1.00	-
Property & Evidence Technician	1.00	1.00	1.00	1.00	-
	75.00	75.00	75.00	75.00	-
Fire					
Fire Chief	1.00	1.00	1.00	1.00	-
Assistant Fire Chief	2.00	2.00	2.00	2.00	-
Battalion Chief	3.00	3.00	3.00	3.00	-
Battalion Chief - Administration	1.00	1.00	1.00	1.00	-
Fire Captain	6.00	6.00	9.00	9.00	-
Fire Lieutenant	3.00	3.00	-	-	-
Driver/Engineer	9.00	9.00	9.00	9.00	-
Emergency Management Coordinator	-	1.00	1.00	0.75	(0.25)
Firefighter/Paramedic	30.00	30.00	29.00	29.00	-
Paramedic	-	-	2.00	2.00	-
Fire Administrative Manager	1.00	1.00	1.00	1.00	-
Fire Prevention Technician	1.00	1.00	1.00	1.00	-
Department Assistant	1.00	1.00	1.00	1.00	-
	58.00	59.00	60.00	59.75	(0.25)



EXHIBIT A

Personnel Summary



General Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Development Services					
Director of Development Services	1.00	1.00	1.00	1.00	-
Assistant Director of Development Services	-	1.00	1.00	1.00	-
Building Official	1.00	1.00	1.00	1.00	-
Planning and Development Manager	1.00	1.00	1.00	1.00	-
Comprehensive Planning Manager	1.00	1.00	1.00	1.00	-
Code Enforcement Manager	-	1.00	1.00	1.00	-
Environmental Health Manager	1.00	1.00	1.00	1.00	-
Senior Building Inspector	2.00	2.00	2.00	2.00	-
Plans Examiner	1.00	1.00	1.00	1.00	-
Senior Environmental Health Specialist	1.00	1.00	1.00	1.00	-
Environmental Health Specialist	1.00	1.00	1.00	1.00	-
Code Enforcement Officer	2.00	3.00	3.00	3.00	-
Combination Building Inspector	0.10	0.10	-	-	-
Management Analyst	1.00	1.00	1.00	1.00	-
Department Assistant	1.00	1.00	1.00	1.00	-
Senior Permit Technician	1.00	1.00	1.00	1.00	-
Permit Technician	-	-	-	-	-
Records Clerk	1.00	1.00	1.00	1.00	-
	16.10	19.10	19.00	19.00	-
Streets					
Streets & Traffic Operations Manager	0.40	0.40	0.40	0.40	-
Traffic Signal Supervisor	-	-	1.00	1.00	-
Street Operations Supervisor	-	-	0.50	0.50	-
Street Crew Leader	1.00	0.50	-	-	-
Senior Signal Technician	1.00	1.00	-	-	-
Signs & Signals Technician	2.00	2.00	2.00	2.00	-
Street Maintenance Worker	2.00	1.50	1.50	1.50	-
	6.40	5.40	5.40	5.40	-

EXHIBIT A

Personnel Summary

General Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Parks					
Director of Parks and Recreation	1.00	1.00	1.00	1.00	-
Assistant Director of Parks	1.00	1.00	1.00	1.00	-
Parks Superintendent	1.00	1.00	1.00	1.00	-
Parks Manager	2.00	2.00	2.00	2.00	-
Landscape Architect	-	1.00	1.00	1.00	-
Parks Supervisor	4.00	4.00	4.00	4.00	-
Parks Supervisor Trainee	1.00	1.00	1.00	1.00	-
Management Assistant	1.00	1.00	1.00	1.00	-
Electrician	1.00	1.00	1.00	1.00	-
Electrician Apprentice	1.00	1.00	1.00	1.00	-
Licensed Irrigator - II	1.00	1.00	1.00	1.00	-
Licensed Irrigator - I	1.00	1.00	1.00	1.00	-
Groundskeeper - II	4.00	4.00	4.00	4.00	-
Groundskeeper - I	6.00	6.00	8.00	8.00	-
	25.00	28.00	28.00	28.00	-
Recreation					
Assistant Director of Recreation	1.00	1.00	1.00	1.00	-
Recreation Manager	1.00	1.00	1.00	1.00	-
Recreation Supervisor	1.00	1.00	1.00	1.00	-
Recreation Member Services Supervisor	1.00	1.00	1.00	1.00	-
Fitness Supervisor	1.00	1.00	1.00	1.00	-
Recreation Coordinator	1.00	1.00	1.00	1.00	-
Pool Supervisor	0.20	0.20	0.20	0.20	-
Senior Lifeguard	0.20	0.20	0.20	0.20	-
Recreation Assistant	3.50	3.50	3.50	3.50	-
Childcare Assistant	1.00	1.00	1.00	1.00	-
Camp Counselor	0.80	0.80	0.80	0.80	-
Custodian	1.00	1.00	1.00	1.00	-
Lifeguard	2.00	2.00	2.00	2.00	-
Facility Attendant	1.00	1.00	1.00	1.00	-
	15.70	15.70	15.70	15.70	-
General Fund Total	234.70	239.20	243.00	240.50	(2.50)

EXHIBIT A

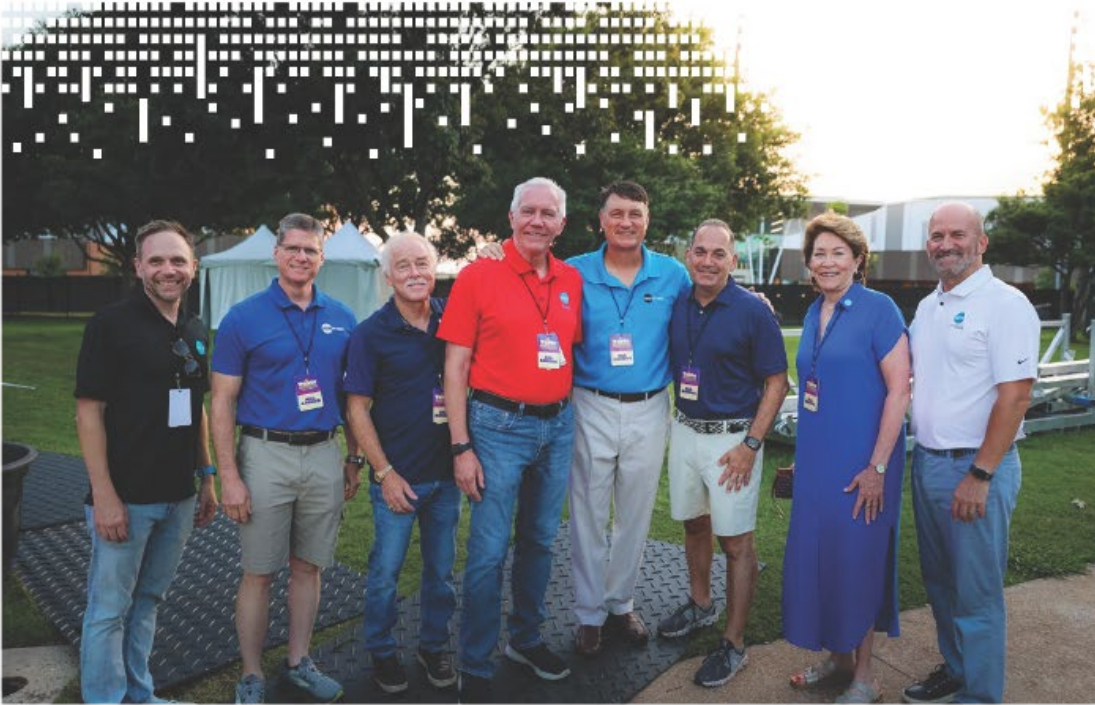
Personnel Summary



Hotel Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Communications & Marketing					
Director of Public Communications	1.00	1.00	1.00	1.00	-
Senior Communications Specialist	-	-	-	1.00	1.00
Marketing and Communications Specialist	1.00	1.00	1.00	1.00	-
	2.00	2.00	2.00	3.00	1.00
Tourism					
Tourism Manager	-	1.00	1.00	1.00	-
Tourism Coordinator	-	-	-	1.00	1.00
	-	1.00	1.00	2.00	1.00
Special Events					
Director of Special Events	1.00	1.00	1.00	1.00	-
Special Events Manager	-	-	1.00	1.00	-
Special Events Supervisor	1.00	1.00	-	-	-
Special Events Coordinator	2.00	2.00	2.00	2.00	-
Sponsorship & Marketing Specialist	1.00	1.00	1.00	1.00	-
Special Events Specialist	1.00	1.00	1.00	1.00	-
Volunteer Coordinator	-	-	-	0.30	0.30
	6.00	6.00	6.00	6.30	0.30
Addison Theatre Centre					
Theatre Centre Manager	-	-	-	1.00	1.00
Theatre Centre Supervisor	1.00	1.00	1.00	1.00	-
Facilities Assistant	-	0.50	0.50	0.50	-
Theatre Centre Attendant	0.50	-	-	-	-
	1.50	1.50	1.50	2.50	1.00
General Hotel Operations					
Senior Accountant	1.00	1.00	1.00	1.00	-
	1.00	1.00	1.00	1.00	-
Hotel Fund Total	10.50	11.50	11.50	14.80	3.30

EXHIBIT A

Personnel Summary



	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Economic Development Fund					
Economic Development					
Director of Economic Development	1.00	1.00	1.00	1.00	-
Economic Development Manager	1.00	1.00	1.00	1.00	-
Economic Development Analyst	-	-	1.00	1.00	-
Economic Development Coordinator	1.00	1.00	-	-	-
	3.00	3.00	3.00	3.00	-
Tourism Services					
Tourism Manager	1.00	-	-	-	-
	1.00	-	-	-	-
Economic Development Fund Total	4.00	3.00	3.00	3.00	-

EXHIBIT A

Personnel Summary

Airport Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
City Manager	-	-	-	0.25	0.25
Deputy City Manager	0.50	0.50	0.50	0.50	-
Chief Financial Officer	-	-	-	0.25	0.25
Airport Director	1.00	1.00	1.00	1.00	-
Assistant Finance Director	-	-	0.25	0.25	-
Airport Assistant Director	2.00	2.00	2.00	2.00	-
GIS Manager	0.40	0.40	0.40	0.40	-
Controller	-	-	0.25	0.25	-
Emergency Management Coordinator	-	-	-	0.25	0.25
Asset Manager	1.00	1.00	1.00	1.00	-
Airport Maintenance Manager	1.00	1.00	1.00	1.00	-
Airport Operations Manager	1.00	1.00	-	-	-
Airport Accounting Manager	1.00	1.00	-	-	-
Accounting Manager	-	-	0.50	0.50	-
Accounting Supervisor	0.50	0.50	-	-	-
Police Officer	3.00	3.00	3.00	3.00	-
Senior Budget Analyst	-	-	-	0.25	0.25
Leasing Manager	1.00	1.00	1.00	1.00	-
HR Business Partner	0.50	0.50	0.50	0.50	-
Accountant	-	-	1.00	1.00	-
Management Assistant	1.00	1.00	1.00	1.00	-
Senior Accounting Specialist	-	-	-	0.25	0.25
Airport Operations Specialist	-	1.00	1.00	1.00	-
Accounting Specialist	0.50	0.50	-	0.25	0.25
Airport Maintenance Technician III	1.00	1.00	1.00	1.00	-
Airport Maintenance Technician II	3.00	3.00	3.00	3.00	-
Department Assistant	1.00	1.00	1.00	1.00	-
Janitorial and Light Maintenance Worker	1.00	1.00	1.00	1.00	-
Airport Summer Management Intern	-	0.20	0.20	0.20	-
Airport Fund Total	20.40	21.60	20.60	22.10	1.50

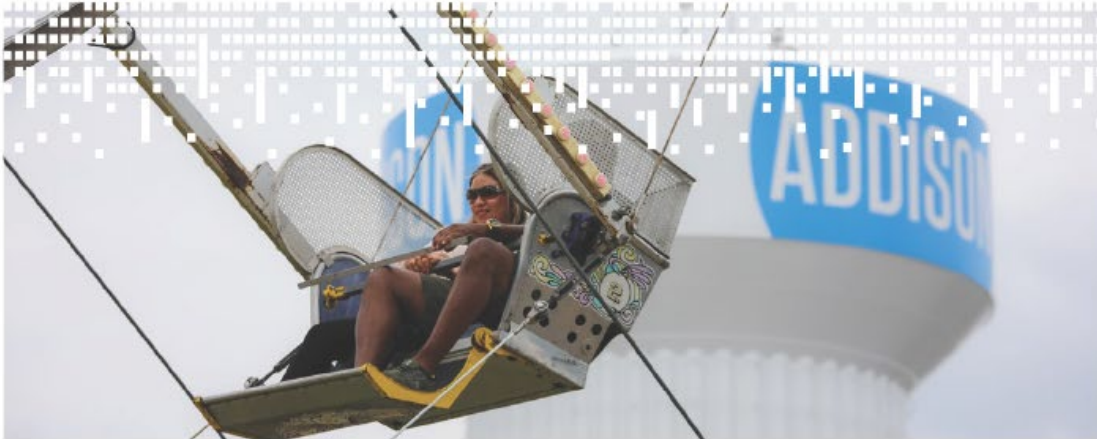
EXHIBIT A

Personnel Summary

Utility Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Utility Administration					
Deputy City Manager	0.50	0.50	0.50	0.50	-
Director of Public Works and Engineering	1.00	1.00	1.00	1.00	-
Assistant Director of Public Works & Engr.	1.00	1.00	1.00	1.00	-
GIS Manager	0.30	0.30	0.30	0.30	-
Capital Improvement Project Manager	1.00	1.00	1.00	1.00	-
Streets and Traffic Operations Manager	0.30	0.30	0.30	0.30	-
Utilities Manager	2.00	2.00	2.00	2.00	-
Right of Way Construction Manager	-	1.00	1.00	1.00	-
HR Business Partner	0.50	0.50	0.50	0.50	-
Water Quality Utility Supervisor	1.00	1.00	1.00	1.00	-
Senior Construction Inspector	1.00	-	-	-	-
Senior Accounting Specialist	-	0.50	0.50	0.50	-
Construction Inspector	2.00	2.00	2.00	2.00	-
Line Maintenance Utility Supervisor	1.00	1.00	1.00	1.00	-
Water Quality Specialist	2.00	2.00	2.00	2.00	-
Accounting Specialist	0.50	-	-	-	-
Utility Operator - III	4.00	4.00	4.00	4.00	-
GIS Analyst	-	0.50	0.50	0.50	-
Department Assistant	1.00	1.00	1.00	1.00	-
Utility Operator - II	2.00	2.00	2.00	2.00	-
Utility Operator - I	5.00	5.00	5.00	5.00	-
	26.10	26.60	26.60	26.60	-
Utility Billing					
Assistant Director of Finance	-	0.50	0.50	0.50	-
Controller	0.50	-	-	-	-
Utility Billing Supervisor	0.80	0.80	0.80	0.80	-
Accounting Specialist	0.80	0.80	0.80	0.80	-
	2.10	2.10	2.10	2.10	-
Utility Fund Total	28.20	28.70	28.70	28.70	-

EXHIBIT A

Personnel Summary



Stormwater Fund	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Assistant Director of Public Works	-	1.00	1.00	1.00	-
GIS Manager	0.30	0.30	0.30	0.30	-
Stormwater and Operations Manager	1.00	1.00	1.00	1.00	-
Streets and Traffic Operations Manager	0.30	0.30	0.30	0.30	-
GIS Analyst	-	0.50	0.50	0.50	-
Utility Billing Supervisor	0.20	0.20	0.20	0.20	-
Stormwater Operator	2.00	2.00	2.00	2.00	-
Street Operations Supervisor	-	-	0.50	0.50	-
Streets Crew Leader	-	0.50	-	-	-
Accounting Specialist - UB	0.20	0.20	0.20	0.20	-
Street Maintenance Worker	1.00	2.50	2.50	2.50	-
Construction Inspector	-	-	-	1.00	1.00
Stormwater Fund Total	5.00	8.50	8.50	9.50	1.00

Capital Improvements Program	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25	Difference 2024-25
Bond Infrastructure Project Manager	2.00	2.00	2.00	2.00	-
Bond Contract Administrator	1.00	1.00	1.00	1.00	-
Major Capital Projects Construction Inspector	1.00	1.00	1.00	1.00	-
Capital Improvements Program Total	4.00	4.00	4.00	4.00	-

All Funds Total	306.80	316.50	319.30	322.60	3.30
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EXHIBIT A

GENERAL FUND

By Category

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$20,515,381	\$20,682,959	\$20,682,959	\$20,799,755
Revenues				
Ad Valorem Taxes	22,739,622	24,841,151	24,841,151	25,465,206
Non-Property Taxes	18,022,335	16,500,000	17,800,000	17,465,000
Franchise Fees	2,125,941	2,060,000	2,092,859	2,055,000
Licenses and Permits	1,219,541	1,109,500	1,385,500	1,210,700
Service Fees	2,132,772	2,442,350	2,274,495	2,726,319
Fines and Penalties	391,711	330,000	330,000	335,000
Rental Income	8,340	8,600	8,600	8,600
Interest and Other Income	513,924	872,500	1,251,785	1,007,500
Total Operating Revenue	47,154,186	48,164,101	49,984,190	50,273,325
Transfers from Other Funds	4,469	-	-	-
Leases (as Lessee)	113,522	-	-	-
Total Available Resources	\$67,787,558	\$68,847,060	\$70,667,149	\$71,073,080
Expenditures				
Personnel Services	28,162,382	31,772,445	31,505,889	33,016,516
Supplies	1,694,706	1,599,271	1,621,676	1,728,719
Maintenance	3,429,870	3,915,817	3,823,237	4,047,164
Contractual Services	8,564,114	8,601,805	8,441,723	8,660,210
Capital Replacement/Lease	1,798,774	2,136,863	2,118,511	2,513,511
Capital Outlay	415,821	129,663	356,358	303,269
Debt Service	38,932	-	-	-
Total Operating Expenditures	44,104,599	48,155,864	47,867,394	50,269,389
Transfer to Self-Funded Projects Fund	3,000,000	-	2,000,000	-
Total Expenditures	47,104,599	48,155,864	49,867,394	50,269,389
Ending Fund Balances	\$20,682,959	\$20,691,196	\$20,799,755	\$20,803,691
Fund Balance Percentage	46.9%	43.0%	43.5%	41.4%

EXHIBIT A

GENERAL FUND

Revenue Summary by Source

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$20,515,381	\$20,682,959	\$20,682,959	\$20,799,755
Revenues				
Ad Valorem Taxes				
Current Taxes	\$22,917,929	\$24,991,151	\$24,991,151	\$25,615,206
Delinquent Taxes	(249,526)	(200,000)	(200,000)	(200,000)
Penalty & Interest	71,219	50,000	50,000	50,000
Non-Property Taxes				
Sales Taxes	16,661,868	15,200,000	16,500,000	16,165,000
Alcoholic Beverage Tax	1,360,467	1,300,000	1,300,000	1,300,000
Franchise/Right-of-Way Use Fees				
Electric Franchise	1,497,546	1,525,000	1,525,000	1,525,000
Gas Franchise	349,536	250,000	297,659	275,000
Telecommunication Access Fees	168,873	175,000	175,000	160,000
Cable Franchise	109,986	110,000	95,000	95,000
Licenses and Permits				
Business Licenses & Permits	182,338	149,100	200,100	225,700
Building & Construction Permits	1,037,203	960,400	1,185,400	985,000
Service Fees				
Public Safety	1,140,326	1,195,555	1,019,000	1,094,000
Urban Development	2,160	47,200	47,200	87,200
Streets & Sanitation	466,103	483,000	483,000	508,500
Recreation	79,893	70,300	79,000	96,000
Interfund	444,290	646,295	646,295	940,619
Court Fines	391,711	330,000	330,000	335,000
Interest Earnings	194,259	525,000	850,000	650,000
Rental Income	8,340	8,600	8,600	8,600
Other	319,665	347,500	401,785	357,500
Total Operating Revenues	\$47,154,186	\$48,164,101	\$49,984,190	\$50,273,325
Transfers from Other Funds	4,469	-	-	-
Leases (as Lessee)	113,522	-	-	-
Total Available Resources	\$67,787,558	\$68,847,060	\$70,687,149	\$71,073,080

EXHIBIT A

GENERAL FUND

By Department

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$20,515,381	\$20,682,959	\$20,682,959	\$20,799,755
Total Operating Revenue	\$47,154,188	\$48,164,101	\$49,984,190	\$50,273,325
Total Available Resources	67,669,567	68,847,060	70,667,149	71,073,080
Expenditures				
General Government				
City Secretary	195,004	251,577	238,777	260,131
City Manager	1,160,157	1,144,346	1,279,935	1,179,935
Finance	1,888,261	2,041,177	2,013,126	2,013,188
General Services	1,490,840	1,594,199	1,579,189	1,888,887
Municipal Court	705,891	692,943	690,437	704,632
Human Resources	744,219	791,253	612,053	749,123
Information Technology	2,043,507	2,487,384	2,441,993	2,398,709
Combined Services	1,475,632	1,157,281	1,150,879	1,190,585
City Council	340,228	420,241	417,313	391,766
Public Safety				
Police	11,520,999	12,437,687	12,642,210	13,471,279
Emergency Communications	1,728,465	1,788,857	1,833,590	1,909,006
Fire	9,976,842	10,970,964	10,708,072	11,105,525
Development Services	1,933,207	2,765,543	2,565,822	2,908,843
Streets	2,275,695	2,281,370	2,273,786	2,316,292
Parks and Recreation				
Parks	4,856,125	5,332,218	5,506,670	5,651,687
Recreation	1,730,995	1,998,825	1,913,542	2,139,801
Total Operating Expenditures	44,065,667	48,155,864	47,867,394	50,269,389
Debt Service	38,932	-	-	-
Transfer to Other Funds	3,000,000	-	2,000,000	-
Total Expenditures	47,104,599	48,155,864	49,867,394	50,269,389
Ending Fund Balances	\$20,564,968	\$20,691,196	\$20,799,755	\$20,803,691
Fund Balance Percentage	48.7%	48.0%	48.5%	41.4%

EXHIBIT A

HOTEL SPECIAL REVENUE

Fund by Category

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$4,641,300	\$4,108,831	\$5,330,207	\$5,294,485
Revenues				
Hotel/Motel Occupancy Taxes	5,683,639	5,250,000	5,250,000	5,355,000
Proceeds from Special Events	1,222,856	1,127,000	1,127,000	1,616,000
Rental Income	145,534	70,000	90,000	160,000
Interest Earnings and Other	41,714	75,100	150,100	275,000
Total Revenues	\$7,093,743	\$6,522,100	\$6,617,100	\$7,406,000
Total Available Resources	\$11,735,043	\$10,628,931	\$11,947,307	\$12,700,485
Expenditures				
Personnel Services	1,334,429	1,606,340	1,593,552	2,118,673
Supplies	46,862	60,092	58,092	61,392
Maintenance	303,238	432,365	339,452	461,824
Contractual Services	3,755,335	4,503,039	4,527,501	4,600,482
Capital Replacement / Lease	130,568	134,225	134,225	284,225
Capital Outlay	66,404	-	-	30,000
Total Operating Expenditures	\$5,636,836	\$6,736,061	\$6,652,822	\$7,546,596
Transfer to Economic Development Fund	768,000	-	-	-
Total Expenditures	\$6,404,836	\$6,736,061	\$6,652,822	\$7,546,596
Ending Fund Balances	\$5,330,207	\$3,892,870	\$5,294,485	\$5,153,889
Fund Balance Percentage	94.6%	57.8%	79.6%	68.3%

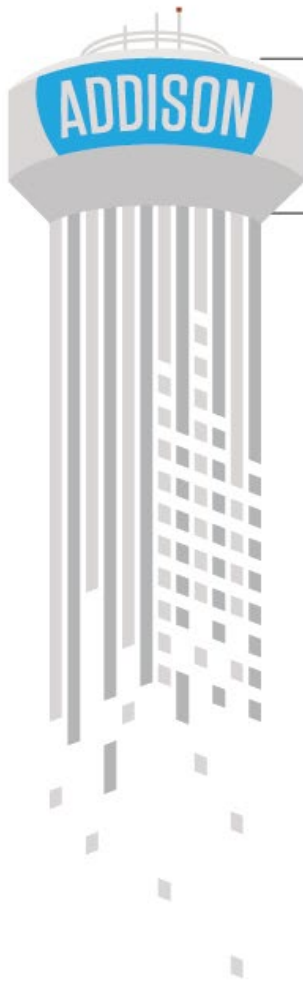
EXHIBIT A

HOTEL SPECIAL REVENUE

Fund by Department

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$4,641,300	\$4,108,831	\$5,330,207	\$5,294,485
Revenues				
Hotel/Motel Occupancy Taxes	5,683,639	5,250,000	5,250,000	5,355,000
Proceeds from Special Events	1,222,856	1,127,000	1,127,000	1,616,000
Rental Income	145,534	70,000	90,000	160,000
Interest Earnings and Other	41,714	75,100	150,100	275,000
Total Revenues	\$7,093,743	\$6,522,100	\$6,617,100	\$7,406,000
Total Available Resources	\$11,735,043	\$10,628,931	\$11,947,307	\$12,700,485
Expenditures				
Marketing & Tourism	999,701	1,715,393	1,712,378	1,989,451
Addison Theatre Centre	758,959	701,541	698,866	915,874
Major Special Events	2,529,784	2,715,937	2,715,937	2,720,572
Special Events	798,549	954,888	931,453	1,135,478
Vitruvian Events	185,000	185,000	185,000	185,000
General Hotel Operations	364,843	463,302	409,188	600,221
Total Operating Expenditures	\$5,636,836	\$6,736,061	\$6,652,822	\$7,546,596
Transfer to Economic Development Fund	768,000	-	-	-
Total Expenditures	\$6,404,836	\$6,736,061	\$6,652,822	\$7,546,596
Ending Fund Balances	\$5,330,207	\$3,892,870	\$5,294,485	\$5,153,889
Fund Balance Percentage	94.6%	57.8%	79.6%	68.3%

EXHIBIT A



HOTEL *Fund*

Addison Theatre Centre & Performing Arts

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Revenues				
Rental Income	145,534	30,000	50,000	120,000
Total Revenues	\$145,534	\$30,000	\$50,000	\$120,000
Expenditures				
Personnel Services	129,429	144,346	144,346	289,468
Supplies	19,192	27,300	27,300	29,250
Maintenance	66,167	54,601	52,766	69,869
Contractual Services	506,494	461,916	461,076	483,909
Capital Replacement / Lease	13,378	13,378	13,378	13,378
Capital Outlay	24,309	-	-	30,000
Total Expenditures	\$758,959	\$701,541	\$698,866	\$915,874
Total Investment	\$(613,425)	\$(671,541)	\$(648,866)	\$(795,874)
Maximum Investment*	\$(852,548)	\$(787,500)	\$(787,500)	\$(803,250)

*Maximum investment is 15% of hotel/motel occupancy taxes

Taste Addison



FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Revenues				
Gross Receipt Fees	285,017	219,000	219,000	465,000
Special Vendor Fees	24,650	20,000	20,000	35,000
Sponsorships	96,000	100,000	100,000	150,000
Total Revenues	\$405,667	\$339,000	\$339,000	\$650,000
Expenditures				
Personnel Services	100,205	94,560	94,560	106,400
Contractual Services	818,265	928,300	928,300	1,069,000
Total Operational Expenditures	\$918,470	\$1,022,860	\$1,022,860	\$1,175,400
Total Investment	\$(512,803)	\$(683,860)	\$(683,860)	\$(525,400)

EXHIBIT A

Hotel Fund

Kaboomtown!

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Revenues				
Gross Receipt Fees	22,277	70,500	70,500	146,000
Special Vendor Fees	600	-	-	-
Sponsorships	79,750	75,000	75,000	100,000
Total Revenues	\$102,627	\$145,500	\$145,500	\$246,000
Expenditures				
Personnel Services	56,146	76,830	76,830	65,857
Contractual Services	381,970	444,700	444,700	371,500
Total Expenditures	\$438,116	\$521,530	\$521,530	\$437,357
Total Investment	\$(335,489)	\$(376,030)	\$(376,030)	\$(191,357)



Oktoberfest

FY2024-25	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Revenues				
Gross Receipt Fees	521,339	465,000	465,000	555,000
Special Vendor Fees	19,150	16,000	16,000	20,000
Sponsorships	103,800	120,000	120,000	125,000
Total Revenues	\$644,289	\$601,000	\$601,000	\$700,000
Expenditures				
Personnel Services	160,131	163,464	163,464	158,815
Contractual Services	786,668	743,000	743,000	764,000
Total Expenditures	\$946,799	\$906,464	\$906,464	\$922,815
Total Investment	\$(302,510)	\$(305,464)	\$(305,464)	\$(222,815)

EXHIBIT A

ECONOMIC *Development Fund*

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$1,980,287	\$1,952,519	\$2,592,507	\$2,486,348
Revenues				
Ad Valorem Taxes	1,298,984	1,401,782	1,401,782	1,474,028
Service Fees	33,105	60,000	20,000	-
Interest and Other Income	34,580	40,000	75,000	75,000
Total Operational Revenue	1,366,669	1,501,782	1,496,782	1,549,028
Transfers from other funds	768,000	-	-	-
Total Revenues	2,134,669	1,501,782	1,496,782	1,549,028
Total Available Resources	4,114,956	3,454,301	4,089,289	4,035,376
Expenditures				
Personnel Services	496,340	465,625	465,625	504,162
Supplies	16,678	15,317	15,317	14,308
Maintenance	9,735	10,040	10,040	44,728
Contractual Services	866,491	927,244	927,244	904,360
Capital Replacement / Lease	133,205	9,715	9,715	9,715
Total Operational Expenditures	1,522,449	1,427,941	1,427,941	1,477,263
One-Time Decision Packages	-	175,000	175,000	-
Total Expenditures	1,522,449	1,602,941	1,602,941	1,477,263
Ending Fund Balances	\$2,592,507	\$1,851,360	\$2,486,348	\$2,558,113
Fund Balance Percentage	170.3%	129.7%	174.1%	173.2%

EXHIBIT A



GENERAL OBLIGATION

Debt Service Fund

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$652,117	\$652,117	\$747,328	\$789,270
Revenues				
Ad Valorem Taxes	9,017,967	9,465,895	9,465,895	10,608,408
Interest and Other Income	23,387	30,000	56,942	50,000
Total Operational Revenue	\$9,041,354	\$9,495,895	\$9,522,837	\$10,658,408
Transfers from other funds	909,405	875,540	875,540	972,958
Total Revenues	\$9,950,759	\$10,371,435	\$10,398,377	\$11,631,366
Total Available Resources	\$10,602,876	\$11,023,552	\$11,145,705	\$12,420,636
Expenditures				
Contractual Services	-	6,000	6,000	8,000
Debt Service	9,855,548	10,350,435	10,350,435	11,810,279
Total Expenditures	\$9,855,548	\$10,356,435	\$10,356,435	\$11,818,279
Ending Fund Balances	\$747,328	\$667,117	\$789,270	\$602,357
Fund Balance Percentage	7.6%	6.4%	7.6%	5.1%

EXHIBIT A

UTILITY

Fund

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$7,056,949	\$7,164,062	\$8,430,079	\$8,906,359
Revenues				
Service Fees				
Water Sales	9,437,297	8,832,590	8,930,630	9,440,658
Sewer Charges	6,647,135	7,011,910	7,100,399	7,505,903
Tap Fees & Other	119,263	10,324	50,000	50,000
Fines & Penalties	118,932	93,711	105,000	105,000
Interest and Other Income	256,270	157,422	257,422	232,422
Total Revenues	\$16,578,897	\$16,105,957	\$16,443,451	\$17,333,983
Total Available Resources	\$23,635,846	\$23,270,019	\$24,873,530	\$26,240,342
Expenditures				
Personnel Services	2,637,852	3,048,220	2,870,560	3,202,074
Supplies	221,181	238,671	237,930	227,105
Maintenance	999,166	925,922	997,874	1,167,009
Contractual Services				
Water Purchases	4,424,647	4,620,482	4,620,482	4,976,098
Wastewater Treatment	3,909,952	3,950,773	3,950,773	4,310,865
Other Services	1,280,065	1,282,972	1,338,798	1,529,332
Capital Replacement / Lease	206,584	206,584	206,584	166,584
Debt Service	1,526,320	1,744,170	1,744,170	1,747,470
Capital Outlay	-	-	-	-
Total Operating Expenditures	\$15,205,767	\$16,017,794	\$15,967,171	\$17,326,537
One-Time Decision Packages	-	175,000	-	175,000
Capital Projects (Cash Funded)	-	79,000	-	1,220,000
Total Expenditures	\$15,205,767	\$16,271,794	\$15,967,171	\$18,721,537
Ending Working Capital	\$8,430,079	\$6,998,225	\$8,906,359	\$7,518,805
Working Capital Percentage	55.4%	43.7%	55.8%	43.4%

EXHIBIT A

STORMWATER *Fund*

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Working Capital	\$9,049,527	\$8,101,159	\$8,657,555	\$7,808,368
Revenues				
Licenses and Permits	2,550	-	-	-
Drainage Fees	2,548,749	2,575,000	2,575,000	2,600,000
Interest and Other Income	262,282	150,000	250,000	200,000
Total Revenues	\$2,813,581	\$2,725,000	\$2,825,000	\$2,800,000
Total Available Resources	\$11,863,108	\$10,826,159	\$11,482,555	\$10,608,368
Expenditures				
Personnel Services	431,595	741,366	741,366	942,468
Supplies	49,558	38,999	29,900	30,400
Maintenance	331,020	615,052	614,358	620,549
Contractual Services	333,979	214,846	214,846	257,200
Capital Replacement / Lease	10,000	25,000	25,000	50,000
Debt Service	493,199	489,590	489,590	896,453
Capital Outlay	58,866	-	-	-
Total Operating Expenditures	\$1,708,217	\$2,124,853	\$2,115,060	\$2,797,070
One-Time Decision Packages	-	1,061,000	1,061,000	66,500
Transfers to Debt Service Fund	-	406,196	406,196	444,431
Capital Projects (Cash Funded)	1,497,336	2,800,000	91,931	-
Total Expenditures	\$3,205,553	\$6,392,049	\$3,674,187	\$3,308,001
Ending Working Capital	\$8,657,555	\$4,434,110	\$7,808,368	\$7,300,367
Working Capital Percentage	506.8%	208.7%	369.2%	261.0%

EXHIBIT A

AIRPORT Fund

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$8,118,409	\$6,537,015	\$8,396,470	\$8,173,656
Revenues				
Intergovernmental				
Operating Grants	\$50,000	\$50,000	\$136,133	\$2,671,260
Service Fees	1,357,603	1,394,180	1,394,900	1,485,140
Rental Income	5,618,212	5,696,105	5,698,025	5,733,487
Interest and Other Income	262,033	125,000	476,214	220,700
Total Revenues	\$7,287,848	\$7,255,285	\$7,705,272	\$10,110,587
Total Available Resources	\$15,406,257	\$13,792,300	\$16,101,742	\$18,453,763
Expenditures				
Personnel Services	\$2,498,561	\$2,735,486	\$2,735,486	\$2,964,581
Supplies	41,994	36,587	31,217	55,873
Maintenance	688,500	750,462	714,890	693,126
Contractual Services	1,027,345	1,376,399	1,374,988	1,507,327
Capital Replacement / Lease	232,928	157,928	157,928	242,928
Debt Service	708,067	1,073,541	1,073,541	874,709
Total Operational Expenditures	\$5,197,395	\$6,130,403	\$6,088,050	\$6,338,544
Transfer to Debt Service Fund	508,966	469,344	469,344	528,527
One-Time Decision Packages	-	-	-	147,000
Capital Projects (Cash Funded)	1,303,426	1,561,360	1,370,692	4,208,000
Total Expenditures	\$7,009,787	\$8,161,107	\$7,928,086	\$11,222,071
Ending Working Capital	\$8,396,470	\$5,631,193	\$8,173,656	\$7,082,72
Working Capital Percentage	161.6%	91.9%	134.3%	110.7%

EXHIBIT A

SELF-FUNDED *Special Project Fund*

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$5,792,113	\$4,481,306	\$6,505,508	\$5,162,681
Revenues				
Interest and Other Income	\$487,399	\$100,000	\$380,000	\$125,000
Total Revenues	\$487,399	\$100,000	\$380,000	\$125,000
Transfers from other funds	\$3,000,000	\$-	\$2,000,000	\$-
Total Available Resources	\$9,279,512	\$4,581,306	\$8,885,508	\$5,287,681
Expenditures				
Supplies	\$72,132	\$3,000	\$36,500	\$3,000
Maintenance	441,956	543,343	863,343	196,000
Contractual Services	1,205,134	69,900	1,061,160	549,900
Capital Outlay	1,054,782	1,477,041	1,771,824	507,200
Total Expenditures	\$2,774,004	\$2,093,284	\$3,722,827	\$1,256,100
Ending Fund Balance	\$6,505,508	\$2,488,022	\$5,162,681	\$4,031,581
Fund Balance Percentage	234.5%	118.9%	138.7%	321.0%

EXHIBIT A

Self-Funded Projects Fund

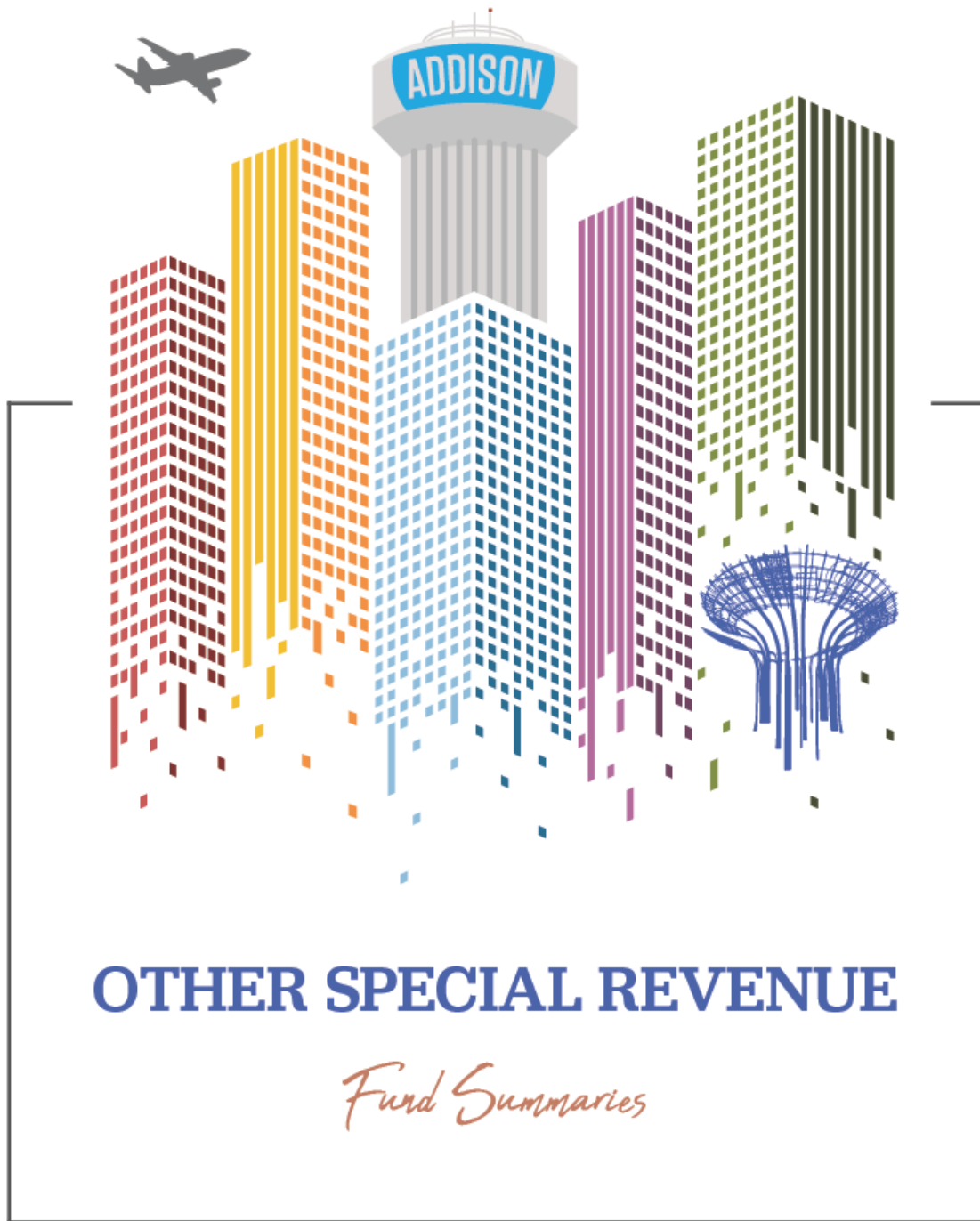
Projects List	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Metrocrest Services Capital Contribution	60,000	-	-	-
TOD Real Estate Brokerage Services	120,000	-	-	-
TASSPP Consulting Fees	-	-	40,000	-
Tree Mitigation Plantings	49,555	-	200,000	-
Smoke Detector Battery Repl. Program	-	3,000	3,000	3,000
EMS Training	-	-	-	15,000
Unified Development Code	3,500	-	100,000	-
DART Engineering Review	3,705	-	-	-
Cotton Belt Railway Quiet Zone	420	-	-	-
Comprehensive Plan	20,000	-	429,935	-
Athletic Center Building Updates	1,070	-	-	-
Oncor Transformer Removal	123,114	-	-	-
Redding Trail Improvements	5,914	-	-	-
OPEB Trust	500,000	-	-	-
Capital Budget Planning Software	2,400	-	-	-
Fire Facility Maintenance	370,380	-	-	-
Facility Lightning Protection	77,684	-	-	-
Toyota Forklift	39,787	-	-	-
Conference Centre Tables and Chairs	16,999	-	-	-
Utilize TASSPP Funds	404,358	-	-	-
Wheeler Bridge Painting	145,000	-	-	-
Beltway Trail and Greenspace Construction Documents	85,473	-	-	-
Beckert Park Light Bollard Replacement and Electrical	2,312	-	34,070	-
Winnwood Park Electrical Repairs	73,729	-	-	-
Chipper Equipment	213,365	-	-	-
Park Land Dedication and Development Fee Study	15,022	-	120,000	-
Pickleball Court Security Cameras	13,194	-	-	-
TOD Cost of Service Study	20,800	-	4,200	-
General Services Operations Study	34,048	-	-	-
Carpet Replacement Police Department	40,147	-	-	-
Compensation - Market Update Study	29,125	-	5,625	-
AAC Fitness Wing Wall Treatments	10,700	-	178,000	-
Vitruvian Court Fitness Court	232,691	-	12,500	-
Crosswalk Beacons and Intersection Improvements	59,512	-	-	-

EXHIBIT A

Self-Funded Projects Fund

Projects List	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Pavement Condition Assessment	-	-	82,500	-
HSIP Belt Line Road and Business Avenue	-	-	130,000	-
HSIP Arapaho Road/Surveyor Blvd and Systemwide Improvements	-	-	143,000	222,200
Storm Tree and Debris Cleanup	-	-	150,000	-
Public Safety Staffing Study	-	-	120,000	-
Theatre Operations Study	-	-	60,000	-
Council Worksession Audio/Video Equipment	-	-	30,000	-
Emergency Management Coordinator	-	7,800	7,800	-
AED 123 Purchase and Monthly Inspections Two	-	75,000	75,000	-
(2) Fire Administration Vehicles Assistant Director	-	120,000	120,000	-
of Development Services Code Enforcement	-	9,900	9,900	-
Manager	-	51,400	51,400	-
Code Enforcement Officer	-	49,900	49,900	-
Neighborhood Services Startup Funding Parks	-	60,000	60,000	-
Planned Asset Replacement	-	196,000	196,000	196,000
Addison Circle Park Vision Plan	-	205,000	205,000	-
Pickleball Court Shade Structure	-	217,000	217,000	-
Spruill Dog Park Artificial Turf	-	235,287	-	-
Landscape Architect	-	62,180	62,180	-
Public Art Installation	-	150,000	150,000	-
NTTA Pedestrian Crossing, Gateway, and Landscape Plan	-	156,000	156,000	-
Recreation Van	-	98,274	98,274	-
Addison Athletic Club (AAC) Building Improvements	-	57,000	57,000	-
Addison Athletic Club Outdoor Pool Renovation	-	339,743	339,743	-
Service Center Lobby Renovations	-	-	25,000	225,000
Mental Health Screening for Fire Department	-	-	-	30,000
Neighborhood Vitality Grant Funding	-	-	-	100,000
Local Trail Connection and Park Schematic Design	-	-	-	156,000
Wayfinding Signage Master Plan	-	-	-	248,900
AAC Outdoor Pool Restroom/ Perimeter Fence Renovation	-	-	-	60,000
	\$2,774,004	\$2,093,284	\$3,722,827	\$1,256,100

EXHIBIT A



OTHER SPECIAL REVENUE

Fund Summaries

EXHIBIT A

ADDISON GROVE

Escrow Fund

Fund Description: The Addison Grove Escrow Fund receives transfers from other funds for future economic development incentive payments for the construction of the Addison Grove development.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$3,009,008	\$3,209,008	\$3,249,011	\$99,011
Revenues				
Interest and Other Income	\$240,003	\$50,000	\$100,000	\$-
Total Revenues	\$240,003	\$50,000	\$100,000	\$-
Total Available Resources	\$3,249,011	\$3,259,008	\$3,349,011	\$99,011
Expenditures				
Contractual Services	\$-	\$3,250,000	\$3,250,000	\$-
Total Expenditures	\$-	\$3,250,000	\$3,250,000	\$-
Ending Fund Balances	\$3,249,011	\$9,008	\$99,011	\$99,011
Fund Balance Percentage	0.0%	0.3%	3.0%	0.0%

EXHIBIT A

PUBLIC SAFETY

Forfeiture Fund

Fund Description: The Police forfeiture funds are awarded of monies or property by the courts related to cases that involve the Addison Police Department.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$63,964	\$14,464	\$16,024	\$14,574
Revenues				
Intergovernmental	\$-	\$-	\$7800	\$-
Interest and Other Income	4,538	750	750	500
Total Revenues	\$4,538	\$750	\$8,550	\$500
Total Available Resources	\$68,502	\$15,214	\$24,574	\$15,074
Expenditures				
Supplies	\$44,938	\$10,000	\$4,970	\$10,000
Contractual Services	-	-	5,030	-
Capital Outlay	7,540	-	-	-
Total Expenditures	\$52,478	\$10,000	\$10,000	\$10,000
Ending Fund Balances	\$16,024	\$5,214	\$14,574	\$5,074
Fund Balance Percentage	30.5%	52.1%	145.7%	50.7%

EXHIBIT A

PEG FEES

Fund

Fund Description: Public, Educational and Governmental (PEG) fees are a cable franchise fee. The funding is used for any combination of television production equipment, training, and government access airtime on a local cable system.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$218,003	\$49,503	\$70,320	\$10,070
Revenues				
Franchise Fees	\$31,757	\$40,000	\$28,000	\$25,000
Interest and Other Income	410	1,500	750	500
Total Revenues	\$32,167	\$41,500	\$28,750	\$25,500
Total Available Resources	\$250,170	\$91,003	\$97,070	\$35,570
Expenditures				
Supplies	\$71,703	\$-	\$-	\$-
Capital Outlay	108,147	75,000	87,000	30,000
Total Expenditures	\$179,850	\$75,000	\$87,000	\$30,000
Ending Fund Balances	\$70,320	\$16,003	\$10,070	\$5,570
Fund Balance Percentage	39.1%	21.3%	11.6%	18.6%

EXHIBIT A

COURT *Technology Fund*

Fund Description: The court technology fees in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified security or technology improvements for Addison's municipal court.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$41,069	\$42,419	\$53,669	\$56,169
Revenues				
Fines and Penalties	\$12,214	\$10,500	\$10,500	\$10,500
Interest and Other Income	386	500	2,000	1,000
Total Revenues	\$12,600	\$11,000	\$12,500	\$11,500
Total Available Resources	\$53,669	\$53,419	\$66,169	\$67,669
Expenditures				
Contractual Services	\$-	\$25,000	\$10,000	\$25,000
Total Expenditures	\$-	\$25,000	\$10,000	\$25,000
Ending Fund Balances	\$53,669	\$28,419	\$56,169	\$42,669
Fund Balance Percentage	0.0%	113.7%	561.7%	170.7%

EXHIBIT A

BUILDING *Security Fund*

Fund Description: The building security fees in this fund are generated from court costs paid by offenders. By law, these revenue amounts can only be spent on specified security or technology improvements for Addison's municipal court.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$46,639	\$47,739	\$51,544	\$32,873
Revenues				
Fines and Penalties	\$14,856	\$13,250	\$9,000	\$9,000
Interest and Other Income	363	600	1,500	1,000
Total Revenues	\$15,219	\$13,850	\$10,500	\$10,000
Total Available Resources	\$61,858	\$61,589	\$62,044	\$42,873
Expenditures				
Personnel Services	\$10,314	\$29,171	\$29,171	\$26,270
Total Expenditures	\$10,314	\$29,171	\$29,171	\$26,270
Ending Fund Balances	\$51,544	\$32,418	\$32,873	\$16,603
Fund Balance Percentage	499.7%	111.1%	112.7%	63.2%

EXHIBIT A

CHILD *Safety Fund*

Fund Description: This is a special court cost under Art. 102.014 Code of Criminal Procedure for convictions of moving traffic violations in school crossing zones and passing a school bus. For cities under 850,000 population, it shall be used first to fund school crossing guards, with any excess expended for programs designed to enhance public safety and security.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$140,935	\$180,948	\$188,297	\$185,797
Revenues				
Fines and Penalties	\$24,166	\$11,000	\$17,000	\$11,000
Interest and Other Income	1,196	2,000	5,000	3,000
Total Revenues	\$25,362	\$13,000	\$22,000	\$14,000
Total Available Resources	\$166,297	\$173,948	\$188,297	\$199,797
Expenditures				
Contractual Services	\$-	\$2,500	\$2,500	\$2,500
Total Expenditures	\$-	\$2,500	\$2,500	\$2,500
Ending Fund Balances	\$166,297	\$171,448	\$185,797	\$197,297
Fund Balance Percentage	0.0%	6857.9%	7431.9%	7891.9%

EXHIBIT A

JUSTICE

Administration Fund

Fund Description: This fee is a \$2.50 portion of the Time Payment Fee in Section 133.103 of the Local Government Code which shall be used for the purpose of improving the efficiency of the court.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$43,288	\$52,538	\$60,244	\$67,844
Revenues				
Fines and Penalties	\$16,025	\$3,030	\$9,600	\$9,530
Interest and Other Income	933	1,000	3,000	2,000
Total Revenues	\$16,958	\$4,030	\$12,600	\$11,530
Total Available Resources	\$60,244	\$56,568	\$72,844	\$79,374
Expenditures				
Supplies	\$-	\$4,000	\$4,000	\$4,000
Maintenance	-	1,000	1,000	1,000
Total Expenditures	\$-	\$5,000	\$5,000	\$5,000
Ending Fund Balances	\$60,244	\$51,568	\$67,844	\$74,374
Fund Balance Percentage	0.0%	1031.3%	1356.9%	1487.5%

EXHIBIT A



INFRASTRUCTURE

Investment Fund

Fund Description: The Infrastructure Investment Fund (IIF) accumulates resources to support pay-as-you-go capital projects or significant non-routine capital expenditures of not less than \$500,000, building a reserve to reduce Addison's reliance on debt for capital projects.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$5,628,803	\$4,789,057	\$6,052,005	\$4,129,546
Revenues				
Ad Valorem Taxes	\$340,644	\$368,614	\$368,614	\$381,504
Interest and Other Income	144,850	276,667	150,000	150,000
Total Revenues	\$485,494	\$645,281	\$518,614	\$531,504
Total Available Resources	\$6,114,297	\$5,434,338	\$6,570,619	\$4,661,050
Expenditures				
Capital Projects (Cash Funded)				
Traffic Signal and ADA Improvements	62,292	-	1,391,073	-
Redding Trail Extension/Dog Park	-	550,000	550,000	-
Conference Centre Renovations	-	-	500,000	1,500,000
Total Expenditures	\$62,292	\$-	\$1,891,073	\$1,500,000
Ending Fund Balances	\$6,052,005	\$5,434,338	\$4,679,546	\$3,161,050
Fund Balance Percentage	9715.5%	0.0%	247.5%	210.7%

EXHIBIT A

STREETS

Self-Funded Projects Fund

Fund Description: The Streets Self-Funded Projects Fund accumulates resources to support pay-as-you-go streets capital projects or significant non-routine streets capital and maintenance expenditures, building a reserve to reduce Addison's reliance on debt for streets capital projects. The dollars for these one-time projects are intended to come from interest income generated, one-time reimbursements, and contributions from the General Fund.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$1,990,109	\$2,636,610	\$2,691,289	\$6,476,136
Revenues				
Interest and Other Income	\$701,180	\$11,532,873	\$4,689,847	\$3,075,000
Total Operational Revenue	\$701,180	\$11,532,873	\$4,689,847	\$3,075,000
Other Financing Sources - Leases	122,950	-	-	-
Total Available Resources	\$2,814,239	\$14,169,483	\$7,381,136	\$9,551,136
Expenditures				
Maintenance	\$-	\$405,000	\$405,000	\$500,000
Contractual Services	-	4,100,000	-	195,000
Capital Outlay	122,950	-	-	-
Total Operational Expenditures	\$122,950	\$4,505,000	\$405,000	\$695,000
Capital Projects (Cash Funded)				
Vitruvian West Streetscape and Bella Lane Extension	-	604,200	-	604,200
Vitruvian Park Phase 6, Blocks 301, 302 and 303	-	654,075	-	654,075
Keller Springs Reconstruction	-	2,000,000	-	-
Beltway Drive Trail	-	2,197,500	500,000	1,697,500
Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	-	-	-	563,900
Total Expenditures	\$122,950	\$9,960,775	\$905,000	\$4,214,675
Ending Fund Balances	\$2,691,289	\$4,208,708	\$6,476,136	\$5,336,461
Fund Balance Percentage	2188.9%	42.3%	715.6%	126.6%

EXHIBIT A

GRANT

Funds

Fund Description: Two special revenue funds account for monies received from private and governmental agencies. Expenditures of these grant monies are also recorded in the grant funds. The Advanced Funding Grant Fund is utilized for grant monies that are received prior to the related expenditure. This fund may carry a balance from year to year if Addison does not expend the monies within the fiscal year. The Reimbursement Grant Fund will track expenditures for which the Town expects to be reimbursed. Addison will record a receivable for any reimbursements not received prior to the fiscal year end.

Statement of Revenues and Expenditures	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Balances	\$52,545	\$38,961	\$76,176	\$51,118
Revenues				
Intergovernmental	\$191,976	\$8,100	\$35,329	\$8,750
Interest and Other Income	54,659	400	2,000	1,200
Total Revenues	\$246,635	\$8,500	\$37,329	\$9,950
Total Available Resources	\$299,180	\$47,461	\$113,505	\$61,068
Expenditures				
Personnel Services	\$2,378	\$-	\$-	\$-
Supplies	25,997	-	1,700	-
Contractual Services	148,082	13,700	60,687	20,000
Capital Outlay	42,078	-	-	-
Total Operating Expenditures	\$218,535	\$13,700	\$62,387	\$20,000
Transfers to Other Funds	\$4,469	\$-	\$-	\$-
Total Expenditures	\$223,004	\$13,700	\$62,387	\$20,000
Ending Fund Balances	\$76,176	\$33,761	\$51,118	\$41,068
Fund Balance Percentage	34.2%	246.4%	81.9%	205.3%

EXHIBIT A

INFORMATION TECHNOLOGY

Replacement Fund

Statement of Revenues and Expenses	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Working Capital	\$3,719,964	\$2,892,909	\$3,619,061	\$3,824,524
Revenues				
Service Fees	\$573,963	\$805,963	\$805,963	\$805,963
Interest and Other Income	30,524	57,750	96,500	76,500
Total Revenues	\$604,487	\$863,713	\$902,463	\$882,463
Total Available Resources	\$4,324,451	\$3,756,622	\$4,521,524	\$4,706,987
Expenses				
Supplies	\$121,843	\$-	\$-	\$-
Maintenance	57,595	847,000	103,000	189,000
Capital Outlay	525,952	-	594,000	685,000
Total Expenses	\$705,390	\$847,000	\$697,000	\$874,000
Ending Working Capital	\$3,619,061	\$2,909,622	\$3,824,524	\$3,832,987
Working Capital Percentage	513.1%	343.5%	548.7%	438.6%

Equipment List	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Law Enforcement Policy Software	\$48,595	\$-	\$-	\$-
Desk Officer Reporting System	9,000	-	-	-
Police Forensic Tools	31,472	-	-	-
Police Replace In-Car Video/Body Cams	105,185	294,000	294,000	110,000
Replace Mobile Device Computers	-	300,000	300,000	285,000
Optical Security Cameras	53,422	-	-	-
Fire Vehicle and Helmet Mounted Cameras	-	-	-	25,000
AAC Public Address and Music System	-	-	-	80,000
Phone System Upgrade	129,204	-	-	-
EnerGov System Upgrade	-	150,000	-	150,000
Fire RMS	-	8,000	8,000	-
Internal Affairs Investigation Software	-	30,000	30,000	-
Airport Lease Management Software	-	65,000	65,000	-
PCs, iPads, and Laptops Upgrade	328,512	-	-	-
NeoGov Onboard	-	-	-	14,000
License Plate Reader Cameras	-	-	-	60,000
Building Security Enhancements	-	-	-	150,000
	\$705,390	\$847,000	\$697,000	\$874,000

EXHIBIT A

CAPITAL EQUIPMENT

Replacement Fund



Statement of Revenues and Expenses	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Working Capital	\$4,896,935	\$3,400,895	\$4,397,985	\$1,839,545
Revenues				
Service Fees	\$1,215,000	\$1,415,000	\$1,415,000	\$1,705,000
Interest and Other Income	137,871	97,200	171,800	132,400
Total Revenues	\$1,352,871	\$1,512,200	\$1,586,800	\$1,837,400
Total Available Resources	\$6,049,806	\$4,913,095	\$5,984,785	\$3,676,945
Expenses				
Capital Outlay	\$1,651,821	\$2,518,304	\$4,145,240	\$1,321,600
Total Expenses	\$1,651,821	\$2,518,304	\$4,145,240	\$1,321,600
Ending Working Capital	\$4,397,985	\$2,394,791	\$1,839,545	\$2,355,345
Working Capital Percentage	266.3%	95.1%	44.4%	178.2%

EXHIBIT A

Capital Equipment Replacement Fund

Equipment List	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Emergency Generator Replacement	\$291,600	\$-	\$449,236	\$-
General Services F150 Crew Cab	51,662	-	-	-
General Services (2) Ford C-Max	-	60,200	122,420	-
General Services F250	-	-	79,093	-
General Services Silverado	-	46,714	46,714	-
Police Motorcycles	58,262	-	-	-
Police (2) Admin Toyota Highlander	75,202	-	-	-
Police (19) Patrol Vehicles	-	950,400	1,378,466	-
Police Chief Durango	-	-	58,010	-
Police K9 Chevy Tahoe	-	-	75,271	-
Police (3) CID Chevy Tahoe	160,102	-	-	-
Police Prisoner Transport	-	52,800	-	-
Police Ford Crime Scene Van	-	52,800	76,837	-
Fire Ambulance (2)	384,949	385,000	465,000	942,300
Fire Rescue Tools	-	-	-	89,500
Fire Ford Interceptor	55,932	-	-	-
Fire Chief F150	-	-	60,000	-
Fire Thermal Imaging Cameras (3)	14,602	-	-	20,500
Development Services F150 Supercab	46,490	95,660	97,975	46,000
Streets Sand Spreader	-	-	-	25,000
Streets Ford F250 (2)	-	47,830	115,810	-
Streets (3) Ford F350 Extended Cab	-	206,700	143,096	-
Streets Ford F750 Dump Truck	-	74,520	120,276	-
Streets Ford F750 Aerial Body	165,033	-	-	-
Parks Genie Lift	-	-	-	37,000
Parks Ford F350 Dump Body	-	-	166,604	-
Parks Trailer	-	6,500	6,500	-
Parks (3) Ford F250 Super Cab	-	212,320	216,207	-
Parks Ford F350 Super Cab	-	-	69,698	-
Parks Ford Transit Van	-	51,280	57,907	-
Parks (4) F250 Crew Cab	-	167,100	231,620	-
Parks Arrow Board	-	-	-	5,300
Parks Spyker Sprayer	-	-	-	25,000
Parks Track Loader	-	-	-	43,000
Recreation Life Fitness Treadmills	74,228	-	-	-
Airport Ford F250 Crew Cab	-	55,700	55,700	-
Airport Chevy Tahoe	-	52,800	52,800	-
Utilities Ford F250	-	-	-	88,000
Utilities Ford F350	66,841	-	-	-
Utilities Ford F150	45,726	-	-	-
Utilities PipeHunter Vacuum Truck	161,192	-	-	-
	\$1,651,821	\$2,518,304	\$4,145,240	\$1,321,600

EXHIBIT A

FACILITY *Maintenance Fund*



Statement of Revenues and Expenses	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Beginning Working Capital	\$1,272,172	\$1,008,182	\$1,424,900	\$1,404,100
Revenues				
Service Fees	\$600,000	\$450,000	\$450,000	\$750,000
Interest and Other Income	9,080	18,250	36,000	29,000
Total Revenues	\$609,080	\$468,250	\$486,000	\$779,000
Total Available Resources	\$1,881,252	\$1,476,432	\$1,910,900	\$2,183,100
Expenses				
Maintenance	\$426,317	\$506,800	\$506,800	\$1,085,000
Capital Outlay	30,035	-	-	-
Total Expenses	\$456,352	\$506,800	\$506,800	\$1,085,000
Ending Working Capital	\$1,424,900	\$969,632	\$1,404,100	\$1,098,100
Working Capital Percentage	312.2%	191.3%	277.1%	101.2%

EXHIBIT A

Facility Maintenance Fund

Projects List	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
Emergency Maintenance	\$323,609	\$275,000	\$275,000	\$375,000
Central Fire Cast Stone Repair	30,789	-	-	-
Finance Wood Deck Repair	28,782	-	-	-
Police Range Flooring Replacement	3,170	-	-	-
Central Fire Sewer Drain Repair	23,675	-	-	-
Pavilion Exterior Drinking Fountains	30,085	-	-	-
Theatre Centre Water Heater Replacement	12,717	-	-	-
Celestial Garage Water Heater Replacement	3,575	-	-	-
Atrium Skylight	-	23,000	23,000	-
Fire Station 1 Cast Stone - Phase 3	-	35,000	35,000	-
Replace Parking Lot at F1 - West Side	-	8,000	8,000	-
Replacement of Split System Unit #1	-	25,000	25,000	-
Replacement of Split System Unit #3	-	25,000	25,000	-
Resurface Exterior Balcony Area	-	8,500	8,500	-
Water Heater at Vitruvian	-	4,300	4,300	-
Duct Cleaning	-	53,000	53,000	-
Parking Lot Painting/Restriping	-	20,000	20,000	-
Gym Floor Resurfacing	-	30,000	30,000	-
Town Hall Exterior Paint and Carpentry	-	-	-	95,000
Police Department Post Remediation Reconstruction	-	-	-	200,000
Interior Paint and Flooring at Town Hall and Fire Station 1	-	-	-	160,000
Theatre Centre Remove Vines and Repaint	-	-	-	165,000
Facility Flooring and Interior Paint at the Service Center	-	-	-	90,000
	\$456,352	\$506,800	\$506,800	\$1,085,000

EXHIBIT A

ALL FUNDS

Decision Packages

	FTEs	Recurring Costs	One-Time Costs	Total Expense Amount	2024-25 Revenue/ Cost Offset	Total Net Cost
GENERAL FUND						
General Services						
Day Porter Services	-	\$50,000	\$-	\$50,000	\$-	\$50,000
Police						
Officer-in-Charge (OIC) Pay	-	\$14,400	\$-	\$14,400	\$-	\$14,400
Field Training Officer (FTO) Pay	-	\$10,000	\$-	\$10,000	\$-	\$10,000
Community Outreach	-	\$10,000	\$-	\$10,000	\$-	\$10,000
Add Two City Observed Holidays	-	\$38,118	\$-	\$38,118	\$-	\$38,118
Fire						
Add Two City Observed Holidays	-	\$38,118	\$-	\$38,118	\$-	\$38,118
Development Services						
Abatement Services	-	\$36,000	\$-	\$36,000	\$(40,000)	\$(4,000)
Recreation						
Recreation Programming	-	\$17,500	\$-	\$17,500	\$(14,800)	\$2,700
TOTAL GENERAL FUND	-	\$214,136	\$-	\$214,136	\$(54,800)	\$159,336
SPECIAL REVENUE FUNDS						
Hotel Fund						
Volunteer Coordinator (Part-time to Full-time)	0.30	\$27,988	\$-	\$27,988	\$-	\$27,988
Tourism Coordinator	1.00	\$108,247	\$-	\$108,247	\$(150,000)	\$(41,753)
Theatre Manager	1.00	\$138,409	\$250	\$138,659	\$-	\$138,659
Major Theatre Projects Funding	-	\$30,000	\$-	\$30,000	\$-	\$30,000
Senior Communications Specialist	1.00	\$18,560	\$2,700	\$19,260	\$(105,000)	\$14,260
TOTAL SPECIAL REVENUE FUNDS	3.30	\$421,202	\$2,950	\$424,152	\$(255,000)	\$169,152
SELF-FUNDED SPECIAL PROJECTS FUND						
Fire						
Mental Health Screening for AFD Members	-	\$30,000	\$-	\$30,000	\$-	\$30,000
Recurring Utilization of TASSPP Funds for EMS Training	-	\$15,000	\$-	\$15,000	\$-	\$15,000
Development Services						
Neighborhood Vitality Grant Funding	-	\$-	\$100,000	\$100,000	\$-	\$100,000
Parks						
Parks Planned Asset Replacement	-	\$-	\$196,000	\$196,000	\$-	\$196,000
Wayfinding Signage Master Plan	-	\$-	\$248,900	\$248,900	\$-	\$248,900
Local Trail Connection and Park Schematic Design - Montfort Dr.	-	\$-	\$156,000	\$156,000	\$-	\$156,000
TOTAL SELF-FUNDED PROJECTS	-	\$45,000	\$700,900	\$745,900	\$-	\$745,900

EXHIBIT A

All Funds Decision Packages

STREETS SELF-FUNDED PROJECTS FUND	FTEs	Recurring Costs	One-Time Costs	Requested Expense Amount	2024-25 Revenue/ Cost Offset	Net Cost
Streets						
Belt Line and Addison Rd Crack Seal	-	\$-	\$375,000	\$375,000	\$-	\$375,000
Master Transportation Plan Update		\$-	\$130,000	\$130,000	\$-	\$130,000
Town-Wide Traffic Counts	-	\$-	\$85,000	\$85,000	\$-	\$85,000
Streets Preventative Maintenance	-	\$-	\$125,000	\$125,000	\$-	\$125,000
TOTAL STREETS SELF-FUNDED PROJECTS FUND	-	\$-	\$695,000	\$695,000	\$-	\$695,000
ENTERPRISE FUNDS						
Airport Fund						
Airport GIS Contract	-	\$-	\$110,000	\$110,000	\$-	\$110,000
Airport Vehicle Replacement	-	\$-	\$37,000	\$37,000	\$-	\$37,000
Stormwater Fund						
Construction Inspector	1.00	\$96,875	\$68,500	\$163,375	\$-	\$163,375
Floodplain Administrator (Outsourced)	-	\$25,000	\$-	\$25,000	\$-	\$25,000
Utility Fund						
Kellway Pump Station Maintenance Work	-	\$-	\$175,000	\$175,000	\$-	\$175,000
TOTAL ENTERPRISE FUNDS	1.00	\$121,875	\$388,500	\$510,375	\$-	\$510,375
INTERNAL SERVICE FUNDS						
IT Replacement Fund (General Services)						
Security Enhancements	-	\$-	\$150,000	\$150,000	\$-	\$150,000
IT Replacement Fund (Fire)						
Vehicle and Helmet Mounted Cameras	-	\$-	\$25,000	\$25,000	\$-	\$25,000
IT Replacement Fund (Recreation)						
Install Public Address and Music System	-	\$-	\$80,000	\$80,000	\$-	\$80,000
TOTAL INTERNAL SERVICE FUNDS	-	\$-	\$255,000	\$255,000	\$-	\$255,000
CAPITAL INITIATIVES						
Parks						
Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	-	\$-	\$2,163,000	\$2,163,000	\$-	\$2,163,000
Recreation						
AAC Outdoor Pool Restrooms/Perimeter Fence Renovations	-	\$-	\$276,300	\$276,300	\$-	\$276,300
Airport						
4533 Glenn Curtiss (U2) Roof Replacement	-	\$-	\$150,000	\$150,000	\$-	\$150,000
Airport Fuel Storage Expansion	-	\$-	\$14,680,000	\$14,680,000	\$-	\$14,680,000
Utilities						
AMI Water Meter Modernization	-	\$-	\$3,150,000	\$3,150,000	\$-	\$3,150,000
Celestial Pump Station Bathroom Addition	-	\$-	\$45,000	\$45,000	\$-	\$45,000
ACT Access Driveway	-	\$-	\$225,000	\$225,000	\$-	\$225,000
TOTAL CAPITAL INITIATIVES	-	\$-	\$20,689,300	\$20,689,300	\$-	\$20,689,300
TOTAL	4.30	802,213	22,731,650	23,533,883	(309,800)	23,224,083

EXHIBIT A

CAPITAL IMPROVEMENTS

Program All Funds Summary



FUNDS	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
General Obligation & Cert. of Obligation	\$25,132,162	\$11,138,239	\$34,087,659	\$32,827,706	\$7,000,000	\$110,185,766
State Infrastructure Bank Loans	-	22,187,000	22,413,000	-	-	44,600,000
Self-Funded Special Projects Fund	184,210	507,200	393,800	-	-	1,085,210
Streets Self-Funded Fund	500,000	3,519,675	4,320,000	-	-	8,339,675
General Grant Funds	-	-	3,243,450	-	-	3,243,450
Infrastructure Investment Fund	2,441,073	1,500,000	-	-	-	3,941,073
Utility Certificates of Obligation	3,379,333	2,200,000	1,153,600	900,000	2,987,800	10,620,733
Utility Fund Cash Reserves	-	1,220,000	155,000	-	166,000	1,541,000
Stormwater Certificates of Obligation	40,369	2,500,000	2,800,000	-	-	5,340,369
Stormwater Fund Cash Reserves	91,931	-	-	-	-	91,931
Airport Fund Certificates of Obligation	1,050,000	2,786,000	10,039,000	-	-	13,875,000
Airport Fund Grant Funds	11,082,752	-	108,000	1,008,000	-	12,198,752
Airport Fund Cash Reserves	716,232	3,458,000	1,307,000	112,000	-	5,593,232
TOTAL	\$44,618,062	\$51,016,114	\$80,020,509	\$34,847,706	\$10,153,800	\$220,656,191

EXHIBIT A

GENERAL GOVERNMENT

Capital Improvements Program

FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
FUNDING SOURCES							
General Obligation Bonds Series 2012	\$7,235,733	\$376,765	\$-	\$-	\$-	\$-	\$7,612,498
General Obligation Bonds Series 2013	206,176	-	-	-	-	-	206,176
General Obligation Bonds Series 2014	1,742,797	-	-	-	-	-	1,742,797
Streets Self-Funded Fund	-	500,000	3,519,675	4,320,000	-	-	8,339,675
Self-Funded Special Projects Fund	41,056	184,210	507,200	393,800	-	-	1,126,266
Certificates of Obligation Series 2019	16,982,635	1,141,989	292,541	-	-	-	18,417,165
General Obligation Bonds Series 2020	3,247,852	3,197,195	3,400,000	4,959,953	-	-	14,805,000
General Obligation Bonds Series 2021	16,176,051	156,903	-	-	-	-	16,332,954
General Obligation Bonds Series 2022	3,988,684	4,463,618	2,495,698	-	-	-	10,948,000
Certificates of Obligation Series 2022	-	10,000,000	-	-	-	-	10,000,000
General Obligation Bonds Series 2023	491,246	4,545,692	-	-	-	-	5,036,938
Certificates of Obligation Series 2023	-	750,000	1,250,000	-	-	-	2,000,000
State Infrastructure Bank Loans	-	-	22,187,000	22,413,000	-	-	44,600,000
Future Bond Issuance	-	500,000	3,700,000	29,127,706	32,827,706	7,000,000	73,155,412
General Grant Funds	-	-	-	3,243,450	-	-	3,243,450
Total Available Resources	\$50,112,230	\$25,816,372	\$37,352,114	\$64,457,909	\$32,827,706	\$7,000,000	\$217,566,331

EXHIBIT A

Capital Replacement Fund

FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
PROJECTS							
Vitruvian West Streetscape and Bella Lane Extension	\$4,273,519	\$-	\$896,741	\$-	\$-	\$-	\$5,170,260
Quorum Drive Reconstruction	410,888	3,792,602	10,000,000	12,900,000	-	-	27,103,490
Pedestrian Connectivity - Cotton Belt/Silver Line	-	307,469	-	-	-	-	307,469
License Plate Recognition and Optical Camera System Expansion	1,930,704	69,296	-	-	-	-	2,000,000
Midway Road Reconstruction	30,094,228	12,261,810	-	-	-	-	42,356,038
Keller Springs Reconstruction	1,867,053	3,032,947	8,000,000	4,000,000	-	-	16,900,000
Airport Parkway Reconstruction	890,047	150,000	3,400,000	4,959,953	-	-	9,400,000
Athletic Club Improvements	5,319,173	30,458	-	-	-	-	5,349,631
Improvements to Existing Buildings	3,179,046	1,573,220	616,490	-	-	-	5,368,756
Trail Rehab, Expansion, Wayfinding	329,042	83,683	-	-	-	-	412,725
Montfort Drive Reconstruction	146,910	753,090	4,187,000	9,513,000	-	-	14,600,000
Les Lacs Pond Improvements	609,500	1,223,400	1,879,208	-	-	-	3,712,108
Vitruvian Park Phase 9, Block 701	1,062,120	620,397	-	-	-	-	1,682,517
Vitruvian Park Phase 6, Blocks 301, 302 and 303	-	750,000	1,904,075	-	-	-	2,654,075
Vitruvian Park Phase 7, Blocks 204, 210, 402 and 403	-	-	-	2,127,706	2,127,706	-	4,255,412
Vitruvian Park Phase 8, Remaining Blocks	-	-	-	-	1,500,000	-	1,500,000
Beltway Drive Trail	-	500,000	1,897,500	-	-	-	2,197,500
Transit-Oriented Development Parking Garage	-	-	-	5,000,000	10,000,000	-	15,000,000
North Texas Emergency Communications (NTECC) Facility	-	500,000	200,000	2,000,000	700,000	-	3,400,000
AAC Outdoor Pool Restrooms / Perimeter Fence Renovations	-	-	60,000	216,300	-	-	276,300
Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	-	-	563,900	1,600,000	-	-	2,163,900
Police and Courts Facility	-	-	3,500,000	20,000,000	11,500,000	-	35,000,000
Service Center Lobby Renovations	-	25,000	225,000	-	-	-	250,000
Transit-Oriented Development Infrastructure	-	-	-	-	7,000,000	7,000,000	14,000,000
Arapaho/Surveyor and Systemwide Traffic Signal Improvements	-	143,000	222,200	2,140,950	-	-	2,506,150
Total	\$50,112,230	\$25,816,372	\$37,352,114	\$64,457,909	\$32,827,706	\$7,000,000	\$217,566,331

EXHIBIT A

GENERAL GOVERNMENT

Capital Improvements Projects

Vitruvian West Streetscape and Bella Lane Extension

DESCRIPTION

This project is to continue build out of the planned development at Vitruvian and the associated public infrastructure. In FY2021, public infrastructure construction was the streetscape associated with Vitruvian West 2. The Town was also responsible for the design and construction of a well pad for a well into Trinity Aquifer in FY2021. Phase IV, which includes the extension of Bella Lane to Alpha Road, began in FY2022 and is substantially complete. Vitruvian West 3 streetscape improvements along Westgate Lane and Marsh Lane were completed in early 2023. Bella Lane North Connector is anticipated to be completed in FY2025.

JUSTIFICATION

The Vitruvian development was approved in several phases. The Town is responsible for the construction of the public infrastructure associated with the development.

PHASE

Well pad construction, Vitruvian West 2 & 3 streetscape, and Bella Lane Extension are complete, while completion of the Bella Lane North Connector is anticipated for 2025.

STATUS

Vitruvian West 2 streetscape and well construction has been completed. A contract for construction for the Bella Lane extension was awarded on January 11, 2022, with construction completed in FY2023 along with Vitruvian West 3 streetscape. The Bella Lane North Connector is anticipated to be bid in 2024 and constructed in 2025.

Vitruvian West Streetscape and Bella Lane Extension	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$4,273,519	\$-	\$292,541	\$-	\$-	\$-	\$4,566,060
Cash Reserves	-	-	604,200	-	-	-	604,200
Total	\$4,273,519	\$-	\$896,741	\$-	\$-	\$-	\$5,170,260
Expenditures							
Design	\$662,195	\$-	\$376,476	\$-	\$-	\$-	\$1,038,671
Construction	3,611,128	-	520,265	-	-	-	4,131,393
Right of Way	196	-	-	-	-	-	196
Total	\$4,273,519	\$-	\$896,741	\$-	\$-	\$-	\$5,170,260

EXHIBIT A

General Government Capital Improvement Projects

Quorum Drive Reconstruction

DESCRIPTION

This project is for reconstruction of Quorum Drive from the Dallas North Tollway to the DART Rail Right-of-Way. Quorum Drive was originally built in the early to mid-1980s. The scope will include, but not be limited to, utility upsizing to handle continued growth in Addison, incorporation of the Master Transportation and Trails Master Plans, ADA improvements, and the replacement of traffic signals at three intersections.

JUSTIFICATION

Proposition B - North/South Roads was approved by the voters as part of the November 2019 bond election with an estimated cost of \$26,302,000. The Asset Management Risk score based on the Town's Asset Management Plan was evaluated as critical and the Pavement Condition Index was rated as fair.

PHASE

The project is currently in the design phase.

STATUS

A design contract was awarded on June 13, 2023, with an anticipated design completion of eighteen months. After design, construction is anticipated in fiscal years 2025 to 2026.

Quorum Drive Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$410,888	\$3,792,602	\$-	\$-	\$-	\$-	\$4,203,490
State Infrastructure Bank Loans			10,000,000	12,900,000			\$22,900,000
Total	\$410,888	\$3,792,602	\$10,000,000	\$12,900,000	\$-	\$-	\$27,103,490
Expenditures							
Design	\$406,916	\$3,792,602	\$250,000	\$3,972	\$-	\$-	\$4,463,490
Construction	3,972	-	9,750,000	12,896,028	-	-	22,650,000
Total	\$410,888	\$3,792,602	\$10,000,000	\$12,900,000	\$-	\$-	\$27,103,490

EXHIBIT A

General Government Capital Improvement Projects

Pedestrian Connectivity - Cotton Belt/Silver Line

DESCRIPTION

This project is for enhancements to transit connectivity improvements between Addison and the surrounding region, including better bus connectivity to Vitruvian and rail service along the Cotton Belt corridor.

JUSTIFICATION

These improvements were identified through the Addison Circle Special Area Study as part of the Comprehensive Plan.

PHASE

The project is currently in the construction phase.

STATUS

The North Texas Council of Governments is designing and constructing this project with the Town to pay its share in a lump sum which was made in FY2024.

Pedestrian Connectivity - Cotton Belt/Silver Line	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$307,469	\$-	\$-	\$-	\$-	307,469
Total	\$-	\$307,469	\$-	\$-	\$-	\$-	307,469
Expenditures							
Construction	\$-	\$307,469	\$-	\$-	\$-	\$-	\$307,469
Total	\$-	\$307,469	\$-	\$-	\$-	\$-	\$307,469

EXHIBIT A

General Government Capital Improvement Projects

License Plate Recognition and Optical Camera System Expansion

DESCRIPTION

This project is to provide city-wide wireless applications and secure network infrastructure for video, data, and voice applications for the Town's first responders and the protection of certain infrastructure areas. Typical applications are law enforcement, fire protection, medical services, intelligent traffic monitoring, and public transit systems.

JUSTIFICATION

In October of 2018, City Council approved the installation of License Plate Recognition and Optical Cameras at eight intersections, several neighborhood entrances, and two walking trails as a pilot program. After reporting back to Council in August of 2020, City Council directed staff to expand the program.

PHASE

The project is substantially complete.

STATUS

In April of 2021, City Council approved a contract with STS360 to install 111 new cameras and replace 180 existing cameras. Additionally, in April of 2021, City Council approved a contract with Vigilant Solutions to install 60 license plate reader cameras. This project is substantially complete.

License Plate Recognition and Optical Camera System Expansion	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$529,209	\$70,791	\$-	\$-	\$-	\$-	\$600,000
Bond Funds	1,930,704	69,296	-	-	-	-	2,000,000
Total	\$2,459,913	\$140,087	\$-	\$-	\$-	\$-	\$2,600,000
Expenditures							
Design	\$15,600	\$-	\$-	\$-	\$-	\$-	\$15,600
Construction	1,046	-	-	-	-	-	1,046
Equipment	2,443,267	140,087	-	-	-	-	2,583,354
Total	\$2,459,913	\$140,087	\$-	\$-	\$-	\$-	\$2,600,000

EXHIBIT A

General Government Capital Improvement Projects

Midway Road Reconstruction

DESCRIPTION

This project is for reconstruction of Midway Road to include replacement of wet utilities, compliance with Americans with Disabilities Act (ADA) requirements, traffic signal upgrades, and sidewalk, median, and lighting improvements along with inclusion of the new Master Transportation Plan standards.

JUSTIFICATION

The roadway has failed due to heavy traffic use and water saturation to the sub-base. ADA compliance is required for pedestrian ramps and pathways.

PHASE

This project is under construction.

STATUS

On December 8, 2020, a construction contract was approved. This project is anticipated to be completed in the summer of FY2024.

Midway Road Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$30,094,228	\$12,261,810	\$-	\$-	\$-	\$-	\$42,356,038
Total	\$30,094,228	\$12,261,810	\$-	\$-	\$-	\$-	\$42,356,038
Expenditures							
Design	\$3,423,769	\$952,545	\$-	\$-	\$-	\$-	\$4,376,314
Construction	21,519,064	11,309,265	-	-	-	-	32,828,329
Right of Way	5,151,395	-	-	-	-	-	5,151,395
Total	\$30,094,228	\$12,261,810	\$-	\$-	\$-	\$-	\$42,356,038

EXHIBIT A

General Government Capital Improvement Projects

Keller Springs Reconstruction

DESCRIPTION

This project consists of reconstruction of Keller Springs Road from Dallas North Tollway to Addison Road including replacing asphalt roadway with concrete, upsizing existing facilities, installing Master Transportation Plan elements, acquiring right-of-way for medians, sidewalks, and landscaping, and replacing traffic signals.

JUSTIFICATION

Proposition A - East/West Roads was approved by the voters as part of the November 2019 bond election with an estimated bond funded cost of \$12,900,000. The Town has also secured \$4,000,000 in funding from Dallas County. The Asset Management Risk score, based on the Town's Asset Management Plan, was evaluated as failed or in critical condition. Additionally, the current pavement condition index which rates the condition of the surface of a road was measured as poor.

PHASE

The project is under construction.

STATUS

A contract for professional engineering services was approved on December 10, 2019. A construction contract was awarded on September 12, 2023. Construction is anticipated to be completed in FY2026. \$2.8M of this project is funded by Stormwater Bonds.

Keller Springs Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Stormwater Bonds	\$-	\$-	\$-	\$2,800,000	\$-	\$-	\$2,800,000
Bond Funds	1,867,053	3,032,947	-	-	-	-	4,900,000
State Infrastructure Bank Loans	-	-	8,000,000	-	-	-	8,000,000
Cash Reserves	-	-	-	4,000,000	-	-	4,000,000
Total	\$1,867,053	\$3,032,947	\$8,000,000	\$6,800,000	\$-	\$-	\$19,700,000
Expenditures							
Design	\$1,288,037	\$405,634	\$-	\$-	\$-	\$-	\$1,693,671
Construction	2,563	2,203,766	8,000,000	6,800,000	-	-	17,006,329
Right of Way	576,453	423,547	-	-	-	-	1,000,000
Total	\$1,867,053	\$3,032,947	\$8,000,000	\$6,800,000	\$-	\$-	\$19,700,000

EXHIBIT A

General Government Capital Improvement Projects

Airport Parkway Reconstruction

DESCRIPTION

This project consists of reconstruction of Airport Parkway from Dallas North Tollway to Addison Road including replacement of asphalt roadway with concrete roadway, upsizing of existing facilities, installation of Master Transportation Plan elements, acquisition of right-of-way for medians, sidewalks, and landscaping, and replacement of traffic signals.

JUSTIFICATION

Proposition A - East/West Roads was approved by the voters as part of the November 2019 bond election with an estimated cost of \$9,400,000. The Asset Management Risk score, based on the Town's Asset Management Plan, was evaluated as failed or in critical condition. Additionally, the current pavement condition index which rates the condition of the surface of a road was measured as very poor.

PHASE

The project is currently in the engineering design phase.

STATUS

A contract for professional engineering services was approved on December 10, 2019. Bidding and construction is anticipated to begin in early FY2025 and be completed in FY2026.

Airport Parkway Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$890,047	\$150,000	\$3,400,000	\$4,959,953	\$-	\$-	\$9,400,000
Total	\$890,047	\$150,000	\$3,400,000	\$4,959,953	\$-	\$-	\$9,400,000
Expenditures							
Design	\$707,957	\$100,000	\$-	\$-	\$-	\$-	\$807,957
Construction	-	-	3,400,000	4,959,953	-	-	8,359,953
Right of Way	182,090	50,000	-	-	-	-	232,090
Total	\$890,047	\$150,000	\$3,400,000	\$4,959,953	\$-	\$-	\$9,400,000

EXHIBIT A

General Government Capital Improvement Projects

Trail Rehab, Expansion, Wayfinding

DESCRIPTION

This project consists of the addition of wayfinding elements and distance markers on Redding, Arapaho, Les Lacs, White Rock Creek and Beltway Trails. The project will also refurbish Redding Linear Trail by replacing deteriorating wood retaining walls, addressing ADA issues, and improving drainage. Additionally, extending Redding Linear Trail to future trail along Midway Road, adding a pedestrian way stop at Les Lacs Park and Belt Line Road, and add shaded outdoor fitness station adjacent to Les Lacs Park will be included in the project.

JUSTIFICATION

Proposition C - Park, Open Space, and Recreation Facilities was approved by the voters as part of the November 2019 bond election with an estimated cost of \$412,725.

PHASE

The project is substantially complete.

STATUS

This project is substantially complete.

Trail Rehab, Expansion, Wayfinding	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$329,042	\$83,683	\$-	\$-	\$-	\$-	\$412,725
Total	\$329,042	\$83,683	\$-	\$-	\$-	\$-	\$412,725
Expenditures							
Design	\$35,900	\$6,000	\$-	\$-	\$-	\$-	\$41,900
Construction	293,142	77,683	-	-	-	-	370,825
Total	\$329,042	\$83,683	\$-	\$-	\$-	\$-	\$412,725

EXHIBIT A

General Government Capital Improvement Projects

Montfort Drive Reconstruction

DESCRIPTION

This project consists of reconstruction of Montfort Drive from Belt Line Road to the Addison city limits by rebuilding concrete roadway and upsizing existing utilities. Additionally, the project includes installing Master Transportation Plan elements including widening the median, almost doubling the sidewalk width to eight feet, and adding a six-foot parkway buffer. The project also includes the acquisition of right-of-way for medians, sidewalks, and landscaping. The project scope has been recently expanded to extend as far as Celestial Road.

JUSTIFICATION

Proposition B - North/South Roads was approved by the voters as part of the November 2019 bond election with an estimated cost of \$7,300,000. The Asset Management Risk score, based on the Town's Asset Management Plan, was evaluated as critical. The Pavement Condition Index was rated as very poor.

PHASE

The project is currently in the engineering design phase.

STATUS

This project is anticipated to be designed in FY2023 and FY2024 and constructed in FY2025 and FY2026.

Montfort Drive Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	146,910	753,090	-	-	-	-	900,000
State Infrastructure Bank Loans	-	-	4,187,000	9,513,000	-	-	13,700,000
Total	\$146,910	\$753,090	\$4,187,000	\$9,513,000	\$-	\$-	\$14,800,000
Expenditures							
Design	\$146,910	\$753,090	\$187,000	\$-	\$-	\$-	\$1,087,000
Construction	-	-	4,000,000	9,513,000	-	-	13,513,000
Total	\$146,910	\$753,090	\$4,187,000	\$9,513,000	\$-	\$-	\$14,800,000

EXHIBIT A

General Government Capital Improvement Projects

Les Lacs Pond Improvements

DESCRIPTION

The project consists of Les Lacs pond improvements and include the replacement of concrete edge and pond liner, ADA improvements, enhancements to the lake edge that is a combination of natural, concrete and stone edges, landscape beds and rain garden, retaining walls, fountain lights, and tree up-lights.

JUSTIFICATION

Proposition C - Park, Open Space, and Recreation Facilities was approved by the voters as part of the November 2019 bond election with an estimated cost of \$3,282,108.

PHASE

The project is currently in engineering design phase.

STATUS

This project is anticipated to have design completed in FY2024 and be constructed in FY2024 and FY2025. \$2.5M of this project is funded by Stormwater Bonds.

Les Lacs Pond Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Stormwater Bonds	\$-	\$-	\$2,500,000	\$-	\$-	\$-	\$2,500,000
Bond Funds	609,500	1,223,400	1,879,208	-	-	-	3,712,108
Total	\$609,500	\$1,223,400	\$4,379,208	\$-	\$-	\$-	\$6,212,108
Expenditures							
Design	\$609,500	\$223,400	\$-	\$-	\$-	\$-	\$832,900
Construction	-	1,000,000	4,379,208	-	-	-	5,379,208
Total	\$609,500	\$1,223,400	\$4,379,208	\$-	\$-	\$-	\$6,212,108

EXHIBIT A

General Government Capital Improvement Projects

Vitruvian Park Phase 9, Block 701

DESCRIPTION

This project is for demolition and paving improvements, water and sewer improvements, street lighting, and landscape improvements for Vitruvian Park Phase 9, Block 701 (Townhomes).

JUSTIFICATION

The Vitruvian development was approved in several phases. The Town is responsible for the construction of the public infrastructure associated with the development.

PHASE

The project is currently under construction.

STATUS

This project is anticipated to be completed in FY2024.

Vitruvian Park Phase 9, Block 701	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$1,062,120	\$620,397	\$-	\$-	\$-	\$-	\$1,682,517
Total	\$1,062,120	\$620,397	\$-	\$-	\$-	\$-	\$1,682,517
Expenditures							
Design	\$99,416	\$4,564	\$-	\$-	\$-	\$-	\$103,980
Construction	962,704	615,833	-	-	-	-	1,578,537
Total	\$1,062,120	\$620,397	\$-	\$-	\$-	\$-	\$1,682,517

EXHIBIT A

General Government Capital Improvement Projects

Athletic Club Improvements

DESCRIPTION

This project consists of gymnasium and track improvements to replace lighting with energy-efficient LED lighting, replacement of safety railing and basketball goals, and to resurface the track at the Addison Athletic Club. The project also includes pool modernization improvements to add ultra-violet filtration system for the inside and outside pools, a replacement of the indoor pool hot tub to address leaks and ADA access, addition of a shade structure to the outdoor pool area, and replacement of the children's water play elements. Locker room improvements including renovation and reconfiguration of existing locker rooms, firewall improvements, and addition of family changing rooms. Additionally, the project includes replacement of the roof, partial replacement of HVAC, and core building updates.

JUSTIFICATION

Proposition C - Park, Open Space, and Recreation Facilities was approved by the voters as part of the November 2019 bond election with an estimated cost of \$3,028,167. The Asset Management Risk score, based on the Town's Asset Management Plan, was evaluated as good or fair. Proposition D - Buildings was approved by the voters as part of the November 2019 bond election with an estimated cost of \$2,049,464. The Asset Management Risk score, based on the Town's Asset Management Plan, was evaluated as poor or fair.

PHASE

The project is complete.

STATUS

A contract for professional engineering services was approved on June 9, 2020, and the construction contract was approved on October 12, 2021. The project is complete.

Athletic Club Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$5,278,117	\$14,248	\$-	\$-	\$-	\$-	\$5,292,365
Cash Reserves	41,066	16,210	-	-	-	-	57,266
Total	\$5,319,173	\$30,458	\$-	\$-	\$-	\$-	\$5,349,631
Expenditures							
Design	\$482,772	\$14,248	\$-	\$-	\$-	\$-	\$497,020
Construction	4,787,365	16,210	-	-	-	-	4,803,575
Equipment	49,036	-	-	-	-	-	49,036
Total	\$5,319,173	\$30,458	\$-	\$-	\$-	\$-	\$5,349,631

EXHIBIT A

General Government Capital Improvement Projects

Improvements to Existing Facilities

DESCRIPTION

This project consists of replacements of the heating, ventilation, air conditioning (HVAC) system to existing municipal buildings. The locations include Addison Circle Park Pavilion, Central Fire, Finance, Fire Station #2, Police and Courts, Police Substations, Pump Stations, Town Hall, Service Center, Stone Cottage, and Vitruvian Restrooms. A replacement of the 15 to 30-year-old roofs that have deferred maintenance issues on existing municipal buildings will take place. All related roof elements including decking, flashing, joints, and coping will be replaced. The locations include Addison Circle Park, Central Fire Station, Fire Station #2, Police building, Service Center, Surveyor Pump Station, and Theatre Centre lobby and main space. Improvements are needed to address Americans with Disabilities Act compliance. Parking lot modifications are needed at Town Hall, Central Fire, Fire Station #2, Service Center, and Finance. Locker rooms are in need of improvements at Central Fire, Fire Station #2, Service Center, and Police buildings. Additionally, a Pavilion ramp was identified for improvements at the Conference Centre and concrete at the Stone Cottage. Improvements to the air filtration system at the Police Gun Range was proposed to separate the systems and install a HEPA filtration system that would filter out contaminants. The current HVAC system is shared with the adjacent exercise area.

JUSTIFICATION

Proposition D - Buildings was approved by the voters as part of the November 2019 bond election with an estimated cost of \$5,295,536. The Asset Management Risk score based, on the Town's Asset Management Plan, was evaluated as poor or fair.

PHASE

Phase 1 of this project substantially complete. Phase 2 of this project is under construction.

STATUS

A contract for professional engineering services was approved on April 13, 2021, for phase one projects. The phase one projects are substantially complete. Phase two projects are currently under construction.

Improvements to Existing Facilities	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$3,179,046	\$1,573,220	\$616,490	\$-	\$-	\$-	\$5,368,756
Cash Reserves	-	-	-	-	-	-	-
Total	\$3,179,046	\$1,573,220	\$616,490	\$-	\$-	\$-	\$5,368,756
Expenditures							
Design	\$253,694	\$164,086	\$-	\$-	\$-	\$-	\$417,780
Construction	2,296,548	1,409,134	616,490	-	-	-	4,322,172
Equipment	628,804	-	-	-	-	-	628,804
Total	\$3,179,046	\$1,573,220	\$616,490	\$-	\$-	\$-	\$5,368,756

EXHIBIT A

General Government Capital Improvement Projects

Vitruvian Park Phase 6, Blocks 301, 302 and 303

DESCRIPTION

This project consists of demolition and paving improvements, water and sewer improvements, street lighting, and landscape improvements for Vitruvian Park Phase 6, Blocks 301, 302 and 303.

JUSTIFICATION

The Vitruvian development was approved in several phases. The Town is responsible for the construction of the public infrastructure associated with the development.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be designed in FY2024. Construction is anticipated to begin in FY2024 with project completion estimated for 2025.

Vitruvian Park Phase 6, Blocks 301, 302 and 303	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$750,000	\$1,250,000	\$-	\$-	\$-	\$2,000,000
Cash Reserves	-	-	654,075	-	-	-	654,075
Total	\$-	\$750,000	\$1,904,075	\$-	\$-	\$-	\$2,654,075
Expenditures							
Design	\$-	\$398,111	\$285,611	\$-	\$-	\$-	\$683,722
Construction	-	351,889	1,618,464	-	-	-	1,970,353
Equipment	-	-	-	-	-	-	-
Right of Way	-	-	-	-	-	-	-
Total	\$-	\$750,000	\$1,904,075	\$-	\$-	\$-	\$2,654,075

EXHIBIT A

General Government Capital Improvement Projects

Vitruvian Park Phase 7, Blocks 204, 210, 402 and 403

DESCRIPTION

This project consists of demolition and paving improvements, water and sewer improvements, street lighting, and landscape improvements for Vitruvian Park Phase 7, Blocks 204, 210, 402, and 403.

JUSTIFICATION

The Vitruvian development was approved in several phases. The Town is responsible for the construction of the public infrastructure associated with the development.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be designed in FY2026. Construction is anticipated to begin in FY2026 with project completion estimated for FY2027.

Vitruvian Park Phase 6, Blocks 301, 302 and 303	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$2,127,706	\$2,127,706	\$-	\$4,255,412
Total	\$-	\$-	\$-	\$2,127,706	\$2,127,706	\$-	\$4,255,412
Expenditures							
Design	\$-	\$-	\$-	\$319,156	\$319,156	\$-	\$638,312
Construction	-	-	-	1,808,550	1,808,550	-	3,617,100
Equipment	-	-	-	-	-	-	-
Right of Way	-	-	-	-	-	-	-
Total	\$-	\$-	\$-	\$2,127,706	\$2,127,706	\$-	\$4,255,412

EXHIBIT A

General Government Capital Improvement Projects

Vitruvian Park Phase 8, Remaining Blocks

DESCRIPTION

This project consists of demolition and paving improvements, water and sewer improvements, street lighting, and landscape improvements for the remaining blocks of Vitruvian Park Phase 8.

JUSTIFICATION

The Vitruvian development was approved in several phases. The Town is responsible for the construction of the public infrastructure associated with the development.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be designed in FY2027 and be constructed in FY2027.

Vitruvian Park Phase 8, Blocks 301, 302 and 303	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$1,500,000	\$-	\$1,500,000
Total	\$-	\$-	\$-	\$-	\$1,500,000	\$-	\$1,500,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$225,000	\$-	\$225,000
Construction	-	-	-	-	1,275,000	-	1,275,000
Equipment	-	-	-	-	-	-	-
Right of Way	-	-	-	-	-	-	-
Total	\$-	\$-	\$-	\$-	\$1,500,000	\$-	\$1,500,000

EXHIBIT A

General Government Capital Improvement Projects

Beltway Drive Trail

DESCRIPTION

The Beltway Drive Trail is a combination of trail types from Marsh Lane eastward to Belt Line Road. The project includes a buffered, on-road two-way cycle track from Marsh Lane to Le Grande Drive, an off-road portion from Le Grande Drive to Midway Road, and a Bicycle Boulevard from Midway Road to Belt Line Road. The project is currently in construction document development. Project expenditures will be reimbursed by DART.

JUSTIFICATION

This project was the Phase 1 top recommendation from the City-Wide Trail System Master Plan.

PHASE

The project is currently in the design phase.

STATUS

This project is anticipated to be completed in FY2025.

Beltway Drive Trail	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$500,000	\$1,897,500	\$-	\$-	\$-	\$2,197,500
Total	\$-	\$500,000	\$1,897,500	\$-	\$-	\$-	\$2,197,500
Expenditures							
Construction	\$-	\$500,000	\$1,897,500	\$-	\$-	\$-	\$2,197,500
Total	\$-	\$500,000	\$1,897,500	\$-	\$-	\$-	\$2,197,500

EXHIBIT A

General Government Capital Improvement Projects

Transit-Oriented Development Parking Garage

DESCRIPTION

This project consists of construction of 650 public parking spaces to serve the transit-oriented development. Public parking spaces will be constructed adjacent to the office building near Addison Circle Park and mixed-use development.

JUSTIFICATION

A parking garage was approved by voters in the 2012 bond election for the Addison Circle Park area.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed as early as 2026.

Transit-Oriented Development Parking Garage	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$5,000,000	\$10,000,000	\$-	\$15,000,000
Total	\$-	\$-	\$-	\$5,000,000	\$10,000,000	\$-	\$15,000,000
Expenditures							
Design	\$-	\$-	\$-	\$1,500,000	\$-	\$-	\$1,500,000
Construction	-	-	-	3,500,000	10,000,000	-	13,500,000
Total	\$-	\$-	\$-	\$5,000,000	\$10,000,000	\$-	\$15,000,000

EXHIBIT A

General Government Capital Improvement Projects

North Texas Emergency Communications (NTECC) Facility

DESCRIPTION

This project consists of construction of a new 23,000 square foot public safety communications facility for the joint dispatch center created and owned by the Cities of Coppell, Farmers Branch, and Carrollton along with the Town.

JUSTIFICATION

NTECC currently leases 11,800 square feet of space with lease rates that are anticipated to increase dramatically in 2029.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed as early as 2027.

North Texas Emergency Communications (NTECC) Facility	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$500,000	\$200,000	\$2,000,000	\$700,000	\$-	\$3,400,000
Total	\$-	\$500,000	\$200,000	\$2,000,000	\$700,000	\$-	\$3,400,000
Expenditures							
Design	\$-		\$200,000	\$-	\$-	\$-	\$200,000
Construction	-	-	-	2,000,000	700,000	-	2,700,000
Land	-	500,000	-	-	-	-	500,000
Total	\$-	\$500,000	\$200,000	\$2,000,000	\$700,000	\$-	\$3,400,000

EXHIBIT A

General Government Capital Improvement Projects

AAC Outdoor Pool Restrooms / Perimeter Fence Renovations

DESCRIPTION

This project will serve to engage in professional services and construction agreements to develop construction documents for and to renovate the Addison Athletic Club Outdoor Pool Restrooms and Perimeter Fence.

JUSTIFICATION

Both the Men's and Women's restrooms adjacent to the outdoor pool were not originally designed to be family friendly and are unpleasant to use due to a great degree of degradation. The outdoor pool restrooms have not undergone major renovations or upgrades since the outdoor pool opened in 2003. The proposed outdoor pool restroom renovation will serve to relieve congestion in the newly renovated indoor restrooms and to be comfortable for use by parents and their children. Additionally, safety concerns for unauthorized nighttime entry are increasing due to the age and original construction materials of the steel picket perimeter fence. The perimeter wall can also allow for unwanted intrusion in areas where there are adjacent steps on the exterior side of the wall. A new reinforced steel picket security fence and additions of short fencing material added to the top of the perimeter wall will alleviate concerns for outside intrusion. This project supports Council's Key Focus Areas of Infrastructure Development and Maintenance and Vibrant Active Community.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2026.

AAC Outdoor Pool Restrooms / Perimeter Fence Renovations	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$60,000	\$216,300	\$-	\$-	\$276,300
Total	\$-	\$-	\$60,000	\$216,300	\$-	\$-	\$276,300
Expenditures							
Design	\$-	\$-	\$60,000	\$-	\$-	\$-	\$60,000
Construction	-	-	-	216,300	-	-	216,300
Total	\$-	\$-	\$60,000	\$216,300	\$-	\$-	\$276,300

EXHIBIT A

General Government Capital Improvement Projects

Westgrove & Quorum Bicycle Lanes and Airport Viewing Area

DESCRIPTION

This project will serve to engage in professional services and construction agreements to develop construction documents for and to construct The Westgrove Dr. and Quorum Dr. Bicycle Lanes and Airport Viewing Area. The work will extend along Westgrove Dr. from Trinity Mills road to Quorum Dr. and south on Quorum Dr. to the Cotton Belt Trail near Addison Circle Park.

JUSTIFICATION

The Park, Recreation, and Open Space Master Plan adopted by Council on 4/25/19 supported the need for a City-Wide Trails Master Plan whose recommendations were adopted by Council on 5/25/21, and support Council's Key Focus Area of Mobility and Connectivity. Additionally, we are proposing a project that aligns with the goals set forth by The NCTCOG in the Bicycle Routes to The Cotton Belt Trail initiative. NCTCOG and TxDOT support active transportation projects that are safe, comfortable and connect residents, visitors, and employees to local and regional recreation, amenities, and destinations. The implementation of this project represents responsible planning, respect for the citizen input process, and wise use of the Town's resources. Cash funded expenditures will be reimbursed by DART.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2026.

Westgrove & Quorum Bicycle Lanes and Airport Viewing Area	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$563,900	\$320,000	\$-	\$-	\$883,900
Grant Funding	-	-	-	1,280,000	-	-	1,280,000
Total	\$-	\$-	\$563,900	\$1,600,000	\$-	\$-	\$2,163,900
Expenditures							
Design	\$-	\$-	\$563,900	\$-	\$-	\$-	\$563,900
Construction	-	-	-	1,600,000	-	-	1,600,000
Total	\$-	\$-	\$563,900	\$1,600,000	\$-	\$-	\$2,163,900

EXHIBIT A

General Government Capital Improvement Projects

Police and Courts Facility

DESCRIPTION

This project will construct a new Police and Court facility at the current facility location. The new facility is approximately 45,000 square feet to accommodate future anticipated staff growth. Design is anticipated to begin in FY2025 with the facility anticipated to open in 2027.

JUSTIFICATION

The current Police and Court facility was built in 1984. The facility has deteriorated significantly and has required substantial maintenance to remain operational. Facility studies have identified the need for additional offices, training support, interview rooms, fitness rooms, sally port, evidence room, and labs. The new facility would accommodate future staffing levels and room for growth.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2027.

Police and Courts Facility	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$3,500,000	\$20,000,000	\$11,500,000	\$-	\$35,000,000
Total	\$-	\$-	\$3,500,000	\$20,000,000	\$11,500,000	\$-	\$35,000,000
Expenditures							
Design	\$-	\$-	\$3,500,000	\$-	\$-	\$-	\$3,500,000
Construction	-	-	-	20,000,000	11,500,000	-	31,500,000
Total	\$-	\$-	\$3,500,000	\$20,000,000	\$11,500,000	\$-	\$35,000,000

EXHIBIT A

General Government Capital Improvement Projects

Service Center Lobby Renovations

DESCRIPTION

This project will add a customer service area with incorporated access controls for the lobby at the Service Center.

JUSTIFICATION

The benefits are improved customer service, added security, and the chance to refresh the lobby with the Addison brand.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2025.

Service Center Lobby Renovations	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$25,000	\$225,000	\$-	\$-	\$-	\$250,000
Total	\$-	\$25,000	\$225,000	\$-	\$-	\$-	\$250,000
Expenditures							
Design	\$-	\$25,000	\$-	\$-	\$-	\$-	\$25,000
Construction	-	-	225,000	-	-	-	225,000
Total	\$-	\$25,000	\$225,000	\$-	\$-	\$-	\$250,000

EXHIBIT A

General Government Capital Improvement Projects

Transit-Oriented Development Infrastructure

DESCRIPTION

This project will construct all public infrastructure improvements to accommodate phase one of the transit-oriented development.

JUSTIFICATION

The transit-oriented mixed use development will include multi-family residential, retail, and office space in phase one. This project will construct all needed public infrastructure and streetscape improvements.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Transit-Oriented Development Infrastructure	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$7,000,000	\$7,000,000	\$14,000,000
Total	\$-	\$-	\$-	\$-	\$7,000,000	\$7,000,000	\$14,000,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$1,400,000	\$-	\$1,400,000
Construction	-	-	-	-	5,600,000	7,000,000	12,600,000
Equipment	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
Total	\$-	\$-	\$-	\$-	\$7,000,000	\$7,000,000	\$14,000,000

EXHIBIT A

General Government Capital Improvement Projects

Arapaho Road/Surveyor Boulevard and Systemwide Traffic Signal Improvements

DESCRIPTION

This project will rebuild the traffic signal at Arapaho Road/Surveyor Boulevard and install advanced warning signs, flashing yellow arrows, pedestrian hybrid beacons, and rectangular rapid flashing beacons in other locations throughout Town.

JUSTIFICATION

In November 2023, the Town staff collaborated with Kimley-Horn and Associates to pursue Highway Safety Improvement Program (HSIP) grant funding from TxDOT for traffic signal upgrades at the intersection of Arapaho Road and Surveyor Boulevard and systemwide traffic signal improvements.

PHASE

The project is currently in engineering phase.

STATUS

This project is anticipated to be completed in FY2026.

Arapaho Road/ Surveyor Boulevard and Systemwide Traffic Signal Improvements

	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$143,000	\$222,200	\$177,500	\$-	\$-	\$542,700
Grant Funding	-	-	-	1,963,450	-	-	\$1,963,450
Total	\$-	\$143,000	\$222,200	\$2,140,950	\$-	\$-	\$2,506,150
Expenditures							
Design	\$-	\$143,000	\$66,000	\$-	\$-	\$-	\$209,000
Construction	-	-	156,200	2,140,950	-	-	2,297,150
Total	\$-	\$143,000	\$222,200	\$2,140,950	\$-	\$-	\$2,506,150

EXHIBIT A

INFRASTRUCTURE

Investment Fund



FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
Projects and Transfers							
Traffic Signal and ADA Improvements	\$108,927	\$1,391,073	\$-	\$-	\$-	\$-	\$1,500,000
Redding Trail Extension / Dog Park	-	550,000	-	-	-	-	550,000
Conference Centre Renovations	-	500,000	1,500,000	-	-	-	2,000,000
Total	\$108,927	\$2,441,073	\$1,500,000	\$-	\$-	\$-	\$4,050,000

EXHIBIT A

INFRASTRUCTURE INVESTMENT FUND

Capital Improvement Projects

Traffic Signal and ADA Improvements

DESCRIPTION

This project includes improvements for the intersections of Belt Line Road and Addison Road, Belt Line Road and Beltway Road, and Addison Road and Sojourn Drive traffic signal and ADA pedestrian ramp. This includes a complete replacement and redesign of the traffic signals and ramps at the intersections. These improvements were identified in the asset management plan and the ADA transition plan.

JUSTIFICATION

The three intersections were designed in FY2020 and are awaiting construction. Due to the Sojourn Mill and Overlay Project that was completed in FY2020, Addison Road and Sojourn Drive pedestrian crossings/ramps are required to be completed.

PHASE

The project is currently under construction.

STATUS

A construction contract was awarded on August 9, 2022. This project is anticipated to be completed in FY2024.

Traffic Signal and ADA Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$108,927	\$1,391,073	\$-	\$-	\$-	\$-	\$1,500,000
Total	\$108,927	\$1,391,073	\$-	\$-	\$-	\$-	\$1,500,000
Expenditures							
Design	\$71,865	\$23,135	\$-	\$-	\$-	\$-	\$95,000
Construction	36,100	1,367,938	-	-	-	-	1,404,038
Right of Way	962	-	-	-	-	-	962
Total	\$108,927	\$1,391,073	\$-	\$-	\$-	\$-	\$1,500,000

EXHIBIT A

Infrastructure Investment Fund Capital Improvement Projects

Redding Trail Extension/Dog Park

DESCRIPTION

The Redding Trail Extension will provide a 10' wide multi-use trail from the west side of the Redding Trail Dog Park east to Midway Road. The proposed trail extension is approximately 750 linear feet long. It will connect the newly constructed trail on Midway Road to the Redding Trail and to Surveyor Road on the north end, and George Herbert Walker Bush Elementary School to the south.

JUSTIFICATION

This project was a Phase 1 recommendation from the City-Wide Trail System Master Plan.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2024.

Redding Trail Extension/Dog Park	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$550,000	\$-	\$-	\$-	\$-	\$550,000
Total	\$-	\$550,000	\$-	\$-	\$-	\$-	\$550,000
Expenditures							
Construction	\$-	\$550,000	\$-	\$-	\$-	\$-	\$550,000
Total	\$-	\$550,000	\$-	\$-	\$-	\$-	\$550,000

EXHIBIT A

Infrastructure Investment Fund Capital Improvement Projects

Conference Centre Renovations

DESCRIPTION

This project will add additional office space to the Conference Centre to accommodate the relocation of all existing staff at the current Town Hall to the Conference Centre. This would create seven offices and 20 additional workstations with additional security access features and meeting space while consolidating staff for a more cohesive work environment.

JUSTIFICATION

Renovating and repurposing the Conference Centre to accommodate current Town Hall staff creates operating efficiencies and creates a safer work environment from the current Town Hall.

PHASE

The project is currently in planning phase.

STATUS

This project is anticipated to be completed in FY2025.

Conference Centre Renovations	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$500,000	\$1,500,000	\$-	\$-	\$-	\$2,000,000
Total	\$-	\$500,000	\$1,500,000	\$-	\$-	\$-	\$2,000,000
Expenditures							
Design	\$-	\$250,000	\$-	\$-	\$-	\$-	\$250,000
Construction	-	250,000	1,500,000	-	-	-	1,750,000
Total	\$-	\$500,000	\$1,500,000	\$-	\$-	\$-	\$2,000,000

EXHIBIT A

UTILITY CAPITAL

Improvements Program

FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
FUNDING SOURCES							
Certificates of Obligation	\$510,590	\$3,379,333	\$2,200,000	\$1,153,600	\$900,000	\$2,987,800	-
Cash Reserves	-	-	1,220,000	155,000	-	166,000	-
Total Available Resources	\$510,590	\$3,379,333	\$3,420,000	\$1,308,600	\$900,000	\$3,153,800	-
PROJECTS							
Marsh Lane/Spring Valley Road Water Main Replacement	-	-	-	-	-	567,000	567,000
Lake Forest Drive Utility Improvements	391,771	1,188,162	-	-	-	-	1,579,923
Addison Road/Westgrove Drive Water Main Replacement	-	-	-	-	-	1,033,300	1,033,300
Excel Parkway/Addison Road Water Main Upsizing	-	-	-	-	-	268,500	268,500
New Water Main Loop - Excel Parkway / Addison Road	-	-	-	-	-	495,000	495,000
Beltway Drive/Belt Line Road Water Main Replacement	-	-	-	640,900	500,000	-	1,140,900
Sydney Drive/Marsh Lane Water Main Upsizing	-	-	-	667,700	400,000	-	1,067,700
Excel Parkway/Addison Road Sewer Improvements	-	-	-	-	-	390,000	390,000
Addison Road/Belt Line Road and Addison Road/Edwin Lewis Drive Sewer Improvements	-	-	-	-	-	400,000	400,000
Celestial Pumpstation Pump #3 Replacement	-	450,000	-	-	-	-	450,000
Celestial Pumpstation Pump #1 Replacement	-	450,000	-	-	-	-	450,000
Surveyor Pump Station Electrical Upgrades	118,819	861,181	-	-	-	-	980,000
SCADA and Kellway Electrical Control Panel Upgrades	-	430,000	-	-	-	-	430,000
AMI Water Meter Modernization	-	-	3,150,000	-	-	-	3,150,000
Celestial Pump Station Bathroom Addition	-	-	45,000	-	-	-	45,000
Addison Circle Tower Driveway	-	-	225,000	-	-	-	225,000
Total	\$510,590	\$3,379,333	\$3,420,000	\$1,308,600	\$900,000	\$3,153,800	\$12,672,323

EXHIBIT A

Utility Capital Improvements Projects

Marsh Lane/Spring Valley Road Water Main Replacement

DESCRIPTION

This project consists of replacing an 8-inch cast iron (CI) water main installed in 1970 with an 8-inch polyvinyl chloride (PVC) pipe along the intersection of Marsh Lane and Spring Valley Road. Due to its age, the Town experiences significant leakage, water pressure issues, and maintenance requests on this water line.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Marsh Lane/Spring Valley Road Water Main Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$567,000	\$567,000
Total	\$-	\$-	\$-	\$-	\$-	\$567,000	\$567,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$142,000	\$142,000
Construction	-	-	-	-	-	425,000	425,000
Total	\$-	\$-	\$-	\$-	\$-	\$567,000	\$567,000

EXHIBIT A

Utility Capital Improvements Projects

Lake Forest Drive Utility Improvements

DESCRIPTION

This project consists of replacing 1,300 feet of 6-inch cast iron (CI) water main and 1,047 feet of clay wastewater main with 8-inch polyvinyl chloride (PVC) pipes along Lake Forest Drive. The water line exceeds the maximum allowable velocity at 1,000 gallons per minute and the wastewater main is nearing the end of its lifecycle.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is substantially complete.

STATUS

On August 24, 2021, the City Council approved an agreement with Dannenbaum Engineering Company for the design of the Lake Forest Drive Utility Improvements Project. On June 27, 2023, a construction contract was awarded to Rey-Mar Construction. This project is substantially complete.

Lake Forest Drive Utility Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$391,771	\$1,188,152	\$-	\$-	\$-	\$-	\$1,579,923
Total	\$391,771	\$1,188,152	\$-	\$-	\$-	\$-	\$1,579,923
Expenditures							
Design	\$136,498	\$33,310	\$-	\$-	\$-	\$-	\$169,808
Construction	255,273	1,154,842	-	-	-	-	1,410,115
Total	\$391,771	\$1,188,152	\$-	\$-	\$-	\$-	\$1,579,923

EXHIBIT A

Utility Capital Improvements Projects

Addison Road/Westgrove Drive Water Main Replacement

DESCRIPTION

This project consists of replacing a 6-inch water main with an 8-inch polyvinyl chloride (PVC) pipe at the northeast intersection of Addison Road and Westgrove Drive. This water line exceeds the maximum allowable velocity at 1,000 gallons per minute.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Addison Road/ Westgrove Drive Water Main Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$964,300	\$964,300
Cash Reserves	-	-	-	-	-	69,000	69,000
Total	\$-	\$-	\$-	\$-	\$-	\$1,033,300	\$1,033,300
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$144,645	\$144,645
Construction	-	-	-	-	-	819,655	819,655
Right of Way	-	-	-	-	-	69,000	69,000
Total	\$-	\$-	\$-	\$-	\$-	\$1,033,300	\$1,033,300

EXHIBIT A

Utility Capital Improvements Projects

Excel Parkway/Addison Road Water Main Upsizing

DESCRIPTION

This project consists of upsizing an 8-inch polyvinyl chloride (PVC) pipe with 12-inch PVC pipe from Excel Telecommunications Service Center to Addison Road. This water line exceeds the maximum allowable velocity at 1,000 gallons per minute.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Excel Parkway/ Addison Road Water Main Upsizing	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$254,500	\$254,500
Cash Reserves	-	-	-	-	-	14,000	14,000
Total	\$-	\$-	\$-	\$-	\$-	\$268,500	\$268,500
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$38,175	\$38,175
Construction	-	-	-	-	-	216,325	216,325
Right of Way	-	-	-	-	-	14,000	14,000
Total	\$-	\$-	\$-	\$-	\$-	\$268,500	\$268,500

EXHIBIT A

Utility Capital Improvements Projects

New Water Main Loop - Excel Parkway / Addison Road

DESCRIPTION

This project consists of new 8-inch polyvinyl chloride (PVC) water main loop from Excel Telecommunications Service Center to Addison Road. This would eliminate water in the area exceeding the maximum allowable age.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

New Water Main Loop - Excel Parkway / Addison Road	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$463,000	\$463,000
Cash Reserves	-	-	-	-	-	32,000	32,000
Total	\$-	\$-	\$-	\$-	\$-	\$495,000	\$495,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$69,450	\$69,450
Construction	-	-	-	-	-	393,550	393,550
Right of Way	-	-	-	-	-	32,000	32,000
Total	\$-	\$-	\$-	\$-	\$-	\$495,000	\$495,000

EXHIBIT A

Utility Capital Improvements Projects

Beltway Drive/Belt Line Road Water Main Replacement

DESCRIPTION

This project includes replacing an 8-inch cast iron (CI) water main installed in 1973 with an 8-inch polyvinyl chloride (PVC) pipe along the intersection of Beltway Drive and Belt Line Road. This water main exceeds the maximum allowable head loss.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2027.

Beltway Drive/ Belt Line Road Water Main Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$561,900	\$500,000	\$-	\$1,061,900
Cash Reserves	-	-	-	79,000	-	-	79,000
Total	\$-	\$-	\$-	\$640,900	\$500,000	\$-	\$1,140,900
Expenditures							
Design	\$-	\$-	\$-	\$159,285	\$-	\$-	\$159,285
Construction	-	-	-	402,615	500,000	-	902,615
Right of Way	-	-	-	79,000	-	-	79,000
Total	\$-	\$-	\$-	\$640,900	\$500,000	\$-	\$1,140,900

EXHIBIT A

Utility Capital Improvements Projects

Sydney Drive/Marsh Lane Water Main Upsizing

DESCRIPTION

This project includes upsizing a 6-inch polyvinyl chloride (PVC) pipe installed in 1976 with an 8-inch PVC pipe at the intersection of Sydney Drive and Marsh Lane. This water line exceeds the maximum allowable velocity at 1,000 gallons per minute.

JUSTIFICATION

In 2017, the Town completed a comprehensive Water Distribution System Assessment that included a Capital Improvements Program (CIP) that made recommendations for the replacement of and improvements to water lines, as well as other water quality improvements.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2027.

Sydney Drive/ Marsh Lane Water Main Upsizing	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$591,700	\$400,000	\$-	\$991,700
Cash Reserves	-	-	-	76,000	-	-	76,000
Total	\$-	\$-	\$-	\$667,700	\$400,000	\$-	\$1,067,700
Expenditures							
Design	\$-	\$-	\$-	\$148,755	\$-	\$-	\$148,755
Construction	-	-	-	442,945	400,000	-	842,945
Right of Way	-	-	-	76,000	-	-	76,000
Total	\$-	\$-	\$-	\$667,700	\$400,000	\$-	\$1,067,700

EXHIBIT A

Utility Capital Improvements Projects

Excel Parkway/Addison Road Sewer Improvements

DESCRIPTION

This project is to replace 479 linear feet of 8-inch pipe; clean repair, seal and grout one 48-inch manhole; and repair ring, cover, and chimney of one 48-inch manhole.

JUSTIFICATION

The 2017 Sanitary Sewer System Evaluation identified sewer infrastructure that is in need of replacement or rehabilitation. Projects were prioritized using a comprehensive sewer model and based on the consequence of failure, and the risk of failure.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Excel Parkway/ Addison Road Sewer Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$367,000	\$367,000
Cash Reserves	-	-	-	-	-	23,000	23,000
Total	\$-	\$-	\$-	\$-	\$-	\$390,000	\$390,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$55,050	\$55,050
Construction	-	-	-	-	-	311,950	311,950
Right of Way	-	-	-	-	-	23,000	23,000
Total	\$-	\$-	\$-	\$-	\$-	\$390,000	\$390,000

EXHIBIT A

Utility Capital Improvements Projects

Addison Road/Belt Line Road and Addison Road/Edwin Lewis Drive Sewer Improvements

DESCRIPTION

Replace 579 linear feet of 8-inch pipe; clean repair, seal and grout one 48-inch manhole; and clean, remove roots, repair, and coat two 48-inch manholes.

JUSTIFICATION

The 2017 Sanitary Sewer System Evaluation identified sewer infrastructure that is in need of replacement or rehabilitation. Projects were prioritized using a comprehensive sewer model and based on the consequence of failure, and the risk of failure.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2028.

Addison Road/ Belt Line Road and Addison Road/Edwin Lewis Drive Sewer Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$-	\$-	\$-	\$372,000	\$372,000
Cash Reserves	-	-	-	-	-	28,000	28,000
Total	\$-	\$-	\$-	\$-	\$-	\$400,000	\$400,000
Expenditures							
Design	\$-	\$-	\$-	\$-	\$-	\$55,800	\$55,800
Construction	-	-	-	-	-	316,200	316,200
Right of Way	-	-	-	-	-	28,000	28,000
Total	\$-	\$-	\$-	\$-	\$-	\$400,000	\$400,000

EXHIBIT A

Utility Capital Improvements Projects

Celestial Pumpstation Pump #3 Replacement

DESCRIPTION

This project consists of the replacement of pump #3 at the Celestial Pumpstation.

JUSTIFICATION

Capital projects have been identified using information from assessments that were done in 2014. These improvements are needed to extend the life of the facilities, pumps, motors, and associated equipment to ensure an adequate supply of water.

PHASE

The project is under construction.

STATUS

This project is anticipated to be completed in FY2024.

Celestial Pumpstation Pump #3 Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000
Total	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000
Expenditures							
Design	\$-	\$45,000	\$-	\$-	\$-	\$-	\$45,000
Construction	-	\$405,000	-	-	-	-	405,000
Total	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000

EXHIBIT A

Utility Capital Improvements Projects

Celestial Pumpstation Pump #1 Replacement

DESCRIPTION

This project consists of the replacement of pump #1 at the Celestial Pumpstation.

JUSTIFICATION

Capital projects have been identified using information from assessments that were done in 2014. These improvements are needed to extend the life of the facilities, pumps, motors, and associated equipment to ensure an adequate supply of water.

PHASE

The project is under construction.

STATUS

This project is anticipated to be completed in FY2024.

Celestial Pumpstation Pump #1 Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000
Total	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000
Expenditures							
Design	\$-	\$41,000	\$-	\$-	\$-	\$-	\$41,000
Construction	-	\$409,000	-	-	-	-	409,000
Total	\$-	\$450,000	\$-	\$-	\$-	\$-	\$450,000

EXHIBIT A

Utility Capital Improvements Projects

Surveyor Pump Station Electrical Upgrades

DESCRIPTION

This project consists of overhaul of the electrical components that control Surveyor Pump Station.

JUSTIFICATION

The electrical system and Surveyor Pump Station is over forty years old. These electrical components are the highest risk of failure at the pump station. There are no longer parts available for some of the current components and would require significant upgrades if they were to fail.

PHASE

The project is under construction.

STATUS

On January 11, 2022, a design contract was awarded to Kleinfelder, Inc. On March 28, 2023, a construction contract was awarded to Felix Construction Company. Construction is anticipated to be completed in FY2024.

Surveyor Pump Station Electrical Upgrades	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$118,819	\$861,181	\$-	\$-	\$-	\$-	\$980,000
Total	\$118,819	\$861,181	\$-	\$-	\$-	\$-	\$980,000
Expenditures							
Design	\$118,819	\$18,280	\$-	\$-	\$-	\$-	\$137,099
Construction	-	842,901	-	-	-	-	842,901
Total	\$118,819	\$861,181	\$-	\$-	\$-	\$-	\$980,000

EXHIBIT A

Utility Capital Improvements Projects

SCADA and Kellway Electrical Control Panel Upgrades

DESCRIPTION

The project consists of upgrading the SCADA system to new innovative technology for communication between Master Control Cabinets between all of the Utility facilities. Updating the control panel at Kellway Lift Station with Variable frequency drives that will extend the life expectancy of all three pumps and motors while reducing the electrical cost to operate the lift station.

JUSTIFICATION

Increased speed and reliability of SCADA Operations and increased life expectancy of pumps and motors at Kellway Lift Station.

PHASE

The project is under construction.

STATUS

This project is anticipated to be completed in FY2024.

SCADA and Kellway Electrical Control Panel Upgrades	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$430,000	\$-	\$-	\$-	\$-	\$430,000
Total	\$-	\$430,000	\$-	\$-	\$-	\$-	\$430,000
Expenditures							
Design	\$-	\$25,000	\$-	\$-	\$-	\$-	\$25,000
Construction	-	100,000	-	-	-	-	100,000
Equipment	-	305,000	-	-	-	-	305,000
Total	\$-	\$430,000	\$-	\$-	\$-	\$-	\$430,000

EXHIBIT A

Utility Capital Improvements Projects

AMI Water Meter Modernization

DESCRIPTION

Implement Advanced Metering Infrastructure (AMI) Water Meter Modernization program. AMI would provide our residents with real-time data usage. AMI meters can detect leaks in a system promptly and notify customers, minimizing water loss and higher utility bills. Users will be able to better track their usage by checking their customer portals. Implementing an AMI system requires a significant initial investment in meter infrastructure.

JUSTIFICATION

Will provide an overall better customer experience for utility customers.

PHASE

The project is in the planning phase.

STATUS

This project is anticipated to be completed in FY2025.

AMI Water Meter Modernization	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$-	\$-	\$2,200,000	\$-	\$-	\$-	\$2,200,000
Cash Reserves	-	-	950,000	-	-	-	950,000
Total	\$-	\$-	\$3,150,000	\$-	\$-	\$-	\$3,150,000
Expenditures							
Equipment	\$-	\$-	\$3,150,000	\$-	\$-	\$-	\$3,150,000
Total	\$-	\$-	\$3,150,000	\$-	\$-	\$-	\$3,150,000

EXHIBIT A

Utility Capital Improvements Projects

Celestial Pump Station Bathroom Addition

DESCRIPTION

Add a restroom at Celestial Pump Station to accommodate employee needs.

JUSTIFICATION

Currently only one restroom for the six employees stationed at Celestial Pump Station. Other field employees also utilize these facilities often.

PHASE

The project is in the planning phase.

STATUS

This project is anticipated to be completed in FY2025.

Celestial Pump Station Bathroom Addition	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$45,000	\$-	\$-	\$-	\$45,000
Total	\$-	\$-	\$45,000	\$-	\$-	\$-	\$45,000
Expenditures							
Construction	\$-	\$-	\$45,000	\$-	\$-	\$-	\$45,000
Total	\$-	\$-	\$45,000	\$-	\$-	\$-	\$45,000

EXHIBIT A

Utility Capital Improvements Projects

Addison Circle Tower Driveway

DESCRIPTION

Repave the access road for Addison Circle Tower, replacing the pavers with concrete around the tower and adjacent to the Conference Centre and Theatre.

JUSTIFICATION

Currently has a lot of dips, erosion around the edges of the pavement, and is holding water in areas leading to more paver failures. Currently not suited for the bigger types of vehicles that traverse through this area.

PHASE

The project is in the planning phase.

STATUS

This project is anticipated to be completed in FY2025.

Addison Circle Tower Driveway	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	-	-	225,000	-	-	-	225,000
Total	\$-	\$-	\$225,000	\$-	\$-	\$-	\$225,000
Expenditures							
Construction	\$-	\$-	\$225,000	\$-	\$-	\$-	\$225,000
Total	\$-	\$-	\$225,000	\$-	\$-	\$-	\$225,000

EXHIBIT A

STORMWATER

Capital Improvements Program



FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
Funding Sources							
Cash Reserves	\$1,327,427	\$91,931	\$-	\$-	\$-	\$-	\$-
Certificates of Obligation Series 2013	962,878	40,369	-	-	-	-	-
Certificates of Obligation Series 2024	-	-	2,500,000	2,800,000	-	-	-
Total Available Resources	\$2,190,305	\$132,300	\$2,500,000	\$2,800,000	\$-	\$-	\$-
Projects							
Rawhide Creek Basin Drainage and ADA Improvements - Les Lacs Area	\$2,190,305	\$132,300	\$-	\$-	\$-	\$-	\$2,322,605
Keller Springs Reconstruction	-	-	-	2,800,000	-	-	2,800,000
Les Lacs Pond Improvements	-	-	2,500,000	-	-	-	2,500,000
Total	\$2,190,305	\$132,300	\$2,500,000	\$2,800,000	\$-	\$-	\$7,622,605

EXHIBIT A

STORMWATER

Capital Improvements Projects

Rawhide Creek Basin Drainage and ADA Improvements - Les Lacs Area

DESCRIPTION

This project includes the design of drainage improvements along the residential streets of Waterside Court, Waterford Drive, Les Lacs Avenue, Beau Park Lane, and Brookwood Lane. The drainage improvements will follow the trail south from Brookwood Lane and run west along the linear park connecting to the existing storm drain system at Marsh Lane.

JUSTIFICATION

This project was identified in the Storm Drainage System Assessment and Capital Improvement Program prepared for the Town of Addison by Half Associates in August 2017.

PHASE

The project is complete.

STATUS

A contract for professional engineering services was approved on January 12, 2021. A contract for construction was awarded in October 2022. This project is complete.

Rawhide Creek Basin Drainage and ADA Improvements - Les Lacs Area

	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Bond Funds	\$862,878	\$40,369	\$-	\$-	\$-	\$-	\$903,247
Cash Reserves	1,327,427	91,931	-	-	-	-	1,419,358
Total	\$2,190,305	\$132,300	\$-	\$-	\$-	\$-	\$2,322,605

Expenditures

Design	\$368,787	\$17,983	\$-	\$-	\$-	\$-	\$386,770
Construction	1,831,518	114,317	-	-	-	-	1,945,835
Total	\$2,190,305	\$132,300	\$-	\$-	\$-	\$-	\$2,322,605

EXHIBIT A



AIRPORT

Capital Improvements Program



FY2024-25	Actual Prior Years	Estimated 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Project Total
Funding Sources							
Cash Reserves	\$1,563,042	\$716,232	\$3,458,000	\$1,307,000	\$112,000	\$-	\$-
TXDOT Grant Funding	632,484	11,082,752	-	108,000	1,008,000	-	-
Bond Funds	-	1,050,000	2,786,000	10,039,000	-	-	-
Total Available Resources	\$2,195,526	\$12,848,984	\$6,244,000	\$11,454,000	\$1,120,000	\$-	\$-
Projects							
Bravo/Golf Taxiway Improvements	\$1,770,288	\$9,607,752	\$-	\$-	\$-	\$-	\$11,378,040
Airport Access & Security Improvements	-	-	-	120,000	1,120,000	-	1,240,000
Runway 15/33 Redesignation & Taxiway Alpha Rejuvenation	14,750	1,560,250	-	-	-	-	1,575,000
Metal Hangar Roof Replacements	-	170,170	-	-	-	-	170,170
Airport Fuel Storage Expansion	89,460	109,340	3,336,000	11,334,000	-	-	14,868,800
Jimmy Doolittle Drive Reconstruction	121,028	565,572	1,000,000	-	-	-	1,687,000
Eastside Airport Service Road Reconstruction	-	500,000	1,483,000	-	-	-	1,983,000
Airport Regulated Garbage Utility Building	-	-	275,000	-	-	-	275,000
West Perimeter Fencing Improvements	-	65,500	-	-	-	-	65,500
Wiley Post Building Improvements	-	120,000	-	-	-	-	120,000
Wiley Post Parking Lot Reconstruction	-	150,000	-	-	-	-	150,000
License Plate Recognition and Optical Camera System Expansion	200,000	-	-	-	-	-	200,000
4533 Glenn Curtiss (U2) Roof Replacement	-	-	150,000	-	-	-	150,000
Total	\$2,195,526	\$12,848,984	\$6,244,000	\$11,454,000	\$1,120,000	\$-	\$33,862,510

EXHIBIT A

Airport Capital Improvements Projects

Bravo/Golf Taxiway Improvements

DESCRIPTION

This project is to extend Taxiway B north from Taxiway F to Taxiway G; extend Taxiway G west from the Runway to Taxiway B; extend Taxiway B south to connect with south end of Runway; construct westside vehicle service road.

JUSTIFICATION

The modification will give access to more than four acres of developable land on the airport westside, improving traffic flow and safety.

PHASE

The project is currently in the construction phase.

STATUS

This project is currently under construction. Construction is anticipated to be completed in FY2024.

Bravo/Golf Taxiway Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$1,137,804	\$-	\$-	\$-	\$-	\$-	\$1,137,804
Grants	632,484	9,807,752	-	-	-	-	10,240,236
Total	\$1,770,288	\$9,807,752	\$-	\$-	\$-	\$-	\$11,378,040
Expenditures							
Design	\$702,760	\$-	\$-	\$-	\$-	\$-	\$702,760
Construction	1,067,528	9,807,752	-	-	-	-	10,875,280
Total	\$1,770,288	\$9,807,752	\$-	\$-	\$-	\$-	\$11,378,040

EXHIBIT A

Airport Capital Improvements Projects

Airport Access & Security Improvements

DESCRIPTION

This project is phase two of three. This phase of the project will be to implement access and security design plan. The design is anticipated to take place in FY2026 with construction in FY2027.

JUSTIFICATION

To mitigate unauthorized encroachments and airport incursions per FAA standards.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2027.

Airport Access & Security Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$-	\$12,000	\$112,000	\$-	\$124,000
Grants	-	-	-	108,000	1,008,000	-	1,116,000
Total	\$-	\$-	\$-	\$120,000	\$1,120,000	\$-	\$1,240,000
Expenditures							
Design	\$-	\$-	\$-	\$120,000	\$-	\$-	\$120,000
Construction	-	-	-	-	1,120,000	-	1,120,000
Total	\$-	\$-	\$-	\$120,000	\$1,120,000	\$-	\$1,240,000

EXHIBIT A

Airport Capital Improvements Projects

Runway 15/33 Redesignation and Taxiway Alpha Rejuvenation

DESCRIPTION

This project is to reassign the runway designations as required by FAA policy and Airport Master Plan, and repair and apply surface coating for extending taxiway useful life on Alpha Taxiway.

JUSTIFICATION

Due to shift in magnetic north, airport runway designations are required to be reassigned periodically pursuant to FAA policy (see FAA Order 8260, 19E), and to extend the useful life of the airport infrastructure.

PHASE

The project is currently in construction phase.

STATUS

This project is currently being constructed and is anticipated to be completed in FY2024.

Runway 15/33 Redesignation and Taxiway Alpha Rejuvenation	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$14,750	\$85,250	\$-	\$-	\$-	\$-	\$100,000
Grants	-	1,475,000	-	-	-	-	1,475,000
Total	\$14,750	\$1,560,250	\$-	\$-	\$-	\$-	\$1,575,000
Expenditures							
Construction	\$14,750	\$1,560,250	\$-	\$-	\$-	\$-	\$1,575,000
Total	\$14,750	\$1,560,250	\$-	\$-	\$-	\$-	\$1,575,000

EXHIBIT A

Airport Capital Improvements Projects

Metal Hangar Roof Replacements

DESCRIPTION

This project includes the restoration and overlay of the metal hangar roofs at the city-owned aeronautical facilities located at 4581 Claire Chennault Drive and 4551 Glenn Curtiss Drive at Addison Airport. This is a full roof restoration using an overlay roof solution. These restored roofs will be safer, more efficient, and will carry a 15-year 'no dollar limit' warranty.

JUSTIFICATION

These facilities generate significant revenue for the airport and are likely to continue to do so for the foreseeable future. The roofs are deteriorating and need to be replaced to protect and maintain the value of the assets.

PHASE

The project is currently in the construction phase.

STATUS

This project is anticipated to be completed in 2024.

Metal Hangar Roof Replacements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$170,170	\$-	\$-	\$-	\$-	\$170,170
Total	\$-	\$170,170	\$-	\$-	\$-	\$-	\$170,170
Expenditures							
Construction	\$-	\$170,170	\$-	\$-	\$-	\$-	\$170,170
Total	\$-	\$170,170	\$-	\$-	\$-	\$-	\$170,170

EXHIBIT A

Airport Capital Improvements Projects

Airport Fuel Storage Expansion

DESCRIPTION

This project will construct improvements to the existing Airport Bulk Fuel Storage Facility (Fuel Farm) and a second fuel storage facility to expand the airport's aviation fuel storage capacity to meet growing demand. The project will include installation of automobile gasoline and diesel tanks at both locations, with fuel dispensing pumps, to serve the needs of the Town's fleet vehicles and to enable removal of the existing underground storage tanks currently serving that purpose.

JUSTIFICATION

Fuel volumes have increased significantly in recent years and with more than 200,000 sf of additional hangar space either actively under construction or planned, fuel volumes are expected to increase further when these hangars are completed and occupied. Additional fuel storage volume will help the airports FBOs to better manage inventory and supply disruptions. In addition, the facility will generate new revenue from fuel tank leasing.

PHASE

The project is currently in the engineering design phase.

STATUS

Design is anticipated to be completed in early FY2025 and construction completed in FY2026. Approximately, \$2.8 million of the cash funded portion of this project will be reimbursed by proceeds from the Bipartisan Infrastructure Law.

Bulk Fuel Storage Design	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$89,460	\$109,340	\$2,000,000	\$1,295,000	\$-	\$-	\$3,493,800
Bonds	-	-	1,336,000	10,039,000	-	-	11,375,000
Total	\$89,460	\$109,340	\$3,336,000	\$11,334,000	\$-	\$-	\$14,868,800
Expenditures							
Design	\$89,460	\$109,340	\$1,336,000	\$-	\$-	\$-	\$1,534,800
Construction	-	-	2,000,000	11,334,000	-	-	13,334,000
Total	\$89,460	\$109,340	\$3,336,000	\$11,334,000	\$-	\$-	\$14,868,800

EXHIBIT A

Airport Capital Improvements Projects

Jimmy Doolittle Drive Reconstruction

DESCRIPTION

Jimmy Doolittle Drive is an airport-owned access street that serves as the landside access route for the new U.S. Customs and Airport Administration building. The street is in failed condition. This project is to completely reconstruct the street, adding underground storm drainage, curbs, and a sidewalk while bringing the roadway up to city standards.

JUSTIFICATION

The airport, as authorized and directed by City Council, constructed the new U.S. Customs and Airport Administration building including the aircraft parking ramp and associated infrastructure. The landside access to the facility is in completely unacceptable condition. A preliminary design and cost estimates have been provided by Garver. This proposal does not include placing electrical utilities underground.

PHASE

The project is currently in the engineering phase.

STATUS

This project is anticipated to begin in FY2024.

Jimmy Doolittle Drive Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$121,028	\$15,972	\$-	\$-	\$-	\$-	\$137,000
Bonds	-	550,000	1,000,000	-	-	-	1,550,000
Total	\$121,028	\$565,972	\$1,000,000	\$-	\$-	\$-	\$1,687,000
Expenditures							
Design	\$121,028	\$15,972	\$-	\$-	\$-	\$-	\$137,000
Construction	-	550,000	1,000,000	-	-	-	1,550,000
Total	\$121,028	\$565,972	\$1,000,000	\$-	\$-	\$-	\$1,687,000

EXHIBIT A

Airport Capital Improvements Projects

Eastside Airport Service Road Reconstruction

DESCRIPTION

The eastside airport vehicle service road serves fuel truck and other airside vehicle traffic. It was constructed in 2001 and designed for 3,000-gallon fuel trucks. For several years now, it has been used by 5,000-gallon fuel trucks, with failures resulting in multiple locations. Several areas will be reconstructed through Developer Participation Agreements (DPAs) in conjunction with tenant construction projects. This project will address the remaining road sections not covered by DPAs.

JUSTIFICATION

Deteriorated roads are producing FOD (foreign objects / debris) that is hazardous to aircraft. In addition, the failed sections are extremely hard on vehicles and not at all in keeping with Addison standards.

PHASE

The project is currently in the engineering phase.

STATUS

This project is anticipated to begin in FY2024 and be completed in FY2025. The cash funded portion of this project will be reimbursed by proceeds from the Bipartisan Infrastructure Law.

Eastside Airport Service Road Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$1,033,000	\$-	\$-	\$-	\$1,033,000
Bonds	-	500,000	450,000	-	-	-	950,000
Total	\$-	\$500,000	\$1,483,000	\$-	\$-	\$-	\$1,983,000
Expenditures							
Design	\$-	\$133,000	\$-	\$-	\$-	\$-	\$133,000
Construction	-	367,000	1,483,000	-	-	-	1,850,000
Total	\$-	\$500,000	\$1,483,000	\$-	\$-	\$-	\$1,983,000

EXHIBIT A

Airport Capital Improvements Projects

Airport Regulated Garbage Utility Building

DESCRIPTION

The Regulated Garbage (RG) utility building was part of the original scope of the U.S. Customs and Airport Administration building project. When bids came in higher than anticipated, the RG building was cut from the scope as a cost-saving measure, with the intent that it would be constructed at a later date. This proposed project is to construct the utility building that will handle RG processing and disposal, including housing the autoclave that the airport has acquired for that purpose (sterilization of RG). The proposed facility will also include a pet relief station for international arrivals, plus airside parking for airport vehicles.

JUSTIFICATION

Since Customs and Border Protection (CBP) started operating from the new facility, international operations have increased and the airport has assumed a greater role in the handling of Regulated Garbage (RG) from international flights. Construction of this utility building for RG handling will facilitate co-location of all RG handling and processing at the CBP facility. The autoclave has already reduced costs by eliminating the need to transport RG to DFW Airport for disposal; however, it is housed in the Airport Maintenance facility, which still requires transport of RG from the Customs facility. Having everything in one place will reduce risk of spills or mishaps involving RG.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2025.

Airport Regulated Garbage Utility Building	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$275,000	\$-	\$-	\$-	\$275,000
Total	\$-	\$-	\$275,000	\$-	\$-	\$-	\$275,000
Expenditures							
Design	\$-	\$-	\$75,000	\$-	\$-	\$-	\$75,000
Construction	-	-	200,000	-	-	-	200,000
Total	\$-	\$-	\$275,000	\$-	\$-	\$-	\$275,000

EXHIBIT A

Airport Capital Improvements Projects

West Perimeter Fencing Improvements

DESCRIPTION

The project entails construction/reconstruction of airfield perimeter fencing in three areas on the west side of the airport: (1) by the Johnson Electric property, where the existing fence intrudes on airport property; (2) by the plastics plant, where the existing fence is substandard and also encroaches on airport property; and (3) at the north end of Dooley Road, to complete an area that was partially reconstructed last year.

JUSTIFICATION

Perimeter fencing is required to maintain safety of the airport operations area, including exclusion of potentially hazardous wildlife. The airport has replaced sections of perimeter fencing over the course of many years, as funding is available, as part of a long-term ongoing project to bring the perimeter fencing to acceptable standards. These areas are among the few sub-standard sections remaining to be replaced/upgraded.

PHASE

The project is currently under construction.

STATUS

This project is anticipated to be completed in FY2024.

West Perimeter Fencing Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$65,500	\$-	\$-	\$-	\$-	\$65,500
Total	\$-	\$65,500	\$-	\$-	\$-	\$-	\$65,500
Expenditures							
Construction	\$-	\$65,500	\$-	\$-	\$-	\$-	\$65,500
Total	\$-	\$65,500	\$-	\$-	\$-	\$-	\$65,500

EXHIBIT A

Airport Capital Improvements Projects

Wiley Post Building Improvements

DESCRIPTION

The airport acquired the property at 4308-4310 Wiley Post in 2013-2014. The property includes office space which is rented to both aeronautical and non-aeronautical users. Both the interior and exterior of the building are in need of major repairs and renovations to maintain the value of the property and sustain the rental income received through leasing office space in the facility. Exterior work needed includes stucco and soffit repairs and painting.

JUSTIFICATION

The 4308-4310 Wiley Post building brings in ~\$90k annually in lease income; it is also used to house the Airport Maintenance staff and equipment. It is anticipated that the building will continue in this role for at least five years before a likely demolition and redevelopment. Until the airport is ready to redevelop the property, it needs to be maintained in good repair and condition in accordance with the asset management plan.

PHASE

The project is currently in the construction phase.

STATUS

This project is anticipated to be completed in FY2024.

Wiley Post Building Improvements	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$120,000	\$-	\$-	\$-	\$-	\$120,000
Total	\$-	\$120,000	\$-	\$-	\$-	\$-	\$120,000
Expenditures							
Construction	\$-	\$120,000	\$-	\$-	\$-	\$-	\$120,000
Total	\$-	\$120,000	\$-	\$-	\$-	\$-	\$120,000

EXHIBIT A

Airport Capital Improvements Projects

Wiley Post Parking Lot Reconstruction

DESCRIPTION

The airport acquired the property at 4308-4310 Wiley Post in 2013-2014. The property includes office space which is rented to both aeronautical and non-aeronautical users. The facility is served by an asphalt parking lot of nearly 3,000 square yards. The parking lot is in very poor condition and needs to be replaced. This proposed project is to reconstruct the asphalt parking lot serving the 4308-4310 Wiley Post property.

JUSTIFICATION

The parking lot serving the Wiley Post property is failing and needs to be replaced. It is used by airport tenants who lease space in the building as well as by airport maintenance staff. The property needs to be maintained in good repair and condition in accordance with the Town's Asset Management Plan.

PHASE

The project is currently in the construction phase.

STATUS

This project is anticipated to be completed in FY2024.

Wiley Post Parking Lot Reconstruction	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$150,000	\$-	\$-	\$-	\$-	\$150,000
Total	\$-	\$150,000	\$-	\$-	\$-	\$-	\$150,000
Expenditures							
Construction	\$-	\$150,000	\$-	\$-	\$-	\$-	\$150,000
Total	\$-	\$150,000	\$-	\$-	\$-	\$-	\$150,000

EXHIBIT A

Airport Capital Improvements Projects

4533 Glenn Curtiss (U2) Roof Replacement

DESCRIPTION

Complete roof overlay with single-ply hail rated membrane system for 20,000 SF city-owned jet hangar/office building.

JUSTIFICATION

City acquired property in 2014, first constructed in 1976. Original roof is metal R-panels. Approximately \$10K spent at time of acquisition to extend the useful life of roof additional 10+/- years per PCA Report.

PHASE

The project is currently in the planning phase.

STATUS

This project is anticipated to be completed in FY2025.

4533 Glenn Curtiss (U2) Roof Replacement	Project to Date	Est 2024	2025	2026	2027	2028	Project Total
Funding							
Cash Reserves	\$-	\$-	\$150,000	\$-	\$-	\$-	\$150,000
Total	\$-	\$-	\$150,000	\$-	\$-	\$-	\$150,000
Expenditures							
Construction	\$-	\$-	\$150,000	\$-	\$-	\$-	\$150,000
Total	\$-	\$-	\$150,000	\$-	\$-	\$-	\$150,000

EXHIBIT A

AGGREGATE *Debt Service*



General Obligation Debt Outstanding As of September 30, 2023

Period Ending	Principal	Interest	Debt Service
09/30/2024	8,875,000	4,576,414.20	13,451,414.20
09/30/2025	9,145,000	4,326,446.28	13,471,446.28
09/30/2026	9,465,000	4,030,146.28	13,495,146.28
09/30/2027	9,785,000	3,709,631.91	13,494,631.91
09/30/2028	9,665,000	3,368,093.79	13,033,093.79
09/30/2029	9,685,000	3,016,179.42	12,601,179.42
09/30/2030	9,940,000	2,662,713.80	12,602,713.80
09/30/2031	10,250,000	2,308,406.67	12,558,406.67
09/30/2032	10,565,000	1,953,490.66	12,518,490.66
09/30/2033	9,605,000	1,601,038.78	11,206,038.78
09/30/2034	6,905,000	1,306,606.28	8,211,606.28
09/30/2035	5,645,000	1,101,262.53	6,746,262.53
09/30/2036	5,810,000	931,050.03	6,741,050.03
09/30/2037	5,980,000	758,065.65	6,738,065.65
09/30/2038	5,600,000	586,300.02	6,186,300.02
09/30/2039	5,780,000	415,006.27	6,195,006.27
09/30/2040	3,850,000	270,575.01	4,120,575.01
09/30/2041	3,085,000	162,943.75	3,247,943.75
09/30/2042	2,240,000	69,606.25	2,309,606.25
09/30/2043	670,000	13,400.00	683,400.00
TOTAL	142,445,000	37,167,376.58	179,612,376.58

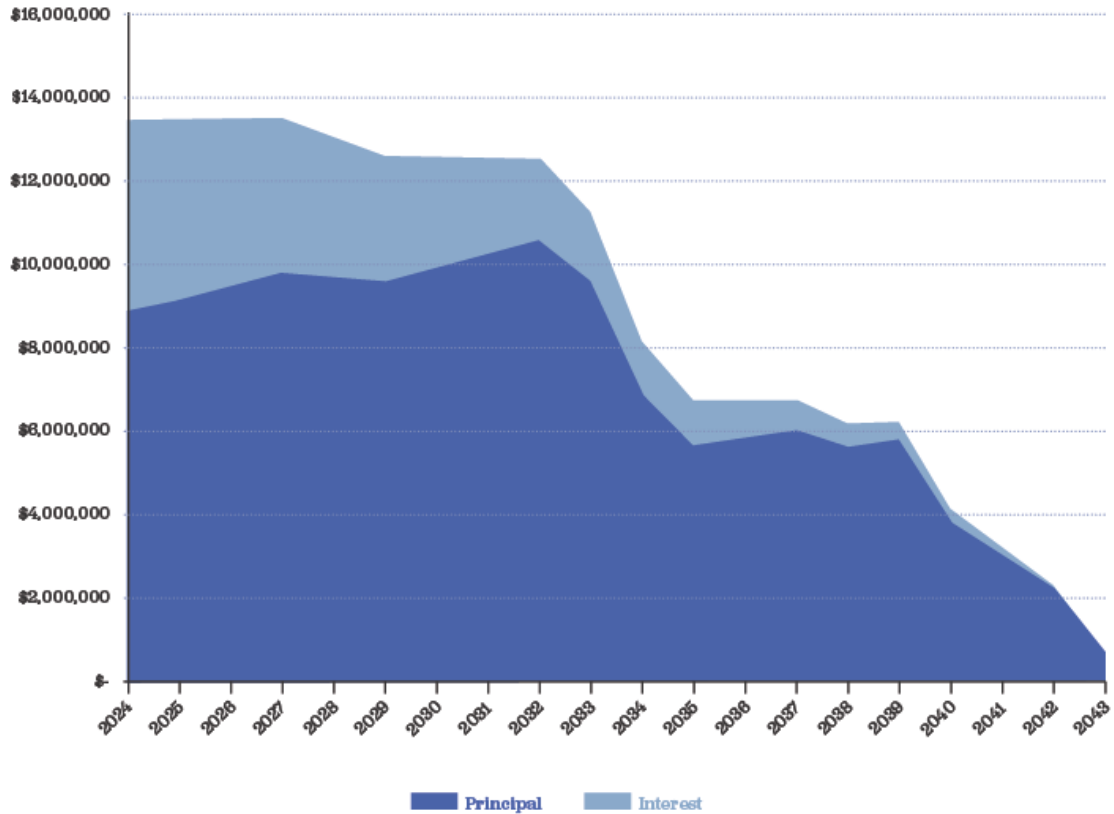
Sep 13, 2023 9:47 am Prepared by Hilltop Securities Inc. (RRS)

(Finance 8.901 ADDISON:00)

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt



Provided by Hilltop Securities

Public Finance Department

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt As of September 30, 2023 (000's)

	\$4,865,000 General Obligation Bonds Series 2023		\$4,855,000 Combination Tax & Revenue Certificates of Obligation Series 2023		\$10,140,000 General Obligation Bonds Series 2022	
Year Ending September 30	Principal	Coupon	Principal	Coupon	Principal	Coupon
2024	160	5.000%	145	5.000%	350	3.000%
2025	155	5.000%	140	5.000%	360	3.000%
2026	165	5.000%	145	5.000%	370	3.000%
2027	175	5.000%	155	5.000%	380	3.000%
2028	180	5.000%	160	5.000%	400	5.000%
2029	190	5.000%	170	5.000%	420	5.000%
2030	200	5.000%	180	5.000%	440	5.000%
2031	210	5.000%	190	5.000%	465	5.000%
2032	220	5.000%	195	5.000%	485	5.000%
2033	235	5.000%	210	5.000%	510	5.000%
2034	245	5.000%	220	5.000%	540	5.000%
2035	255	4.000%	230	5.000%	560	3.125%
2036	270	4.000%	240	4.000%	580	3.250%
2037	280	4.000%	250	4.000%	595	3.250%
2038	290	4.000%	260	4.000%	615	3.500%
2039	300	4.000%	270	4.000%	640	3.500%
2040	315	4.000%	280	4.000%	665	3.625%
2041	325	4.000%	285	4.000%	685	3.750%
2042	340	4.000%	305	4.000%	715	3.750%
2043	355	4.000%	315	4.000%		
TOTALS	4,865		4,855		9,775	

Next Call	02/15/2033 @ Par		02/15/2033 @ Par		02/15/2032 @ Par	
Dated Date	8/1/2023		8/1/2023		8/1/2022	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15	
Insurer	N/A		N/A		N/A	
Arbitrage Yield	3.6548%		3.6548%		3.2247%	
Paying Agent	BOKF		BOKF		BOKF	
Purpose	New Money		New Money		New Money	

— Non-Callable

— Callable

Provided by Hilltop Securities, Public Finance Department

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt As of September 30, 2023 (000's)

	\$12,495,000 Combination Tax & Revenue Certificates of Obligation Series 2022		\$8,870,000 General Obligation Refunding Bonds Series 2022		\$14,850,000 General Obligation Bonds Series 2021	
Year Ending September 30	Principal	Coupon	Principal	Coupon	Principal	Coupon
2024	415	4.000%	780	4.000%	540	4.000%
2025	430	4.000%	785	4.000%	570	4.000%
2026	450	5.000%	815	2.000%	590	5.000%
2027	475	5.000%	845	4.000%	620	5.000%
2028	495	5.000%	400	4.000%	650	5.000%
2029	525	5.000%	420	4.000%	685	5.000%
2030	550	5.000%	440	4.000%	725	5.000%
2031	580	5.000%	455	3.000%	750	3.000%
2032	605	5.000%	465	3.000%	775	3.000%
2033	635	4.000%	480	3.000%	800	3.000%
2034	680	4.000%	495	3.000%	820	3.000%
2035	690	4.000%	515	3.000%	845	2.000%
2036	715	3.375%	525	3.000%	860	2.000%
2037	740	3.375%	545	3.000%	875	2.000%
2038	765	3.500%			895	2.000%
2039	790	3.500%			920	2.000%
2040	820	3.625%			935	2.125%
2041	850	3.625%			980	2.125%
2042	880	3.750%				
2043						
TOTALS	12,070		7,945		13,785	

Next Call	02/15/2032 @ Par		02/15/2031 @ Par		08/15/2030 @ Par	
Dated Date	8/1/2022		1/1/2022		8/1/2021	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15	
Insurer	N/A		N/A		N/A	
Arbitrage Yield	3.2247%		1.3196%		1.6527%	
Paying Agent	BOKF		The Bank of New York		The Bank of New York	
Purpose	New Money		Refunding		New Money	

— Non-Callable

— Callable

Provided by Hilltop Securities, Public Finance Department

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt As of September 30, 2023 (000's)

	\$10,960,000 General Obligation Refunding Bonds Taxable Series 2021		\$13,835,000 General Obligation Bonds Series 2020		\$13,205,000 General Obligation Refunding Bonds Taxable Series 2020	
Year Ending September 30	Principal	Coupon	Principal	Coupon	Principal	Coupon
2024	995	1.000%	550	4.000%	1,225	0.400%
2025	1,005	1.000%	575	4.000%	1,240	1.000%
2026	1,025	1.000%	600	4.000%	1,250	1.000%
2027	1,035	1.000%	620	4.000%	1,260	0.850%
2028	1,040	1.150%	655	5.000%	1,275	1.000%
2029	1,065	1.400%	685	5.000%	1,285	1.150%
2030	1,070	1.500%	720	4.000%	1,300	1.200%
2031	1,080	1.800%	690	4.000%	1,320	1.350%
2032	1,100	1.700%	715	2.000%	1,335	1.450%
2033	1,130	1.800%	725	2.000%		
2034			740	2.000%		
2035			760	2.000%		
2036			770	2.000%		
2037			785	2.000%		
2038			800	2.000%		
2039			820	2.000%		
2040			835	2.000%		
2041						
2042						
2043						
TOTALS	10,555		12,045		11,490	

Next Call	08/15/2030 @ Par		08/15/2029 @ Par		08/15/2029 @ Par	
Dated Date	8/1/2021		8/1/2020		8/1/2020	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15	
Insurer	N/A		N/A		N/A	
Arbitrage Yield	Taxable		1.0974%		Taxable	
Paying Agent	The Bank of New York		The Bank of New York		The Bank of New York	
Purpose	Refunding		New Money		Refunding	

— Non-Callable

— Callable

Provided by Hilltop Securities, Public Finance Department

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt As of September 30, 2023 (000's)

	\$18,220,000 Combination Tax & Revenue Certificates of Obligation Series 2019		\$13,115,000 Combination Tax & Revenue Certificates of Obligation Series 2018		\$23,580,000 General Obligation Refunding Bonds Series 2016	
Year Ending September 30	Principal	Coupon	Principal	Coupon	Principal	Coupon
2024	690	4.000%	525	3.000%	1,550	4.000%
2025	720	4.000%	540	3.000%	1,615	4.000%
2026	750	4.000%	560	4.000%	1,695	5.000%
2027	775	3.000%	580	4.000%	1,775	5.000%
2028	800	3.000%	610	5.000%	1,865	5.000%
2029	825	3.000%	645	5.000%	1,485	5.000%
2030	850	3.000%	670	4.000%	1,585	5.000%
2031	875	3.000%	700	4.000%	1,645	5.000%
2032	900	3.000%	725	4.000%	1,715	5.000%
2033	930	3.000%	755	4.000%	1,810	5.000%
2034	955	3.000%	785	3.250%		
2035	985	3.000%	805	3.250%		
2036	1,015	3.000%	835	3.375%		
2037	1,045	3.000%	865	3.375%		
2038	1,080	3.000%	895	3.500%		
2039	1,110	3.000%	930	3.625%		
2040						
2041						
2042						
2043						
TOTALS	14,305		11,425		16,720	

Next Call	02/15/2028 @ Par		02/15/2028 @ Par		2/15/2026 @ Par	
Dated Date	9/1/2019		12/1/2018		5/1/2016	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15	
Insurer	N/A		N/A		N/A	
Arbitrage Yield	1.9185%		3.1342%		1.8580%	
Paying Agent	The Bank of New York		The Bank of New York		The Bank of New York	
Purpose	New Money		New Money		Refunding	

— Non-Callable

— Callable

Provided by Hilltop Securities, Public Finance Department

EXHIBIT A

Aggregate Debt Service

All Outstanding General Obligation Debt As of September 30, 2023 (000's)

	\$7,565,000 Combination Tax & Revenue Certificates of Obligation Series 2014		\$12,000,000 General Obligation Bonds Tax Exempt Series 2014			
Year Ending September 30	Principal	Coupon	Principal	Coupon	Principal	Coupon
2024	370	3.000%	600	3.000%		
2025	385	3.000%	625	3.000%		
2026	400	3.000%	650	3.000%		
2027	415	3.125%	675	3.000%		
2028	430	3.250%	705	3.250%		
2029	450	3.375%	735	3.375%		
2030	470	3.500%	760	3.375%		
2031	485	3.625%	795	3.500%		
2032	505	4.000%	825	3.625%		
2033	525	4.000%	860	3.750%		
2034	550	4.000%	895	3.750%		
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
TOTALS	4,985		8,125			

Next Call	2/15/2024 @ Par		2/15/2024 @ Par		
Dated Date	2/15/2014		2/15/2014		
Coupon Dates	February 15	August 15	February 15	August 15	
Maturity Dates	February 15		February 15		
Insurer	N/A		N/A		
Arbitrage Yield	3.1920%		3.1920%		
Paying Agent	The Bank of New York		The Bank of New York		
Purpose	New Money		New Money		

— Non-Callable

— Callable

Provided by Hilltop Securities, Public Finance Department

Customer:	TOWN OF ADDISON PURCHASING	Customer Account:	100007649
Ad Order #:	0001875529	PO Number:	
Sales Rep:	David Ferster	Order Taker:	David Ferster

Net Amount:	\$385.75	Tax Amount:	\$0.00	Total Amount:	\$385.75
Payment Method:	Check/Money Order	Payment Amount:	\$0.00	Amount Due:	\$385.75

Ad Order #: 0001875529

Ad Number: 0001875529-01

Color: **Ad Size:** 2 X 45.00 Li

Ad Content



Run Dates		Product	Placement/Classification - Position
Publish Date: 08/23/2024	Stop Date: 08/23/2024	Dallas Morning News	Legals Bids Notices - LN Legal Notices
Publish Date: 08/23/2024	Stop Date: 08/29/2024	DallasNews.com	Legals Bids Notices - LN Legal Notices

City Council (FY24)

5. c.

Meeting Date: 09/10/2024
Department: Finance
Pillars: Gold Standard in Financial Health
Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

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, 2024 and ending September 30, 2025.

BACKGROUND:

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 2025 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	\$0.409905
Maintenance & Operations: Economic Development	\$0.023716
Maintenance & Operations: Infrastructure Investment	\$0.006201
Interest & Sinking (Debt)	\$0.170000
Total Proposed Rate for the FY 2025	\$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 2024 tax year that will raise the same amount of property tax revenue for Town of Addison from the same properties in both the 2023 tax year and the 2024 tax year.	\$0.589261
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.	\$0.633851
De Minimis Rate	The de minimis rate is the rate equal to the sum of the 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.	\$0.626309

Notice of this public hearing was published in the Dallas Morning News on August 23, 2024 and August 29, 2024. Included with this agenda item is a copy of the publication notices.

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 the same rate that was adopted for fiscal years 2023 and 2024.

The average taxable home value for the Town of Addison is \$474,475, which generates a tax bill of \$2,893.45. Last year, the average taxable home value was \$426,338 which generated a tax bill of \$2,599.90. The average single-family residential taxpayer would pay about \$293.55 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, \$0.439822 is dedicated to maintenance and operations, which is a decrease of over one cent from the Fiscal Year 2024 tax rate for maintenance and operations, and \$0.170000 is dedicated to debt service payments. The debt service portion of the tax rate is increasing due to the issuance of Certificates of Obligations and loans from the State Infrastructure Bank which are replacing funding that was approved by voters in the 2019 Bond Election at a lower borrowing cost.

RECOMMENDATION:

Administration recommends approval.

Attachments

- Presentation - FY25 Tax Rate 2nd Public Hearing
- Ordinance - Tax Rate
- Notice of Meeting to Vote on Tax Rate
- Notice of Public Hearing Advertisement



Building BLOCKS *of Tomorrow*

September 10, 2024

2nd Tax Rate Public
Hearing

Steven Glickman, CFO

IMPORTANT DATES

Tax Rate & Budget Adoption



Key Dates	Council Action
Friday, Aug. 23 rd & Thursday, Aug. 29 th	Publish notice of hearing on tax rate
Tuesday, Sept. 3 rd	1 st Public hearing on Tax Rate and Budget
Tuesday, Sept. 10 th	2 nd Public hearing on Tax Rate and Budget
Tuesday, Sept. 10 th	Adoption of FY2023 Budget and Tax Rate
Tuesday, Oct. 1 st	Begin Fiscal Year



- **Tax Rate**
 - M&O Rate – Maintenance and Operations Rate, General Fund, Infrastructure Investment Fund, Economic Development Fund
 - I&S Rate – Interest and Sinking Rate, also referred to as debt rate, General Government debt service

- **No-New-Revenue:** Calculated rate that would provide the City with about the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the NNR tax rate goes down and vice versa.

- **Voter Approval Rate:** Calculated maximum rate allowed by law without voter approval.



Certified Taxable Value FY2025 ~\$6.48B

Certified Taxable Value FY2024 ~\$6.16B

Proposed Property Tax Rate

FY2025 \$.609822/100

Current Property Tax Rate

FY2024 \$.609822/100

TAX RATE

Information



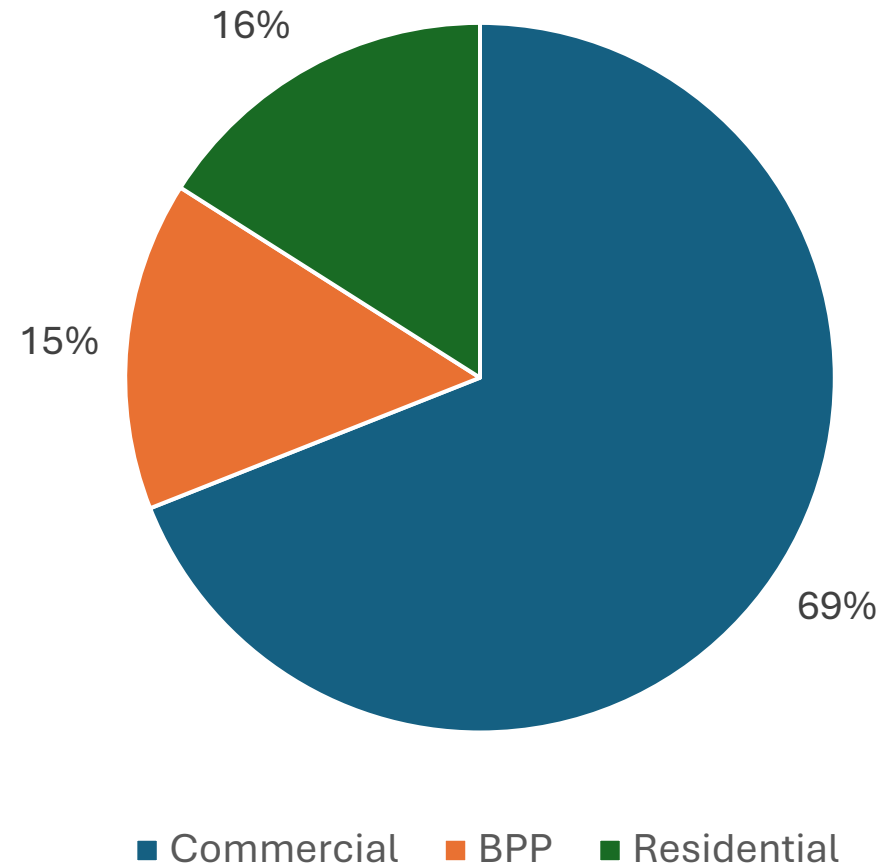
ADDISON

	FY2024	FY2025	Difference
No-New-Revenue	\$0.562728/100	\$0.589261/100	\$0.026533/100
Voter-Approval	\$0.636365/100	\$0.633851/100	(\$0.002514)/100
Adopted/Proposed	\$0.609822/100	\$0.609822/100	-

Additionally, the Town offers a 20% general homestead exemption and a \$60,000 exemption for seniors and \$60,000 for disabled persons.

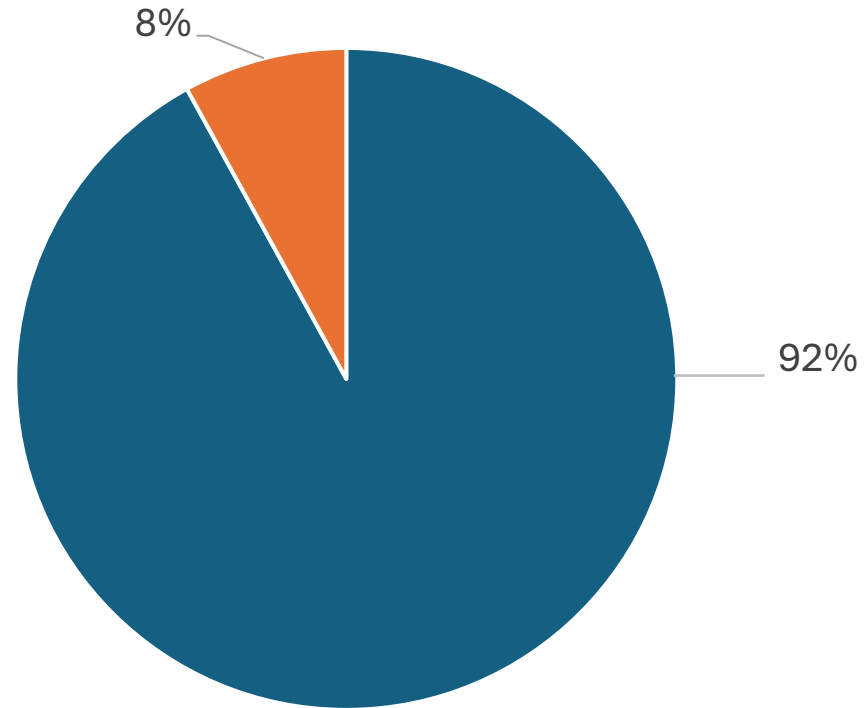
PROPERTY TAX-PAYER DISTRIBUTION

In Addison (Percentage)



RESIDENTIAL PROPERTY TAX PORTION

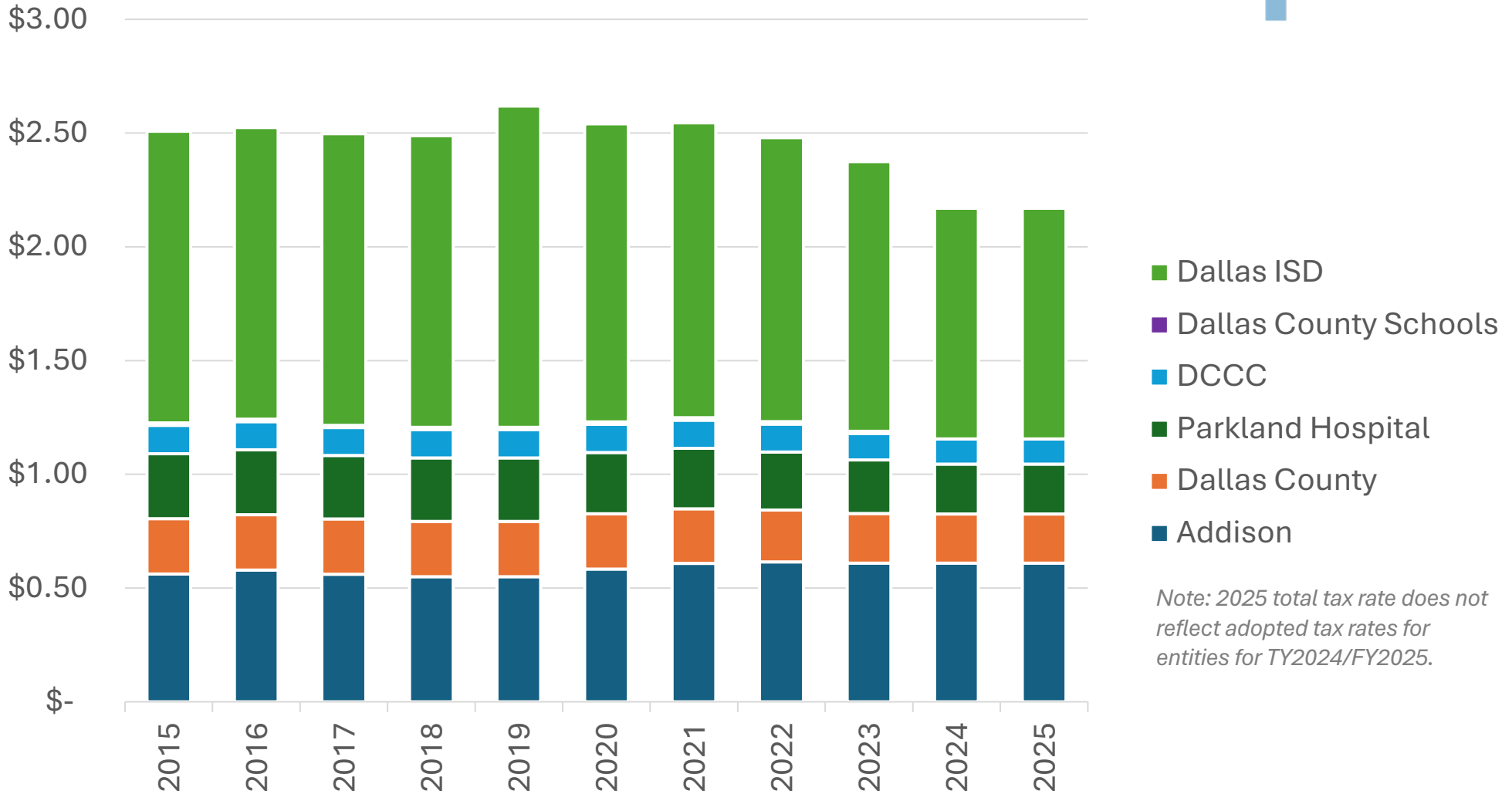
Of General Fund Revenue



■ All Other Revenue ■ Residential Property Tax

TOTAL TAX RATE

In Addison



IMPACT ON

Average Homeowner



ADDISON

	FY2024	FY2025	Increase
Property Tax	\$216.66	\$241.12	\$24.46
Water (5,000 gallons)	\$28.37	\$29.93	\$1.56
Sewer (5,000 gallons)	\$38.77	\$40.91	\$2.14
Total Average Monthly Increase			\$28.16

QUESTIONS?

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.609822 per \$100 valuation, which is effectively a 3.94 percent increase in the tax rate.”

(This ordinance must be adopted by a roll call vote)

ORDINANCE NO. O-24-_____

AN ORDINANCE LEVYING TAXES FOR THE TOWN OF ADDISON, TEXAS AND FIXING AND ADOPTING THE TAX RATE ON ALL TAXABLE PROPERTY FOR THE YEAR 2024 AT A RATE OF \$0.609822 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE TOWN OF ADDISON AS OF JANUARY 1, 2024, THE SAID TAX RATE HAVING A MAINTENANCE AND OPERATIONS COMPONENT AND A DEBT SERVICE COMPONENT; PROVIDING FOR A PENALTY AND INTEREST FOR DELINQUENT TAXES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Tax Code Chapter 26, the Tax Assessor-Collector for the Town of Addison, Texas (the “City”) has calculated the tax rate for the fiscal year 2024-2025 which cannot be exceeded without requisite publications and public hearings; and

WHEREAS, the tax rate for the fiscal year 2024-2025 as initially contemplated (proposed) by the City Council does, and as adopted herein does, exceed the said rate calculated by the Tax Assessor-Collector; and

WHEREAS, the Town of Addison complied with the State of Texas Truth-in-Taxation laws and advertised the proposed tax rate and conducted two public hearings on the tax rate, and all notices and hearings and other applicable steps required by law as a prerequisite to the passage, approval, and adoption of this Ordinance have been timely and properly given and held; and

WHEREAS, Section 26.05(a), Tex. Tax Code, provides that the tax rate consists of two components (one of which will impose the amount of taxes needed to pay debt service, and the other of which will impose the amount of taxes needed to fund maintenance and operation expenses for the next year), and each of such components must be approved separately, the tax rate set forth herein consists of those two components and they are approved separately; and

WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.94 PERCENT AND WILL REDUCE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$10.51; and

WHEREAS, upon full review and consideration of the matter, the City Council is of the opinion that the tax rate for the year 2024 set, fixed and adopted herein below is proper.

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

SECTION 1. That there is hereby levied and ordered to be assessed and collected an ad valorem tax rate of \$0.609822 on each One Hundred Dollars (\$100.00) of assessed valuation for all taxable property located in the Town of Addison on the 1st day of January 2024, and not exempted from taxation by the constitution and laws of the State of Texas to provide for

the expenses of the Town of Addison for the Fiscal Year beginning October 1, 2024 and ending September 30, 2025. The said tax is made up of two components, as set forth in Section 2 and Section 3 of this Ordinance.

SECTION 2. That \$0.439822 of said taxes shall be for the maintenance and operations of the Town of Addison, of which \$0.409905 of said taxes shall be for the purposes of the General Fund, \$0.023716 shall be for the purposes of the Economic Development Fund, and \$0.006201 shall be for the purposes of the Infrastructure Investment Fund.

SECTION 3. That \$0.170000 of said taxes shall be for the purpose of paying interest and principal on the General Obligation and Certificates of Obligation debt for the Town of Addison.

SECTION 4. That the Tax Assessor-Collector or their designee is hereby authorized to assess and collect the tax rates and amounts herein levied.

SECTION 5. That the taxes levied by this Ordinance shall be due and payable on October 1, 2024 and shall become delinquent on February 1, 2025. Penalty and interest will attach and accrue on delinquent taxes as provided by Section 33.01 of the Texas Tax Code.

SECTION 6. Taxes that are and remain delinquent on July 1, 2025 incur an additional penalty not to exceed twenty percent (20%) of the amount of delinquent taxes, penalty and interest collected; such additional penalty is to defray the costs of collection due pursuant to the contract with the Town's attorney authorized by Section 6.30 of the Texas Tax Code, as amended.

SECTION 7. The above and foregoing recitals are true and correct and are incorporated into this Ordinance and made a part hereof for all purposes.

SECTION 8. That this Ordinance shall take effect and be in force from and after its adoption and publication as may be required by applicable law, including the Town Charter.

On the following motion by _____: *"I move that the property tax rate be increased by the adoption of a tax rate of \$0.609822 per \$100 valuation, which is effectively a 3.94 percent increase in the tax rate"*; seconded by _____, the above and foregoing ordinance was passed and approved by roll call vote as follows:

Mayor Bruce Arfsten	_____
Mayor Pro Tempore Darren Gardner	_____
Deputy Mayor Pro Tempore Nancy Craig	_____
Councilmember Howard Freed	_____
Councilmember Chris DeFrancisco	_____
Councilmember Dan Liscio	_____
Councilmember Marlin Willesen	_____

_____ voted in favor of the motion and _____ voted against the motion

Motion carried _____

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 10th day of SEPTEMBER, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.609822 per \$100 valuation has been proposed by the governing body of Town of Addison.

PROPOSED TAX RATE	\$0.609822 per \$100
NO-NEW-REVENUE TAX RATE	\$0.589261 per \$100
VOTER-APPROVAL TAX RATE	\$0.633851 per \$100

The no-new-revenue tax rate is the tax rate for the 2024 tax year that will raise the same amount of property tax revenue for Town of Addison from the same properties in both the 2023 tax year and the 2024 tax year.

The voter-approval rate is the highest tax rate that Town of Addison may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that Town of Addison is proposing to increase property taxes for the 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 10, 2024 AT 7:00 PM AT 15650 Addison Road, Addison, TX 75001.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, Town of Addison is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Town of Addison Council of Town of Addison at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

FOR the proposal:

AGAINST the proposal:

PRESENT and not
voting:

ABSENT:

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter–approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by Town of Addison last year to the taxes proposed to be imposed on the average residence homestead by Town of Addison this year.

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.609822	\$0.609822	increase of 0.000000 per \$100, or 0.00%
Average homestead taxable value	\$426,338	\$474,475	increase of 11.29%
Tax on average homestead	\$2,599.90	\$2,893.45	increase of 293.55, or 11.29%
Total tax levy on all properties	\$37,832,574	\$39,490,326	increase of 1,657,752, or 4.38%

For assistance with tax calculations, please contact the tax assessor for Town of Addison at 972-450-7000 or visit <https://addisontexas.net/> for more information.

Customer:	TOWN OF ADDISON PURCHASING	Customer Account:	100007649
Ad Order #:	0001875529	PO Number:	
Sales Rep:	David Ferster	Order Taker:	David Ferster

Net Amount:	\$385.75	Tax Amount:	\$0.00	Total Amount:	\$385.75
Payment Method:	Check/Money Order	Payment Amount:	\$0.00	Amount Due:	\$385.75

Ad Order #: 0001875529

Ad Number: 0001875529-01

Color: **Ad Size:** 2 X 45.00 Li

Ad Content



Run Dates		Product	Placement/Classification - Position
Publish Date: 08/23/2024	Stop Date: 08/23/2024	Dallas Morning News	Legals Bids Notices - LN Legal Notices
Publish Date: 08/23/2024	Stop Date: 08/29/2024	DallasNews.com	Legals Bids Notices - LN Legal Notices

City Council (FY24)

6. a.

Meeting Date: 09/10/2024

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Present, discuss, and consider action on the Fiscal Year 2024-25 Property Tax Revenue Ratification Ordinance.

BACKGROUND:

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, and (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 2024-25 Budget by adding the following statement:

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$1,857,704 OR 5.12%, AND OF THAT AMOUNT \$417,004 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Property Tax Ratification

ORDINANCE NO. O-24-_____

AN ORDINANCE FOR THE TOWN OF ADDISON, TEXAS RATIFYING THE PROPERTY TAX REVENUE IN THE 2024-2025 BUDGET AS A RESULT OF THE TOWN RECEIVING MORE REVENUES FROM PROPERTY TAXES IN THE 2024-2025 BUDGET THAN IN THE PREVIOUS FISCAL YEAR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Texas Local Government Code 102.007 relating to Adoption of the Budget, requires the City Council to ratify by a separate vote and providing the necessary disclosure language in the ratification, when there is an increase to the property tax revenues in the proposed budget as compared to the previous year; and

WHEREAS, the Town's 2024-25 Budget has an increase in property tax revenues as compared to the previous year; and

WHEREAS, as a result of the approval of the 2024-25 Budget, the City Council finds that it must ratify the increased revenue from property taxes.

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

SECTION 1. The increased revenue from property taxes in the 2024-25 Town Budget is hereby ratified, with the following declaration:

“THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR’S BUDGET BY \$1,857,704 OR 5.12%, AND OF THAT AMOUNT \$417,004 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.”

SECTION 2. This Ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 10th day of SEPTEMBER, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

City Council (FY24)**6. b.****Meeting Date:** 09/10/2024**Department:** Finance**Pillars:** Gold Standard in Financial Health**Milestones:** Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Present, discuss, and consider action on an Ordinance amending Chapter 82 (Utilities), Section 82-76, Section 82-77, and Section 82-79.2 of the Code of Ordinances of the Town by amending sewer rates, water rates, and form of security deposits for all customer classifications and providing that the changes to the sewer rates and water rates made herein shall be applied to monthly customer bills beginning with the November 2024 billing cycle.

BACKGROUND:

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 utility rate model anticipated a 5.5% increase for fiscal year 2025, which is what is included in the fiscal year 2025 budget.

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. Sec. 82-78 of the Town's code of ordinances 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 (10/1/24)	% Increase
5,000 gallons	\$67.14	\$70.83	5.5%
8,000 gallons	\$98.73	\$104.16	5.5%
10,000 gallons	\$119.79	\$126.38	5.5%

The specific rates for each customer class are listed in the attached ordinance.

Additionally, the attached ordinance proposes to eliminate surety bonds as an approved form of security deposit for utility service.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - Utility Rates

ORDINANCE NO. O-24-_____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 82, SECTION 82-76, SECTION 82-77, AND SECTION 82-79.2 OF THE CODE OF ORDINANCES OF THE TOWN BY AMENDING SEWER RATES, WATER RATES, AND FORM OF SECURITY DEPOSITS 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 2024 BILLING CYCLE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the "City") is a home rule municipality having full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

WHEREAS, the City Council is authorized by Section 2.08.p. of the City Charter to provide for a sanitary sewer and water system, and the City is authorized by law (including, without limitation, Sections 552.001 and 552.017, Tex. Loc. Gov. Code) to own, construct and operate a water and sewer system and to prescribe rates therefor; and

WHEREAS, adjustments to the City's water and sewer utility rates have been proposed by the Town of Addison's Rate Model, Dallas Water Utilities and Trinity River Authority; and

WHEREAS, the City has conducted a review and evaluation of the City's water utility rates and has determined therefrom that the rates need to be adjusted as set forth herein to support the operating, maintenance, and capital needs of the City's water utility system; and

WHEREAS, removal of surety bonds as an accepted for of security deposit is in the best interest of the City.

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

SECTION 1. The Code of Ordinances of the Town of Addison, Texas, Chapter 82 (Utilities), Article I (In General), Division 5 (Rates and Charges), Section 82-76 (Sewage Rates) is hereby amended in part to change the monthly sewage rates effective October 1, 2024 and to be applied to the November 2024 customer bill as follows:

"Sec. 82-76. - Sewage rates.

The customer classifications, minimum bills, and consumption charges shall be as follows:

- (1) *Sewer minimum bills.* Minimum monthly bills shall be applied to all customers based upon customer classification and shall include an allowance for volume based upon water consumed as follows:

Customer Classification:	Minimum Monthly Bill	Volume Included (Gallons)
Single-Family Residential	20.34	2,000
Multifamily Residential Large (meter size greater than or equal to two inches)	259.99	37,000
Multifamily Residential Small (meter size less than two inches)	109.37	15,000
Schools	143.62	20,000
Municipal	75.13	10,000
Commercial Large (meter size greater than or equal to two inches)	259.99	37,000
Commercial Small (meter size less than two inches)	40.88	5,000
Industrial Large (meter size greater than or equal to two inches)	259.99	37,000
Industrial Small (meter size less than two inches)	27.20	3,000
Hotel/Motel	691.37	100,000

- (2) *Sewer volume rate.* All volume which exceeds the amount allowed in the minimum bill shall be charged at a rate of \$6.87 per 1,000 gallons of water consumed for all customer classifications.

...

SECTION 2. The Code of Ordinances of the Town of Addison, Texas, Chapter 82 (Utilities), Article I (In General), Division 5 (Rates and Charges), Section 82-77 (Water Rates) is hereby amended in part to increase water rates effective October 1, 2024 and to be applied to the November 2024 customer bill as follows:

“Sec. 82-77. - Water rates

The customer classifications, minimum bills, and consumption charges shall be as follows:

- (1) *Water minimum bills.* Minimum monthly bill shall be applied to all customers based upon customer classification and shall include an allowance for volume based upon water consumed as follows:

Customer Classification:	Minimum Monthly Bill	Volume Included (Gallons)
Single-Family Residential	17.20	2,000
Multifamily Residential Large (meter size greater than or equal to two inches)	166.29	37,000
Multifamily Residential Small (meter size less than two inches)	72.57	15,000
Schools	93.88	20,000
Municipal	51.28	10,000
Commercial Large (meter size greater than or equal to two inches)	166.29	37,000
Commercial Small (meter size less than two inches)	29.97	5,000
Industrial Large (meter size greater than or equal to two inches)	166.29	37,000
Industrial Small (meter size less than two inches)	21.47	3,000
Hotel/Motel	434.64	100,000
Irrigation Large (meter size greater than or equal to two inches)	311.57	40,000
Irrigation Small (meter size less than two inches)	122.27	15,000
Municipal Irrigation	122.27	15,000
Fire Meters	42.76	8,000

- (2) *Water volume rate.* All volume which exceeds the amount allowed in the minimum bill shall be charged at a rate of \$4.25 per 1,000 gallons of water consumed for all customer classifications, with the exceptions as noted in subsection (3) below.
- (3) *Water conservation volume rate.* Single-family residential customers shall be charged a rate of \$7.58 per 1,000 gallons of water for all water consumed in excess of 15,000 gallons. Irrigation (large and small) customers shall be charged for all volume, which exceeds the amount allowed in the minimum bill, at a rate of \$7.58 per 1,000 gallons of water consumed.”

SECTION 3. The Code of Ordinances of the Town of Addison, Texas, Chapter 82 (Utilities), Article I (In General), Division 5 (Rates and Charges), Section 82-79.2(b) (Security Deposits) is hereby amended to remove surety bonds as a form of security as follows:

“Sec. 82-79.2 – Security Deposits:

- (b) Form of security. The applicant for service must submit a security deposit in one of the following forms:
- (1) Cash; or
 - (2) Other equivalent security approved by the director.”

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

SECTION 5. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 6. The above and foregoing recitals to this Ordinance are true and correct and are incorporated herein and made a part of this Ordinance for all purposes.

SECTION 7. This Ordinance shall be effective from and after its date of passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 10th day of SEPTEMBER 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

City Council (FY24)

6. c.

Meeting Date: 09/10/2024

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Present, discuss, and consider action on an Ordinance providing for the issuance of Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024; levying a tax in payment thereof; prescribing the form of said certificates; approving and awarding the sale of the certificates; authorizing the execution and delivery of a paying agent/registrar agreement; approving the official statement; and enacting provisions incident and relating to the subject and purposes of this Ordinance.

BACKGROUND:

At the City Council Meeting on July 23, 2024, the Council passed a Resolution giving Notice of Intention to Issue Certificates of Obligation. The attached Ordinance provides for the Town's issuance of Certificates of Obligation in an amount not to exceed \$10,700,000; that amount encompasses the following:

- \$3,400,000 for construction of a new 23,000 square foot public safety communications facility for the joint dispatch center created and owned by the Cities of Coppel, Farmers Branch, and Carrollton along with the Town.
- \$1,150,000 for a replacement Spartan Fire Engine.
- \$850,000 for Addison Grove incentive payments for public infrastructure. Town staff anticipates that Addison Grove will qualify for the first two incentive payments in late 2024 or early 2025. Each incentive payment is \$2,083,333. The Town set aside \$3,000,000 between fiscal years 2017 and 2019 to cash fund half the incentive payments. To date, those funds have earned slightly over \$300,000 in interest.
- \$5,300,000 for Stormwater Fund capital improvement projects supported and serviced by Stormwater Fund revenue. These projects include reconstruction of Keller Springs Road (\$2,800,000) and Les Lacs Pond Improvements (\$2,500,000)

Certain details concerning the Certificates of Obligation will not be known until competitive bids are received on September 10, 2024. This information will be made available at the Council Meeting on September 10, 2024, prior to the discussion of this item. The ordinance will also be updated prior to the meeting.

The Town of Addison maintained an underlying bond rating of "AAA" from Standard and Poor's and an "Aaa" from Moody's.

RECOMMENDATION:

Administration recommends approval.

Attachments

Ordinance - 2024 COs
Addison CO Sale Book

ORDINANCE NO. _____

relating to

TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2024

Adopted: September 10, 2024

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AN ORDINANCE PROVIDING FOR THE ISSUANCE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,015,000; LEVYING A TAX IN PAYMENT THEREOF; PRESCRIBING THE FORM OF SAID CERTIFICATES; APPROVING AND AWARDED THE SALE OF THE CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND ENACTING PROVISIONS INCIDENT AND RELATING TO THE SUBJECT AND PURPOSES OF THIS ORDINANCE

WHEREAS, under the provisions of Subchapter C, Chapter 271, Texas Local Government Code, as amended, the Town of Addison, Texas (the "Town"), is authorized to issue certificates of obligation for the purposes specified in this Ordinance and for the payment of all or a portion of the contractual obligations for professional services, including that of engineers, attorneys, and financial advisors in connection therewith, and to sell the same for cash as herein provided; and

WHEREAS, the Town is authorized to provide that such obligations will be payable from and secured by the levy of a direct and continuing ad valorem tax against all taxable property within the Town, in combination with all or a part of certain revenues of the Town's combined water and wastewater system (the "System") remaining after payment of any obligations of the Town payable in whole or in part from a lien or pledge of such revenues that would be superior to the obligations to be authorized herein as authorized by Chapter 1502, Texas Government Code; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interests of the Town and its citizens that it issue such certificates of obligation authorized by this Ordinance; and

WHEREAS, pursuant to a resolution heretofore passed by this governing body, notice of intention to issue certificates of obligation of the Town payable as provided in this Ordinance was published in a newspaper of general circulation in the Town in accordance with the laws of the State of Texas, such certificates of obligation to be issued for the purpose of paying contractual obligations to be incurred for the purposes set forth in Section 3.1 hereof; and

WHEREAS, no petition of any kind has been filed with the City Secretary, any member of the City Council or any other official of the Town, protesting the issuance of such certificates of obligation; and

WHEREAS, this City Council is now authorized and empowered to proceed with the issuance of said certificates of obligation and to sell the same for cash; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the Town’s Chief Financial Officer, or his designee.

“Certificate” means any of the Certificates.

“Certificate Date” means the date designated as the initial date of the Certificates by Section 3.2(a) of this Ordinance.

“Certificates” means the certificates of obligation authorized to be issued by Section 3.1 of this Ordinance and designated as “Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024.”

“Closing Date” means the date of the initial delivery of and payment for the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access system.

“Event of Default” means any event of default as defined in Section 10.1 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Certificate” means the initial certificate authorized by Section 3.4 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.2 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Certificates is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing on February 15, 2024.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Revenues” means the gross revenues of the System less the expenses of operation and maintenance as said expenses are defined by Chapter 1502, Texas Government Code, as amended.

“Owner” means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

“Paying Agent/Registrar” means BOKF, N.A., Dallas, Texas.

“Prior Lien Bonds” means any and all bonds or other obligations of the Town presently outstanding or that may be hereafter issued, payable from and secured by a first lien on and pledge of the Net Revenues or by a lien on and pledge of the Net Revenues subordinate to a first lien and pledge of such Net Revenues but superior to the lien and pledge of the Surplus Revenues made for the Certificates.

“Project” means the purposes for which the Certificates are issued as set forth in Section 3.1.

“Purchaser(s)” means the initial purchaser of the Certificates.

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.6(a) of this Ordinance.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representations Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Surplus Revenues” means the revenues of the System in an amount equal to \$1,000 remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with the Town’s Prior Lien Bonds.

“Surplus Revenue Fund” means the surplus revenue fund established by Section 2.3 of this Ordinance.

“System” as used in this Ordinance means the Town’s combined water and wastewater system, including all present and future additions, extensions, replacements, and improvements thereto.

“Town” means the Town of Addison, Texas.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of, redemption premium, if any, or interest on the Certificates as the same come due and payable or money set aside for the payment of Certificates duly called for redemption prior to maturity.

Section 1.2 Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.3 Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE CERTIFICATES; INTEREST AND SINKING FUND

Section 2.1 Payment of the Certificates.

(a) Pursuant to the authority granted by the Texas Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Certificates, being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Certificates when and as due and payable in accordance with their terms and this Ordinance.

(d) The amount of taxes to be provided annually for the payment of principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(i) The Town's annual budget shall reflect (a) the amount of debt service requirements to become due on the Certificates in the next succeeding Fiscal Year of the Town, (b) the amount on deposit in the Surplus Revenue Fund and the Interest and Sinking Fund, as of the date such budget is prepared (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year), and (c) the amount of Surplus Revenues estimated and budgeted to be available for the payment of such debt service requirements on the Certificates during the next succeeding Fiscal Year of the Town.

(ii) The amount required to be provided in the succeeding Fiscal Year of the Town from ad valorem taxes shall be the amount, if any, the debt service requirements to be paid on the Certificates in the next succeeding Fiscal Year of the Town exceeds the sum of (a) the amount shown to be on deposit in the Surplus Revenue Fund and the Interest and Sinking Fund (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year) at the time the annual budget is prepared, and (b) the Surplus Revenues shown to be budgeted and available for payment of said debt service requirements.

(iii) Following the final approval of the annual budget of the Town, the governing body of the Town shall, by ordinance, levy an ad valorem tax at a rate sufficient

to produce taxes in the amount determined in paragraph (ii) above, to be utilized for purposes of paying the principal of and interest on the Certificates in the next succeeding Fiscal Year of the Town.

(e) The Town hereby covenants and agrees that the Surplus Revenues are hereby irrevocably pledged equally and ratably to the payment of the principal of, redemption premium, if any, and interest on the Certificates, as the same become due.

Section 2.2 Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the “Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2023, Interest and Sinking Fund” (the “Interest and Sinking Fund”) said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Certificates when and as due and payable in accordance with their terms and this Ordinance.

Section 2.3 Surplus Revenue Fund.

The Town hereby establishes a special fund or account to be designated the “Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2023, Surplus Revenue Fund” (the “Surplus Revenue Fund”) said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town, and shall in no event be diverted or drawn upon for any purpose other than those herein provided. All Surplus Revenues shall be paid over and deposited into the Surplus Revenue Fund. The Surplus Revenues shall be appropriated and employed in the following order:

(a) First: For deposit to the Interest and Sinking Fund to provide for the payment of the debt service requirements of the Certificates in accordance with the terms and conditions of this Ordinance; and

(b) Second: After all the requirements of subparagraph (a) above have been provided for, whether by the collection of an ad valorem tax levied in this Ordinance or by the use of the pledged Surplus Revenues, the Surplus Revenues may be used for any lawful purpose.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.1 Authorization.

The Town’s certificates of obligation to be designated “Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024” (the “Certificates”), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Subchapter C, Chapter 271, Texas Local Government Code, as amended, and

the Town's Home-Rule Charter. The Certificates shall be issued in the aggregate principal amount of \$10,015,000 for the purpose of paying contractual obligations to be incurred for the following purposes, to wit: (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, (ii) designing, engineering, developing, constructing, improving and repairing Town park facilities and improvements, (iii) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town water and waste water facilities and improvements, (iv) designing, engineering, developing and constructing public safety facilities, including a public safety communications facility and dispatch center, including the acquisition of land therefor (v) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town drainage improvements and facilities, (vi) firefighting vehicles and equipment; (vii) professional services incurred in connection with items (i) – (vi) and to pay the costs incurred in connection with the issuance of the Certificates.

Section 3.2 Date, Denomination, Maturities, and Interest.

(a) The Certificates shall be dated September 1, 2024 (the "Dated Date"). The Certificates shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Certificate, which shall be numbered T-1.

(b) The Certificates shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$415,000	5.000%	2035	\$440,000	5.000%
2026	375,000	5.000	2036	460,000	5.000
2027	380,000	5.000	2037	495,000	5.000
2028	405,000	5.000	2038	515,000	5.000
2029	425,000	5.000	2039	540,000	5.000
2030	450,000	5.000	2040	565,000	4.000
2031	475,000	5.000	2041	585,000	4.000
2032	500,000	5.000	2042	615,000	4.000
2033	530,000	5.000	2043	630,000	4.000
2034	550,000	5.000	2044	665,000	4.000

(c) Interest shall accrue and be paid on each Certificate respectively until its maturity or prior redemption from the later of the date of their date of delivery to the Initial Purchaser (the "Delivery Date") or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing on February 15, 2025, computed on the basis of a 360-day year of twelve 30-day months.

Section 3.3 Medium, Method, and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be payable to the Owners as shown in the Register at the close of business on the Record Date.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner, at the address thereof as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such alternative banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Certificates, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Certificate shall be paid to the Owner thereof on the due date, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the Town where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Ordinance.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Certificates to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code. Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment on the Certificates thereafter coming due; to the extent any such moneys remain three years after the retirement of all outstanding Certificates, such moneys shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to Title 6 of the Texas Property Code.

Section 3.4 Execution and Registration of Certificates.

(a) The Certificates shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of

said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Certificate has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Certificate representing the entire principal amount of all Certificates, payable in stated installments to the Purchaser, or its designee, executed by the Mayor and City Secretary of the Town, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver a single registered, definitive Certificate for each maturity, in the aggregate principal amount thereof, to DTC on behalf of the Purchaser. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 3.5 Ownership.

(a) The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment as herein provided (except interest shall be paid to the person in whose name such Certificate is registered on the Record Date), and for all other purposes, whether or not such Certificate is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Certificate shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.6 Registration, Transfer, and Exchange.

(a) So long as any Certificates remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) The ownership of a Certificate may be transferred only upon the presentation and surrender of the Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Certificate shall be effective until entered in the Register.

(c) The Certificates shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in a denomination or denominations of any integral multiple of \$5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Certificates presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Certificates exchanged for other Certificates in accordance with this Section.

(d) Each exchange Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such exchange Certificate is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Certificates. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Certificate.

(f) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Certificate called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Certificate.

Section 3.7 Cancellation.

All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall then return such cancelled Certificates to the Town or may in accordance with law destroy such cancelled Certificates and periodically furnish the Town with certificates of destruction of such Certificates.

Section 3.8 Temporary Certificates.

(a) Following the delivery and registration of the Initial Certificate and pending the preparation of definitive Certificates, the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Certificates that are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Certificates in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions, and other variations as the officers of the Town executing such temporary Certificates may determine, as evidenced by their signing of such temporary Certificates.

(b) Until exchanged for Certificates in definitive form, such Certificates in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar; thereupon, upon the presentation and surrender of the Certificate or Certificates in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Certificate or Certificates of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Certificate or Certificates in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.9 Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.10 Book-Entry-Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Certificates, the Certificates shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Certificates shall be initially issued in the form of a single separate certificate for each of the maturities thereof.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be

valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Certificates.

Section 3.11 Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the Town determines that it is in the best interest of the Town and the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Certificates and cause the Paying Agent/Registrar to transfer one or more separate registered Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.12 Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates shall be made and given, respectively, in the manner provided in the Representations Letter of the Town to DTC.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.1 Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.2 Optional Redemption.

(a) The Town reserves the option to redeem Certificates maturing on and after February 15, 2035, in whole or in part, in principal amounts equal to \$5,000 or any integral multiple thereof, before their respective scheduled maturity dates, on February 15, 2034 or any date thereafter, such redemption date or dates to be fixed by the Town, at a redemption price equal to the principal amount of the Certificates called for redemption, plus accrued interest to the date fixed for redemption.

(b) The Town, at least forty-five (45) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Certificates to be redeemed.

Section 4.3 Partial Redemption.

(a) If less than all of the Certificates are to be redeemed pursuant to Section 4.02 hereof, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Certificates, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Certificate of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Certificate is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(c) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered, such exchange being without charge.

(d) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.4 Reserved.

Section 4.5 Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the business day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed, an identification of the Certificates or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.6 Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Town and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Certificates being redeemed.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Certificate to the date of redemption from the money set aside for such purpose.

Section 4.7 Conditional Notice of Redemption.

The Town reserves the right, in the case of an optional redemption pursuant to Section 4.02 herein, to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section 4.8 Lapse of Payment.

Money set aside for the redemption of the Certificates and remaining unclaimed by Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

Section 4.9 Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Certificates or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town defaults in its obligation to make provision

for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Certificates or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Certificates are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Certificate or portion thereof called for redemption shall continue to bear interest at the rate stated on the Certificate until due provision is made for the payment of same by the Town.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.1 Appointment of Initial Paying Agent/Registrar.

BOKF, N.A. is hereby appointed as the initial Paying Agent/Registrar for the Certificates.

Section 5.2 Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

Section 5.3 Maintaining Paying Agent/Registrar.

(a) At all times while any of the Certificates are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.2 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar in substantially the form presented at this meeting, such form of agreement being hereby approved. The signature of the Mayor shall be attested by the City Secretary of the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section 5.4 Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.5 Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.6 Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.7 Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.1 Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The definitive Certificates, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

(d) The Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.2 Form of the Certificates.

The form of the Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) Form of Certificate.

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas
County of Dallas
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2024

INTEREST RATE: MATURITY DATE: DELIVERY DATE: CUSIP NUMBER:

_____ % February 15, _____ October 9, 2024 _____

The Town of Addison (the “Town”), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

and to pay interest on such principal amount from the later of the Delivery Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2025.

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office in Dallas, Texas (the “Designated Payment/Transfer Office”), of BOKF, N.A., or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Certificate is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Certificates, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this

Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date.

If the date for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the Town where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Certificate is one of a series of fully registered certificates dated August 1, 2023 specified in the title hereof issued in the aggregate principal amount of \$10,015,000 (herein referred to as the "Certificates"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of paying contractual obligations to be incurred for authorized public improvements (collectively, the "Project"), as described in the Ordinance, and to pay the contractual obligations for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.

The Town has reserved the option to redeem the Certificates maturing on or after February 15, 2035, in whole or in part before their respective scheduled maturity dates, on February 15, 2034, or on any date thereafter, at a price equal to the principal amount of the Certificates so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Certificates are to be redeemed, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Certificates, or portions thereof, within such maturity and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the registered owner of each of the Certificates to be redeemed in whole or in part. Notice having been so given, the Certificates or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Certificates or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Certificates or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice

of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Certificate for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Certificate called for redemption where such redemption is scheduled to occur within forty five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Certificate.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is registered on the Record Date) and for all other purposes, whether or not this Certificate be overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; that all acts, conditions, and things to be done precedent to and in the issuance of the Certificates have been properly done and performed and have happened in regular and due time, form, and manner as required by law; that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Certificates within the limit prescribed by law; that, in addition to said taxes, further provisions have been made for the payment of the debt service requirements of the Certificates by pledging to such purpose Surplus Revenues, as defined in the Ordinance, derived by the Town from the operation of the combined water and wastewater system in an amount limited to \$1,000; that when so collected, such taxes and Surplus Revenues shall be appropriated to such purposes; and that the total indebtedness of the Town, including the Certificates, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Certificate to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Certificate.

City Secretary, Town of Addison, Texas

Mayor, Town of Addison, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Certificates if such certificate on the Initial Certificate is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
OF THE STATE OF TEXAS §

REGISTER NO. _____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas; and that this Certificate has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Certificate of this series of certificates of obligation was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Certificates referred to in the within-mentioned Ordinance.

BOKF, N.A.
as Paying Agent/Registrar

Dated: _____

By: _____

Authorized

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

Authorized Signatory

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As shown below" and the words "CUSIP NUMBER" deleted; and

(ii) in the first paragraph of the Certificate, the words “on the maturity date specified above” shall be deleted and the following will be inserted: “on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rate</u>
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(Information to be inserted from Section 3.02)

Section 6.3 CUSIP Registration.

The Town may secure identification numbers through the CUSIP Services Bureau managed by FactSet Research Systems Inc. on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect in regard to the legality thereof and neither the Town nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.4 Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be attached to or printed on the reverse side of each Certificate over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.5 Bond Insurance.

Information pertaining to bond insurance, if any, may be printed on each Certificate.

ARTICLE VII

CREATION OF FUNDS, SALE AND DELIVERY OF CERTIFICATES, DEPOSIT OF PROCEEDS

Section 7.1 Sale of Certificates, Official Statement.

(a) The Certificates, having been duly advertised and offered for sale at competitive bid, are hereby officially sold and awarded to The Baker Group LP (the "Purchaser") for a purchase price equal to the principal amount thereof plus a cash premium of \$804,213.31 being the bid which produced the lowest true interest cost to the Town. The Initial Certificate shall be registered in the name of the Purchaser or its designee.

(b) The form and substance of the Preliminary Official Statement for the Certificates and any addenda, supplement or amendment thereto (the "Preliminary Official Statement") and the final Official Statement (the "Official Statement") presented to and considered at this meeting, are hereby in all respects approved and adopted, and the Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, by the City Council. The use and distribution of the Preliminary Official Statement in the public offering of the Certificates by the Purchaser is hereby authorized. The Town Manager, Finance Director, the Mayor and the City Secretary of the Town are hereby authorized and directed to use and distribute or authorize the use and distribution of the final Official Statement and any addenda, supplement or amendment thereto (the "Official Statement") and deliver appropriate numbers of copies thereof to the Purchaser of the Certificates. The Official Statement as thus approved and delivered, with such appropriate variations as shall be approved by the Town Manager, the Finance Director, the Mayor of the Town and the Purchaser, may be used by the Purchaser in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

(c) The Mayor, the Authorized Officer and all other officers of the Town are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Certificates, to pay the costs of issuance of the Certificates, and to effectuate the terms and provisions of this Ordinance. Further, in connection with the submission of the record of proceedings for the Certificates to the Attorney General of the State of Texas for examination and approval of such Certificates, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

(d) The obligation of the Purchaser or Underwriter to accept delivery of the Certificates is subject to the Purchaser being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the Town, which opinion shall be dated and delivered the Closing Date

Section 7.2 Control and Delivery of Certificates.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Certificates shall be made to the Representative under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.3 Deposit of Proceeds.

(a) \$10,700,000 of the proceeds of the Certificates received on the Closing Date, representing \$10,015,000 of principal and \$685,000 of premium generated on the Certificates, shall be deposited to a special construction fund of the Town, such moneys to be dedicated and used for the purposes specified in Section 3.01.

(b) The remaining premium generated on the Certificates shall be used to pay the cost of issuance of the Certificates. Any amounts remaining after payment of such costs shall be deposited in the Interest and Sinking Fund.

ARTICLE VIII

INVESTMENTS

Section 8.1 Investments.

(a) Money in the Interest and Sinking Fund or the Surplus Revenue Fund created by this Ordinance, at the option of the Town, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which such money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.2 Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund and the Surplus Revenue Fund shall be credited to their respective funds.

(b) Interest and income derived from investment of the funds to be deposited pursuant to Section 7.3(b) hereof shall be credited to the account where deposited until the acquisition or construction of said projects is completed and thereafter, to the extent such interest and income are present, such interest and income shall be deposited to the Interest and Sinking Fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.1 Payment of the Certificates.

On or before each Interest Payment Date while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Certificates as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.2 Other Representations and Covenants.

(a) The Town will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the Town will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section 9.3 Federal Income Tax Matters.

(a) General. The Town covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Certificates to be includable in gross income for federal income tax purposes. In furtherance thereof, the Town covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Town in connection with the Certificates.

(b) No Private Activity Bonds. The Town covenants that it will use the proceeds of the Certificates (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Certificates will not be "private activity bonds" within the meaning of section 141 of the Code. Furthermore, the Town will not take a deliberate action (as defined in

section 1.141-2(d)(3) of the Regulations) that causes the Certificates to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The Town covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Certificates to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The Town covenants not to take any action or omit to take action that, if taken or omitted, would cause the Certificates to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The Town covenants that it will make such use of the proceeds of the Certificates (including investment income) and regulate the investment of such proceeds of the Certificates so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The Town covenants that, if the Town does not qualify for an exception to the requirements of section 148(f) of the Code, the Town will comply with the requirement that certain amounts earned by the Town on the investment of the gross proceeds of the Certificates, be rebated to the United States.

(g) Information Reporting. The Town covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Certificates in accordance with section 149(e) of the Code.

(h) Record Retention. The Town covenants to retain all material records relating to the expenditure of the proceeds (including investment income) the Certificates and the use of the property financed, directly or indirectly, thereby until three years after the last Certificate is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Certificates are “registration-required bonds” under section 149(a)(2) of the Code, the Certificates will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the Town will not be required to comply with any of the federal tax covenants set forth above if the Town has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Certificates from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the Town’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Certificates for as long as such matters are relevant to the excludability of interest on the Certificates from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the Town, this Ordinance serves as the Town's official declaration of intent to use proceeds of the Certificates to reimburse itself from proceeds of the Certificates issued in the maximum amount authorized by this Ordinance for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

(m) Qualified Tax-Exempt Obligations. The Town hereby designates the Certificates as "qualified tax-exempt obligations" for purposes of section 265(b) of the Code. In connection therewith, the Town represents that (i) the aggregate amount of tax-exempt obligations (including the Certificates) issued by the District in the same calendar year as the Certificates that have been designated as "qualified tax-exempt obligations" under section 265(b)(3) of the Code does not exceed \$10,000,000 and (ii) the reasonably anticipated amount of tax-exempt obligations (including the Certificates) that will be issued by the Town in the same calendar year as the Certificates will not exceed \$10,000,000. The term "tax-exempt obligation" does not include (i) "private activity bonds" within the meaning of section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of section 145 of the Code or (ii) obligations issued to currently refund any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation. In addition, the Town includes all entities that are aggregated with the Town under the Code.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.1 Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Certificates when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement, or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section 10.2 Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to a trustee or trustees therefor, may proceed

against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance by mandamus or other suit, action or special proceeding in equity or at law in any court of competent jurisdiction for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 10.3 Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.1 Discharge.

(a) The Certificates may be defeased, discharged or refunded in any manner authorized by law.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Changes to Ordinance.

The Mayor and Town Manager, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

Section 12.2 Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section 12.3 No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the Town or any person executing any Certificates.

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.1 Annual Reports.

(a) The Town shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Town, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being information of the type described in Tables 1-6 and 8-15, and (2) audited financial statements of the District, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Texas State Board of Education or such other accounting principles as the District may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the District shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(a) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(b) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 13.2 Notice of Disclosure Events.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Certificates:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (vii) Modifications to rights of holders of the Certificates, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Town;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
- (xv) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

Any event described in (xii), is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and the Town intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of financial

obligations in those sections to have the same meanings as when they are used in rule and sec release no. 34-83885, dated August 20, 2018.

(b) The Town shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Town to provide required annual financial information and notices of material events in accordance with Sections 13.1 and 13.2. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 13.3 Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Town in any event will give notice of any Bond calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Certificates, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the

provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

Section 13.4 Amendments to the Rule.

In the event the Authorized Officer, in consultation with Bond Counsel and the Town's financial advisor, determines that it is necessary or desirable to amend the provisions of Article XII in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes.

ARTICLE XIV

AMENDMENTS

Section 14.1 Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Certificate remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Certificates holding a majority in aggregate principal amount of the Certificates then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Certificates, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XV

EFFECTIVE IMMEDIATELY

Section 15.1 Effective Immediately.

Notwithstanding the provisions of the Town Charter, this Ordinance shall become effective immediately upon its adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Changes to Ordinance.

The Mayor and Chief Financial Officer, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

Section 16.2 Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section 16.3 No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the Town or any person executing any Certificates.

(Remainder of Page Intentionally Left Blank)

PRESENTED, FINALLY PASSED AND APPROVED, AND EFFECTIVE on the 10th day of September, 2024, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the Town of Addison, Texas.

Mayor
Town of Addison, Texas

ATTEST:

City Secretary
Town of Addison, Texas

Signature Page to Ordinance Authorizing Certificates of Obligation

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\$10,015,000
Combination Tax and Revenue Certificates of Obligation, Series 2024

"Aaa" **MOODY'S**
INVESTORS SERVICE

"AAA" **STANDARD**
& POOR'S



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TAB A

CREDIT OPINION

23 August 2024



Send Your Feedback

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Town of Addison, TX

Update to credit analysis

Summary

[The Town of Addison, TX's](#) (Aaa stable) credit profile benefits from a strong economy situated within the DFW metropolitan area, with a significant corporate commercial office presence that remains sound. The rating incorporates the town's strong financial operations leading to a robust available fund balance of 90% of total revenue. This is further strengthened by significant liquidity outside the primary operational fund. Reserves will remain strong and above average. The town benefits from skilled management, employing prudent budgeting and fiscal strategies. Other positive factors include income levels exceeding the national average with a per capita full value of \$359,400 as well a manageable leverage at 203.7% of operating revenue.

Credit strengths

- » Sound financial practices evidenced by high reserves
- » Major commercial economic center
- » Income and wealth indicators exceed national levels

Credit challenges

- » Above average reliance on commercial property and sales tax revenue compared to peers
- » Debt levels are slightly elevated compared to peers with slower than average repayment

Rating outlook

The stable outlook reflects our view that town's management team will continue to maintain balanced operations supported by a stable economy and solid liquidity position which contributes to a stable credit profile over the medium term.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Material reduction in reserves below 25% of total revenue
- » Major economic downturn or substantial decrease in sales tax revenue, which is the primary revenue stream
- » Sizeable debt issuance leading to a leverage above 350% of operating revenues

Key indicators

Exhibit 1

Addison (Town of) TX

	2020	2021	2022	2023	Aaa Medians
Economy					
Resident income ratio (%)	110.7%	103.0%	100.5%	N/A	170.6%
Full Value (\$000)	\$4,819,907	\$4,925,943	\$5,075,396	\$5,576,317	\$8,680,662
Population	15,428	16,405	17,026	N/A	36,119
Full value per capita (\$)	\$312,413	\$300,271	\$298,097	N/A	N/A
Annual Growth in Real GDP	-1.2%	7.9%	5.7%	N/A	4.9%
Financial Performance					
Revenue (\$000)	\$74,844	\$80,575	\$84,562	\$110,749	\$101,733
Available fund balance (\$000)	\$67,641	\$71,178	\$76,753	\$99,538	\$62,520
Net unrestricted cash (\$000)	\$115,081	\$126,464	\$132,230	\$132,115	\$88,880
Available fund balance ratio (%)	90.4%	88.3%	90.8%	89.9%	61.7%
Liquidity ratio (%)	153.8%	157.0%	156.4%	119.3%	91.1%
Leverage					
Debt (\$000)	\$124,722	\$133,844	\$149,827	\$150,321	\$68,781
Adjusted net pension liabilities (\$000)	\$78,253	\$101,408	\$87,756	\$70,643	\$105,726
Adjusted net OPEB liabilities (\$000)	\$4,270	\$4,652	\$4,600	\$3,377	\$11,674
Other long-term liabilities (\$000)	\$1,294	\$1,436	\$1,341	\$1,249	\$3,903
Long-term liabilities ratio (%)	278.6%	299.5%	288.0%	203.7%	258.2%
Fixed costs					
Implied debt service (\$000)	\$6,739	\$8,932	\$9,388	\$10,464	\$4,899
Pension tread water contribution (\$000)	\$2,575	\$2,096	\$2,295	\$2,088	\$3,333
OPEB contributions (\$000)	\$147	\$204	\$230	\$240	\$503
Implied cost of other long-term liabilities (\$000)	\$74	\$93	\$101	\$94	\$262
Fixed-costs ratio (%)	12.7%	14.1%	14.2%	11.6%	11.2%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area Metropolitan Statistical Area.

Sources: US Census Bureau, Addison (Town of) TX's financial statements and Moody's Ratings, US Bureau of Economic Analysis

Profile

The Town of Addison is located in Dallas County in north central Texas, approximately 12 miles north of downtown Dallas. The Town of Addison is 12 miles north of downtown Dallas in [Dallas County](#) (Aaa stable). The town is home to several office spaces and the economy sees a high concentration of profession jobs with an estimated daytime population of 125,000 while the current population estimate is about 17,700.

Detailed credit considerations

Economy

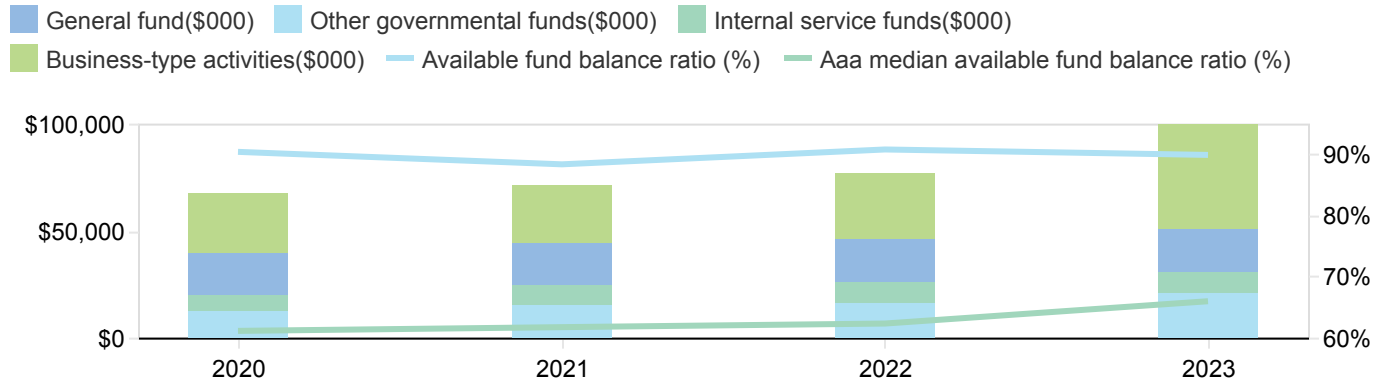
The town is likely to sustain its strong economic expansion on the back of the robust Dallas/Fort Worth area economy, complemented by ongoing mixed-use and residential projects. Despite nearing full development with a certified tax base of \$6.1 billion in fiscal 2024, the town's economy heavily depends on its retail, commercial and industrial sectors, accounting for 45.4% of the fiscal 2024 assessed value leading to a strong and above average full value per capita estimated to be \$359,400 in fiscal 2024. Current developments include a mixed-used project and townhomes, along with office spaces, retail shops, eateries and multifamily residences in a Transit Oriented Development (TOD) situated near the [Dallas Area Rapid Transit](#) (DART) (Aa2 stable) Silver Line, which is under construction and expected to start operations in late 2025.

The town is anticipated to maintain its robust financial health because of prudent budgeting and steady increases in revenue. The fiscal 2024 budget is on track, with all funds meeting or exceeding expectations. The town ended fiscal 2023 with a significant fund balance

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

of approximately \$99.5 million, representing 90% of its total yearly revenue, far surpassing the average for peers with Aaa ratings. While liquidity is projected to stay higher than normal, around \$2.8 million might be allocated in 2025 for capital improvements at the local airport and utility systems. At the end of fiscal 2023, the town reported considerable liquidity of about \$132.1 million, accounting for an exceedingly solid 119% of annual revenue.

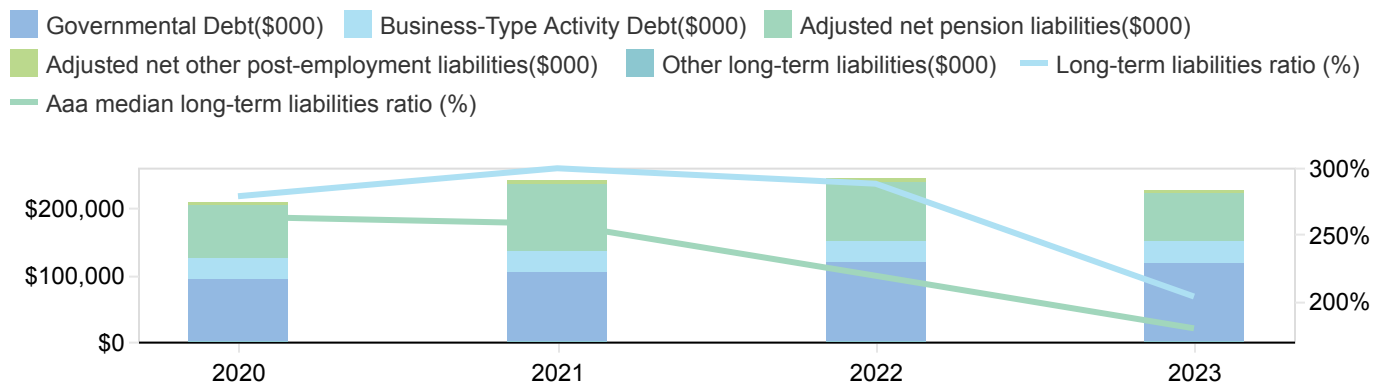
Exhibit 2

Fund Balance

Source: Moody's Ratings

Addison's debt ratio may rise modestly because of upcoming bond issues over the next few years, but the town is likely to keep debt levels manageable because of its robust tax base and revenue gains. By the end of fiscal year 2023, leverage reached 203%, which accounts for debt, pensions and other post-employment benefits (OPEB). Fixed costs are a reasonable 11.6% of revenue. Including the planned \$10.7 million bonds in 2024, the town's total leverage is projected to increase slightly to approximately 212% of projected revenue. Over the coming three years, Addison anticipates incurring approximately \$44.6 million in additional debt for the redevelopment of Keller Springs Road, Quorum Drive and Montfort Drive. This upcoming debt should not significantly alter long-term liability or fixed cost percentage.

Exhibit 3

Total Primary Government — Long Term Liabilities

Source: Moody's Ratings

ESG considerations

Addison (Town of) TX's ESG credit impact score is CIS-1

Exhibit 4

ESG credit impact score

CIS-1



ESG considerations have a positive impact on the current rating which is higher than it would have been in the absence of ESG considerations.

Source: Moody's Ratings

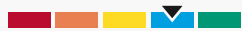
The Town of Addison, TX's credit impact score is **CIS-1** reflecting positive social attributes, a very strong governance profile, and low exposure to environmental risks, all of which support the city's credit rating, resilience and capacity to respond to shocks.

Exhibit 5

ESG issuer profile scores

ENVIRONMENTAL

E-2



SOCIAL

S-1



GOVERNANCE

G-1



Source: Moody's Ratings

Environmental

Addison, TX's overall E issuer profile score is **E-2** reflecting relatively low exposure to environmental risks across all categories including physical climate risk, carbon transition, water management, natural capital and waste and pollution.

Social

Addison TX's S issuer profile score is **S-1** reflecting its role as a major employment center in the Dallas Fort Worth area that attracts thousands of workers with an estimated daytime population of 125,000. Given limited availability of land, population growth has been relatively stable although labor and income trends are higher than typical peers. Educational attainment levels in the city are high supporting demand for professional jobs in the area. Although housing costs are rising rapidly, they remain affordable in comparison to other high demand areas of the country. Access to basic services and exposure to health and safety considerations is in line with peers

Governance

Addison TX's very strong governance profile supports its rating, as captured by its **G-1** issuer profile score. The town maintains both strong institutional structure and demonstrated policy credibility and effectiveness. Transparency and disclosure is in line with peers evidenced by a steady history of the timely release of budgets and audited financial statements. Budget management strategies are strong with actual performance typically favorably outpacing budgeted expectations and the city utilizes long range financial and capital planning to guide its longer-term outlook.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 6

Addison (Town of) TX

	Measure	Weight	Score
Economy			
Resident income ratio	100.5%	10.0%	Aa
Full value per capita	359,400	10.0%	Aaa
Economic growth metric	2.0%	10.0%	Aaa
Financial Performance			
Available fund balance ratio	89.9%	20.0%	Aaa
Liquidity ratio	119.3%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	Aa
Leverage			
Long-term liabilities ratio	203.7%	20.0%	A
Fixed-costs ratio	11.6%	10.0%	Aa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa1
Assigned Rating			Aaa

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Addison (Town of) TX's financial statements and Moody's Ratings

Appendix

Exhibit 7

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Investors Service
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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Credit Highlights

Outlook

Credit Opinion

Related Research

Summary:

Addison, Texas; General Obligation

Credit Profile		
US\$10.7 mil comb tax and rev certs of oblig ser 2024 dtd 09/01/2024 due 02/15/2044		
Long Term Rating	AAA/Stable	New
Addison GO		
Long Term Rating	AAA/Stable	Affirmed
Addison GO		
Long Term Rating	AAA/Stable	Affirmed
Addison GO rfdg bnds		
Long Term Rating	AAA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AAA' rating to the Town of Addison, Texas' anticipated \$10.7 million series 2024 combination tax and revenue certificates of obligation (COs).
- At the same time, we affirmed our 'AAA' rating on the town's general obligation (GO) debt and COs outstanding.
- The outlook is stable.

Security

The GO bonds and COs are direct obligations of the town, payable from the levy and collection of a continuing annual ad valorem tax, within limits prescribed by law, on all taxable property in the town. The certificates are additionally secured by a \$1,000 limited net-revenue pledge from the town's waterworks-and-sewer system. Given the de minimis revenue pledge, we base our ratings on these obligations on the town's ad valorem tax pledge.

State statutes limit the ad valorem tax rate for home rule cities to \$2.50 per \$100 of taxable assessed valuation (AV) for all town purposes. The Texas attorney general permits the allocation of \$1.50 of the \$2.50 maximum tax rate for ad valorem tax debt service. In fiscal 2024, Addison's total levy is well below the maximum at 60.98 cents per \$100 of AV, 16.47 cents of which is dedicated to debt service. Despite state statutory tax-rate limitations, we do not differentiate between the town's limited-tax debt and its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the town's overall ability and willingness to pay debt service.

Addison's GO bonds are eligible to be rated above the sovereign because we assess the town can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions" (published Nov. 19, 2013), U.S. local governments are considered to have moderate sensitivity to country risk.

Certificate proceeds will fund a public safety communications facility, new fire engine, as well as various public

infrastructure projects.

Credit overview

The rating reflects the town's diverse tax base and consistently strong financial performance, aided by very strong management and prudent budgeting that have enabled Addison to cash fund capital projects while maintaining healthy reserves.

The town has a diverse tax base spread across multiple sectors in a high-demand metropolitan statistical area (MSA), with expected development anchored by a new Dallas Area Rapid Transit (DART) Silver Line station, expected to begin service in 2026.

We believe management will continue to maintain fiscal stability with at least balanced results expected for fiscal years 2024 and 2025. While we consider Addison's debt burden very weak, we do not believe the town's additional debt plans will materially affect our view of its debt profile.

The 'AAA' rating reflects our view of the town's:

- Strong wealth and income metrics with a growing tax base;
- Consistently balanced budgetary performance, with very strong reserves, expected to continue in fiscal years 2024 and 2025;
- Strong Financial Management Assessment (FMA) and a strong institutional framework score; and
- Manageable debt burden, despite near-term debt plans.

Environmental, social, and governance

We consider environmental, social, and governance (ESG) factors to be neutral in our credit rating analysis.

Outlook

The stable outlook reflects our view that Addison's robust economy, combined with very strong management, will continue to support the town's strong financial profile over the two-year outlook horizon.

Downside scenario

We could lower the rating if the town experiences significant economic or financial stress that results in a sustained structural imbalance and material decline in reserves, or if the town's debt burden increases to a level that stresses its budgetary performance.

Credit Opinion

Very strong economy in the Dallas-Fort Worth MSA, with a major transit development underway

The local economy is diverse and anchored by key industries such as professional, scientific, and technical services, health care, and finance. While residents have convenient access to employment opportunities within the Dallas-Fort Worth MSA, Addison itself has a multitude of employment opportunities as it is home to several corporate

headquarters and has an abundance of commercial space. Given its high percentage of commercial and industrial properties (nearly 44% of the tax base), we believe Addison could experience a somewhat volatile tax base and a prolonged economic recovery during recessionary periods, but we expect that the base will remain stable in the near term given ongoing development.

The town's transit-oriented development, with construction likely to begin in 2025 and anticipated investment of about \$500 million, will have multifamily, office, retail, and restaurant development, anchored by a commuter rail line called the Silver Line that will be the town's first DART rail station. This 26-mile line will traverse three counties and connect Addison to the Dallas-Fort Worth International Airport and numerous cities within the MSA. Service is expected to commence in 2026. In addition, officials note there is another mixed-use development currently under construction, anticipated to be completed in 2027, with an estimated investment of \$170 million. The same developer recently received approval for another \$100 million mixed-use development close by, to be completed in 2028. Growth in AV has generally been strong recently, but officials expect it will moderate to about 3.5% annually. Although there is limited greenspace available for new development, Addison has attracted many developers interested in redeveloping older properties.

Very strong reserves, with solid performance resulting in surpluses transferred to capital projects

Conservative budgeting assumptions contributed to Addison's stable operating performance in recent years, allowing the town to maintain a very strong available fund balance despite transferring excess revenues to self-fund various capital projects. Fiscal year-end 2023 results were largely fueled by positive budget variances in both revenues and expenditures. After its transfer out of approximately \$3 million to the self-funded special projects fund, the town added approximately \$168,000 to fund balance in fiscal 2023. For 2024, management expects another transfer to the special projects fund of \$2 million and a minor increase to its ending general fund balance. While the fiscal 2025 budget has not been adopted, management indicates the budget will be balanced with increases in property tax revenues and personnel-related expenditures. There are no plans to reduce reserves at this time, therefore, we expect the town will maintain a very strong financial profile during our outlook horizon.

We understand that the town does not have exposure to any variable-rate debt obligations or privately placed debt obligations that would cause contingent liability issues for the town.

Very strong financial management with detailed long-term planning

Highlights include the following:

- Management uses three-to-five years of historical financial trend analysis to formulate the subsequent year's budget assumptions.
- Quarterly budget-to-actual financial reports are provided to the town council, and officials can amend the budget when needed.
- The council annually adopts a five-year rolling capital improvement plan (CIP) that identifies potential projects and their respective funding sources.
- Management also prepares a five-year financial forecast that it presents to the town council annually.
- The town has a formalized and comprehensive investment management policy that is reviewed annually, and officials provide the council with quarterly investment holdings and performance reports.

- The town has a formalized debt management policy, in line with state requirements.
- The town adheres to its formalized reserve and liquidity policy that requires general fund reserves above 25% of operating expenditures. The policy was adopted to prevent deterioration of reserves in the event of a drop in revenues or emergencies.
- We note the town has implemented policies and practices to help mitigate its exposure to cyber-security risks.

The institutional framework score for Texas municipalities is strong.

Debt profile likely will remain very weak given additional issuance plans, but carrying charges are manageable

Addison's adopted five-year CIP serves as a blueprint to address subsequent growth and development prudently. Management intends to issue at least \$49.7 million through fiscal 2026. This includes a \$44.6 million state infrastructure bank loan that would replace the 2019 series A and B authorized by voters; and the remaining \$5.1 million for other improvements. In addition, over the next three years, the town plans to issue a total of \$35 million for a new police station. Addison has no plans to ask voters for another bond authorization but could do so at the end of the current five-year capital plan. We expect the town's debt burden will remain elevated but believe that the town will prudently manage debt issuance relative to its rate of tax base growth, as it has done historically.

Pension and other postemployment benefits (OPEB)

We do not view pension and OPEB liabilities as a near-term credit pressure because the costs are manageable. However, the town did not meet our minimum funding progress. The town participates in the Texas Municipal Retirement System plan that was 83% funded as of Dec. 31, 2022. (For more information on Texas' pension landscape, see "Pension Spotlight: Texas," published April 4, 2023, on RatingsDirect.)

For OPEB, Addison has a retirement health care benefit for all employees who retire from the town and receive benefits from a town-sponsored retirement program. The town's contribution to the health plan consists of total premiums in excess of retiree contributions. The net OPEB liability was \$2.8 million as of Dec. 31, 2022.

Addison, Texas--Key credit metrics

	Most recent	Historical information		
		2023	2022	2021
Very strong economy				
Projected per capita EBI % of U.S.	146.2			
Market value per capita (\$)	347,936			
Population		17,587	16,513	16,731
County unemployment rate(%)		3.8		
Market value (\$000)	6,119,152	5,576,317	5,075,397	
Ten largest taxpayers % of taxable value	16.8			
Strong budgetary performance				
Operating fund result % of expenditures		0.1	0.7	0.3
Total governmental fund result % of expenditures		13.6	0.9	10.0

Addison, Texas--Key credit metrics (cont.)				
	Most recent	Historical information		
		2023	2022	2021
Very strong budgetary flexibility				
Available reserves % of operating expenditures		45.4	48.9	51.0
Total available reserves (\$000)		20,024	19,837	19,699
Very strong liquidity				
Total government cash % of governmental fund expenditures		154.0	145.9	149.4
Total government cash % of governmental fund debt service		945.5	985.7	1,032.4
Very strong management				
Financial Management Assessment	Strong			
Very weak debt and long-term liabilities				
Debt service % of governmental fund expenditures		16.3	14.8	14.5
Net direct debt % of governmental fund revenue	169.8			
Overall net debt % of market value	4.2			
Direct debt 10-year amortization (%)	64.2			
Required pension contribution % of governmental fund expenditures		6.6		
OPEB actual contribution % of governmental fund expenditures		0.0		
Strong institutional framework				

Data points and ratios may reflect analytical adjustments. EBI--Effective buying income. OPEB--Other postemployment benefits.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022
- 2023 Update Of Institutional Framework For U.S. Local Governments

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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TAB B

TABULATION OF BIDS RECEIVED



BIDS DUE TUESDAY SEPTEMBER 10, 2024 AT 10:30AM CDT

**\$10,015,000
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2024**

ACCOUNT MANAGER	TRUE INTEREST COST
The Baker Group	3.579678%
Robert W. Baird & Co., Inc.	3.599147%
BOK Financial Securities, Inc.	3.603674%
Bancroft Capital, LLC	3.605165%
Fidelity Capital Markets	3.619262%
FHN Financial Capital Markets	3.671562%

Prepared by:



777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

Final

\$10,015,000

Town of Addison, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2024

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2025	415,000.00	5.000%	389,252.50	804,252.50
09/30/2026	375,000.00	5.000%	440,025.00	815,025.00
09/30/2027	380,000.00	5.000%	421,150.00	801,150.00
09/30/2028	405,000.00	5.000%	401,525.00	806,525.00
09/30/2029	425,000.00	5.000%	380,775.00	805,775.00
09/30/2030	450,000.00	5.000%	358,900.00	808,900.00
09/30/2031	475,000.00	5.000%	335,775.00	810,775.00
09/30/2032	500,000.00	5.000%	311,400.00	811,400.00
09/30/2033	530,000.00	5.000%	285,650.00	815,650.00
09/30/2034	550,000.00	5.000%	258,650.00	808,650.00
09/30/2035	440,000.00	5.000%	233,900.00	673,900.00
09/30/2036	460,000.00	5.000%	211,400.00	671,400.00
09/30/2037	495,000.00	5.000%	187,525.00	682,525.00
09/30/2038	515,000.00	5.000%	162,275.00	677,275.00
09/30/2039	540,000.00	5.000%	135,900.00	675,900.00
09/30/2040	565,000.00	4.000%	111,100.00	676,100.00
09/30/2041	585,000.00	4.000%	88,100.00	673,100.00
09/30/2042	615,000.00	4.000%	64,100.00	679,100.00
09/30/2043	630,000.00	4.000%	39,200.00	669,200.00
09/30/2044	665,000.00	4.000%	13,300.00	678,300.00
Total	\$10,015,000.00	-	\$4,829,902.50	\$14,844,902.50

Cash Premium from Purchaser	\$804,213.31
True Interest Cost (TIC)	3.5810779%

TAB C

HISTORICAL SALE INFORMATION	SALE DATE	INTEREST RATE	ISSUE'S AVERAGE LIFE
\$10,015,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2024	9-10-24	3.5810779%	10.710 Years
\$4,355,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2023	8-8-23	3.7710959%	11.410 Years
\$4,865,000 Town of Addison, Texas General Obligation Bonds, Series 2023	8-8-23	3.7905798%	11.408 Years
\$12,495,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2022	8-9-22	3.3767914%	11.300 Years
\$10,140,000 Town of Addison, Texas General Obligation Bonds, Series 2022	8-9-22	3.3665150%	11.257 Years
\$8,670,000 Town of Addison, Texas General Obligation Refunding Bonds, Series 2022	1-11-22	1.660797%	7.279 Years
\$14,850,000 Town of Addison, Texas General Obligation Bonds, Series 2021	8-10-21	1.777303%	10.993 Years
\$10,960,000 Town of Addison, Texas General Obligation Refunding Bonds, Taxable Series 2021	8-10-21	1.471511%	6.804 Years
\$13,635,000 Town of Addison, Texas General Obligation Bonds, Series 2020	8-11-20	1.399084%	10.762 Years
\$13,205,000 Town of Addison, Texas General Obligation Refunding Bonds, Taxable Series 2020	8-11-20	1.109101%	6.779 Years
\$16,900,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019	9-10-19	2.3120186%	10.861 Years
\$13,115,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019	12-11-18	3.301605%	12.055 Years
\$23,560,000 Town of Addison, Texas General Obligation Refunding Bonds, Series 2016	5-13-16	2.405770%	10.070 Years
\$2,145,000 Town of Addison, Texas General Obligation Refunding Bonds, Series 2014 (AMT)	2-25-14	1.462139%	3.572 Years
\$12,000,000 Town of Addison, Texas General Obligation Bonds, Tax-Exempt Series 2014	2-25-14	3.287768%	12.268 Years
\$7,565,000 Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 2014	2-25-14	3.287297%	12.041 Years

TAB D

Dated August 29, 2024

Ratings:

Moody's: "Aaa"

S&P: "AAA"

(See "OTHER INFORMATION-Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Certificates (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.



\$10,420,000*
TOWN OF ADDISON, TEXAS
(Dallas County)
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2024

Dated Date: September 1, 2024

Interest Accrues from Delivery Date

Due: February 15 as shown on page 2

PAYMENT TERMS . . . Interest on the \$10,420,000* Town of Addison, Texas Combination Tax and Revenue Certificates of Certificate, Series 2024 (the "Certificates") will accrue from the date of initial delivery to the purchaser hereof (the "Delivery Date"), will be payable February 15 and August 15 of each year until maturity or prior redemption, commencing February 15, 2025, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF NA, Dallas, Texas (see "THE CERTIFICATES - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution, and general laws of the State of Texas (the "State"), including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and are direct obligations of the Town of Addison, Texas (the "Town"), payable from an annual ad valorem tax levied on all taxable property within the Town, within the limits prescribed by law and a limited pledge (not to exceed \$1,000) of the net revenues of the Town's waterworks and sewer system, as provided in the ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE CERTIFICATES - Authority for Issuance").

PURPOSE . . . Proceeds of the Certificates are expected to be used for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, (ii) designing, engineering, developing, constructing, improving and repairing, Town park facilities and improvement, (iii) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town water and waste water facilities and improvements, (iv) designing, engineering, developing and constructing public safety facilities, including a public safety communications facility and dispatch center, including the acquisition of land therefor (v) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town drainage improvements and facilities, (vi) firefighting vehicles and equipment; (vii) professional services incurred in connection with items (i) – (vi) and to pay the costs incurred in connection with the issuance of the Certificates.

MATURITY SCHEDULE

See page 4

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Purchaser of the Certificates and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see APPENDIX C, "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Certificates will be available for delivery through the facilities of The Depository Trust Company on October 9, 2024.

BIDS DUE TUESDAY SEPTEMBER 10, 2024, AT 10:30 AM CDT

* Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions for the Certificates".

MATURITY SCHEDULE***CUSIP Prefix⁽¹⁾: 006644**

<u>Amount</u>	<u>15-Feb Maturity</u>	<u>Interest Rate</u>	<u>Initial Yield/Price</u>	<u>CUSIP Suffix⁽¹⁾</u>	<u>Amount</u>	<u>15-Feb Maturity</u>	<u>Interest Rate</u>	<u>Initial Yield/Price</u>	<u>CUSIP Suffix⁽¹⁾</u>
\$ 435,000	2025				\$ 460,000	2035			
380,000	2026				495,000	2036			
405,000	2027				510,000	2037			
425,000	2028				535,000	2038			
450,000	2029				560,000	2039			
470,000	2030				575,000	2040			
495,000	2031				610,000	2041			
515,000	2032				630,000	2042			
545,000	2033				665,000	2043			
575,000	2034				685,000	2044			

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the Town, the Financial Advisor or the Initial Purchaser of the Bonds shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The Town reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2035, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES - Optional Redemption").

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Certificates are structured as "term" Certificates at the option of the Initial Purchaser, such term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Certificate Ordinance, which provisions will be included in the final Official Statement.

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* Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions for the Certificates".

This Preliminary Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document, as the same may be supplemented or corrected from time to time, constitutes an official statement of the Town with respect to the Certificates described herein that has been "deemed final" by the Town as of its date (or the date of any supplement or correction), except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the Town and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the town or its Financial Advisor. This Preliminary Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or other matters described herein. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Town's undertaking to provide certain information on a continuing basis.

NEITHER THE TOWN, ITS FINANCIAL ADVISOR, NOR THE INITIAL PURCHASER OF THE CERTIFICATES MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

The agreements of the Town and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with the initial purchasers of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL SCHEDULES AND APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENT.

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The cover page hereof, this page, the Schedule I, the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Preliminary Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Preliminary Official Statement. No person is authorized to detach this summary from this Preliminary Official Statement or to otherwise use it without the entire Preliminary Official Statement.

THE TOWN	The Town of Addison, Texas (the "Town"), is a political subdivision and home-rule municipal corporation of the State, located in Dallas County, Texas. The Town covers approximately 4.4 square miles (see "Introduction - Description of the Town").
THE CERTIFICATES	The \$10,420,000* Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 are issued as serial Certificates maturing on February 15 in each of the years 2025 through 2044, unless the Initial Purchaser (defined herein) designates one or more maturities as one or more term Certificates (see "THE CERTIFICATES - Description of the Certificates").
PAYMENT OF INTEREST	Interest on the Certificates accrues from the Delivery Date, calculated on the basis of a 360-day year consisting of twelve 30-day months, and is payable February 15, 2025, and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE CERTIFICATES - Description of The Certificates " and "THE CERTIFICATES – Optional Redemption").
AUTHORITY FOR ISSUANCE	The Certificates are issued pursuant to the Constitution, and general laws of the State, including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and an ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE CERTIFICATES - Authority for Issuance").
SECURITY FOR THE CERTIFICATES	The Certificates constitute direct obligations of the Town, payable from a combination of (i) the levy and collection of an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the Town, and (ii) a pledge of the Surplus Revenues of the Town's Waterworks and Sewer System (the "System") in an amount not to exceed \$1,000 as provided in the Certificate Ordinance (see "THE CERTIFICATES - Security and Source of Payment").
OPTIONAL REDEMPTION	The Town reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2035, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES - Optional Redemption").
TAX STATUS	In the opinion of Bond Counsel, under existing law, interest on the Certificates (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.
USE OF PROCEEDS	Proceeds of the Certificates are expected to be used for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, (ii) designing, engineering, developing, constructing, improving and repairing, Town park facilities and improvement, (iii) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town water and waste water facilities and improvements, (iv) designing, engineering, developing and constructing public safety facilities, including a public safety communications facility and dispatch center, including the acquisition of land therefor (v) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town drainage improvements and facilities, (vi) firefighting vehicles and equipment; (vii) professional services incurred in connection with items (i) – (vi) and to pay the costs incurred in connection with the issuance of the Certificates.
RATINGS	The Certificates and presently outstanding tax supported debt of the Town are rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") (see "Other Information - Ratings").

*...Preliminary, subject to change

BOOK-ENTRY-ONLY SYSTEM..... The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see "THE CERTIFICATES - Book-Entry-Only System").

PAYMENT RECORD The Town has never defaulted on the payment of its tax-supported indebtedness.

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SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Town Population ⁽¹⁾	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Net Funded Tax Debt Outstanding ⁽²⁾	Per Capita Funded Tax Debt	Ratio Funded Tax Debt to Taxable Assessed Valuation	% of Total Tax Collections to Tax Levy
2020	15,790	\$ 4,819,907,442	\$ 305,251	\$ 86,685,000	\$ 5,490	1.80%	95.40%
2021	16,320	4,925,943,024	301,835	96,870,000	5,936	1.97%	98.90%
2022	17,720	5,075,396,106	286,422	110,150,000	6,216	2.17%	99.60%
2023	17,720	5,576,316,621	314,691	110,485,000	6,235	1.98%	98.29%
2024	17,721	6,119,151,951	345,305	108,885,000 ⁽³⁾	6,144	1.78%	97.12%

(1) Source: North Central Texas Council of Governments ("NCTCOG").

(2) The above statement of indebtedness does not include general obligation debt for which repayment is provided from revenues of the waterworks and sewer system, the airport fund and drainage fund ("self-supporting debt"). See "Table 1 – Valuation, Exemptions and General Obligation Debt" and "Table 10 – Computation of Self-Supporting Debt" herein.

(3) Projected, includes a portion of the Certificates. Excludes Self-Supporting Debt. Preliminary, subject to change.

For additional information regarding the Town, please contact:

Steven Glickman	Nick Bulaich
Chief Financial Officer	Robert Spears
Town of Addison	or Hilltop Securities Inc.
P.O. Box 9010	777 Main Street, Suite 1525
Addison, Texas 75001	Fort Worth, Texas 76102
(972) 450-7001	(817) 332-9710

TOWN OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Bruce Arfsten Mayor	1 Month	May, 2026	Real Estate Broker
Darren Gardner Mayor Pro Tempore	5 Years	May, 2025	Business Consultant
Nancy Craig Deputy Mayor Pro Tempore	11 Years	May, 2026	Real Estate Executive
Chris DeFrancisco Councilmember	2 Months	May, 2027	Banking
Howard Freed Councilmember	2 Months	May, 2027	Retired
Dan Liscio Councilmember	1 Year	May, 2026	Sales Executive
Marlin Willesen Councilmember	4 Years	May, 2026	Retired

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
David Gaines	City Manager	1 Year
Steven Glickman	Chief Financial Officer	4 Years

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Auditors	FORVIS MAZARS, LLP Dallas, Texas
Bond Counsel	Bracewell LLP Dallas, Texas
Financial Advisor.....	Hilltop Securities Inc. Fort Worth, Texas

PRELIMINARY OFFICIAL STATEMENT
RELATING TO
\$10,420,000*
TOWN OF ADDISON, TEXAS
COMBINATION TAX & REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2024

INTRODUCTION

This Preliminary Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of the \$10,420,000* Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates"). Capitalized terms used in this Preliminary Official Statement have the same meanings assigned to such terms in the ordinance to be adopted on the date of sale of the Certificates which will authorize the issuance of the Certificates (the "Ordinance"), except as otherwise indicated herein.

There follows in this Preliminary Official Statement descriptions of the Certificates and certain information regarding the Town and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Town's Financial Advisor, Hilltop Securities Inc. ("HilltopSecurities"), Fort Worth, Texas.

All financial and other information presented in this Preliminary Official Statement has been provided by the Town from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Town. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "OTHER INFORMATION – Forward-Looking Statements Disclaimer").

DESCRIPTION OF THE TOWN . . . The Town is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the Town's Home Rule Charter. The Town's Home Rule Charter originally adopted in 1978, was last amended in 2020. The Town operates under the Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers. The term of office for Councilmembers is two years with the terms of the Mayor and three of the Councilmembers expiring in odd-numbered years and the terms of the other three Councilmembers expiring in even-numbered years. The Town Manager is the chief administrative officer for the Town. Some of the services that the Town provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2020 Census population for the Town was 15,790, and the estimated 2024 population is 17,721. The Town covers approximately 4.4 square miles and is located within the Dallas, Texas, Standard Metropolitan Statistical Area (SMSA).

PLAN OF FINANCING

PURPOSE . . . Proceeds of the Certificates are expected to be used for the purposes of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, (ii) designing, engineering, developing, constructing, improving and repairing, Town park facilities and improvement, (iii) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town water and waste water facilities and improvements, (iv) designing, engineering, developing and constructing public safety facilities, including a public safety communications facility and dispatch center, including the acquisition of land therefor (v) designing, engineering, developing, constructing, improving and repairing, extending and expanding Town drainage improvements and facilities, (vi) firefighting vehicles and equipment; (vii) professional services incurred in connection with items (i) – (vi) and to pay the costs incurred in connection with the issuance of the Certificates.

SOURCES AND USES OF PROCEEDS . . . The proceeds from the sale of the Certificates will be applied approximately as follows:

Sources:	The Certificates
Principal Amount	\$ -
Cash Premium	-
Total Sources of Funds	\$ -
Uses:	
Deposit to Construction Fund	\$ -
Costs of Issuance	-
Total Uses of Funds	\$ -

* Preliminary, subject to change. See Adjustment of Principal Amounts and/or Types of Bids" in the "Notice of Sale and Bidding Instructions".

THE CERTIFICATES

DESCRIPTION OF THE CERTIFICATES . . . The Certificates are dated September 1, 2024 and mature on February 15 in each of the years and in the amounts shown on page 2 and 4 hereof. Interest for the Certificates will accrue from the date of their initial delivery to their initial purchasers (the "Delivery Date"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2025, until maturity or prior redemption. The definitive Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE CERTIFICATES - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Certificates are being issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the ordinance to be passed by the Town Council of the Town (the "Certificate Ordinance").

SECURITY AND SOURCE OF PAYMENT. . . The Certificates constitute direct obligations of the Town and are payable from and secured by a combination of (i) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property withing the Town, and (ii) a pledge of the Surplus Revenues of the Town's Waterworks and Sewer System (the "System") in an amount not to exceed \$1,000 as provided in the Ordinance.

OPTIONAL REDEMPTION . . . The Town reserves the right, at its option, to redeem the Certificates having stated maturities on and after February 15, 2035 in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2034 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the Town may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Mandatory Sinking Fund Redemption . . . In the event any of the Certificates are structured as term Certificates, such term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the respective Ordinance, which provisions will be included in the final Official Statement.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Certificates, the Town shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE CERTIFICATES CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY CERTIFICATE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

The Town reserves the right to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain Outstanding, and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

DEFEASANCE . . . The Ordinance provides that the Town may discharge its obligations to the registered owners of any or all of the Bonds to pay principal and interest thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Paying Agent/Registrar or any other lawfully authorized entity a sum of money equal to the principal of and all interest to accrue on such Bonds to maturity or prior redemption or (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investments earnings thereon, to provide for the payment and/or redemption of such Bonds; provided, that under current law, such deposits may be invested and reinvested only in (a) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent. Authorized Town officials may limit these eligible securities as deemed necessary in connection with the sale of the Bonds. In the event the Town restricts such eligible securities, the final Official Statement will reflect the new authorized eligible securities. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for the payment to the registered owners of such Certificates of the full amount to which such owner would be entitled and for giving notice of redemption as provided in the Ordinance.

If any of the Certificates are to be redeemed prior to their respective dates of maturity, provision must have been made for the payment to the registered owners of such Certificates at the date of maturity or prior redemption of the full amount to which such owner would be entitled and for giving notice of redemption as provided in the Ordinance.

Under current State law, after such deposit as described above, such Certificates shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Certificates have been made as described above, all rights of the Town to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, that the right to call the Certificates for redemption is not extinguished if the Town: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.**

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the register and request that copies of the notices be provided directly to them.

Redemption notices for the Certificates shall be sent to DTC. If less than all of the Certificates of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar of each series, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar of each series, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent/Registrar of each series, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Town or the Financial Advisor.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the Town, printed Certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE CERTIFICATES - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar for the Certificates is BOKF NA, Dallas, Texas. In the Certificate Ordinance, the Town retains the right to replace the Paying Agent/Registrar. The Town covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. If the Town replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the Town agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

PAYMENT . . . Interest on the Certificates shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at their stated maturity upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the Town where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed certificates will be delivered to the registered owners of the Certificates and thereafter the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the respective Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate designated amount as the Certificates surrendered for exchange or transfer. See "THE CERTIFICATES - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the Town nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

REMEDIES . . . The Certificate Ordinance authorizing the issuance of the Certificates establishes the following Events of Default with respect to the Certificates: (i) failure to make payment of principal of or interest on any of the Certificates when due and payable; or (ii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in the Certificate Ordinance which materially and adversely affects the rights of the related Owners, including but not limited to their prospect or ability to be repaid in accordance with the Certificate Ordinance, and the continuation thereof for a period of sixty days after notice of such default is given by any Owner to the Town.

Under State law, there is no right to the acceleration of maturity of the Certificates upon an event of default under the Ordinance. Although a registered Owner could presumably obtain a judgment against the Town if a default occurred in any payment of the principal of or interest on any such Certificates, such judgment could not be satisfied by execution against any property of the Town. Such registered Owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the Town to assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Certificates as they become due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. No assurance can be given that a mandamus or other legal action to enforce a default under the Certificates would be successful.

On June 30, 2006 the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous language." Because it is unclear whether the Texas legislature has effectively waived the Town's sovereign immunity from a suit for money damages, holders of the Certificates may not be able to bring such a suit against the Town for breach of the covenants in the Certificates or in the Ordinance. Even if a judgment against the Town could be obtained, it could not be enforced by direct levy and execution against the Town's property. Further, the registered owners cannot themselves foreclose on property within the Town or sell property within the Town to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151 through .160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities under certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods and services to cities.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("*Wasson I*"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("*Wasson II*", and together with *Wasson I* "*Wasson*"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

As noted above, the Certificate Ordinance provides that holders of the Certificates may exercise the remedy of mandamus to enforce the Certificates of the Town under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

The Certificate Ordinance does not provide for the appointment of a trustee to represent the interests of holders of the Certificates upon any failure of the Town to perform in accordance with the terms of the Certificate Ordinance, or upon any other condition. Furthermore, the Town is eligible to seek relief from its creditors under Chapter 9 of the United States Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Certificates of an entity which has sought protection under Chapter 9. Therefore, should the Town avail itself of Chapter 9 protection from creditors, the ability to enforce remedies would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificate Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors, principles of governmental immunity, and general principles of equity that permit the exercise of judicial discretion.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the Town is the responsibility of the Dallas Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property. Effective January 1, 2024, an appraisal district is prohibited from increasing the appraised value of real property during the 2024 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5 million dollars (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property (collectively, the "Appraisal Cap"). After the 2024 tax year, through December 31, 2026, unless extended by the State legislature, the maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value. State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the Town, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – Town and Taxpayer Remedies").

STATE MANDATED HOMESTEAD EXEMPTIONS. . . State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty. See Table 1 for the reduction in taxable valuation attributable to state-mandated homestead exemptions.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. Cities, counties, and school districts are prohibited from repealing or reducing an optional homestead exemption that was granted in tax year 2022 through December 31, 2027.

2023 PROPERTY TAX LEGISLATION The 88th Texas Legislature began on January 10, 2023 and adjourned on May 29, 2023. The Legislature meets in regular session in odd numbered years for 140 days. During the 88th Texas Legislative Session, the Legislature considered legislation affecting ad valorem taxation procedures and exemptions, among other legislation affecting cities, counties and other political subdivisions generally.

When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor has called four special sessions.

During the second called special session, property tax legislation was passed that, among other things, (i) prohibits school districts, cities and counties from repealing or reducing an optional homestead exemption that was granted in tax year 2022 (the prohibition expires on December 31, 2027); (ii) establishes a three-year pilot program limiting growth in the taxable assessed value of non-residence homestead property valued at \$5,000,000 or less to 20 percent; (iii) excepts certain appropriations to pay

for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and (iv) expands the size of the governing body of an appraisal district in a county with a population of more than 75,000 by adding elected directors and authorize the legislature to provide for a four-year term of office for a member of the board of directors of certain appraisal districts. The foregoing legislation is intended to reduce the amount of property taxes paid by homeowners and businesses and will result in an increase the State's share of the cost of funding public education.

Additional special sessions may be called. During this time, the Legislature may enact laws that materially change current law as it relates to property tax exemptions and procedures. The Town can make no representations or predictions regarding the scope of legislation that may be considered during any additional called special session or the potential impact of such legislation at this time.

TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY A DISASTER . . . The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Tax Code. Section 11.35 of the Property Tax Code, as was recently amended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded. See Table 1 for the reduction in taxable valuation attributable to the freeze on taxes for the elderly and disabled.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal. Certain goods, principally inventory, that are stored for the purposes of assembling, storing, manufacturing, processing or fabricating the goods in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days ("Goods-in-Transit"), are exempt from ad valorem taxation unless a taxing unit takes official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax Goods-in-Transit beginning the following tax year. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include special inventories such as motor vehicles or boats in a dealer's retail inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property. See Table 1 for the reduction in taxable valuation, if any, attributable to Goods-in-Transit or Freeport Property exemptions.

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

TAX INCREMENT REINVESTMENT ZONES . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment financing zones ("TIRZ") within its boundaries, and other overlapping taxing units may agree to contribute taxes levied against the "Incremental Value" in the TIRZ to finance or pay for project costs, as defined in Chapter 311, Texas Government Code, general located within the TIRZ. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "Incremental Value", and during the existence of the TIRZ, all or a portion of the taxes levied by each participating taxing unit against the Incremental Value in the TIRZ are restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units. See "AD VALOREM PROPERTY TAXATION" Town Application of Property Tax Code" for descriptions of any TIRZ created in the Town.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See "AD VALOREM PROPERTY TAXATION – Town Application of Property Tax Code" for descriptions of any of the Town's tax abatement agreements.

For a discussion of how the various exemptions described above are applied by the Town, see "AD VALOREM PROPERTY TAXATION – Town Application of Property Tax Code" herein.

PUBLIC HEARING AND MAINTENANCE AND OPERATION TAX RATE LIMITATIONS

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"effective tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"rollback tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.08, plus the debt service tax rate.

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The Town's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the Town must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the Town to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its "de minimis rate", an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial

census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the Town's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the Town's tax-supported debt obligations, including the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

ISSUER AND TAXPAYER REMEDIES

Under certain circumstances, the Town and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the Town may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value of at least \$50 million and situated in a county with a population of one million or more as of the most recent federal decennial census may additionally protest the determinations of appraisal district directly to a three-member special panel of the appraisal review board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the Town and provides for taxpayer referenda that could result in the repeal of certain tax increases (See "– Public Hearing and Maintenance and Operation Tax Rate Limitations".) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the Town is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of August 1. Oil and gas reserves are assessed on the basis of a valuation process which uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on August 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

TOWNS RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the Town are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the Town, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes. At any time after taxes on property become delinquent, the Town may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Town must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge.

TOWN APPLICATION OF TAX CODE . . . The Town grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$60,000. The disabled are also granted an exemption of \$60,000.

To those who apply, the Town grants an additional exemption of 20% of the market value of residence homesteads with a minimum exemption of \$5,000.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the Town against the exempt value of residence homesteads for the payment of debt.

The Town does not tax nonbusiness personal property or aircraft.

The Town contracts with the Dallas County Tax Assessor to collect its taxes.

The Town does not permit split payments, and discounts are not allowed.

The Town does tax freeport property.

The Town does tax goods-in-transit.

The Town does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The Town has not adopted the freeze for elderly and disabled homeowners.

The Town has not created any TIRZs and does not participate in any TIRZs created by other governmental entities.

The Town does have Chapter 380 Agreements in place and expended \$328,090 under those agreements during Fiscal Year 2024.

TAX ABATEMENT POLICY . . . The Town does not have a tax abatement policy nor has it granted any tax abatements.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2023/24 Market Valuation Established by Dallas Central Appraisal District ⁽¹⁾		\$ 6,777,900,000
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions	\$ 161,416,186	
Disabled Veterans Exemptions	4,073,684	
Agricultural Land Use Reductions	830,844	
Over 65	38,091,500	
Disabled Person	660,000	
Totally Exempt	378,769,380	
Prorated Total Exempt	340,038	
Parcels Under \$2500	507,150	
Mineral Rights	200	
Capped Value Loss	73,930,062	
Pollution Control	<u>129,005</u>	<u>658,748,049</u>
2023/24 Taxable Assessed Valuation		<u>\$ 6,119,151,951</u>
2024/25 Certified Taxable Assessed Valuation (as of July 25, 2024)		<u>\$ 6,458,952,670</u> ⁽⁵⁾
Town Funded Debt Payable from Ad Valorem Taxes (as of 6-30-2024)		
General Obligation Bonds	\$ 88,575,000	
Certificates of Obligation	44,995,000	
The Certificates	<u>10,420,000</u> ⁽²⁾	
Funded Debt Payable from Ad Valorem Taxes		\$ 143,990,000
Less Self-Supporting Debt: ⁽³⁾		
Airport Fund General Obligation Debt	9,735,000	
Drainage Fund General Obligation Debt	9,330,000 ⁽⁴⁾	
Water and Sewer System General Obligation Debt	<u>16,040,000</u>	<u>35,105,000</u>
Net Funded Debt Payable from Ad Valorem Taxes		<u>\$ 108,885,000</u>
Interest and Sinking Fund as of 6-30-2024		\$ 2,255,093
Ratio Total Funded Debt to Taxable Assessed Valuation		2.35%
Ratio Net Funded Debt to Taxable Assessed Valuation		1.78%
2024 Estimated Population - 17,721		
Per Capita Taxable Assessed Valuation - \$345,305		
Per Capita Total Funded Debt \$8,125		
Per Capita Net Funded Debt - \$6,144		

(1) As reported by the Town's 2023 Certified Tax Roll.

(2) Preliminary, subject to change.

(3) General obligation debt in the amount shown for which repayment is provided from revenues of the waterworks and sewer system, airport fund, and drainage fund. The amount of self-supporting debt is based on the percentages of revenue support as shown in Table 10. It is the Town's current policy to provide these payments from the respective system revenues. This policy is subject to change in the future. To the extent such policy is changed, and such self-supporting debt is not paid from the waterworks and sewer system revenues, airport fund, or drainage fund, the Town will assess an ad valorem tax and such debt will be paid from ad valorem taxes. See Table 10 "Computation of Self-Supporting Debt".

(4) Includes a portion of the Certificates.

(5) The Town's 2024/25 Taxable Assessed Valuation was certified on July 25, 2024 at \$6,458,952,670. Detailed breakout information regarding the 2024/25 Taxable Assessed Valuation is not yet available.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2024		2023		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 1,131,175,410	16.69%	\$ 954,321,970	15.48%	\$ 914,579,906	16.25%
Real, Residential Multi-Family	1,666,387,760	24.59%	1,458,610,300	23.67%	1,231,377,064	21.88%
Real, Vacant Lots/Tracts	109,619,030	1.62%	108,188,550	1.76%	112,857,691	2.01%
Real, Farm and Ranch Improvements	831,130	0.01%	831,130	0.01%	664,900	0.01%
Real, Commercial and Industrial	2,958,300,500	43.65%	2,794,958,300	45.35%	2,604,552,885	46.28%
Minerals, Oil and Gas	200	0.00%	200	0.00%	200	0.00%
Real, Railroad	4,576,200	0.07%	4,145,640	0.07%	3,888,730	0.07%
Real and Tangible Personal, Utilities	33,376,590	0.49%	32,523,250	0.53%	29,382,160	0.52%
Tangible Personal, Aircraft	181,797,000	2.68%	149,635,060	2.43%	122,785,310	2.18%
Tangible Personal, Commercial.	565,406,200	8.34%	540,855,230	8.78%	507,880,296	9.03%
Tangible Personal, Industrial	101,197,390	1.49%	84,653,670	1.37%	79,686,802	1.42%
Real Property	5,040,000	0.07%	4,907,800	0.08%	-	0.00%
Tangible Personal, Other	20,192,590	0.30%	29,673,500	0.48%	19,674,050	0.35%
Total Appraised Value Before Exemptions	\$ 6,777,900,000	100.00%	\$ 6,163,304,600	100.00%	\$ 5,627,329,994	100.00%
Less: Total Exemptions/Reductions	(658,748,049)		(586,987,979)		(551,933,888)	
Taxable Assessed Value	<u>\$ 6,119,151,951</u>		<u>\$ 5,576,316,621</u>		<u>\$ 5,075,396,106</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2021		2020	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 862,815,259	15.90%	\$ 818,643,860	15.40%
Real, Residential Multi-Family	1,126,073,784	20.75%	999,517,250	18.80%
Real, Vacant Lots/Tracts	103,965,324	1.92%	108,676,940	2.04%
Real, Farm and Ranch Improvements	664,900	0.01%	664,900	0.01%
Real, Commercial and Industrial	2,587,617,824	47.68%	2,625,872,880	49.39%
Minerals, Oil and Gas	200	0.00%	200	0.00%
Real, Railroad	3,615,420	0.07%	3,453,430	0.06%
Real and Tangible Personal, Utilities	28,866,870	0.53%	27,050,060	0.51%
Tangible Personal, Aircraft	114,412,259	2.11%	117,007,360	2.20%
Tangible Personal, Commercial	496,994,887	9.16%	517,146,530	9.73%
Tangible Personal, Industrial	81,537,328	1.50%	81,316,910	1.53%
Real Property	-			
Tangible Personal, Other	20,546,000	0.38%	17,439,310	0.33%
Total Appraised Value Before Exemptions	\$ 5,427,110,055	100.00%	\$ 5,316,789,630	100.00%
Less: Total Exemptions/Reductions	(501,167,031)		(496,882,188)	
Taxable Assessed Value	<u>\$ 4,925,943,024</u>		<u>\$ 4,819,907,442</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Dallas Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND TAX SUPPORTED DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Net Funded Tax Debt Outstanding ⁽²⁾	Ratio Funded Tax Debt to Taxable Assessed Valuation	Net Funded Debt Per Capita
2020	15,790	\$ 4,819,907,442	\$ 305,251	\$ 86,685,000	1.80%	\$ 5,490
2021	16,320	4,925,943,024	301,835	96,870,000	1.97%	5,936
2022	17,720	5,075,396,106	286,422	110,150,000	2.17%	6,216
2023	17,720	5,576,316,621	314,691	110,485,000	1.98%	6,235
2024	17,721	6,119,151,951	345,305	108,885,000 ⁽³⁾	1.78%	6,144

(1) Source: North Central Texas Council of Governments ("NCTCOG").

(2) The above statement of indebtedness does not include general obligation debt for which repayment is provided from revenues of the waterworks and sewer system, the airport fund and drainage fund ("self-supporting debt"). See "Table 1 – Valuation, Exemptions and General Obligation Debt" and "Table 10 – Computation of Self-Supporting Debt" herein.

(3) Projected, includes a portion of the Certificates. Excludes the self-supporting debt. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY, AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2020	\$ 0.5835	\$ 0.4341	\$ 0.1494	\$ 28,199,326	96.90%	95.40%
2021	0.6087	0.4411	0.1676	30,018,305	100.00%	98.90%
2022	0.6146	0.4411	0.1735	31,028,872	100.60%	99.60%
2023	0.6098	0.4451	0.1647	33,975,726	99.08%	98.29%
2024	0.6098	0.4503	0.1595	37,012,822	98.76% ⁽¹⁾	97.12% ⁽¹⁾

(1) Collections as of June 30, 2024. Preliminary, subject to change.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2023/24 ⁽¹⁾ Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Post Addison Circle	Apartments	\$ 216,526,620	3.54%
Fiori LLC	Apartments	102,000,000	1.67%
VOP Partners LLC	Shopping Center/Mall	95,725,000	1.56%
Spectrum Drive Owner LLC	Office Buildings	93,348,250	1.53%
FPG Colonade LP	Office Buildings	92,306,560	1.51%
PPF Amli Quorum Dr. LLC	Apartments	86,715,000	1.42%
Gaedeke Holdings IX LLC	Office Buildings	86,000,000	1.41%
Mary Kay Inc.	Commercial Building	85,623,000	1.40%
CPT Addison LP	Apartments	85,000,000	1.39%
Woodbranch 14555 LLC	Office Buildings	84,000,000	1.37%
		<u>\$ 1,027,244,430</u>	<u>16.79%</u>

(1) Detailed breakout information regarding the 2024/25 Taxable Assessed Valuation is not yet available.

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the Town under current State law or the Town's Home Rule Charter (see "THE CERTIFICATES - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY ⁽¹⁾

2024 Net Principal and Interest Requirements for Debt	\$ 10,350,435
\$0.1740 Tax Rate at 97.23% Collection Produces	\$ 10,352,394
Average Annual Net Principal and Interest Requirements for Debt, 2024 - 2044	\$ 6,984,594
\$0.1174 Tax Rate at 97.23% Collection Produces	\$ 6,984,891
Maximum Net Principal and Interest Requirements for Debt, 2026	\$ 10,825,779
\$0.1820 Tax Rate at 97.23% Collection Produces	\$ 10,828,366

(1) Includes the Certificates. Less Self-Supporting debt (See "Table 10 – Computation of Self-Supporting Debt"). Preliminary, subject to change. Based on the Town's 2023-2024 Certified Value.

TABLE 7 - ESTIMATED OVERLAPPING DEBT ⁽¹⁾

Expenditures of the various taxing entities within the territory of the Town are paid out of ad valorem taxes levied by such entities on properties within the Town. Such entities are independent of the Town and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the Town, the Town has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the Town.

Taxing Jurisdiction	2023/24 Taxable Assessed Value	2023/24 Tax Rate	Total G.O. Debt	Estimated % Applicable	Overlapping G.O. Debt As of 6/30/2024	Authorized But Unissued Debt as of 6/30/2024
Town of Addison	\$ 6,119,151,951	\$ 0.61460	\$ 108,885,000 ⁽²⁾	100.00%	\$ 108,885,000 ⁽²⁾	\$ 49,872,000
Carrollton/Farmers Branch Independent School District	30,233,233,678	0.98400	643,675,000	1.72%	11,071,210	316,400,000
Dallas County	375,100,055,324	0.21600	217,675,000	1.43%	3,112,753	-
Dallas County Community College District	386,062,501,713	0.11000	318,675,000	1.43%	4,557,053	752,000,000
Dallas County Hospital District	376,054,417,901	0.22000	543,495,000	1.43%	7,771,979	-
Dallas Independent School District	176,022,948,626	1.01400	4,117,920,000	2.77%	114,066,384	1,985,375,000
Total Direct and Overlapping G.O. Debt					<u>\$ 249,464,378</u>	
Ratio of Direct and Overlapping G.O. Debt to Taxable Assessed Valuation	4.08%					
Per Capita Overlapping G.O. Debt	\$ 14,077.33					

(1) Based on fiscal year 2023-24 taxable values and tax rates for overlapping entities.

(2) Includes a portion of the Certificates. Excludes the self-supporting debt. Preliminary, subject to change.

TABLE 8 – PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year	Outstanding Debt		The Certificates ⁽²⁾		Total	Less	Less	Less	Total	% of Principal Retired
	Service Requirements ⁽¹⁾				Debt Service	Amount	Amount	Amount	Net Tax	
	Principal	Interest	Principal	Interest	Requirements	Supported by Airport Fund	Supported by Water and Sewer System	Supported by Drainage Fund ⁽³⁾	Supported Debt Service Requirements ⁽⁴⁾	
2024	\$ 8,875,000	\$ 4,576,414	\$ -	\$ -	\$ 13,451,414	\$ 870,221	\$ 1,742,169	\$ 488,590	\$ 10,350,435	
2025	9,145,000	4,326,446	435,000	401,566	14,308,013	872,459	1,744,469	882,746	10,808,339	
2026	9,465,000	4,030,146	380,000	453,975	14,329,121	871,559	1,751,344	880,440	10,825,779	
2027	9,785,000	3,709,632	405,000	434,350	14,333,982	873,659	1,752,184	882,715	10,825,424	
2028	9,665,000	3,368,094	425,000	413,600	13,871,694	873,249	1,753,838	879,128	10,365,480	31.78%
2029	9,585,000	3,016,179	450,000	391,725	13,442,904	879,794	1,653,631	884,070	10,025,409	
2030	9,940,000	2,662,714	470,000	368,725	13,441,439	876,636	1,649,638	882,613	10,032,553	
2031	10,250,000	2,308,406	495,000	344,600	13,398,006	879,104	1,654,222	880,115	9,984,565	
2032	10,565,000	1,953,491	515,000	319,350	13,352,841	865,719	1,650,081	881,525	9,955,516	
2033	9,605,000	1,601,039	545,000	292,850	12,043,889	876,249	1,648,206	886,660	8,632,774	66.07%
2034	6,905,000	1,306,606	575,000	264,850	9,051,456	678,875	1,211,944	390,250	6,770,388	
2035	5,645,000	1,101,263	460,000	238,975	7,445,238	678,975	652,556	387,750	5,725,956	
2036	5,810,000	931,050	495,000	215,100	7,451,150	678,694	653,731	394,500	5,724,225	
2037	5,980,000	758,066	510,000	191,888	7,439,953	678,091	654,494	391,569	5,715,800	
2038	5,600,000	586,300	535,000	169,681	6,890,981	676,488	654,206	389,244	5,171,044	87.34%
2039	5,780,000	415,006	560,000	146,413	6,901,419	678,481	652,581	391,388	5,178,969	
2040	3,850,000	270,575	575,000	122,294	4,817,869	178,500	208,013	388,000	4,043,356	
2041	3,085,000	162,944	610,000	97,113	3,955,056	182,100	206,034	393,975	3,172,947	
2042	2,240,000	69,606	630,000	70,763	3,010,369	180,400	203,750	389,313	2,236,906	
2043	670,000	13,400	665,000	43,244	1,391,644	178,500	-	394,013	819,131	99.55%
2044	-	-	685,000	14,556	699,556	-	-	388,075	311,481	100.00%
	<u>\$ 142,445,000</u>	<u>\$ 37,167,377</u>	<u>\$ 10,420,000</u>	<u>\$ 4,995,616</u>	<u>\$ 195,027,993</u>	<u>\$ 13,527,750</u>	<u>\$ 22,097,090</u>	<u>\$ 12,726,676</u>	<u>\$ 146,676,476</u>	

(1) "Outstanding Debt" does not include lease/purchase obligations, includes self-supporting debt. Preliminary, subject to change.

(2) Average life of the issue – 10.692 years. Interest on the Certificates has been calculated at the average rate of 4.04% for purposes of illustration. Preliminary, subject to change.

(3) Includes a portion of the Certificates. Preliminary, subject to change.

(4) General obligation debt in the amount shown for which repayment is provided from revenues of the waterworks and sewer system, airport fund, and drainage fund. The amount of self-supporting debt is based on the percentages of revenue support as shown in Table 10. It is the Town's current policy to provide these payments from the respective system revenues. This policy is subject to change in the future. To the extent such policy is changed, and such self-supporting debt is not paid from the waterworks and sewer system revenues, airport fund, or drainage fund, the Town will assess an ad valorem tax and such debt will be paid from ad valorem taxes. See Table 10 "Computation of Self-Supporting Debt."

DEBT INFORMATION

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

General Purpose Debt Service Requirements, Fiscal Year Ending 9/30/24.		\$ 10,350,435
Interest and Sinking Fund Balance, as of 9/30/23	\$ 747,328	
Budgeted Interest and Sinking Fund Tax Levy @ 98% Collection	9,465,895	
Budgeted Transfers	875,540	
Other Revenues and Income	<u>30,000</u>	<u>11,118,763</u>
Projected Ending Fund Balance, 9/30/24		<u>\$ 768,328</u>

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT**Waterworks and Sewer System**

Net Revenues Available from Waterworks and Sewer System, Fiscal Year 9-30-23	\$ 2,106,441
Less: Waterworks and Sewer System General Obligation Bond Requirements, 2024 Fiscal Year	<u>1,742,169</u>
Balance	<u>\$ 364,272</u>

Percentage of Waterworks and Sewer System General Obligation Bonds Self-Supporting 100.00%

Airport Enterprise Fund

Net Revenues Available from Airport Revenue, Fiscal Year 9-30-23	\$ 2,492,506
Less: Airport Fund General Obligation Bond Requirements, 2024 Fiscal Year	<u>870,221</u>
Balance	<u>\$ 1,622,285</u>

Percentage of Airport Fund General Obligation Bonds Self-Supporting 100.00%

Stormwater Drainage Enterprise Fund

Net Revenues Available from Stormwater Revenue, Fiscal Year 9-30-23	\$ 1,486,407
Less: Drainage Fund General Obligation Bond Requirements, 2024 Fiscal Year	<u>488,590</u>
Balance	<u>\$ 997,817</u>

Percentage of Drainage Fund General Obligation Bonds Self-Supporting 100.00%

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Street Improvements	5/12/2012	\$ 29,500,000	\$ 19,500,000	\$ -	\$ 10,000,000
Parking Facilities	5/12/2012	3,000,000	-	-	3,000,000
Keller Springs Road and Airport Parkway Improvements	11/5/2019	22,300,000	14,030,000	-	8,270,000
Quorum Drive Improvements	11/5/2019	33,602,000	5,000,000	-	28,602,000
Parks & Recreation	11/5/2019	6,723,000	6,723,000	-	-
Town Facilities	11/5/2019	7,395,000	7,395,000	-	-
Traffic Control Systems	11/5/2019	600,000	600,000	-	-
		<u>\$ 103,120,000</u>	<u>\$ 53,248,000</u>	<u>\$ -</u>	<u>\$ 49,872,000</u>

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT . . . The Town does not anticipate additional general obligation debt in the next 12 months. The Town applied for a loan of up to \$44,600,000 from the State Infrastructure Bank in 2024 for street improvements. The Town's application has made it through staff review and is going before the State Transportation Committee for approval in August 2024. If approved by the State Transportation Committee, the Town anticipates drawing \$15,000,000 from the loan in fiscal year 2024.

TABLE 12 - OTHER OBLIGATIONS

As of September 30, 2023, the Town has no unfunded debt outstanding.

PENSION FUND . . . The Town provides pension benefits for all of its full-time employees through a nontraditional, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 920 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

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

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

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. In 1994 the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index. The Town discontinued the annual increases in January 2009 and began doing ad hoc increases through 2014, still at 70%. The Town did not adopt an ad hoc COLA after 2014. In fiscal year 2023, the Town adopted annually repeating annuity increases for its retirees equal to 30% of the change in the consumer price index. During the measurement year ended December 31, 2022, these COLA's were applied retroactively. However, after the measurement date of December 31, 2022, the Town elected to change these COLA's to be non-retroactive. The impact of these changes is unknown at this time and will be evaluated further in the December 31, 2023 valuation.

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

Deposit Rate:	7.0%
Matching Ratio (Town to Employeee):	2 to 1
A member is vested after:	5 years

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	251
Inactive Employees Entitled to But Not Yet Receiving Benefits	264
Active Employees	<u>289</u>
	804

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

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar years 2022 of 11.78% and 2023 of 16.39%. Accordingly, contributions to TMRS for the year ended September 30, 2023 were \$4,059,743 and were equal to the required contribution.

Net Pension Liability . . . The Town's Net Pension Liability/(Asset) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense including inflation

Salary increases were based on service-related tables. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender -distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income. In order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Single Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 10/1/2022	\$ 148,507,800	\$ 154,879,692	\$ (6,371,892)
Changes for the year:			
Service cost	4,286,332	-	\$ 4,286,332
Interest	10,750,024	-	10,750,024
Change in benefit terms including substantively automatic status	12,571,126	-	12,571,126
Difference between expected and actual experience	888,494	-	888,494
Contributions - employer	-	2,935,832	(2,935,832)
Contributions - employee	-	1,768,002	(1,768,002)
Net investment income	-	(11,283,212)	11,283,212
Benefit payments, including refunds of employee contributions	(7,924,945)	(7,924,945)	-
Administrative expense	-	(97,832)	97,832
Other changes	-	116,743	(116,743)
Net changes	20,571,031	(14,485,412)	35,056,443
Balance at 9/30/2023	\$ 169,078,831	\$ 140,394,280	\$ 28,684,551

Sensitivity of the Net Pension Liability to changes in the Discount Rate

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

	1% Decrease Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase Rate (7.75%)
Town's Net Pension Liability	\$ 51,659,126	\$ 28,684,551	\$ 9,794,636

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

For the year ended September 30, 2023, the Town recognized pension income of \$19,044,074. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 1,214,563
Contributions subsequent to the measurement date	3,189,807
Change of assumptions	8,859
Difference between expected and actual investment earnings	9,626,340
Total	\$ 14,039,569

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of \$3,189,807 will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended 30-Sep	Net deferred outflows (inflows) of resources
2024	\$ 931,752
2025	2,756,031
2026	2,814,463
2027	4,347,516
Total	<u>\$ 10,849,762</u>

OTHER POSTEMPLOYMENT BENEFITS

A summary of OPEB related items as of and for the year ended September 30, 2023, is presented below (in thousands).

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	\$ 2,294,756	\$ 847,535	\$ (914,314)	\$ 190,555
Business-Type Activities	506,802	187,180	(201,930)	42,085
Supplemental Death Benefits				
Governmental Activities	817,042	150,171	(369,588)	51,646
Business-Type Activities	180,446	33,165	(81,625)	11,406
Total	<u>\$ 3,799,046</u>	<u>\$ 1,218,051</u>	<u>\$ (1,567,457)</u>	<u>\$ 295,692</u>

In addition to the pension benefits described above, as required by state law and defined by Town Policy, the Town makes available health care benefits to all employees who retire from the Town and who are receiving benefits from a Town-sponsored retirement program (Texas Municipal Retirement System and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses and dependents through the Town's group health insurance plan, which covers both active and retired members. For the year under audit, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Subsequent to the December 31, 2022 measurement date, the Town created a trust in calendar year 2023, and the plan's related fiduciary net position will be reflected in the December 31, 2023 measurement of the net OPEB liability. The trust activity will be reported in the Town's financial statements for the fiscal year ended September 30, 2024. The initial funding of this trust was in the amount of \$560,000.

Benefits Provided

Current retirees in the health plan and active employees with 20 years or more of service or at age 60 or more with five years or more of service at retirement are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants. Benefit provisions for retirees are not mandated by any form of employment agreement. The continued provision of these benefits is based entirely on the discretion of the Town of Addison City Council.

A measurement date of December 31, 2022 was used for the September 30, 2023 liability and expense. The information that follows was determined as of a valuation date of December 31, 2022.

At the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	53
Active Members	<u>286</u>
Total	339

Contributions

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

Retirees receiving medical benefits during fiscal year 2023 contributed \$499 to \$1,600 per month depending on coverage levels selected. In fiscal year 2023, total retiree contributions were \$766,455. Amounts that were paid after the measurement date of December 31, 2022 but before fiscal year-end, including contributions to the newly created trust, were included as a deferred outflow subsequent to the measurement date.

Total OPEB Liability for Retiree Health Care Plan

The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The Town's total OPEB liability for healthcare benefits of \$2,801,558 was measured as of December 31, 2022.

The Town's total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation.....	2.50% per year
Overall payroll growth.....	3.50% to 11.50%, including inflation
Discount rate	4.05% (1.84% in prior year)
Healthcare cost trend rates	7.0% for 2023 declining to 4.25% after 15 years
Participation rates.....	50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older (same in prior year)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 4.05 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

Changes in the Total OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability
Balance as of 10/1/22	\$ 3,813,177
Changes for the year:	
Service Cost	253,278
Interest on OPEB Liability	70,518
Effect of difference in expected & actual experience	(557,603)
Effect of assumptions (change in discount rate)	(563,188)
Benefit payments	(214,624)
Change in total OPEB Liability	(1,011,619)
Balance as of 9/30/23	<u><u>\$ 2,801,558</u></u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 4.05% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.05%	4.05%	5.05%
Total OPEB Liability	\$ 3,092,158	\$ 2,801,558	\$ 2,545,559

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

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 2,581,866	\$ 2,801,558	\$ 3,064,607

For the year ended September 30, 2023, the Town recognized OPEB expense of \$232,640. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 8,083	\$ (572,693)
Change of assumptions	305,779	(543,551)
Benefit payments made subsequent to measurement date	720,853	-
Total	\$ 1,034,715	\$ (1,116,244)

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of \$720,853 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Net deferred outflows (inflows) of resources
30-Sep	
2024	\$ (91,156)
2025	(91,156)
2026	(91,156)
2027	(100,101)
2028	(96,352)
Thereafter	(332,461)
Total	\$ (802,382)

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FINANCIAL INFORMATION

TABLE 13 – CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2023	2022	2021	2020	2019
Revenues:					
<u>Program Revenues</u>					
Charges for Services	\$ 5,597,125	\$ 7,286,698	\$ 4,435,607	\$ 3,714,419	\$ 5,362,224
Operating Grants and Contributions	399,776	2,243,757	2,934,576	634,082	100,904
Capital Grants and Contributions	301,890	25,000	228,952	100	130,000
<u>General Revenues</u>					
Property Taxes	33,454,168	30,443,817	29,960,335	27,005,415	25,180,507
Other Taxes	25,889,388	24,071,353	20,805,691	20,495,887	24,208,294
Other	4,679,452	(3,073,620)	1,223,370	1,346,316	1,707,358
Total Revenues	\$ 70,321,799	\$ 60,997,005	\$ 59,588,531	\$ 53,196,219	\$ 56,689,287
Expenses:					
General Government	\$ 13,791,308	\$ 9,416,452	\$ 9,265,244	\$ 10,206,304	\$ 10,149,540
Public Safety	30,645,228	20,331,699	20,235,377	20,337,267	19,855,190
Development Services	4,536,840	3,061,515	3,437,779	3,320,919	3,137,715
Streets	8,555,527	10,669,363	7,619,194	8,326,816	7,677,651
Parks and Recreation	8,851,065	7,023,671	6,675,787	6,784,214	6,840,345
Visitor Services	6,543,984	5,396,612	5,011,538	4,310,828	6,884,597
Interest on Long-term Debt	2,705,036	2,179,219	2,007,306	2,153,845	1,938,010
Total Expenses	\$ 75,628,988	\$ 58,078,531	\$ 54,252,225	\$ 55,440,193	\$ 56,483,048
Increase (Decrease) in Net Position	\$ (5,307,189)	\$ 2,918,474	\$ 5,336,306	\$ (2,243,974)	\$ 206,239
Transfers	909,405	-	56,014	(3,790,232)	500,000
Change in Accounting Principle	-	-	-	-	-
Net Position - October 1	165,124,157	162,205,683	156,813,363	162,847,569	162,141,330
Net Position - September 30	<u>\$ 160,726,373</u>	<u>\$ 165,124,157</u>	<u>\$ 162,205,683</u>	<u>\$ 156,813,363</u>	<u>\$ 162,847,569</u>

TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

<u>Revenues</u>	Fiscal Year Ended September 30,				
	2023	2022	2021	2020	2019
Taxes	\$ 40,761,957	\$ 37,801,940	\$ 36,137,879	\$ 33,808,469	\$ 33,409,108
Franchise Fees	2,125,941	2,078,651	1,946,706	2,176,562	2,459,254
Licenses and Permits	1,219,541	1,120,552	824,908	1,183,285	1,366,941
Intergovernmental Revenues	-	3,982	1,000,000	-	71,963
Service Fees	2,132,772	2,063,371	1,826,274	1,842,055	1,726,863
Fines and Forfeitures	391,711	301,404	163,408	227,997	376,362
Net Investment Income/(Loss)	194,259	(1,105,426)	21,569	402,873	643,083
Rental and Other	328,005	422,578	286,124	156,674	185,442
Total Revenues	<u>\$ 47,154,186</u>	<u>\$ 42,687,052</u>	<u>\$ 42,206,868</u>	<u>\$ 39,797,915</u>	<u>\$ 40,239,016</u>
<u>Expenditures</u>					
General Government	\$ 10,043,539	\$ 9,301,300	\$ 9,046,345	\$ 8,784,547	\$ 8,917,497
Public Safety	23,226,106	21,471,686	20,387,046	19,170,964	18,589,033
Development Services	1,933,207	1,643,483	1,560,348	1,501,596	1,350,598
Streets	2,275,695	2,047,734	1,951,588	1,799,513	1,777,128
Parks and Recreation	6,587,120	6,083,572	5,695,541	5,407,703	5,520,903
Principal Retirement	31,475	27,385	-	-	-
Interest and Fiscal Charges	7,457	5,498	-	-	-
Total Expenditures	<u>\$ 44,104,599</u>	<u>\$ 40,580,658</u>	<u>\$ 38,640,868</u>	<u>\$ 36,664,323</u>	<u>\$ 36,155,159</u>
Revenues Over (Under) Expenditures	\$ 3,049,587	\$ 2,106,394	\$ 3,566,000	\$ 3,133,592	\$ 4,083,857
Other Sources (Uses), Net	(2,882,009)	(1,834,688)	(3,456,764)	(3,587,397)	(4,458,569)
Change in Fund Balance	\$ 167,578	\$ 271,706	\$ 109,236	\$ (453,805)	\$ (374,712)
Beginning Fund Balance	20,515,381	20,243,675	20,134,439	20,588,244	20,962,956
Ending Fund Balance	<u>\$ 20,682,959</u>	<u>\$ 20,515,381</u>	<u>\$ 20,243,675</u>	<u>\$ 20,134,439</u>	<u>\$ 20,588,244</u>

TABLE 14 - MUNICIPAL SALES TAX HISTORY

The Town has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the Town the power to impose and levy a 1% Local Sales and Use Tax within the Town; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the Town monthly.

Fiscal Year Ended 9/30	1% Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2020	\$ 14,302,624	50.72%	\$ 0.2967	\$ 906
2021	14,881,277	49.57%	0.3021	912
2022	15,997,283	51.56%	0.3152	903
2023	16,661,868	49.04%	0.2988	940
2024	12,513,450 ⁽¹⁾	33.81%	0.2045	706

(1) Collections through June 30, 2024. Preliminary, subject to change.

FINANCIAL POLICIES

The financial statements of the Town has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide and Fund Financial Statements . . . The governmental-wide financial statement (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation . . . The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 50 days of the end of the current fiscal period, with the exception of intergovernmental revenues, which have a one-year period of availability. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, landfill closer/post close costs, are recorded only when the liability has matured.

Property taxes, sales taxes, franchise fees and licenses, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Town receives the cash as the resulting receivables are deemed immaterial.

Budgetary Procedures . . . The City Council follows these procedures in establishing the budgets reflected in the financial statements:

1. At least 60 days prior to the beginning of each fiscal year, the Town Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
4. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the Town Manager and Chief Financial Officer provided that a department's total budget is not changed by more than five percent. Transfers between fund or transfers between departments which change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

For all budgets of the Town, the Town Charter requires only that funds be certified as available for expenditure. Legally, expenditures may exceed budgeted appropriations as long as those expenditures are certified as funds being available.

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

5. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Capital Project Funds are normally established pursuant to the terms of the related bond indentures, that is, project basis.

Budgeted amounts are as originally adopted or as amended by the City Council.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (the "Certificate") for Excellence in Financial Reporting to the Town of Addison, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2022. The Certificate is the highest form of recognition for excellence in state and local government financial reporting. A Certificate of Achievement is valid for a period of one year only.

In addition to the Certificate, the Town received GFOA's Award for Distinguished Budget Presentation (the "Award") for its fiscal year 2024 annual budget document. Together, the Award and the Certificate are evidence of the Finance department's dedication to producing documents which effectively communicate the Town's financial condition to elected officials, Town administrators, and the general public.

In addition, the Town received the Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report (PAFR) from GFOA for the third time for the fiscal year ended September 30, 2022.

Together, the Budget Award, PAFR Award, and the Certificate are evidence of the Finance Department's dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

INVESTMENTS

The Town invests its investable funds in investments authorized by Texas law and in accordance with investment policies approved by the City Council. Both state law and the Town's investment policies are subject to change.

LEGAL INVESTMENTS . . . Available Town funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the Town's investment policies are subject to change. Under State law, the Town is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for Town deposits, or (ii) where (a) the funds are invested by the Town through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the Town as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the Town; (b) the broker or the depository institution selected by the Town arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Town; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the Town appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Town with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the Town, held in the Town's name, and deposited at the time the investment is made with the Town or with a third party selected and approved by the Town and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Town, held in the Town's name and deposited at the time the investment is made with the Town or a third party designated by the Town; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the Town with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The Town may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The Town is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years, and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the Town is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for Town funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Texas Public Funds Investment Act (Texas Government Code, Chapter 2256). All Town funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, Town investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the Town shall submit an investment report detailing: (1) the investment position of the Town, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest Town funds without express written authority from the City Council.

Under State law, the Town is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the Town to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the Town to: (a) receive and review the Town's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Town and the business organization that are not authorized by the Town's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Town's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the Town and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the Town's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the Town's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Town.

TABLE 15 - CURRENT INVESTMENTS ⁽¹⁾

As of June 30, 2024, the Town's investable funds were invested in the following categories:

Description	Percent	Book Value	Market Value
TexPool	0.82%	\$ 1,096,769	\$ 1,096,769
TexStar	0.81%	1,093,651	1,093,651
Logic	19.64%	26,372,718	26,372,718
Texas CLASS	2.81%	3,779,791	3,779,791
Corporate Bonds/CP	1.75%	2,351,790	2,350,065
Agency Securities	32.19%	43,231,522	42,035,440
Municipal Bonds	36.87%	49,516,984	48,162,319
Certificates of Deposit	5.11%	6,860,000	6,794,102
	<u>100.00%</u>	<u>\$ 134,303,225</u>	<u>\$ 131,684,855</u>

(1) Source: Town Officials.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Certificates should consult its own tax advisor as to the tax consequences of the acquisition, ownership, and disposition of the Certificates.

TAX EXEMPTION

In the opinion of Bracewell LLP, Bond Counsel, under existing law, interest on the Certificates (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Certificates, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The Town has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the excludability of interest on the Certificates from gross income for federal income tax purposes and, in addition, will rely on representations by the Town and other parties involved with the issuance of the Obligations, with respect to matters solely within the knowledge of the Town and such other parties, which Bond Counsel has not independently verified. If the Town fails to comply with the covenants in the Ordinance or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Certificates could become includable in gross income from the date of delivery of the Certificates, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Certificates or, except as stated above, to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Certificates. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Ordinance upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Certificates from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Certificates. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Town as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates, regardless of the ultimate outcome of the audit.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

Collateral Tax Consequences

Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Certificates should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Certificates.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Certificates, is included in a corporation's "adjusted financial statement income," ownership of the Certificates could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for

the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Certificates.

Prospective purchasers of the Certificates should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Certificates, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

If the issue price of a maturity of the Certificates exceeds the stated redemption price payable at maturity of such Certificates, such Certificates (the "Premium Certificates") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Certificates that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Certificates should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Certificates.

Tax Accounting Treatment of Original Issue Discount

If the issue price of a maturity of the Certificates is less than the stated redemption price payable at maturity of such Certificates (the "Original Issue Discount Certificates"). The difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Certificates. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Certificates under the captions "TAX MATTERS – Tax Exemption" and "TAX MATTERS – Additional Federal Income Tax Considerations – Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Purchaser has purchased the Certificates for contemporaneous sale to the public and (ii) all of the Original Issue Discount Certificates have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the Town nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Certificates will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Certificates and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Certificates that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Certificates should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Certificates and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Certificates.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

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CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance the Town has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The Town is required to observe the agreement while it remains obligated to advance funds to pay such Certificates. Under the agreement, the Town will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The Town will provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Town, beginning with the Town's fiscal year ending in 2024, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being information of the type described in Tables 1 through 6 and 8 through 15, and (2) if not provided as part such financial information and operating data, audited financial statements of the Town, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Town shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.. The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The Town's current fiscal year end is September 30. Accordingly, updated unaudited information included in the above-referenced tables must be provided by March 31 in each year, and audited financial statements must be provided by September 30 of each year, unless the Town changes its fiscal year. If the Town changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The Town will also provide timely notices of certain events to the MSRB. The Town will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Town, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) Incurrence of a Financial Certificate of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Certificate of the Town, any of which affect security holders, if material; and (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Certificate of the Town, any of which reflect financial difficulties. In addition, the Town will provide timely notice of any failure by the Town to provide annual financial information in accordance with their agreement described above under "Annual Reports."

For these purposes, (A) any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the Town, and (B) the Town intends the words used in clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Certificate to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018. The Ordinance defines "Financial Certificate" as a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

LIMITATIONS AND AMENDMENTS . . . The Town has agreed to update information and to provide notices of specified events only as described above. The Town has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Town makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Town disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Certificates may seek a writ of mandamus to compel the Town to comply with its agreement.

The Town may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the Town (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The Town may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Town so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the Town believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

OTHER INFORMATION

RATINGS

The Certificates and presently outstanding tax-supported debt of the Town are rated "Aaa" by Moody's and "AAA" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the Town makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Certificates.

LITIGATION

In the opinion of Town officials the Town is not a party to any litigation or other proceeding pending or to their knowledge threatened, in or before any court, agency or other administrative body (either state or federal) which, if decided adversely to the Town, would have a material adverse effect on the financial condition or operations of the Town.

At the time of the initial delivery of the Certificates, the Town Attorney will notify the Initial Purchaser if there has been any lawsuit or claim challenging the issuance of the Certificates or that affects the payment, delivery or security of the Certificates of which the Town Attorney has been notified.

REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Certificates have not been approved or disapproved by the Securities and Exchange Commission, nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of the Preliminary Official Statement. The Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The Town assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Under the Texas Public Security Procedures Act (Texas Government Code, Chapter 1201), the Certificates (i) are negotiable instruments, (ii) are investment securities to which Chapter 8 of the Texas Uniform Commercial Code applies, and (iii) are legal and authorized investments for (A) an insurance company, (B) a fiduciary or trustee, or (C) a sinking fund of a municipality or other political subdivision or public agency of the State of Texas. The Certificates are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Certificates may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before the Certificates are eligible investments for sinking funds and other public funds. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital and savings and loan associations.

The Town has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Certificates to any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Certificates for such purposes. No review by the Town has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

LEGAL MATTERS

The Town will furnish to the Initial Purchaser a complete transcript of proceedings had incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Certificates and to the effect that the Certificates are valid and legally binding obligations of the Town, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Certificates will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security or in any manner questioning the validity of said Certificates will also be furnished. Though it represents the Financial Advisor and purchasers of debt from governmental issuers from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the Town in connection with the issuance of the Certificates. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Bond Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinion will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System.

The legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from Town records, audited and unaudited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Bond Ordinance contained in this Preliminary Official Statement are made subject to all of the provisions of such statutes, documents and Ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such statutes, documents and Bond Ordinance for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. ("HilltopSecurities") is employed as Financial Advisor to the Town in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER OF THE CERTIFICATES

After requesting competitive bids for the Certificates, the Town accepted the bid of _____ (the "Initial Purchaser of the Certificates") to purchase the Certificates at the interest rates shown on page 4 of this Official Statement at a price of \$ _____. The Initial Purchaser of the Certificates can give no assurance that any trading market will be developed for the Certificates after their sale by the Town to the Initial Purchaser of the Certificates. The initial yields shown on page 4 of this Official Statement will be established by and are the sole responsibility of the Initial Purchaser of the Certificates and may subsequently be changed at the sole discretion of the Initial Purchaser of the Certificates. The Town has no control over the determination of the initial yields and has no control over the prices at which the Certificates are sold in the secondary market.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the Town, that are not purely historical, are forward-looking statements, including statements regarding the Town's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Town on the date hereof, and the Town assumes no obligation to update any such forward-looking statements. The Town's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Town. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Certificates, the Town will furnish to the Initial Purchasers a certificate, executed by a proper Town officer, acting in such officer's official capacity, to the effect that to the best of such officer's knowledge and belief: (a) the descriptions and statements of or pertaining to the Town contained in the Official Statement, and any addenda, supplement, or amendment thereto, on the date of the Official Statement, on the date of sale of the Certificates, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the Town and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the Town, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the Town believes to be reliable and the Town has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the Town since the date of the last audited financial statements of the Town.

CYBERSECURITY

The unauthorized access, use, disclosure, disruption, modification, or destruction of the Town's information or information systems could negatively impact the operations of the Town and its ability to provide services to its citizens. The Town uses a risk-based approach and "best practices" to protect the confidentiality, integrity and availability of the information and information systems that it is entrusted with. Employees are required to take annual security training which is re-enforced with continuous phishing email tests. The Town uses the NIST-CSF framework to assure compliance with multiple standards, regulations, and other obligations. In addition, to help protect the Town against claims and expenses due to a cybersecurity incident, the Town maintains cyber insurance.

MISCELLANEOUS

The Certificate Ordinance authorizing the issuance of the Certificates will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Initial Purchaser.

APPENDIX A

GENERAL INFORMATION REGARDING THE TOWN

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DESCRIPTION OF THE TOWN . . . The Town of Addison (4.4 square miles in area), incorporated in 1953, is located in Dallas County 12 miles north of downtown Dallas. Addison is bounded on the east by the extension of the Dallas North Tollway and is bisected east to west by Belt Line Road.

GOVERNMENT . . . The Town is governed by a City Council composed of six councilmembers and the Mayor. The Mayor and councilmembers serve staggered two-year terms. The day-to-day operations of Addison are conducted by a Town Manager who is selected by the City Council. The Town's Home Rule Charter was adopted in 1978 and was last amended in January, 1993. The charter provides for a City Council comprised of the Mayor and six councilmembers. Under the charter the Mayor may vote on all items coming before the Council.

POPULATION . . . The U.S. Census Bureau set the 1970 population at 550, the 1980 population at 5,553, the 1990 population at 8,783 and the 2010 population at 13,056, and the NCTCOG estimates the 2024 population to be 17,721.

ECONOMY . . . Addison is a prime and desirable location for many businesses seeking relocation in the area.

Among the top employers in the Town are the following:

Company	Type of Business	Estimated Number of Employees
Mary Kay Cosmetics Inc.	Cosmetics	3,607
Bank of America	Finance	1,800
Concentra	Medical	600
Analog Devices, Inc.	Manufacturing	500
National Teachers Associates Life Insurance Company	Insurance	500
Wingstop Restaurants Inc.	Food Services	494
National Bankruptcy Services	Finance	450
Exponent HR	Professional Services	435
Spaces.	Real Estate	354

Source: Town's 2023 Annual Financial Report.

AIRPORT . . . The Town of Addison owns a general aviation airport with a single 7,200-foot runway. It accommodates general aviation aircraft weighing up to 120,000 pounds, including Boeing 737s and DC9s. Addison Airport houses over 600 based aircraft, including 150 jets. It features an FAA air traffic control tower, U.S. Customs services, three nationally recognized Fixed-Based Operators (FBOs), and more than seventy commercial aeronautical service providers employing over 1,000 full-time employees. Corporate executives frequently use the airport for business in the north Dallas area. .

TRANSPORTATION . . . Direct access to downtown Dallas is afforded via the Dallas North Tollway. Nearby highways and freeways provide convenient access to the entire Dallas/Fort Worth Metroplex including the Richardson telecommunications corridor, the Plano corporate campus, and the Dallas/Fort Worth International Airport.

In addition to Addison Airport, commercial air transportation is available at Dallas' Love Field and at the Dallas/Fort Worth International Airport. Rail service for Addison is provided by the Cotton Belt Railroad and numerous motor freight lines from nearby Dallas are available.

EDUCATIONAL FACILITIES . . . Addison is served by the Dallas Independent School District and the Carrollton-Farmers Branch Independent School District, it is also served by two private schools, Trinity Christian Academy and Greenhill School; all serve the K/12 grades. Brookhaven Community College, a part of the Dallas County Community College, is located in the Town and seven major colleges and universities are located within a 40-mile radius of the Town and include University of North Texas, Southern Methodist University, Texas Christian University, University of Texas at Dallas and University of Texas at Arlington.

BUILDING PERMITS

Fiscal Year	Number of Permits	Commercial	Residential	Total Value
2019	1,231	\$ 162,104,339	\$ 40,239,465	\$ 202,343,804
2020	1,171	209,324,055	9,409,884	218,733,938
2021	1,204	57,267,135	12,026,759	69,293,894
2022	1,308	111,624,974	8,394,939	120,019,913
2023	1,285	108,273,628	7,452,467	115,726,095
2024 ⁽¹⁾	927	142,204,491	16,084,476	158,288,967

(1) As of June 30, 2024.

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APPENDIX B

EXCERPTS FROM THE
TOWN OF ADDISON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended September 30, 2023

The information contained in this Appendix consists of excerpts from the Town of Addison, Texas Annual Financial Report for the Year Ended September 30, 2023, and is not intended to be a complete statement of the Town's financial condition. Reference is made to the complete Report for further information.

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APPENDIX C

FORM OF BOND COUNSEL'S OPINION

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[Form of Bond Counsel Opinion]

[Date]

\$ _____
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND
REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2024

WE HAVE represented the Town of Addison, Texas (the "Issuer"), as its bond counsel in connection with an issue of certificates of obligation (the "Certificates") described as follows:

TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024, dated September 1, 2024, in the principal amount of \$ _____.

The Certificates mature, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Certificates and in the ordinance adopted by the Town Council of the Issuer authorizing their issuance (the "Ordinance").

WE HAVE represented the Issuer as its bond counsel for the purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas and with respect to the excludability of interest on the Certificates from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Certificates. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Certificates, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Issuer; customary certificates of officers, agents and representatives of the Issuer and other public officials and other certified showings relating to the authorization and issuance of the Certificates. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. We have also examined executed Certificate No. 1 of this issue.

In providing the opinions set forth herein, we have relied on representations and certifications of the Issuer and other parties involved with the issuance of the Certificates with respect to matters

solely within the knowledge of the Issuer and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Ordinance, including, but not limited to, covenants relating to the tax-exempt status of the Certificates.

BASED ON SUCH EXAMINATION AND IN RELIANCE ON SUCH REPRESENTATIONS, CERTIFICATIONS, AND ASSUMPTIONS, IT IS OUR OPINION THAT:

- (A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Certificates in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Certificates constitute valid and legally binding obligations of the Issuer;
- (B) A continuing ad valorem tax upon all taxable property within the Issuer necessary to pay the principal of and interest on the Certificates, has been levied and pledged irrevocably for such purposes, within the limit prescribed by law, and the total indebtedness of the Issuer, including the Certificates, does not exceed any constitutional, statutory or other limitations. In addition, the Certificates are further secured by a limited pledge of the surplus net revenues of the Issuer's waterworks and sewer system as provided in the Ordinance; and
- (C) Interest on the Certificates is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended. In addition, interest on the Certificates is not an item of tax preference for purposes of the alternative minimum tax on individuals, but we observe that such interest is taken into account in computing the alternative minimum tax on certain corporations.

The rights of the owners of the Certificates are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

We express no opinion as to the amount or timing of interest on the Certificates or, except as stated above, to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Certificates. This opinion is specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America. Further, in the event that the representations of the Issuer or other parties upon which we relied are determined to be inaccurate or incomplete or the Issuer fails to comply with the covenants of the Ordinance, interest on the Certificates could become includable in gross income for federal income tax purposes from the date of the original delivery of the Certificates, regardless of the date on which the event causing such inclusion occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

Municipal Advisory Services
Provided By



AGENDA CAPTION:

Present, discuss, and consider action on a request granting a Meritorious Exception to Chapter 62 of the Code of Ordinances for Austin's Bar B Que, located at 16101 Addison Road, in order to allow three murals on portions of the east and south facades and to allow multiple signs per facade on the east and south facades. (Case MR2024-06/16101 Addison Road - Austin's Bar B Que).

BACKGROUND:

The applicant, Austin's Bar-B-Que, has requested a Meritorious Exception to the Town's Sign Ordinance in order to complete three murals on portions of the east and west facades of an existing restaurant building, located at the northwest corner of Addison Road and Keller Spring Road.

The proposed mural is defined as an attached sign by the Town's sign ordinance. With the murals encompassing an effective area of 285 square-feet (Sign A: 9 feet tall and 18 feet wide, Sign B: 3.75 feet tall and 12 feet wide, and Sign C: 6.85 feet tall and 11.33 feet wide), this sign is well in excess of the area requirements prescribed for attached signs. Additionally, the maximum number of signs per facade would be exceeded with the addition of the murals on the east and west facades. The applicant is pursuing a Meritorious Exception to the sign ordinance based on the below code provision:

- Town of Addison Code of Ordinances, Chapter 62 (Signs)
 - Section 62-33. – Meritorious exceptions.
 - (d)(3) The council may consider appeals on the basis that such regulations and/or standards will, by reason of exceptional circumstances or surroundings, constitute a practical difficulty or unnecessary hardship or on the basis that the proposed improvement although falling under the definition of a "sign," constitutes art that makes a positive contribution to the visual environment.

The proposed murals are not commercial in nature, and instead highlight elements commonly associated with Texas, including a Texas longhorn. The proposed murals would be located on the east and south facades of the existing one-story restaurant, visible from Addison Road and Keller Spring Road.

Staff believes that the proposed mural constitutes art that makes a positive contribution to the visual environment of the surrounding area, meeting the Meritorious Exception approval criteria.

RECOMMENDATION:

Administration recommends approval.

Attachments

MR2024-06 Presentation

MR2024-06 Ordinance

MR2024-06 Plans

Austin's Bar-B-Que Meritorious Exception (MR2024-06)

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font. The text is centered within a white circle, which is itself set against a blue background. The blue background is part of a larger graphic on the right side of the slide, consisting of a blue triangle pointing upwards and a grey triangle pointing downwards, meeting at a diagonal line.

ADDISON

September 10, 2024
Lesley Nyp, Director of Development &
Neighborhood Services

Case MR2024-06 Austin's Bar-B-Que

ADDISON

LOCATION:

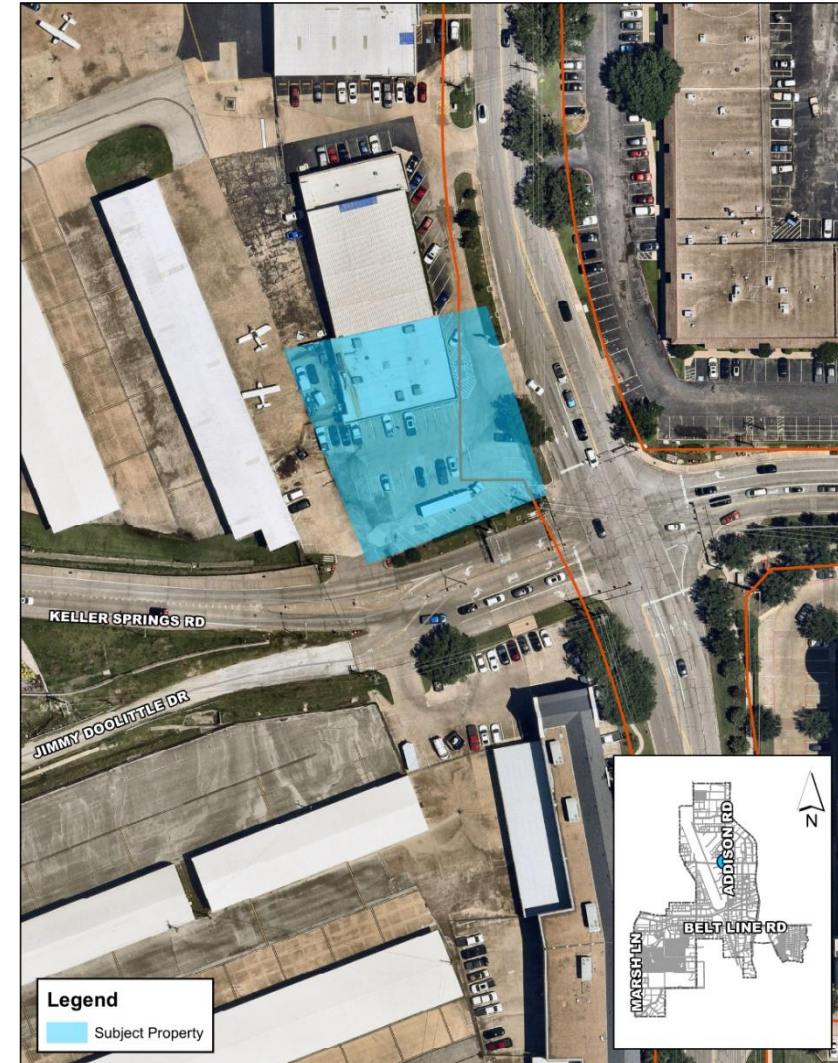
16101 Addison Road

REQUEST:

Approval of a Meritorious Exception for a three murals on portions of the south and east façades and to exceed the maximum number of signs allowed per facade for an existing restaurant building.

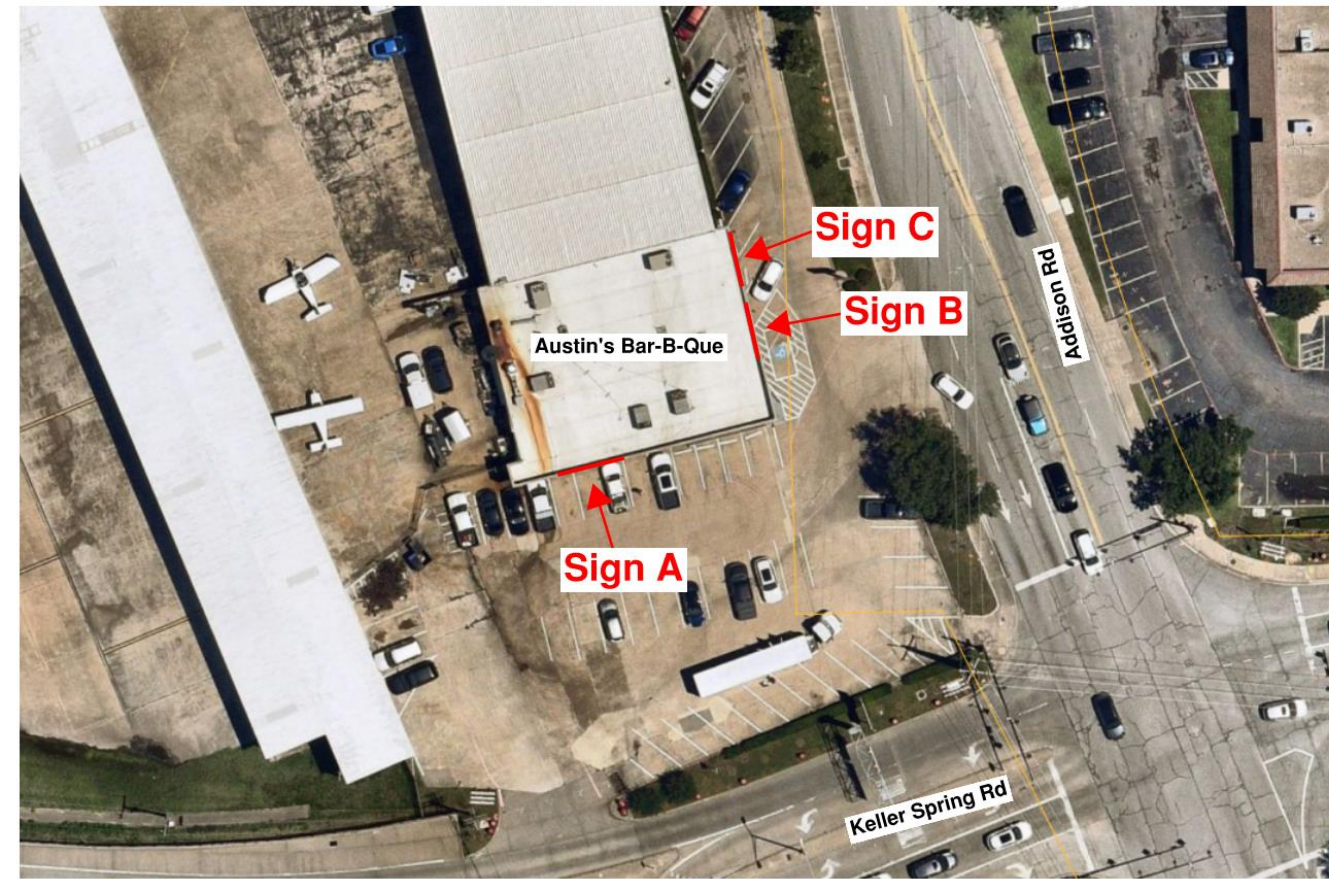
ACTION REQUIRED:

Discuss and consider action on the appropriateness of the proposed sign code meritorious exception request

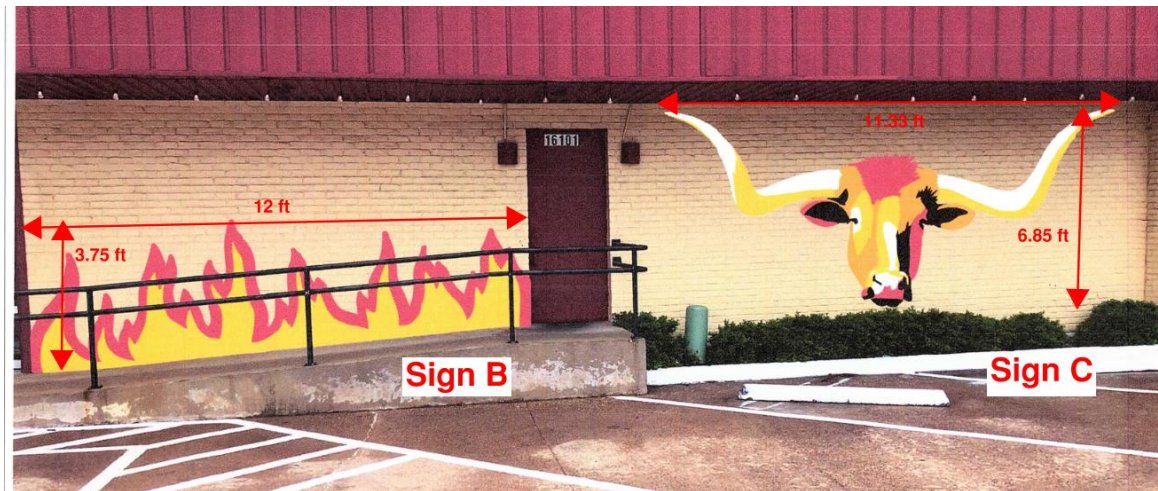
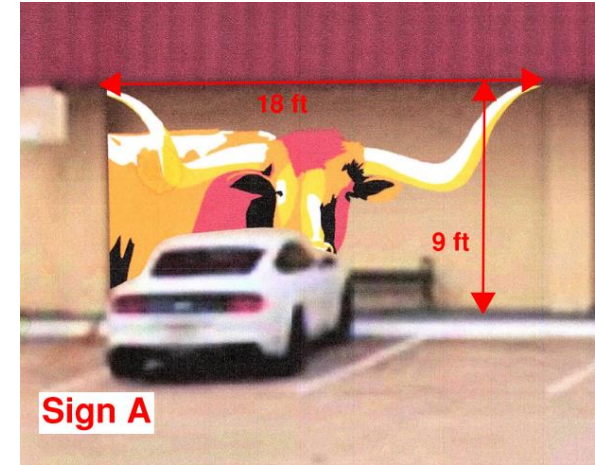


Case MR2024-06 Austin's Bar-B-Que

ADDISON



16101 Addison Road



Case MR2024-06 Austin's Bar-B-Que

ADDISON

SIGN CODE COMPLIANCE REVIEW

- Murals are defined as **attached signs** by the Town's sign ordinance:
 - ...any sign attached to, **applied on** or supported by any part of a building (such as a wall, roof, window, canopy, awning, arcade or marquee) which encloses or **covers usable space**.
- The proposed mural exceeds maximum area for an attached sign.
- The proposal would exceed the maximum number of signs allowed per façade.



MERITORIOUS EXCEPTION CRITERIA:

- The council may consider appeals on the basis that such regulations and/or standards will, by reason of exceptional circumstances or surroundings, constitute a practical difficulty or unnecessary hardship or on the basis that the proposed improvement although falling under the definition of a "sign," constitutes art that makes a positive contribution to the visual environment.

Applicant's proposed mural meets this criteria:

- The mural is intended to improve the appearance of otherwise blank façades.
- The design is intended to highlight elements of Texas, including a Texas longhorn.

Case MR2024-06 Austin's Bar-B-Que

ADDISON

RECOMMENDATION:

Staff recommends **approval** of the request.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, GRANTING A MERITORIOUS EXCEPTION TO CHAPTER 62 OF THE CODE OF ORDINANCES FOR AUSTIN'S BAR-B-QUE, LOCATED 16101 ADDISON ROAD, TO ALLOW THREE MURALS, ENCOMPASING A TOTAL AREA OF 285 SQUARE FOOT, ON PORTIONS OF THE EASTERN AND SOUTHERN FAÇADES AND TO EXCEED THE MAXIMUM NUMBER OF ATTACHED WALL SIGNS ON THE EASTERN AND SOUTHERN FACADES; PROVIDING A PENALTY NOT TO EXCEED FIVE HUNDRED DOLLARS (\$500.00) FOR EACH OFFENSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 62 of the Code of Ordinances regulates signage in the Town of Addison; and

WHEREAS, Section 62.33 permits the City Council to approve exceptions to provisions of Chapter 62 in cases that have obvious merit in not only being appropriate to the particular site or location, but also in making a positive contribution to the visual environment; and

WHEREAS, the City Council has determined that the grant of the meritorious exception contained herein is in the best interest of the public and positively contributes to the visual aesthetic of the Town.

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

SECTION 1. The recitals and findings set forth above are hereby found to be true and correct and incorporated as if fully set forth herein.

SECTION 2. A meritorious exception to Chapter 62 of the Code of Ordinances is hereby granted for Austin's Bar-B-Que, located at 16101 Addison Road, to allow three murals, encompassing a total area of 285 square foot mural on portions of the eastern and southern façades of an existing restaurant structure and to allow multiple attached wall signs on the eastern and northern facades, as depicted in **Exhibit A**. Except as permitted herein, all other signage on the property shall comply with Chapter 62 of the Code of Ordinances.

SECTION 3. Any person, firm, corporation or other business entity violating any of the provisions or terms of this Ordinance shall, in accordance with Section 62.35 of the Town of Addison Code of Ordinances, be fined, upon conviction, in an amount of not more than Five Hundred and No/00 Dollars (\$500.00), and a separate offense shall be deemed committed each day during or on which a violation occurs or continues.

SECTION 4. This ordinance shall become effective from and after its passage and approval and after publication as may be required by law or by the City Charter or ordinance.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the **10TH** day of **SEPTEMBER** 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

EXHIBIT A

16101 Addison Road



EXHIBIT A

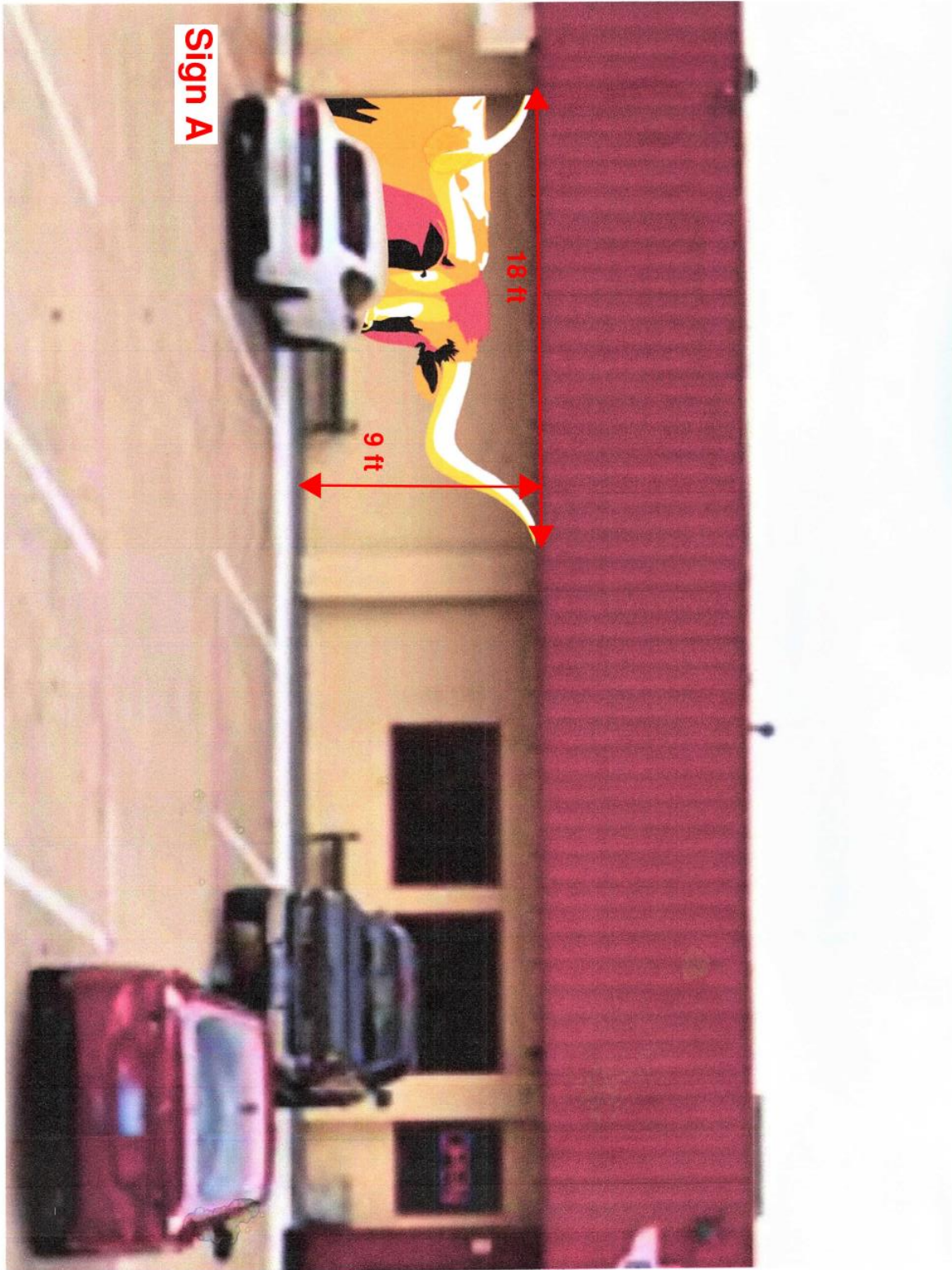
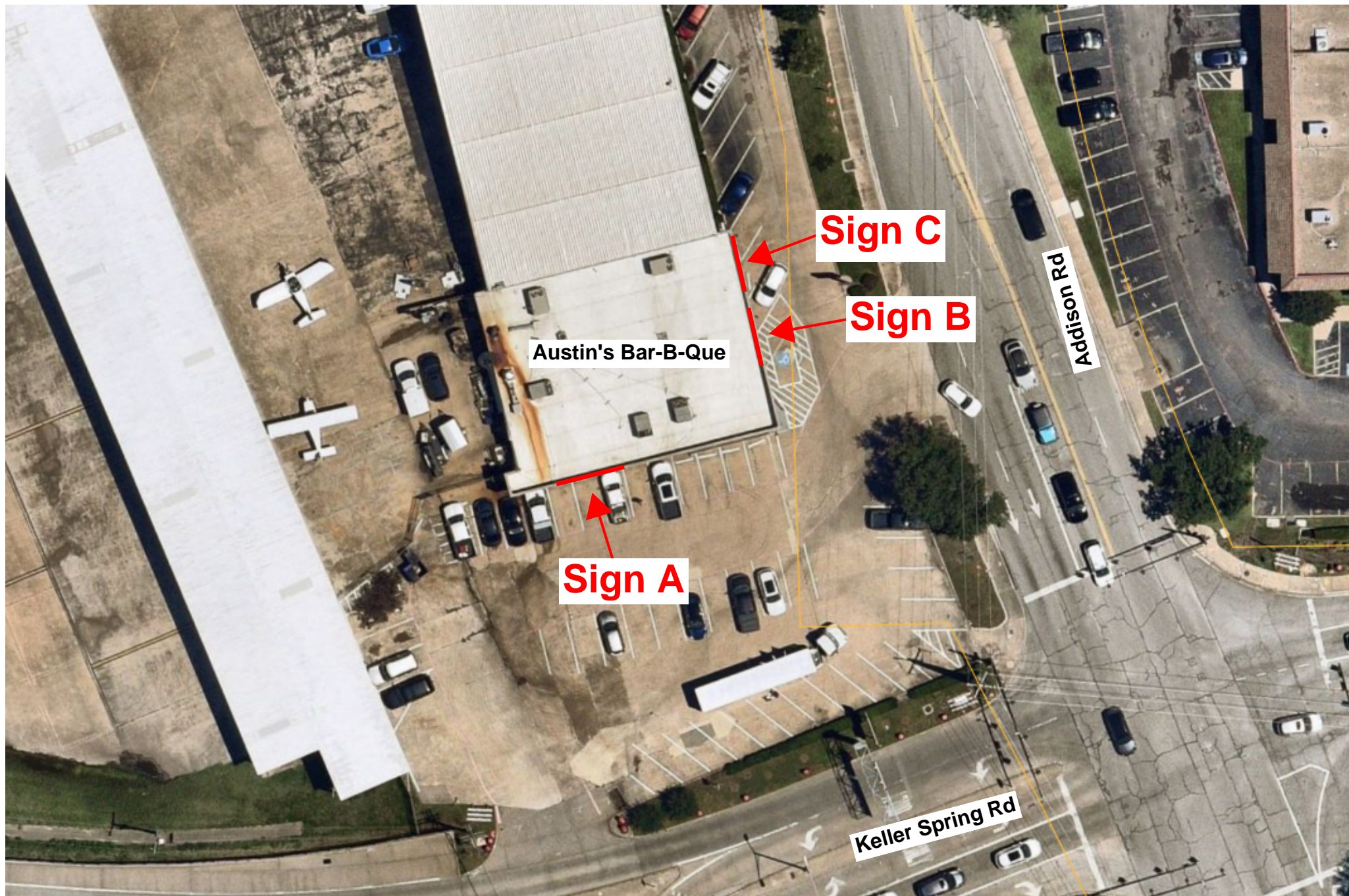
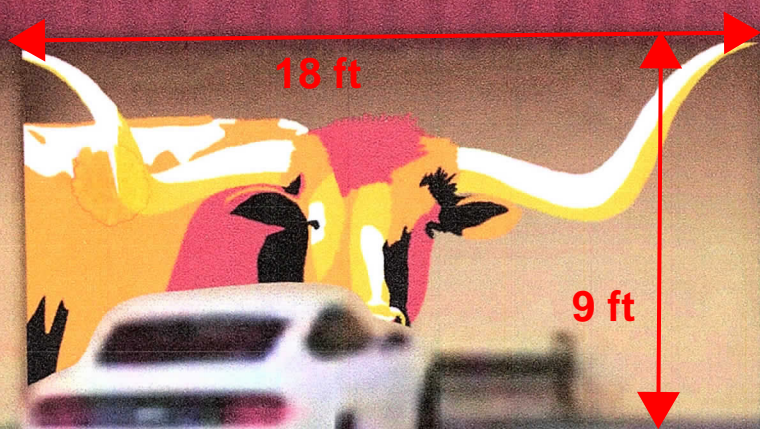


EXHIBIT A





16101 Addison Road



Sign A

Austin's
BAR-B-QUE

16101

12 ft

3.75 ft

Sign B

11.33 ft

6.85 ft

Sign C



City Council (FY24)

6. e.

Meeting Date: 09/10/2024

Department: Airport

Key Focus Areas: Infrastructure Development and Maintenance

AGENDA CAPTION:

Present, discuss, and consider action on an Ordinance of the Town of Addison approving a Developer Participation Agreement with RR Investment, Inc. for the construction of certain public improvements within Addison Airport to include a portion of the airport vehicle service road and aircraft apron; providing for the City's participation in the costs to be in conformance with Chapter 212 of the Texas Local Government Code in an amount not to exceed \$1,175,000.00; authorizing the City Manager to execute the agreement; and providing an Effective Date.

BACKGROUND:

Airport management proposes that the Town enter into a Developer Participation Agreement ("Contract") provided for under Subchapter C, Chapter 212, Tex. Loc. Gov. Code ("Chapter 212") with RR Investment, Inc. ("RRI") to reconstruct a portion of the Airport Vehicle Service Road at Addison Airport.

On May 23, 2024, the Town and RRI entered into and made effective a 4.05-acre ground lease at 4550 Jimmy Doolittle Drive at Addison Airport ("Lease Premises"). As part of the ground lease, RRI agreed to construct nearly 2.5 acres of new heavy aircraft concrete apron.

Adjacent to the Lease Premises' west boundary, fronting the airport's flight line, is a section of the airport's vehicle service road. This road serves as the airport's primary on-airport vehicle access for the general aviation public. However, the airport vehicle service road abutting the RRI Lease Premises is in a failed condition and needs to be replaced.

Without having to comply with the statutory competitive sealed bidding procedures, the Town may contract with a developer to construct public improvements following the provisions of Chapter 212, provided the Town's share does not exceed 30% of the total project costs (excluding town-requested upgrades). Accordingly, the Town and RRI have agreed to the terms of a Developer's Participation Agreement, consistent with the requirements of Chapter 212, where RRI will use their design professional and contractor to construct the RRI aircraft apron and the vehicle service road as a combined project. The engineer's estimate of probable cost for the combined project is

\$6,479,000, with the Town's share not to exceed \$1,175,000, or approximately 18% of the total project costs. Should the contract price exceed 110% of the total engineer's probable cost, RRI, and the Town will cooperate to reduce the project scope as needed or terminate the contract, as the case may be.

The benefits of approving the Developer Participation Agreement include:

- Improvement of the airport's infrastructure.
- Economies of scale can be recognized with the larger combined project scope of work and required quantities of materials.
- Constructing the aircraft apron and vehicle service road as one project will cause less disruption to aeronautical operations.

The Town's portion of the project costs will be paid from the Airport Enterprise Fund.

The Developer Participation Agreement has been reviewed by the city attorney, who finds the form acceptable for the Town's purposes.

RECOMMENDATION:

Staff recommends approval.

Attachments

Presentation - RR Investments DPA

Ordinance - RR Investments DPA

Location Map

Proposed Developer Participation Agreement RR Investments, Inc.

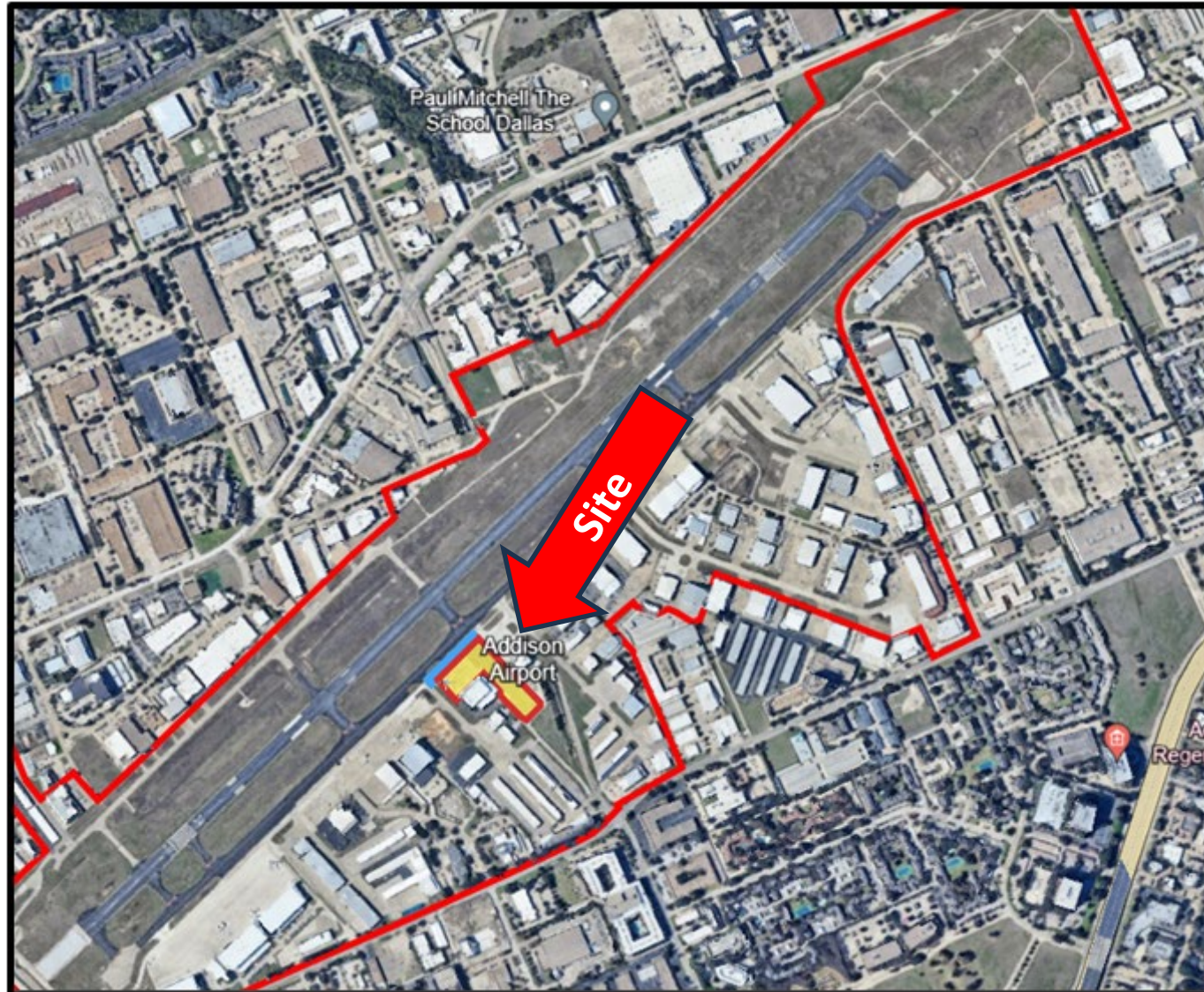


Addison Airport Director, Joel Jenkinson

September 10, 2024

Location: 4550 Jimmy Doolittle Drive

ADDISON



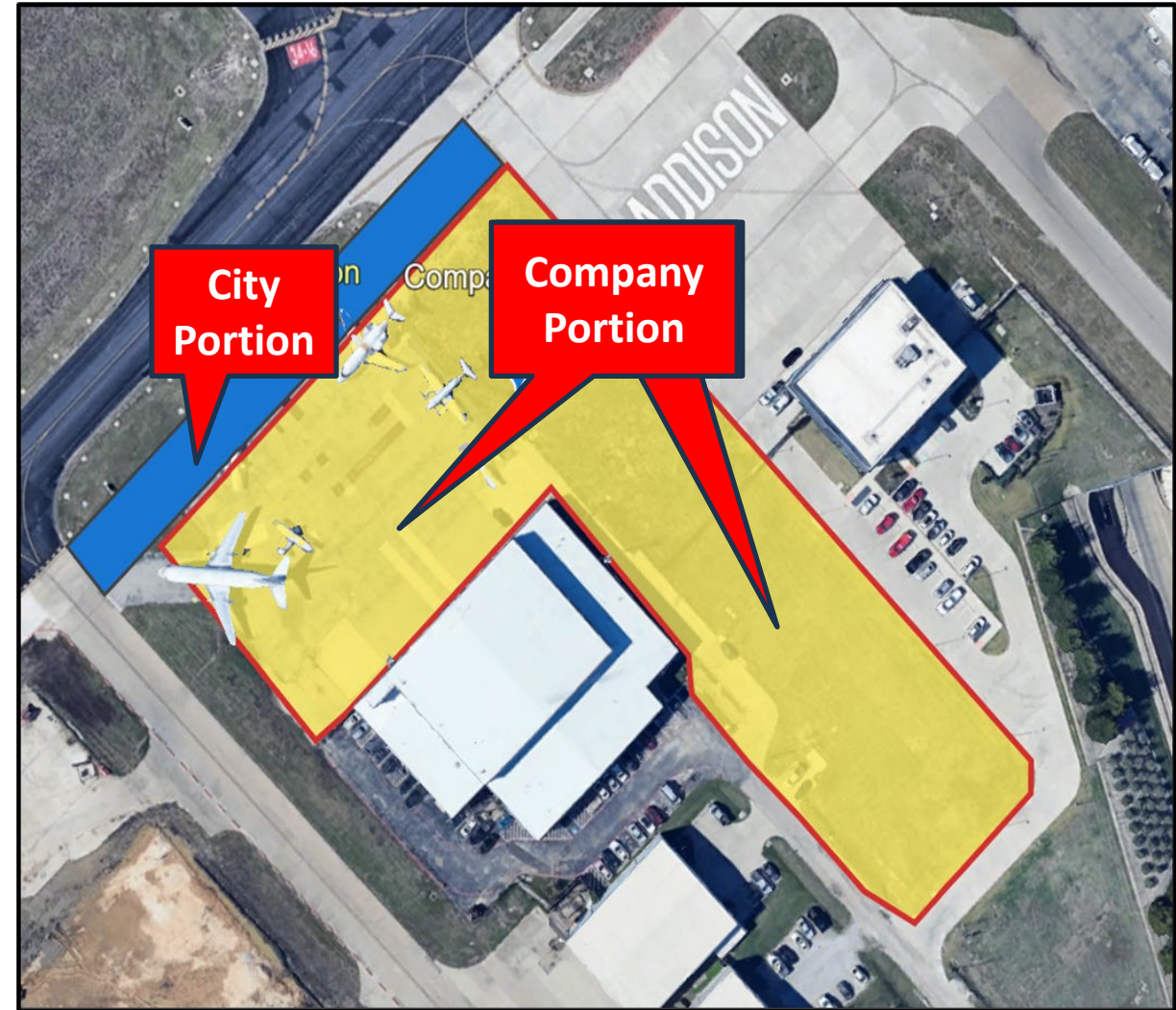
Developer's Participation Agreement

ADDISON

To Reconstruct A Portion Of The Airport's Vehicle Service Road In Connection With RR Investment, Inc.'s ("RRI") Aircraft Apron Construction (The "Improvements") Under Section 212 Of Local Administration Code Referred To As "Developer's Participation Agreement":

- Project must benefit the public-
- Only horizontal construction eligible (e.g. roads, taxiways)-
- Tenant uses own contractor-
- Town may cover up to 30% of costs- Town reimburses RRI upon invoice approval

	Land Area	Share of Costs	% of Total Cost
Company Share	107,271	\$5,304,159	82%
Town of Addison	21,465	\$1,174,563	18%
Total Project	128,736	\$6,478,722	100%



Conclusion & Recommendation

- **Benefits of Approach:**

- The RRI apron is reconstructed per Airport Design Standards and terms of the Ground Lease.
- A portion of the Airport Vehicle Service Road is reconstructed abutting the RRI apron.
- The Airport Enterprise Fund funds the Town's share of the project cost.
- RRI uses their contractor and design professional.
- Parties benefit due to a larger scope of work with combined concrete volume - likely to get better pricing.
- Done as one project, less disruption and interruption of aeronautical operations.

Recommendation: **Staff Recommends Approval**

QUESTIONS?

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, APPROVING A DEVELOPER PARTICIPATION AGREEMENT WITH RR INVESTMENTS, INC. FOR THE CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS WITHIN ADDISON AIRPORT TO A PORTION OF THE AIRPORT VEHICLE SERVICE ROAD AND APRON; PROVIDING FOR THE CITY'S PARTICIPATION IN THE COSTS OF THE IMPROVEMENTS IN CONFORMANCE WITH CHAPTER 212 OF THE TEXAS LOCAL GOVERNMENT CODE IN AN ANTICIPATED AMOUNT NOT-TO-EXCEED \$1,175,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City (as Landlord) and RR Investments, Inc. ("RR") (as Tenant) enter and made effective a ground lease dated May 23, 2023 (the "Ground Lease") affecting 4.05 acres of airport land located at 4553 Jimmy Doolittle Drive at Addison Airport (the "Ground Lease Property"); and

WHEREAS, in connection with the Ground Lease, RRI (as tenant) intends to reconstruct the existing aircraft apron within the Ground Lease Property; and

WHEREAS, the existing aircraft apron within the Ground Lease Property abuts the airport's vehicle road, which also parallels Taxilane Alpha. The vehicle service road provides on-airport access for the general aviation public and is regarded as a common area to the airport; and

WHEREAS, the City is authorized pursuant to Section 212.071 of the Texas Local Government Code to participate in the costs of construction related to the development of public facilities within the City; and

WHEREAS, the City has determined that it would serve the best interest of the public to have RRI reconstruct a certain portion of the airport vehicle service road in conjunction with RRI's reconstruction of the aircraft apron within the Ground Lease Property (collectively, the "Improvements"); and

WHEREAS, City and RRI desire to enter into a Developer Participation Agreement to set forth the parties' rights and obligations for the Improvements described herein above, including City's reimbursement of the City's share of the costs in conformance with Subchapter C, Chapter 212, Tex. Loc. Gov. Code.

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

SECTION 1: The City Council of the Town of Addison, Texas, approves the Developer Participation Agreement (the "Agreement") between the Town of Addison and RR Investments, Inc., attached hereto and incorporated herein as Exhibit A. The Agreement is in conformance with Subchapter C, Chapter 212 of the Texas Local Government Code. According to the Agreement, the City's share of the costs for the Improvements (excluding City upgrades, if any)

shall not exceed thirty percent (30%) of the total costs for the Improvements. The anticipated cost for the Improvements is \$5,305,000, as indicated in the Statement of Probable Costs attached as Exhibit 3 to the Agreement. The City Manager is authorized to execute the Agreement.

SECTION 2. This Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas, on this the 10th day of SEPTEMBER 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, City Secretary

Whitt Wyatt, City Attorney

Exhibit A

Section 212 Developers Participation Agreement

RR Investments, Inc.

DEVELOPER PARTICIPATION AGREEMENT

This Developer Participation Agreement (the "Agreement") is entered into as of the Effective Date by and between the Town of Addison, Texas, a Texas home-rule municipality (the "City" or "Landlord") and RR Investments, Inc., a Texas corporation authorized to do business in the state of Texas (the "Company" or "Tenant") (each a "Party" and collectively the "Parties").

RECITALS:

WHEREAS, City is the owner of the Addison Airport located within the City; and

WHEREAS, effective as of May 23, 2023, Landlord and Tenant entered into a certain Ground Lease Agreement ("Ground Lease") regarding two specific parcels of improved and unimproved airport land collectively consisting of approximately 4.05 acres located on Addison Airport in Dallas County, Texas, and described and referred to in the Ground Lease as the "Demised Premises" and hereinafter referred to as the "Premises"; and

WHEREAS, in connection with the Ground Lease, Company (as tenant) intends to construct certain improvements on the Demised Premises, including but not limited to, approximately 11,919 square yards of aircraft apron (the "Site Improvements").

WHEREAS, the Demised Premises subject to the Ground Lease abuts and is contiguous with the Airport's Taxiway Alpha and vehicle service road common area, which is owned and controlled by the City and serves as public aeronautical access for Company and the general aviation public; and for purposes herein the portion of vehicle service road common area subject to this agreement is referred as the City's "Taxiway Improvements."

WHEREAS, the City is authorized according to Section 212.071 of the Texas Local Government Code to participate in the cost of construction of improvements related to the development of public facilities within the City; and

WHEREAS, the City has determined that it would serve the best interest of the general aviation public to have the Company's contractor ("Contractor"), in conjunction with the construction of the Company's planned Site Improvements to also construct or reconstruct (as the case may be) the Taxiway Improvements.

WHEREAS, collectively the Site Improvements and the Taxiway Improvements are hereinafter referred to as the "Project," which are hereby made subject to this Agreement, which each term is more fully defined in Article II below); and

WHEREAS, City and the Company desire to enter into this Agreement to set forth the Parties rights and obligations with respect to the Project, including City's participation in the Project Cost (as defined below) in conformance with Section 212.071 of the Texas Local Government.

NOW, THEREFORE, for and in consideration of the above and foregoing recitals and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and the Company do hereby agree as follows:

Article I

Term

The term of this Agreement shall commence as of the Effective Date and shall continue until the Parties have fully satisfied all terms and conditions of this Agreement, unless sooner terminated as provided herein.

Article II

Definitions

Wherever used in this Agreement, the following terms shall be defined as follows:

"Airport" shall mean Addison Airport.

"Applicable Laws" shall mean all laws, ordinances, standards, codes, statutes, rules and regulations of the United States, the State of Texas (including without limitation the Federal Aviation Administration and Texas Department of Transportation and any and all grant agreements or assurances with same), the City (including the Airport's adopted Rules and Regulations), and any other governmental entity having jurisdiction over the subject matter of this Agreement, including all work or services to be performed in connection with the Project (including, without limitation, the standards of the Americans with Disabilities Act of 1990).

"Commencement of Construction" shall mean that (i) the Design Plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained; (ii) all necessary permits for the Project in accordance with the Design Plans (as defined hereinbelow) have been issued by all applicable governmental authorities, and (iii) site preparation necessary for the Project, as applicable, has commenced.

"Completion of Construction" shall mean: (i) the Project has been substantially completed in accordance with the Design Plans; and (ii) the final inspection (as the term is generally used within the industry) has been performed by Company and City's representatives; and (iii) all reported "punch list items" have been satisfactorily completed by the Contractor and accepted by the Company and City; and City has received and accepted in writing all deliverables set forth in Article 3.5(d) below.

"Design Plans" shall mean the plans and specifications for the Project, inclusive of any change orders thereto, prepared in compliance with this Agreement by a professional architect or engineer authorized to practice in the State of Texas, which have been approved by the City. The Design Plans are attached hereto and incorporated herein by reference as Exhibit 2 to this Agreement.

"Design Professional" the designated licensed professional (e.g., civil engineer) to represent the Company and City in all matters set forth in a separate agreement by and between the Company and City.

"Effective Date" shall mean the date this Agreement has been signed by authorized representatives of City and the Company.

"Force Majeure" shall have the meaning ascribed to it in Article V of this Agreement.

“*Ground Lease Property*” shall mean the Demised Premises subject to the Ground Lease.

“*Improvements*” shall mean the Project.

“*Payment Request*” shall mean the Company’s written request(s) to City for payment of the City’s share of the Project costs prepared in conformance with Article III of this Agreement.

“*Project*” is as defined in the Recitals herein and as more fully described in the Design Plans

“*Substantial Completion*” shall mean when the Project is ready for “final inspection” (as the term is generally used within the industry) as determined by the Design Professional.

Article III The Project

3.1 The Project. Subject to the terms and conditions set forth herein, the Company agrees to cause the Commencement of Construction of the Project and the Completion of Construction of the Project as set forth herein in accordance with the Design Plans. The Company shall ensure that the Project is performed in a proper, efficient, timely, and professional manner in accordance with this Agreement.

3.2 Project Construction.

(a) *Construction Contract.* The Company shall promptly enter into a contract with one or more contractors (the “Contractor”) to construct the Project (the “Construction Contract”).

(b) *Rights of Access; Utilities.* City shall grant to the Company and its Contractor such rights-of-access to the Project site as may be necessary for the Project, including a revocable, non-exclusive license to access and enter upon the Airport. The Company’s right of access is subject to the City’s safety requirements within any portion of the Airport’s Common Area as defined in the Rules and Regulations. The Company shall be responsible for coordinating with City and utility providers to minimize the possibility of damage to utilities and any disruption to users and tenants of the Airport within proximity of the Project site.

(c) *Inspections.* The Company shall routinely and thoroughly inspect or cause the construction work to be inspected by the engineer that prepared the Design Plans, or other qualified licensed engineer familiar with the Design Plans, to ensure the materials and workmanship on the Project are performed in conformance with the Design Plans and to guard against defects and/or deficiencies in the Project without assuming responsibility for the means and methods used by the Contractor. Additionally, City shall have the right to inspect, test, measure, or verify the work on the Project at any time; provided that the City shall not assume any responsibility for inspection of the work, or the means and methods used by the Contractor in connection with the same.

(d) *Progress Reports.* The Company shall keep the City regularly informed regarding the progress of the construction work on the Project. In particular, the Company shall provide City written notification (including supporting documentation as may be reasonably requested by City) for the following events: (i) award of the Construction Contract (including copies of bonds and

insurance), (ii) notice to proceed to Contractor, (iii) any alleged or actual default of the Contractor (including the Company's notice to Contractor re the same) relating to or otherwise impacting the Project, and (iv) Substantial Completion of the work on the Project (or any portion thereof) such that it is ready for final inspection by the City.

(e) *Change Orders.* All change orders with respect to the design or construction of the Project must be approved in writing by the City not to be unreasonably withheld, conditioned or delayed. No change order shall result in the total Project costs identified in the approved Construction Contract exceeding one-hundred and ten percent (110%) of the Estimated Probable Costs, as more particularly described in the opinion of Estimated Probable Costs attached hereto as Exhibit 3.

(f) *Construction Schedule.* The Company shall cause Completion of Construction of the Project to occur not later than November 30, 2024, subject only to extension in the event of Force Majeure.

(g) *Compliance with Plans; Applicable Laws.* All work on the Project shall be performed in a good and workmanlike manner and constructed in accordance with the Design Plans and all Applicable Laws.

(h) *Inspection of Records.* The Company and Contractor shall grant City the right to examine or inspect, at City's election, all records relating to the Project during the Term of this Agreement and any retention period herein. City's examination or inspection of such records may be performed by a City designee, which may include an outside representative engaged by City. The Company and Contractor shall retain all records relating to the Project for a minimum of four (4) years following the expiration or earlier termination of this Agreement, unless there is an ongoing dispute under this Agreement or the Construction Contract; then, such retention period shall extend until final resolution of the dispute.

(i) *Certification of No Conflicts.* The Company shall require the Contractor to warrant that Contractor has made full disclosure to City in writing of any existing or potential conflicts of interest related to Contractor's performance of the work under the Construction Contract. If any conflicts of interest arise after the Effective Date of this Agreement, Contractor shall be required to immediately make full disclosure to the City in writing.

(j) *Additional Obligations of Company.* The Company shall pay the Contractor in accordance with the terms and conditions of the Construction Contract. Upon Completion of Construction of the Project, The Company shall ensure that the real property upon which the Project was constructed is free and clear of all liens and encumbrances, including mechanics liens and purchase money security interests, to the extent arising by, through or under the Company, any Contractor, or any subcontractor or material suppliers.

(k) *No Waiver of City's Rights.* Neither City's review, approval or acceptance of, nor payment for any of the construction work performed by Contractor shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

3.3 Project Costs. The total Project Costs, including all change orders thereto, are anticipated to be \$6,478,722 ("Estimated Probable Cost"), as more particularly described in the statement of probable cost attached hereto as Exhibit 3. Although the Parties anticipate the final amount of the Construction Contract may differ from the Estimated Probable Cost, in no event shall the total amount of the Construction Contract exceed one-hundred and ten percent (110%) of the Estimated Probable Cost without prior written approval of City, which may be withheld at City's sole discretion. Notwithstanding the foregoing, if the Project cost proposed by the Contractor exceeds one-hundred and ten percent (110%) of the Estimated Probable Cost, City and the Company may agree to (i) work together to modify the Project scope to cause the Project cost not to exceed one-hundred and ten percent (110%) of the Estimated Probable Cost, or (ii) terminate this Agreement with each Party paying their respective share of the cost (as set forth in Exhibit 3) incurred through the date of termination.

3.4 City Cost Participation. City has requested, and the Company agrees, to construct the Project for the benefit of the Airport and the public in accordance with the Design Plans. Accordingly, City agrees to reimburse the Company the City's pro-rata share of the actual total Project cost (as determined by the Design Professional)¹ which the Company pays its Contractor to construct the Project in conformance with the cost allocation schedule provided in Exhibit 3 (the "City Cost Participation"). Notwithstanding the foregoing, in no event shall the City's reimbursement amount exceed thirty percent (30%) of the total Project cost (excluding City requested upgrades for which the City shall be responsible for one hundred percent (100%) of the upgraded portion of the total Project cost).

3.5 Reimbursement Procedures. Subject to the terms and conditions of this Agreement, the City shall reimburse the Company for the Project costs in conformance with the cost allocation schedule provided in Exhibit 3 as follows:

(a) *Payment Requests.* City agrees to pay the City Cost Participation in installments as construction progresses based on completed Payment Requests delivered by the Company to City for review and approval. All Payment Requests shall include the following (which shall be conditions precedent to payment):

- (i) a true and correct copy of the applicable invoice(s) submitted by the Contractor to the Company (together with all attachments, documents, and materials applicable thereto); and

¹ For example, if the Company's portion of the total Project is 5,000 square feet and the City's portion is 2,143 (therefore a total Project area of 7,143 square feet), with all else being equal, then the City's pro-rata share of the total Project costs is 30% (2,143/7,143=30%). If the City's portion is 1,800 square feet of the 7,143 square foot Project area, the City's share of the total Project costs is 25% (1,800 / 7,143=25%). This calculation does not include or consider any special upgrades or modifications to the City's portion specifically required by the City for which the City would be 100% responsible for any such upgrades or special modifications.

- (ii) certification from the Company's design/project engineer that the Contractor's invoice is fair and reasonable for the work completed and materials delivered to the Project; and
 - (iii) certification from the Company that the work for which reimbursement has been requested has been completed by Contractor and paid by the Company in compliance with the Construction Contract and this Agreement; and
 - (iv) duly executed partial lien waivers from Contractor (and subcontractors and material suppliers) establishing payment or satisfaction of payment to the same with respect to the work completed; and
 - (v) a certificate from the Design Professional that the applicable work has been completed in accordance with the Design Plans.
- (b) *Approval of Payment Request.* City shall review and approve, approve in part and deny in part, or deny in its entirety each Payment Request not later than ten (10) days after receipt of the Payment Request. In the event the City denies all or a portion of a Payment Request, the City will provide a written description of the reason for the denial. The Company may submit an amended Payment Request, which shall be reviewed and considered for payment in the same manner as the original. Payment Requests shall not be submitted to City more than once per calendar month and not earlier than thirty (30) days after the immediately previous Payment Request was delivered to City.
- (c) *Payment.* Provided that the Company is not then in default of this Agreement beyond any applicable cure period City agrees to pay the Company all undisputed amounts set forth in the Payment Request (less the Retainage defined below) not later than twenty (20) days after approval of the Payment Request by the City. Payment of City's Retainage (defined below) shall constitute the last and final payment to be made by the City to the Company pursuant to this Agreement, and completion of all the City's obligations hereunder.
- (d) *Retainage.* Notwithstanding paragraph (c), above, City shall withhold an amount equal to ten percent (10.0%) of the City Cost Participation set forth in the Payment Request (the "Retainage"). City shall not be required to pay the Retainage to Company until after Completion of Construction of the Project and Company's delivery and City's acceptance of the following:
- (i) Certification by the Design Professional (sealed by the Design Professional) that the Project has been fully and finally completed in accordance with the Construction Contract and Design Plan;
 - (ii) certification from Company that the Project has been finally completed in accordance with the Construction Contract, this Agreement, and all Applicable Laws;
 - (iii) the City's receipt of a written certification from Company that the final payment for the construction of the Project has been made and accepted by the Contractor, and receipt of duly executed lien waivers from the Contractor (and subcontractors

and material suppliers) establishing full and final payment or satisfaction of full and final payment to the same; and

- (iv) all guarantees and warranties from the Contractor, subcontractors, vendors, suppliers, or manufacturers, in connection with or relating to all or any portion of the work on the Project.

Article IV

Surety, Insurance, and Indemnification

4.1 Construction Sureties and Insurance. The Insurance and Payment and Performance Bond requirements set forth in Section B of Ground Lease Addendum #3 of the Ground Lease shall apply to the Project.

4.2 Indemnification.

THE COMPANY COVENANTS AND AGREES TO FULLY DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE CITY, AND SUCH ELECTED OFFICIALS, AND OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY EACH BEING AN "ADDISON PERSON"), FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, HARM, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, JUDGMENTS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND SUITS, OF ANY KIND AND NATURE WHATSOEVER MADE UPON ANY ADDISON PERSON, WHETHER DIRECTLY OR INDIRECTLY, (THE "CLAIMS"), THAT ARISE OUT OF, RESULT FROM, OR RELATE TO: (1) WORK TO BE PROVIDED BY THE COMPANY AND THE CONTRACTOR IN CONNECTION THE PROJECT; (2) REPRESENTATIONS OR WARRANTIES BY THE COMPANY UNDER THIS AGREEMENT; AND/OR (3) ANY OTHER ACT OR OMISSION UNDER OR IN PERFORMANCE OF THIS AGREEMENT BY THE COMPANY, THE CONTRACTOR, OR ANY OWNER, OFFICER, DIRECTOR, MANAGER, EMPLOYEE, AGENT, REPRESENTATIVE, CONSULTANT, CONTRACTOR, SUBCONTRACTOR, OR LICENSEE OF THE COMPANY, OR ANY OTHER PERSON OR ENTITY FOR WHOM THE COMPANY IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, OFFICERS, MANAGERS, EMPLOYEES, DIRECTORS, AGENTS, AND REPRESENTATIVES. SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES NOT INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY ADDISON PERSON, OR CONDUCT BY ANY ADDISON PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

Notice of Claim. The Company shall promptly advise the City in writing of any claim or demand against any Addison Person or the Company related to or arising out of the Company's activities under this Agreement and shall see to the investigation and defense of such claim or demand at the Company's sole cost and expense unless such claim was caused in whole or part by the City or the Addison Person's own negligence or gross negligence. The Addison Persons shall have the right, at the Addison Persons' option

and at the Addison Person's sole cost and expense, to participate in such defense without relieving the Company of any of its obligations hereunder.

THE PROVISIONS OF THIS SECTION 4.2, AND ANY OTHER DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SET FORTH IN THIS AGREEMENT, SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

Article V Default; Termination; Abandonment

5.1 Default by Contractor. Should the Company fail to comply with any term or condition this Agreement applicable to the Company, the Company shall be deemed in default of this Agreement. Subject to an approved extension pursuant to Section 5.3, below, if the Company's default is not corrected within twenty (20) days after written notice by City, City may, at its sole discretion and without prejudice to any other right or remedy:

(a) terminate this Agreement and be relieved of any further payment or consideration to the Company except for reimbursement, pursuant to an approved Payment Request, of the City's portion of the Improvements determined by City to be satisfactorily completed prior to such termination; or

(b) City may, without terminating this Agreement or taking over the services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the Company's sole expense.

5.2 Default by City. Should City fail to comply with any term or condition this Agreement applicable to City, City shall be deemed in default of this Agreement. Subject to an approved extension pursuant to Section 5.3, below, if City's default is not corrected within twenty (20) days after written notice by the Company, the Company may terminate this Agreement or perform the City's obligations and receive a credit against the Company's Base Rent for the Phase 1 Premises equal to any additional financial obligations incurred by the Company in performing the City's obligations.

5.3 Extension of Initial Cure Period. During the initial cure period, if the defaulting Party provides the non-defaulting Party written notice of the curative measures which it proposes to undertake, and proceeds promptly to initiate such measures to cure such default, and thereafter continuously and diligently prosecutes the curing of such default, the initial cure period shall be extended for such period as may be necessary to cure such default, provided, that in no event shall such extension exceed forty (40) days following the initial occurrence of the default without the written consent of the non-defaulting Party, which may be withheld in the non-defaulting Party's sole discretion.

5.4 Termination by City. The City may terminate this Agreement without notice or any opportunity upon the occurrence of any of the following:

(a) Adjudicated insolvency of, the making of a transfer in fraud of creditors by, or the making of an assignment for the benefit of creditors by, the Company;

- (b) Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by the Company, or adjudication as a bankrupt or insolvent in proceedings filed against the Company;
- (c) Appointment of a receiver or trustee for all or substantially all the assets of the Company;
- (d) Abandonment of the Project pursuant to Section 5.5, below; or
- (e) The Company is in default of the Ground Lease or other lease or arrangement with the City beyond the expiration of applicable notice and cure periods.

5.5 Abandonment. Notwithstanding any other provision of this Agreement, If the Company and/or the Contractor should abandon and fail or refuse to resume the Project within twenty (20) days after written notification from City to the Company, then, the surety on the performance bond(s) may be notified in writing by City of such abandonment and directed to complete the Project, with a copy of said notice delivered to the Company and Contractor. After receiving said notice of abandonment, neither the Company nor Contractor may remove from the Project site any machinery, equipment, tools, materials or supplies then on site, and the same, together with any materials and equipment under contract for the Project may be held for use on the Project by the City or the surety on the performance bond(s), or another contractor in completion of the Project. In such event neither the Company nor Contractor shall receive any rental or credit therefor, having hereby acknowledged that the use of such equipment and materials will ultimately reduce the cost to complete the Project and be reflected in the final settlement of the City's Cost Participation under this Agreement. In the event a surety fails to comply with City's written notice provided for herein, then the City may provide for completion of the Project in either of the following elective manners:

- (1) the City may employ such labor and use such machinery, equipment, tools, materials and supplies as said City may deem necessary to complete the work and charge the expense of such labor, machinery, equipment, tools, materials and supplies to the Company, which may be paid by City out of the City's allocated share of the Project cost and applied as a credit to City's Cost Participation, or any other amounts that may at any time become due to the Company under this Agreement. In case such expense is less than the sum which would have been payable under this Agreement if the same had been completed by the Contractor, then Contractor shall receive the difference. In case such expense is greater than the sum which would have been payable under this Agreement if the same had been completed by said Contractor, then the Contractor and/or its surety shall pay the amount of such excess to the City; or
- (2) the City may (under sealed bids when and in the manner required by law) let the contract to another contractor for the completion of the Project under substantially the same terms and conditions which are provided in this Agreement. In the case of any increase in cost to the City under the new contract as compared to what the City would have been obligated to pay under this Agreement, such increase shall be charged to the Company and the Company's sureties shall be and remain bound therefor. However, should the cost to complete any such new contract prove to be less than what would have been the cost to complete under this Agreement, the Contractor and/or its surety(ies) shall be credited therewith.

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TOA Chapter 212 Developer Participation Agreement (#0240 RR Investments, Inc./Airport Service Road)

5.6 Remedies Cumulative. The remedies in this section are cumulative and nothing herein shall be deemed a waiver of any other remedy available to the Parties under this Agreement, including its remedies upon default provided in this Article.

5.7 Force Majeure. No Party shall be liable to the other Party for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Agreement due to causes beyond the Party's respective control or because of applicable law, including, but not limited to, war, nuclear disaster, labor strikes, acts of God, fire, flood, riot, a government restriction, quarantine, or mandatory closure order enacted in response to a pandemic or other public health crises, or any other circumstance for which a Party is not legally responsible or which is not reasonably within its power to control (each an event of "Force Majeure"). The Party asserting Force Majeure shall give prompt notice to the other Party of the prevention of performance as soon as the asserting Party is reasonably aware of such prevention and has the burden of demonstrating (i) how and why their performance was so prevented, (ii) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (iii) that the Party used reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Article VI Miscellaneous

6.1 No Joint Venture. The Company is an independent contractor, and the Company shall accomplish all its obligations under this Agreement in such capacity. Under no circumstances shall this Agreement be construed as one of agency, partnership, joint venture, joint enterprise, or employment between the Parties (or between City and Contractor). The City shall have no control or supervisory powers as to the detailed manner or method of the Company's performance of the subject matter of this Agreement nor the Contractor's means and methods of construction related to the Project.

6.2 Assignment. Neither Party shall have the authority to or shall assign, convey, pledge, or otherwise transfer in any manner this Agreement, or any of the privileges, rights, or duties set forth herein, to any other person or entity, without the express prior written approval and consent of the other Party which shall not be unreasonably delayed, conditioned or withheld. Any assignment, conveyance, pledge, or other transfer in violation of this provision shall be null and void *ab initio* and cause for immediate termination (no period of cure) by the other Party.

6.3 No Third-Party Beneficiaries. This Agreement and each of its provisions are solely for the benefit of the Parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

6.4 Survival. Except as otherwise provided for in this Agreement, all obligations and responsibilities arising prior to the expiration or termination of this Agreement allocating responsibility or liability of or between the Parties shall survive the completion or termination of this Agreement, and any rights and remedies either Party may have with respect to the other arising out of the performance during the term of this Agreement shall survive the cancellation, expiration, or termination of this Agreement. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by a Party shall not preclude or waive its right to use any or all other rights and remedies, and said rights and

remedies are given in addition to any other rights and remedies the Parties or either of them may have in law, in equity, or otherwise.

6.5 No Waiver. The failure of either Party to enforce any provision or condition contained in this Agreement at any time will not be construed as a waiver of that condition or provision nor will it operate as a forfeiture of any right of future enforcement of the condition or provision.

6.6 Exhibits. All exhibits referenced in this Agreement are incorporated herein and made a part hereof for all purposes.

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

6.8 Entire Agreement. This Agreement supersedes all previous agreements regarding the matters set forth herein and constitutes the entire understanding of the Parties. The Company shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both Parties.

6.9 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions hereof shall remain in full force and effect. In lieu of any illegal, invalid or unenforceable provision herein, the Parties shall seek to negotiate a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

6.10 Notice. Any notice or document required to be delivered or given hereunder in writing shall be delivered or given (i) in person, (ii) by United States mail, postage prepaid, registered or certified mail, return receipt requested, (iii) by Federal Express Corporation or other nationally recognized carrier to be delivered on the next business day, or (iv) by email. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (a) when received if delivered or given in person, (b) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (c) on the next business day after the day the notice or document is provided to Federal Express Corporation or other nationally recognized carrier to be delivered as set forth above, or (d) if sent by email, the next business day. A confirmation of delivery report which reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient. Addresses for the delivery or giving of any such notice or document are as follows:

To City:

Town of Addison, Texas
c/o City Manager
P.O. Box 9010
Addison, Texas 75001
Email: wpierson@addisontx.gov

and

Town of Addison, Texas
c/o Assistant Director – Real Estate
4545 Jimmy Doolittle Drive, Suite 200
Addison, Texas 75001
Email: bill.dyer@addisonairport.net

To the Company:

RR Investments, Inc.
d/b/a/ Million Air Dallas
4300 Westgrove Dr.
Addison, TX 75001
Attn: Don Rickerhauser, President & CEO
drickerhauser@millionairdallas.com

6.11 Authority to Execute. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

For City:

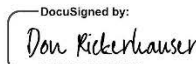
Town of Addison, Texas

By: _____
_____, City Manager

Date: _____

For the Company:

RR Investments, Inc.

By: 
Don Rickerhauser, President & CEO

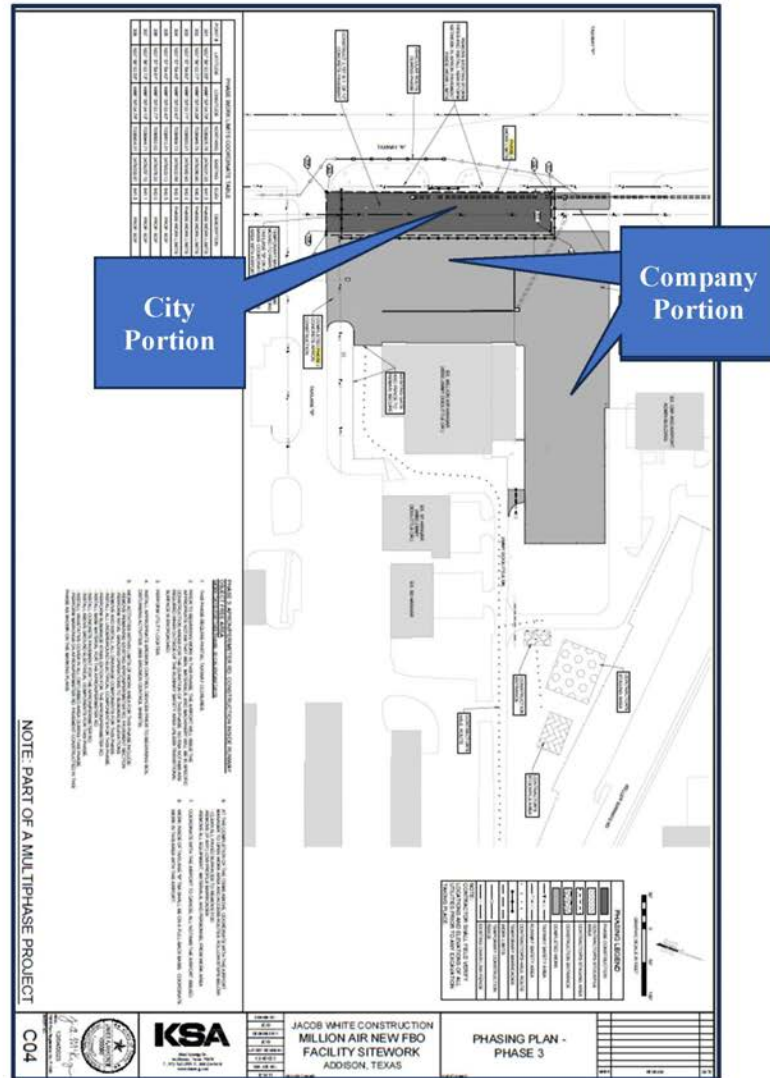
Date: 8/5/2024

**EXHIBIT 1
PROJECT SITE DESCRIPTION**



Exhibit 1: Project Site Description
Chapter 212 Developer Participation Agreement (#0240 RR Investments, Inc.)

EXHIBIT 2
DESIGN PLANS



This Exhibit 2 hereby includes by reference the complete set of Design Plans approved by the Town of Addison for the Project s including, but not limited to, all architectural, civil, mechanical, and electrical and landscape drawings and specifications, together with all change orders and as-built modifications, warranties and guaranties procured by Tenant.

Exhibit 2: Design Plan
Chapter 212 Developer Participation Agreement (#0240 RR Investments, Inc.)

Location: 4550 Jimmy Doolittle Drive

ADDISON

