An Open Letter to the Citizens of Fort Worth

Creating a Vision for the Future

Fort Worth City Council in June of every year begins priority planning – a process to deal proactively with the many opportunities and challenges facing the community. This planning will help guide the activities of citizens, council and staff for the next five years. From this, the “Fort Worth Strategic Goals” have been developed.

The strategic goals will enable the City Council to:
- Better understand Fort Worth’s cultural heritage
- Have a consensus on what to accomplish over the next five years
- Translate the vision into an action plan
- Prioritize the use of limited city resources
- Support staff and community groups in focusing efforts on the vision and priorities

City Council will refine and adjust the strategic goals, as circumstances change. Overall, the City of Fort Worth will concentrate on five top-priority strategic goals for fiscal year 2017. The strategic goals intend to provide a clear and concise statement about where the City Council wants Fort Worth to go over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The City Council’s strategic goals are:
1. Make Fort Worth the nation’s safest major city
2. Improve mobility and air quality
3. Create and maintain a clean, attractive city
4. Strengthen the economic base, develop the future workforce, and create quality job opportunities
5. Promote orderly and sustainable development

These strategic goals enable the City Council to have a consensus on values, vision and a mission for the future as follows:

Mission: Working together to build a strong community.

Building a strong community means building strong neighborhoods, developing a sound economy, providing a safe community and fostering a healthy environment.

Vision: Fort Worth will be the most livable and best managed city in the country.

The city’s vision statement sets forth our aspiration to become even better than we are today as a community and as an organization.

Values: There are six values that guide our employees as they go about this work.

- Exceptional Customer Experience
- Accountability
- Ethical Behavior
- Diversity
- Mutual Respect
- Continuous Improvement
In Fort Worth, the City continues to take a lead role in identifying and addressing community needs. As in the business sector, the role of government is evolving. The City of Fort Worth will continue to address community problems through the most appropriate methods possible, including partnership arrangements, brokering of services from agencies, contracting for services and other solutions. Success will require the assistance, support and partnership of the entire community. On behalf of the City:

Betsy Price, Mayor

Salvador Espino,  W. B. “Zim” Zimmerman,  Cary Moon,
District 2       District 3       District 4

Gyna Bivens,  Jungus Jordan,  Dennis Shingleton,
District 5       District 6       District 7

Kelly Allen-Gray,  Ann Zadeh,
District 8       District 9
October 1, 2016  
Honorable Mayor and Members of the City Council  
City of Fort Worth, Texas  

I am pleased to present you with the Fiscal Year 2017 (FY2017) Adopted Budget. For a second consecutive year, the City’s economic outlook is positive—from improvements in local job growth and sales tax collections to increases in residential and commercial values and new building permits. Along with this growth have come increased demands on City services and infrastructure, and ultimately the requests for and use of City dollars. We will continue to build upon previous years’ efforts to make the City leaner and more effective to ensure the long-term protection of our quality of life.

I am presenting you with a balanced $639 million General Fund budget that achieves the following:

- Lowers the property tax rate by two cents; the tax rate goes to 83.5 cents from 85.5 cents per $100 of assessed taxable value
- Increases the cash funding dedicated to capital projects, including additional funds for street maintenance and repair and funds to improve neighborhood vitality and safety
- Staffs new facilities approved by voters in the 2014 bond program which includes a new fire station at Spinks Airport, Victory Forest Community Center, the expanded Silcox Animal Shelter, and new parks
- Emphasizes public safety with the second year implementation of Police's Sixth Patrol Division, additional school resource officers, funding for body cameras to equip all patrol officers, and the City funding 10 firefighters previously funded by a federal grant
- Provides funds for "pay for performance" for general employees
- Continue the practice of not using reserves to balance the General Fund budget

Reflecting the growing demands on our City’s resources, the citywide FY2017 Adopted Budget—which includes the Debt Service Fund and most operating funds (less transfers to Debt Service) — totals just over $1.6 billion, an increase of 2.3% over the FY2016 Adopted Budget. The citywide recommended budget also includes a total of 6,596 authorized positions overall, an increase of 142.6 AP from the FY2016 Adopted Budget.

As one of the fastest growing cities in the nation, as well as one of the most livable communities, we believe the future is bright for the City of Fort Worth. We expect that job growth will continue and people will continue to move to Fort Worth. The FY2017 Adopted Budget represents our plan to meet our responsibility to ensure appropriate infrastructure investment and maintenance and quality levels of services. I look forward to working with you throughout our budget process and also encourage citizen input and feedback as well.

Respectfully submitted,

David Cooke  
City Manager
The Fiscal Year 2017 (FY2017) Adopted Budget is the product of prioritizing revenue sources with expenditures through a comprehensive process of looking at the City’s financial health for not only the upcoming year, but well into the future. In order to make integrated funding and other decisions to address top priority needs across the organization, the City will continue to move from department specific actions to a broader, organizationally focused decision-making process. These philosophies and processes shift our corporate focus towards identifying and building infrastructure investment.

The local Fort Worth economy continues to show steady signs of improvement; however, the growing demands on the City’s limited financial resources continue to set the parameters within which the City must operate.

OVERVIEW

The FY2017 Adopted Budget totals slightly over $1.6 billion and consists of 20 different operating departments plus four appointed officials across various funds, including the General Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds and Internal Service Funds. Of the total budget, 35.5%, or $639 million, reflects the cost of General Fund activities such as public safety, parks, neighborhood services, economic development, property management, transportation and public works, planning and development, public libraries and general management of the City. The remaining 64.5%, or $1.1 billion, will fund the operations of the other funds, including Special Revenue Funds, Debt Service Funds, Enterprise Funds and Internal Service Funds.

The citywide budget also includes 6,596 authorized positions (AP), which is a net increase of 142.60 AP from the FY2016 Adopted Budget. The General Fund includes 4,516.30 AP which is an increase of 92.20 AP from the FY2016 Adopted Budget.

*See Significant Budget Changes within Departmental pages for more information.

BUDGET DEVELOPMENT PROCESS

Staff began the FY2016 budget process in January of 2016 by presenting the City Executive staff with projection data for FY2015. February of 2016 brought the City Council retreat and an effort to align City Council goals with City Executive staff guiding principles. In early March, the Performance and Budget Office hosted a citywide Budget Kickoff to mark the formal beginning of the budget development process. The meeting brought together the executive team, department heads, Budget and Analysis division staff and departmental fiscal coordinators to discuss the overall strategy for developing the FY2017 budget. City staff set out to prepare the FY2017 Adopted Budget by relying on the following budget development strategies:

1. Fund current operations without a property tax rate increase
2. General Fund reserves will not be used for operations
3. Increase investment in infrastructure
4. Build a five-year Capital Improvement Plan and fund obligations from completed capital improvements
5. Fix negative funds and close legacy funds
6. Increase integration of external stakeholders in the budget process
As staff worked to close the budget gap, the inclusion or exclusion of various citywide expenditures, revenue opportunities, individual programs and existing service levels were all evaluated against these strategies.

In addition, the Management Plan, developed by City staff, provided key guidance in weighing critical decisions throughout the budget development process. The Management Plan, which is displayed below, was designed to provide staff with a framework to help Fort Worth in fulfilling its vision to be the most livable and best managed city in the country. These core objectives are a useful measure for allocating limited resources among competing needs.

Throughout the budget development process, staff updated City Executive staff on the performance of the FY2016 budget. To take advantage of the City’s new Enterprise Resource Planning (ERP) software, the FY2016 City Forecast process was modified to provide more up to date data. This was accomplished by presenting data twice per year (March and July of FY2016).

While a revenue upturn has been a hallmark of the FY2016 budget thus far, in reality, the cost of providing even the same level of City services continues to increase. Beyond that, maintenance needs are growing. The City’s population also continues to grow, putting a further strain on existing services and infrastructure. Even after combining these factors with fund balance reserve requirements and debt service payments, the City, for the first time since FY2010, presented a balanced General Fund budget without the use of excess reserves.

City staff continued to review all current processes to ensure that City services are the most efficient and effective possible. The Performance and Budget Department is also an available resource to City Departments to fine tune service delivery. Ultimately, the fruit of these efforts is a FY2017 Adopted Budget that is balanced. Due to improvements in revenue forecasts, tough reduction cuts and cost savings, there is no need to use excess fund balance in the General Fund.

Another welcome outcome of this budget process is that the City was able to lower the property tax rate to $0.8350 per $100 of assessed valuation from $0.8550 per $100 of assessed valuation. Staff continues to review and adhere to this and other policies set by the City Council when making budgetary and operational decisions.
SIGNIFICANT ISSUES

Before highlighting specifics of the FY2017 budget, included below are several topics that received significant attention during the budget development process: budget development improvements, pay plan study/pay for performance, Enterprise Resource Planning, and capital projects planning.

Budget Development Improvements. Continuing updated budget processes are intended to provide more funding to support City infrastructure, focusing on maintenance of current assets before funding expansions; to facilitate a more proactive approach to budget management; to develop long-range debt and capital financing plans for all funds; to enhance budget accuracy; and to increase transparency and stakeholder participation in financial planning and budget development. Continued updated processes for the FY2017 financial planning and budgeting process to assist in “continuing the journey,” both as a City and as individual departments, include the following:

- Emphasizing corporate decision-making regarding needs and funding priorities based on performance measures;
- Eliminating reliance on use of fund balance;
- Developing a five-year, master plan-based capital funding plan to include operating and capital expenses, secured and potential funding, funding prioritization and annual spending schedules by project/budget item;
- Growing departments’ pay-as-you-go capital funding;
- Holding monthly budget development stakeholder meetings beginning in March 2016; and,
- Producing attainable revenue and expenditure budgets that come in neither over nor under, but rather on budget at fiscal year-end.

Capital Planning. The City continues to enhance the process to develop a Five Year Capital Improvement Plan which includes identification and prioritization of current and future funding requirements for capital projects. As part of that process, capital funds are included in the current year budget for pay-as-you-go funding to pay for capital assets and expenses. The City is allocating $0.0650 of the property tax rate, from General Fund operating expense to General Fund capital items in FY2017, while decreasing the overall tax rate. This allocation is an increase of $0.0156 from FY2016 and is 6.5 percent of the property tax dedicated to Maintenance and Operations. For the General Fund, this translates to a capital investment of $33,286,079. The increased emphasis on capital planning will focus primarily on maintenance of existing capital.

Pay Plan Study/Pay for Performance. In October 2014, the City of Fort Worth initiated a pay plan study of over 3,700 general government employees (excluded sworn Fire and Police personnel). The purpose of the study was to assess and make changes to the pay plan structure based on both internal (hierarchy) and external (market) factors to allow the City to be competitive in the recruitment and retention of a highly effective workforce. Initial assessment and implementation of a new structure along with new job descriptions was completed by the end of FY 2015. In FY 2016, an appeals process was conducted and 157 employees appealed their classification with 50 being reclassified. Additionally, as a part of the implementation of the new pay structure, in January 2016 raises for general government employees were provided based upon tenure and salary in order to more appropriately place employees in their new ranges. Within the FY2017 Adopted Budget, City Executive Staff have budgeted 3% of general employee salaries for pay for performance. The goal of these funds are to retain quality staff and reward general employees providing exceptional service to the City.
Enterprise Resource Planning Phase II (ERP). On October 1, 2015 the City implemented a new business system to enable staff to adopt and put into action financial industry best practices. This implementation included the following functionality: Accounts Payable, Accounts Receivable (Deposit), Cash Management, Commitment Control, General Ledger, and integration with the PeopleSoft Payroll/Timekeeping and the BuySpeed Purchasing Systems. It replaced antiquated systems and consolidated stand-alone systems into one enterprise system. Upon implementation, the City has begun to standardize business processes through the adoption of best business practices, strengthen internal controls, establish a single source of financial record, provide real-time data and strengthen City financial systems. Future modules are being planned to continue to improve financial practices and they include: Accounts Receivable/Point of Sale System, Budget System, and an HCM upgrade.

MAJOR FUNDING AND ORGANIZATIONAL CHANGES

FUNDING CHANGES

Changes to the FY2017 budget reflect the challenges presented as the City strives to continue providing its citizens with high levels of services, while operating within constrained budget parameters. These changes include program improvements necessitated by contractual, statutory, and other obligations, along with program reductions to ensure City services operate in the most efficient and effective manner possible.

Program Improvements. Providing essential public programs and required levels of service sometimes necessitate program improvements, even in the most challenging of times. As part of the budget development process, departments submitted requests for program improvements, which were then vetted against the core objectives of the Management Plan. In addition, staff took into consideration any relevant contractual or statutory mandates. Based on this analysis, $6.3 million in program improvements for the General Fund, and $3.4 million in program improvements for other funds are included in the FY2017 Adopted Budget.

*See Significant Budget Changes within Departmental pages for more information.

Program Reductions. To ensure that essential public services have the necessary resources to meet performance goals and citizen expectations, funding decisions among competing needs is inevitable. $2.4 million of reductions are included in the FY2017 Adopted Budget. A total of $661,820 in the General Fund, and $1.7 million in other funds. These competing needs were evaluated in every attempt to maintain acceptable citizen service standards, and avoid eliminating critical programs, if objectives could continue to be met at a reduced cost.

Non Departmental Funding. Non-Departmental centers are used for budgeting purposes only. The major Non-Departmental accounts include electric utility contingency, separation leave costs, election costs and the Tuition Reimbursement Program. In FY2017 these accounts were expanded to include transfers out for pay-as-you-go capital, vehicle and equipment replacement, and computer equipment, along with training and education costs. No expenses are charged to these appropriations. Any funding remaining is considered contingency funding and may be transferred to a departmental budget to cover expenses, as needed.
**Special Donation Fund.** The Special Donation Fund was created in FY2016 to capture and monitor monetary donations received by various departments within the City. Each year some departments receive donations from private entities. These revenues may be limited in use by the donor. In the past these funds were commingled with other types of revenue and the Special Donations Fund was set up to budget for these cash/monetary donations separately. The budget is based on the anticipated revenue from each department that receives donations and is included in the budget appropriation for the fiscal year. Revenues and expenditures are budgeted within the Special Donation Fund and once a donation is received, both the revenue and expense is transferred to the applicable center for the department receiving the donation within the Special Donation Fund. Any expenses associated with these donations must be paid from the Special Donation Fund and funds may not be expended until the donation has been received and appropriated.

**Chapter 380 Economic Development Agreements.** Chapter 380 agreements, made in accordance with Texas Local Government Code 380, may be used as a gap-financing tool and are proposed by the City Council to serve as local grants to reimburse private developers for a range of expenses that may otherwise render development projects financially unfeasible. Public support of these projects yields significant positive impact to the community and neighborhoods surrounding the project. During FY2016, funding was budgeted for 28 projects at $15.2 million. For FY2017, one project was completed and two additional projects are expected to come online for a total of 33 projects and $15.0 million to satisfy all the projected agreements included in the budget.

**Vehicles and Specialized Equipment.** To address deficiencies in the City’s vehicle and heavy equipment fleet, the FY2017 Adopted Budget includes funding for replacements and acquisitions of $3.4 million from the General Fund and $232,000 from other funds. Additionally in FY2015, in order to improve long-range capital budgeting for vehicle and equipment purchases, the City created the Vehicle and Equipment Replacement Fund (VERF). The VERF was set up as a capital projects fund to be used in managing revenues and expenditures associated with acquisition of the City’s rolling stock, which includes automobiles, motorcycles, specialized mobile equipment and other motor driven capital assets. The VERF provides a mechanism for departments to set aside funding in preparation for upcoming vehicle-related capital expenditures and enhance transparency and auditing efforts by providing a central account repository for the purchase of most vehicles and equipment acquired by the City. Participating funds in the VERF include the General, Environmental Protection, Red Light Enforcement and Culture and Tourism Funds. Funds budgeted for equipment and capital purchases in these funds will be transferred to the VERF to provide a systematic, citywide approach to procurement and disposition of fleet, as well as to ensure adequate funds are available to purchase vehicles and equipment.

**ORGANIZATIONAL CHANGES**

The FY2017 Adopted Budget includes a few major changes to the City’s organizational structure, including the following:

**Gas Well Revenues/Expenditures.** In an effort to better align City resources with operational tasks, one Management Analyst II position was transferred from the Property Management Department to the Financial Services Management Department. By transferring this position, the administrative tasks associated with Gas Well revenues and expenditures will be conducted in a more efficient and effective process.
Capital Project Services Fund. Two Senior Engineer positions were added to the Capital Project Services Fund – TPW to assist with the administration and operational facets of capital projects throughout the City.

Police Department. The implementation of the second year of the Sixth Patrol Division staffing plan is included in the FY2017 Proposed Budget. The plan includes the addition of 31 Officers targeted for a starting date of January 2017.

Fire Department. Fire Station #42 is scheduled to be opened at Spinks International Airport in January of 2017. 14 AP’s will staff the station after successfully completing appropriate training.

Creation of the Performance and Budget Department. In June of 2016, City Executive Staff decided to combine the Performance Management Office (PMO) with the Budget and Research Division of the Financial Management Services Department to create the Performance and Budget Department (PBD). Six AP’s from the PMO joined 18 AP’s from the Budget and Research Division to finalize staffing for the PBD. This newly created office will perform numerous budgeting, analysis and efficiency related tasks and serve as an internal consulting source for City departments as well as the City Manager’s Office.

Planning and Development. Five AP’s (Inspectors and Examiners) are being added to the Planning and Development Department to assist with inspections and examinations for development and re-development throughout the City of Fort Worth. AP’s will be offset by increased fees that have been vetted and agreed to by the development community. Additional AP’s will allow for the Planning and Development Department to maintain and enhance service delivery.

GENERAL FUND REVENUES

The economic outlook for Fort Worth is encouraging with property and sales tax revenue, along with fee income, continuing to grow.

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<tr>
<th>Proposed General Fund Revenue Budget</th>
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<tr>
<td>FY2016 Adopted</td>
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<td>$610,902,639</td>
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PROPERTY TAX

The City receives a significant portion of its revenues from property taxes assessed on real and personal property. City staff works with appraisal districts from Tarrant, Denton, Wise, and Parker Counties to prepare property tax revenue projections. By State law, each appraisal district is responsible for the valuation of all property within its jurisdiction. The certified property tax rolls received from all four districts in July 2016 showed an increase in the City’s property tax base. In comparison to the July 2015 certified property tax roll, the July 2016 certified property tax roll reflected a 9.9% growth in adjusted net taxable property value.
When updating the five-year financial forecast and preparing the budget for City Council consideration, staff analyzed many of the factors affecting property tax revenue, including anticipated population growth, historical change in values for residential and commercial properties, current and projected permitting data, the impact of foreclosures, as well as exemptions and protests. Staff also evaluated the allocation of the levy amount, and resulting availability of revenue for operations and maintenance (O&M), as compared to the amount available to repay the City’s debt.

For FY2017, the City’s combined property tax rate was lowered to $0.8350 per $100 of assessed valuation with a 98.5% collection rate. Based on the O&M levy rate of $0.6615 per $100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately $338.7 million in revenue for FY2017. The debt service levy rate of $0.1735 per $100 of assessed valuation is expected to yield approximately $88.8 million, which will allow the repayment of all current and proposed debt obligations.

SALES TAX

Sales tax collections are a major revenue component. Economic conditions in FY2016 continued to improve with the 12-month rolling average of sales tax collections achieving new record highs throughout much of the year. This trend is positioned to continue through FY2017 given that the Dallas-Fort Worth area was named one of the top retail construction markets in 2015 calendar year and in 2016 it was noted that Dallas-Fort Worth leads the nation in industrial building construction, according to the business section of the Dallas Morning News. There are continued increases in permitting volumes as well as new and existing homes values. Based on the FY2016 year-end budget projections, sales tax revenue is expected to match the FY2016 adopted budget at $103,065,427.

Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date sales tax collections up 3.5% over the same period last year, which puts Fort Worth’s sales tax performance ahead of Houston, San Antonio and El Paso.

There were no significant audit adjustments at the time of the third quarter re-estimates for FY2016, and the City continues to follow the 20-year incremental repayment plan agreement with the State Comptroller to refund the $9.3 million in audit adjustments identified in FY2011. As of June 2016, the City has $7.01 million remaining to repay with the last payment expected in August 2031.

GENERAL FUND EXPENDITURES

| Adopted General Fund Expenditure Budget |
|-----------------|-----------------|-------|-------|
| FY2016 Adopted  | FY2017 Adopted  | Percent | Dollar   |
| $610,902,639    | $639,004,871    | 4.6%  | $28,102,232 |

For FY2017 General Fund expenditures are keeping pace with revenues. However costs are increasing due to a variety of factors, including rising supply and contractual service costs, program and service level improvements, and personnel cost increases.
Salary and Benefits Changes. In keeping with the City’s commitment to invest in its employees, the following salary and benefits changes are included in the FY2017 budget:

- Salary increases for sworn Police Officers as stipulated by the Meet and Confer contract
- Fire Civil Service employees will receive salary increases in accordance with the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association
- The continued implementation of the compensation and classification study for general employees as well as a budgeted 3% of salaries dedicated to pay for performance.

BUDGET HIGHLIGHTS

The FY2017 Adopted Budget includes numerous actions that move the City forward under the guidance of the FY2017 Budget Principles and Management Plan. Included below are highlights of those changes.

Property Tax Rate Reduction. In an effort to increase commercial development and lower the tax burden to City of Fort Worth residents and businesses, part of the FY2017 tax levy revenue increases are being rebated back to citizens and businesses. The City of Fort Worth Property Tax rate is being reduced $0.02 cents to $0.8350 per $100 of assessed value from $0.8550 per $100 of assessed value.

Increased Funding for New Capital Projects and Maintenance. A portion of the FY2017 tax levy revenue increases are being directed toward new capital investment and the maintenance of existing capital projects in specific categories. Categories and funding have been broken out as follow:

- Transportation/Public Works – An additional $0.005 cents or $2,560,468 in FY2017
- Neighborhood Services – An additional $0.005 cents or $2,560,468 in FY2017
- Information Technology – An additional $0.005 cents or $2,560,468 in FY2017
- Property Management – An additional $0.0025 cents or $1,280,234 in FY2017

Increased Funding for Pay As You Go (PAYGO) Capital. One way that City Departments are able to maintain or purchase capital items on a one-time basis is through the use of PAYGO capital funding. In an effort to increase PAYGO funding levels for Departments, a portion of FY2017 levy revenue increases have been set aside for this purpose. PAYGO capital funding will increase $0.0156 cents or $9,960,479 in FY2017.
GENERAL FUND

City Attorney’s Office. Under the direction of the City Attorney, the assistant city attorneys and staff are responsible for the administration of all City legal affairs; City representation in all suits, litigation and hearings; preparation of ordinances, contracts, and all other legal documents; and the rendering of legal advice and opinions to the City Council, City Manager and City departments. In FY16 the department implemented an electronic case file management system to provide consistency and efficiency in managing office files, and through renegotiation of the legal research contract, the department will realize an approximate savings of $37,000 in FY17.

City Auditor’s Office. Under the direction of the City Auditor, staff is responsible for ensuring City operations are effective, efficient and have adequate internal controls to ensure accountability, transparency, and accuracy, through independent assessments of operations and business practices. The department conducts financial audits to verify financial transactions and balances; operational audits, which involve reviewing the performance of a program or service; grant audits focusing on compliance with the financial, contractual, and operational terms of grant agreements; construction project audits, which include reviews of construction project costs; and information system audits to verify that computer systems are accurate and efficient. There are no significant changes in the FY2017 Adopted Budget.

City Manager’s Office. The City Manager’s Office is composed of five divisions: Administration, Mayor and Council, Human Relations, Governmental Relations, and the Office of Communications and Public Engagement. The FY2017 Adopted Budget reflects a decrease primarily due to the transfer of the Performance Management Office division including seven authorized positions and associated allocations to the newly created Performance and Budget Office Department. The budget also included the transfer of a Transportation Coordinator position from the City Manager’s Office to Transportation and Public Works. In addition, the budget includes a 3.0% increase in budgeted salaries available for Pay for Performance, BIM Table and ITS allocations.

City Secretary’s Office. The City Secretary’s Office serves as a coordinator for City Council meetings and maintains records of all official City Council actions. The department also coordinates the City Council’s boards and commissions’ process and maintains the records relating to these appointments. The City Secretary serves as the Election Administrator for all City-held elections. The Records and Information Management division oversees the City’s comprehensive records management program, including lifecycle management of information in all mediums across the enterprise and coordinates Citywide responses to public information requests to ensure compliance, efficiency and transparency. The FY2017 Adopted Budget increases are a result of personnel costs, BIM allocations, and IT Allocations. The City Secretary’s Office is requesting an improvement package for a Senior Records Analyst experienced in enterprise information management to coordinate the citywide deployment and use of Laserfiche, the City’s Enterprise Information Management System.

Code Compliance. The Code Compliance Department preserves and enhances public health, welfare and safety through services that focus on education, prevention, compliance and community partnerships. It consists of the Code Enforcement Services, Health Services (including Animal Care and Control) and Administration Divisions as well as oversight of the Solid Waste Management Fund and the Environmental Protection Fund. The FY2017 Adopted Budget increases due, in part, to the addition of two veterinarian positions and one superintendent in the Animal Care and Control, and the transfer of 0.50 assistant director from Transportation and Public Works. Also, 0.20 of an environmental manager was reallocated to the Environmental Protection Fund. Other increases are a result of personnel costs, BIM
allocations, IT Allocations, building board-ups and funds for a comprehensive mosquito surveillance program. Offsetting reductions include a decrease in funds for vehicle and equipment replacement and contractual veterinarian services.

**Economic Development.** The Economic Development Department develops and administers programs that improve the economic well-being of the City through business growth, job creation/retention, development of the future workforce and enhancing the overall tax base. The Department works to facilitate improvement and growth for small and emerging mid-size companies through the delivery of training programs, workshops and small business consulting, as well as implements and tracks compliance with the City’s Business Diversity Enterprise (BDE) Ordinance in order to create more diversified procurement and contracting opportunities throughout the City. The FY2017 Adopted Budget reflects an increase in contractual costs associated with the Chapter 380 Economic Development Agreements as well as a reduction in funding for Tech Fort Worth as mandated by the contract.

**Financial Management Services.** The Financial Management Services Department is responsible for providing timely and accurate financial, operational, and management information through a variety of functions and is composed of five divisions, including Administration, Accounting, Financial Reporting, Purchasing, and Treasury. The FY2017 Adopted Budget decreases due to a transfer out of the Budget Division, including 18 authorized positions and all associated budgeted expenses, to a new department: the Performance and Budget Department. Additionally, 0.3 positions were transferred from the Risk Financing Fund to the General Fund for an assistant director position located in the Financial Management Services Department.

**Fire Department.** The Fire Department, under the direction of the Fire Chief, currently has 42 stations in six battalions. It is anticipated that the construction of Fire Station 42 in far south Fort Worth, which was approved as part of the 2014 Bond Program and commenced construction in FY2016, will be completed by the end of FY2017. The primary changes to this budget include the addition of funding associated with the Collective Bargaining Agreement (CBA) approved in October 2014 and the implementation of a recruit training class for the staffing of the new Fire Station 42. The budget increase also reflects increased costs for allocated expenses such as retiree health insurance and workers’ compensation. Other increases include funding for the addition of three civil service positions for the Public Safety Training Complex and funding for the reinstatement for 10 firefighter positions currently funded by the SAFER (Staffing for Adequate Fire and Emergency Response) grant which expires in FY2017. The budget also increases due to the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016. The budget also had reductions for one-time capital costs budgeted for FY2016 and increased salary savings.

**Human Resources.** The Human Resources Department administers the City’s compensation and fringe benefits program; prepares and revises job classifications; administers recruitment and selection processes; maintains employee records; and administers the Risk Financing and Group Health and Life Insurance Funds. The Human Resources staff will continue to look for ways to reduce health care costs, improve employee health and wellness, and provide cost effective health care. The FY2017 Adopted budget increases due to allocations in unemployment, workers’ compensation, retiree health insurance, tuition reimbursement, and ITS services; change in citywide method of budgeting for group health insurance for active employees and vacant positions; and additional funding for job advertising via job boards and social media sources, automated/electronic pre-employment checks, and outsourcing of Fire and Police entry and promotional examinations. The budget also includes 3% increase for budgeted salaries for Pay for Performance. The Fund has 33.0 total authorized positions.
Library. The City’s library system consists of the Central Library, 13 branches and two satellite facilities. The Department is divided into two divisions, the Public Services Division and the System-wide Services Division. The FY2017 Adopted Budget decreases expenditures due to reduced allocations in personnel benefits, information technology services, equipment and vehicles. Other expenditure decreases include the transfer of Debt Service for the Energy Savings Program to the Non-Departmental Fund. The revenue budget increases due to the transfer of the Federal Passport Acceptance Program from Tarrant County to the City of Fort Worth which the Library Department will manage.

Municipal Court. The Municipal Court is a court of record with five courtrooms located in the historic A.D. Marshall Public Safety and Courts Building and two courtrooms and full payment services located at the Southwest Municipal Court, a twenty-four hour/seven day a week arraignment jail and two five-day-a-week satellite payment locations. These courts have jurisdiction within the City’s territorial limits over all Class C misdemeanor criminal cases brought under City Ordinances and the Texas Penal Code, as well as civil parking cases within the City.

The FY2017 Adopted Budget decreased due to the closure of the dedicated Truancy Court based the decision by the Fort Worth Independent School District (FWISD) to take a different approach in regards to truancy misconduct. The full staffing level for the Court included a judge, two deputy city Marshals, one senior human services specialist and two senior customer service representatives within the Clerk of Court. The Clerk of Court staff is fully funded in the Juvenile Case Management Project of the Special Trust Fund. The proposed reduction package eliminates the deputy city marshal positions, associated benefits and operational expenditures. The intention of the FWISD is to continue to file with Municipal Court. As a result, the judge position will be retained to manage the cases, as well as providing support to various courts and initiatives. In an effort to streamline resources and functionality during FY2016, the task of printing identification badges for city employees was transferred from Human Resources to the Marshal Division. The FY2017 Adopted Budget includes funding to support this transfer.

Neighborhood Services. The Neighborhood Services Department was newly created in FY2016 from segments of Park and Recreation, Economic Development, and Code Compliance departments. The Neighborhood Services Department develops and administers programs that promote a strong economy and enhance the quality of life by providing sustainable housing and educational programs. The department consists of five divisions: Community Development, Community Services, Homelessness Initiative, Neighborhood Education and Performance, and Administration and Loan Services. The FY2017 Adopted Budget increases primarily due to leasing of office space for department staff, contracting for Community Center promotional materials, and for operational costs that were not allocated when the department was created last year.

Non-Departmental. Non-Departmental is a General Fund department that records all expenditure items not exclusively within the programmatic responsibilities of particular General Fund departments. Significant decreases to the FY2017 Adopted Budget are mainly attributable to the elimination of the subsidy to Public Events for electric utility costs and the reduction of funds for a special charter amendment election. These decreases are offset by the addition of funds for transfers out to fund pay-as-you-go-capital projects, vehicle and equipment replacement funds, computer equipment, a training and education initiative as well as funds for the bi-annual city election.
Park and Recreation. The Park and Recreation Department operations include the maintenance of over 272 parks and public spaces encompassing over 11,855 acres, as well as the provision of recreational and cultural activities and educational programming—all of which make Fort Worth a great place to live, work and play. Significant decreases to the FY2017 Adopted Budget are due to the removal of the capital funding (PAYGO), fleet replacement (VERF) allocations and adjustments for benefit savings to capture changes in the benefits savings based on vacancy rate. In addition to the reallocation of resources for the Comin Up Gang Intervention Program to the Police Department and Senior Citizens Services annual agreement to Neighborhood Services Department. The budget increase includes funding for Victory Forest Recreation Center operations scheduled to open in FY2017. Other increases include a 3.0% increases in budgeted salaries available for Pay for Performance, and prior year commitments for various M&C obligations for grounds maintenance services, utilities, and supplies for new capital improvements including parkland, streetscapes and athletic fields. Additional funds for operation and maintenance of new streetscapes and partial funding for the SPARC initiative agreement. Also an authorized position and funds for the two new soccer fields at Chisholm Trail Community Park. The budget also includes funding for conversion of temporary positions to 18.60 regular part time or full time authorized positions.

Planning and Development. The Planning and Development Department seeks to make Fort Worth the most livable city in the country by promoting orderly growth and development, safe construction and neighborhood vitality. The FY17 Adopted Budget request includes 5 additional authorized positions to facilitate increases in development activity throughout the City; all suggested increased expenditures have offsetting recommended fee increases to cover costs. Additionally the Public Art Program was previously managed by the Transportation and Public Works Department. For the FY2017 Managing Department will be Planning and Development. FY2017 transfer request for Public Art from the Water/Sewer Fund will be $1,044,429, of which $543,329 is budgeted revenues and expenditures in the Planning and Development Department.

Police Department. The Police Department, under the direction of the Chief of Police, develops and implements programs to deter crime and protect life and property within the City of Fort Worth. The FY2017 Adopted Budget increases due to higher civil service personnel costs associated with the Meet and Confer Agreement and due to the addition of 31 officers to staff the Sixth Division. The budget decreases for the transfer of 31 Neighborhood Patrol Officers, 12 Mounted Patrol Officers, and 5 Special Events and Emergency Response Officers to the Crime Control and Prevention District. The budget also includes decreases in allocations for information technology services, equipment and vehicles.

Property Management. The Property Management Department manages the City’s facilities and handles property acquisition and sales. The FY2017 Adopted Budget includes an increase of 14.50 authorized positions after the funding and approval of several decision packages. The budget includes funding for maintenance of new facilities added to inventory in FY2016. In addition, the budget includes an increase in the General Fund debt principal and interest payments for the energy savings program implemented citywide.

Transportation and Public Works. The Transportation and Public Works Department manages the City’s traffic and pedestrian-orientated mobility. The most significant changes to the department’s FY2017 Adopted Budget include the transfer of Regional Transportation Coordinator from the City Manager’s Office and transferring one-half position of the Assistant Director of the Air Quality section to the Code Compliance Department. In addition, the budget includes the addition of 25 positions from the Red Light Enforcement Fund.
SPECIAL REVENUE FUNDS

Community Tree Planting Program Fund. As part of the Park and Recreation Department, the Community Tree Planting Fund is responsible for financing the operation of the program including tree production and staff. The program includes the salary and benefits for five authorized full-time positions, related supplies, materials and equipment. It also provides education and training for the Citizen Forester Program and trains volunteers for tree planting, data collection and on-going care and maintenance of the City’s tree farm. The budget includes funding from the transfer of revenue from the PACS Gas Lease Fund and funds from tree removal mitigation fees collected through the tree ordinance administered by the Planning and Development Department and from tree removals on City property administered by the Park and Recreation Department.

Crime Control and Prevention District Fund. In 1995, the citizens of Fort Worth voted to establish a Crime Control and Prevention District (CCPD), supported by a ½ cent sales tax for a five-year period, with the mission to enhance the Fort Worth Police Department’s ability to provide quality service and to work in partnership with the community to reduce crime and to create a safe environment for all. The District has since been renewed by voters in 2000, 2005, 2009, and 2014 for subsequent five-year periods. Significant changes to the FY2017 Adopted Budget include increased revenue from sales tax collection. The budget increases due to the addition of 31 Neighborhood Patrol Officers, 12 Mounted Patrol Officers, 5 Special Events and Emergency Response Officers from the General Fund, 5 civil service positions for the School Security Program and 5 part-time Code Blue Coordinators. The budget increases for additional training classes help fill vacancies. The budget also includes increases for 400 additional body cameras and additional funding for in-car video camera systems. $3.2 million is budgeted towards the purchase of a helicopter. The budget decreases due to a reduction in capital transfer out that funded facility renovations last year and a reduction in the operating transfer out due to the elimination of a transfer to the General Fund for Civil Service Staffing.

Culture and Tourism Funds. The Culture and Tourism Fund was established primarily to manage revenue from the City's Hotel Occupancy Tax (HOT). The Public Events Department uses the revenue received through the collection of HOT, DFW revenue share, and events scheduled at the Will Rogers Memorial Center (WRMC) and the Fort Worth Convention Center (FWCC) to operate the two venues, fund the Convention and Visitor’s Bureau and HERD; as well as pay debt service for the venue improvements and the new arena. The FY2017 Adopted Budget includes three operating funds. The two new funds were added to allow for the tracking of the 2% HOT tax for debt service and the DFW revenue sharing as these funds are restricted in use to the payment of debt and facility improvements. The overall budget increased mainly for the addition of funds for the new arena debt service, facility repair and maintenance, citywide allocations and contractual increases for the Convention and Visitor's Bureau and HERD contracts. The request includes 133 authorized positions, which remains static over FY2016.

Environmental Protection Fund. As part of the Code Compliance Department the Environmental Protection Fund is responsible for providing stormwater permit compliance (inspections, monitoring, enforcement and education), internal City compliance with state and federal environmental regulations and the household hazardous waste program. The primary changes to the FY2017 Adopted Budget include the addition of 1.2 positions including a management analyst and the reallocation of 0.20 of an environmental manager from the General Fund along with increased funding for environmental capital projects.
Lake Worth Trust Fund. The Lake Worth Trust Fund is managed by the Property Management Department and is used to fund a portion of the Municipal Court Lake Patrol operations at and around Lake Worth. The main source of revenue for this fund is lease income from properties surrounding the lake. The FY2017 Adopted Budget includes an increase in contractual services and a reduction in transfers that support the municipal court lake patrols.

Municipal Golf Fund. The Municipal Golf Fund provides enjoyable, safe and comprehensive golf programs through four municipally-owned golf courses: Pecan Valley, Meadowbrook, Rockwood and Sycamore Creek. Municipal Golf Fund expenditures are financed primarily from charges for service, classified as taxable and non-taxable revenue, in the form of green fees, cart rentals, and other fees at all golf courses. In September 2014, the City Council approved a resolution providing an annual subsidy to the Municipal Golf Fund beginning in FY2015. The FY2017 Adopted Budget increases are mainly due to the completion of the renovation at Rockwood Park Golf Course, scheduled to reopen in the fall of 2016. The golf course was under renovations for 11 months in FY2016. The expenditure increases are in salaries, temporary employee, merchandise and alcohol for resale, utilities, repairs, equipment lease and other contractual. The budget also includes 3.0% increases in budgeted salaries available for Pay for Performance, separation leave, temporary employees, required BIM table adjustments, ITS and ESD allocations, other contractual services, equipment lease, merchandise for resale, minor equipment, general supplies, and minor facility repair and maintenance.

Red Light Enforcement Fund. The Red Light Enforcement Fund was formally established in FY2011 as a special revenue fund. Automated red light enforcement is an effective tactic for reducing red light running violations, which decreases accidents and improves community safety. Revenues are derived from the issuance of citations to red light violators through automated camera enforcement and cover the program’s cost. The budget is based on using 58 cameras at 43 roadway intersections. Half of the annual revenue after expenses is sent to the State Trauma Fund. The remaining revenue is available for traffic safety activities. As the program continues to show success in changing behavior, the number of citations issued on an annual basis is anticipated to decline. The primary change to the FY2017 Adopted Budget is the transfer of all costs belonging to the Traffic Improvements center, Traffic Safety Signs/Markings center and the Traffic Signal Maintenance center to the TPW General Fund. Therefore, the FY2017 Adopted Budget has the Red Light administration center only, with 4.0 authorized positions.

Asset Forfeiture Funds. The Justice, State and Treasury Asset Forfeiture Funds are used to manage accrued fund balance from awarded assets associated with certain law enforcement activities in which the City of Fort Worth Police Department has assisted state and/or federal law enforcement agencies. In accordance with applicable restrictions, appropriations are limited to actual accrued fund balance, and no anticipated revenues may be budgeted or appropriated.

Municipal Court Technology Fund. The Municipal Court Technology Project of the Special Trust Fund was recently established under the authority of Article 102.0172 of the Texas Code of Criminal Procedure to finance the purchase and maintenance of technological enhancements for the Municipal Court. For the FY2017 Adopted budget, the funding includes contractual obligations for the current and new case management system.
**Municipal Court Building Security Fund.** The Municipal Court Building Security Project of the Special Trust Fund was established under the authority of Article 102.017 of the Texas Code of Criminal Procedure to provide security services, including personnel and security equipment, for buildings that house the operations of the Municipal Court. The Adopted Budget for FY2017 includes the following authorized positions: four deputy city marshal positions in addition to court security related training and equipment.

**Juvenile Case Manager Fund.** The Municipal Court Juvenile Case Management Project of the Special Trust Fund was recently established under the authority of Article 102.0174 of the Texas Code of Criminal Procedure to pay for costs related to juvenile case manager positions. The Adopted Budget for FY2017 includes the following authorized positions: one human services specialist, one customer service representative and one senior customer service representative along with operational and training expenditures.

**Law Enforcement Officer Standards and Education (LEOSE) Fund.** The State Comptroller of Public Accounts is directed, under Section 1701.157 of the Texas Occupations Code, to make allocations from the Law Enforcement Officer Standards and Education (LEOSE) account to qualified law enforcement agencies. LEOSE funds are used to provide necessary training, as determined by the City Marshal, to full-time law enforcement support personnel within the Marshal Division including all Deputy City Marshals and telecommunicators. The Adopted Budget for FY2017 includes funding for training expenditures.

**Municipal Court Truancy Fund.** The Municipal Court Truancy Prevention & Diversion Project of the Special Trust Fund was established under the authority of Article 102.015 of the Texas Code of Criminal Procedure. This legislation allows a governing body of a municipality by ordinance to create a juvenile case manager fund. The Adopted Budget for FY2017 includes operational expenditures associated with truancy and juvenile programs.

**ENTERPRISE FUNDS**

**Municipal Airports Fund.** The FY2017 Adopted Budget for the Aviation Department provides funds for the operations of Alliance, Meacham and Spinks airports. The budget increased due to the addition of funds to cover the Management Agreement with Alliance Air Services and other operational expenses. Revenues are projected to increase due to additional landing fees collected and the availability of leasable space upon completion of the renovation of the Meacham Airport Administration Building scheduled for completion during FY2017.

**Municipal Parking Fund.** The FY2017 Municipal Parking Fund maintains five parking garages, 20 surface lots, and 2,700 metered spaces. The primary changes to the FY2017 Adopted Budget include a contribution to fund balance and a decrease in contractual services. In addition, the budget includes an increase for contract services for Standard Plus for the management and operation of parking garages. In addition, the budget includes 12 authorized positions.

**Solid Waste Fund.** As part of the Code Compliance Department, the Solid Waste Division is responsible for providing residential solid waste and recycling collection and disposal, operations at the drop-off stations, contract compliance, illegal dump cleanup, dead animal removal, and customer service through the City Call Center. The FY2017 Adopted Budget primary increases include pay-as-you-go capital projects, the addition of four positions related to the recycling program, one superintendent for nuisance abatement, one position for the litter abatement program and personnel costs. The elimination of the contractual recycle program partially offsets increases in expenses.
Stormwater Utility Fund. The Stormwater Utility Fund was authorized by the City Council in FY2006 to address storm runoff issues, reduce the risk of flooding in Fort Worth, preserve streams, minimize water pollution, and to more effectively operate the stormwater drainage system in compliance with state and federal regulatory requirements. The revenue budget is generated almost entirely from the Stormwater Fee charged to approximately 215,000 residential and commercial customers based on impervious surface area quantified into an Equivalent Residential Unit (ERU). For FY2017, the City’s rate per ERU remains unchanged at $5.40 per month. Additionally, major capital projects are funded by long-term debt and pay-as-you-go cash funding, allowing the Fund to program and implement system expansions related to the City’s growth and to replace aging and undersized infrastructure in an orderly manner. Over $1.5 billion of capital projects are identified as capital needs to address known flooding problems. Over $340 million of this backlog involves areas of the city where chronic flooding has occurred and presents an urgent threat to life and property. The Stormwater Capital Projects Program is heavily supported by revenue bond sales, with three sales totaling $150 million to date. The FY2017 budget includes a reduction in Debt Service Principal and Interest from the final payment of an Aviation Gas Lease Loan.

Water and Sewer Fund. The Water and Sewer Fund provides regional water and wastewater services to retail customers, including residential, commercial, and industrial users; as well as wholesale customers (other cities). The annual budget is based on the anticipated amount of services the various customers will require for the year. The primary increases in this budget include raw water purchase costs, wastewater treatment services provided by the Trinity River Authority, electricity costs, debt service due to a refunding and new debt issuance, and increases in transfers to the General Fund for street rental and other services. The budget also includes increases to capture the salary and benefits cost adjustments for the pay for performance program and for retired employees’ group health insurance. In addition the budget reflects a reduction in fleet allocations due to the reduced cost of fuel, oil, and lubricants as well as a decrease in payment in lieu of taxes based on the fixed asset valuation of the Utility’s plant and property and additional savings in salaries and benefits based on high vacancies.

INTERNAL SERVICE FUNDS

Capital Projects Service Fund. The Capital Projects Service Fund provides internal services to various departments for their capital infrastructure project needs based on a fee structure. The annual revenue and expenditure budgets are based on the anticipated amount of services the various departments and funds will require for the year. The FY2017 Adopted Budget fee structure stayed the same as FY2016 with an annual plan to decrease the rate of the fee structure over the next three to five years.

Equipment Services Fund. The Equipment Services Fund is the City’s fleet management fund. The Fleet Services Division of the Property Management Department manages all fuel purchased and provided for City vehicles and equipment; as well as the maintenance, oil and lube services, repair, acquisition and replacement of the City’s fleet. The most significant change to the FY2017 Adopted Budget includes a decrease in the cost of motor vehicle fuel owing to the continued slide in the unit cost of fuel for gasoline, diesel, and the fleet fuel card purchases. In addition, the adopted budget includes an increase of 7.50 authorized positions to a total of 113.50 authorized positions after the funding and approval of an improvement package. This will facilitate the servicing of the Water departments and other city vehicles.
Group Health and Life Insurance Fund. The Group Health and Life Insurance Fund provides funds for the health insurance for employees and their dependents, basic life insurance for employees and funding for the Employees’ Wellness Program. Expenditures are dependent on the aggregate cost of annual claims. The Fund’s revenues come from active employee contributions, contributions from City funds, and interest on investments. The FY2017 Adopted Budget decreased by a net of ($26,444,188) due to the transfer of funds for retiree healthcare expenses to the Retiree Healthcare Trust Fund. The budget decreased by 0.85 authorized positions transferred to the Retiree Healthcare Trust Fund. The Fund has 9.65 total authorized positions.

Information Systems Fund. The Information Technology (IT) Solutions Department provides internal services to General Fund departments and other funds for their IT services based on a fee structure through the Information Systems Fund. The annual revenue budget is based on the anticipated amount of services the various departments/funds will require for the year. Interdepartmental charges are primarily based on numbers for radio, telephone, and computing services. The primary changes to the FY2017 Adopted Budget include an increase for costs associated with the Enterprise Resource Planning financials going into operational status, radio system maintenance, and salaries adjustments regarding the class and compensation study.

Risk Financing Fund. Formed in FY2016, the Risk Financing Fund is comprised of Risk Management and Workers’ Compensation. The Risk Management function is comprised of the City’s commercial insurance program and self-insured programs, claims and litigation management and subrogation programs. It focuses on controlling costs from losses and costs incurred by the City due to accidents, as well as managing an integrated program responsible for the preservation and protection of the City’s resources and assets through loss prevention, loss control, and risk financing mechanisms. The Workers’ Compensation function is responsible for providing statutorily-mandated workers’ compensation benefits to City employees who are injured in the course and scope of employment for which compensation is payable under the Texas Workers’ Compensation Act. The FY2017 Adopted budget decreases due to transferring 0.50 of authorized positions to the Group Health and Life Insurance Fund and 0.30 of authorized positions to Financial Management Services-General Fund; changes in allocations for unemployment, tuition reimbursement, and ITS services; decrease in reinsurance premium and workers’ compensation expenses; and reduction of funds for pre-employment drug and alcohol testing. The budget increases due to a change in citywide method of budgeting for group health insurance for active employees and vacant positions and includes 3% increase for budgeted salaries for Pay for Performance.

The revenue allocations for the Risk Management Division remain at prior year level, which includes $500,000 as a planned contribution to the negative net position of the Fund - as part of a plan to bring the Fund into compliance with the established Financial Management Policy Statement Reserve Policies. The revenue allocations for the Workers’ Compensation Division remain at prior year level, excluding the $500,000 planned contribution towards fund balance. The Fund has 15.0 total authorized positions.

Retiree Healthcare Trust Fund. The Retiree Healthcare Trust Fund was formed in FY2016 to aid in the financial management activities and to demonstrate legal compliance with the administration of retired employee’s group benefits. This fund segregates functions and activities related to the administration of retirees and accounts for revenue generated and expenditures incurred for such administration. The Fund has 1.35 total authorized positions.